

CASE 358 - GUADALUPE FOOT-
MILLS UNIT

Case No.

358

Application, Transcript,
Small Exhibits, Etc.

Copy 654

August 25, 1954

C
O
P
Y

Stanolind Oil & Gas Company
Oil and Gas Building
Fort Worth, Texas

Re: Guadalupe Foothills Unit,
Eddy County, New Mexico

Gentlemen:

We have your letter dated July 22, 1954 requesting a six month extension of time in which to commence an additional test well in the above captioned unit agreement.

We approve your six month extension of time to February 10, 1955 provided like approval is obtained from the Oil Conservation Commission and United States Geological Survey.

Very truly yours,

E. S. WALKER
Commissioner of Public Lands

ACS?
Jan

cc: United States Geological
Survey, Roswell, N.M. (3)

Oil Conservation Commission
Santa Fe, N. Mex. (1)

254
OIL CONSERVATION COMMISSIC

P. O. BOX 871

SANTA FE, NEW MEXICO

August 2, 1954

C
O
P
Y

Stanolind Oil & Gas Company
Oil and Gas Building
Fort Worth, Texas

Subject: Guadalupe Foothills Unit,
Eddy County, New Mexico

Gentlemen:

Reference is made to your letter of July 22, 1954
requesting a six months extension of time in which to commence
an additional test well in the above captioned unit.

The New Mexico Oil Conservation Commission hereby
approves the requested six months extension of time to February
10, 1954. This approval is subject to like action by the Commis-
sioner of Public Lands, State of New Mexico, and the Director of
the U. S. G. S.

Very truly yours,

W. B. Macey
Secretary - Director

1954
WBM:jh

cc: State Land Office
Santa Fe, New Mexico

U. S. G. S.
Roswell, New Mexico

STANOLIND OIL AND GAS COMPANY

OIL AND GAS BUILDING

FORT WORTH, TEXAS

C. F. BEDFORD
DIVISION PRODUCTION SUPERINTENDENT

July 22, 1954

File: RLH-8291-216.92

Subject: Guadalupe Foothills Unit
Eddy County, New Mexico

RECEIVED JUL 23 AM 8:43
MAIN OFFICE CCC

Director of the United States Geological Survey
Department of the Interior
Roswell, New Mexico

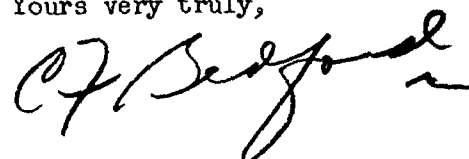
Commissioner of Public Lands, State of New Mexico
Capital Annex Building
Santa Fe, New Mexico

Oil Conservation Commission, State of New Mexico ✓
Capital Annex Building
Santa Fe, New Mexico

Gentlemen:

Please refer to your copy of our letter dated July 6, 1954, File: RLH-8278-216.92, which notified working interest owners in the subject Unit of our intention to file an "Application for Extension of Time for the Commencement of Test Well" for the second test in the Guadalupe Foothills Unit. This will advise that we have received the required approval of the working interest owners to permit this action. Attached hereto for your consideration are copies of such Application. Please advise if this request meets with your approval.

Yours very truly,



cc - All Working Interest Owners

APPLICATION FOR EXTENSION OF TIME FOR COMMENCEMENT OF TEST WELL

TO: THE DIRECTOR OF THE UNITED STATES GEOLOGICAL SURVEY
COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION, STATE OF NEW MEXICO

Stanolind Oil and Gas Company, as Unit Operator of the Unit Agreement for the Development and Operation of the Guadalupe Foothills Unit, County of Eddy, State of New Mexico, has heretofore completed the first test well referred to in Article 9 of said Unit Agreement, such well being a dry hole. Pertinent information on this well is as follows:

Well Designation: Guadalupe Foothills Unit Well No. 1

Location: 660' from the south line and 2160' from the east line of Section 20, T-22-S, R-25-E, Eddy County, New Mexico.

Elevation: 3964 feet, derrick floor

Spudding Date: November 29, 1952.

Formations Tested: Delaware Sand Top 2050' - 2 Tests; no show of gas or oil.
Bone Springs Top 4445' - 4 Tests; est. 50 MCFD 4500-4567'.
Wolfcamp Top 7935' - 1 Test; gas volume too small to measure.
Pennsylvanian Top 8700' - 3 Tests; est. 8 MCFD 10,680-10,742'.
Siluro-Devonian (Fusselman) Top 11,325' - 2 Tests; No show oil or gas.
Ellenburger Top 12,535' - 3 Tests; no show oil or gas.

13,034
Total Depth: ~~13,034~~ feet.

Casing Program: 13-3/8" casing set at 938' with cement circulated to surface; 9-5/8" casing set at 4499' with 200 sacks at 981' and 175 sacks at shoe.

Completion Data: Plugged back to 4600' to Bone Springs. Acidfrac 4499-4600' with 4000 gallons plus 2# sand per gallon. Swabbed in maximum flow 50 MCFD decreased to 20.3 MCFD in four days.

Completion Date: August 10, 1953, dry and abandoned.

According to Article 9 of the Unit Agreement, a second well was to have been commenced by February 10, 1954. On January 4, 1954, a six month extension of time to August 10, 1954, within which to commence drilling the second test well was approved by the acting director of the Geological Survey. Since Well No. 1 was drilled to a depth of 13,000 feet, the total costs were extremely high. For that reason, additional time was considered necessary to re-evaluate the geological data in the area prior to the commencement of the second test. Based on this re-evaluation, we now consider it advisable to attempt to make a suitable farmout of Stanolind acreage in this unit. We anticipate that the present extension period will expire before such a farmout can be consummated. Accordingly, we believe that a reasonable extension of time beyond August 10, 1954, for the commencement of such additional test well would be proper.

Accordingly, Stanolind Oil and Gas Company, Unit Operator under the Guadalupe Foothills Unit Agreement, hereby makes application to the Director, the Commissioner, and the Commission pursuant to Article 9 of said Unit Agreement for an extension of six months from August 10, 1954, for the commencement of the additional test well herein above referred to so that said test well shall be commenced on or before February 10, 1955.

APPLICATION FOR EXTENSION OF TIME FOR COMMENCEMENT OF TEST WELL - PAGE 2

IN WITNESS WHEREOF, this application is hereby made this _____ day
of _____, 1954.

ATTEST:

STANOLIND OIL AND GAS COMPANY
Unit Operator of the Guadalupe
Foothills Unit Agreement

Assistant Secretary

BY _____
Attorney-In-Fact

The foregoing application is hereby approved this _____ day of _____, 1954,
and the time for the commencement of the test well referred to in the foregoing
application is hereby extended to February 10, 1955.

DIRECTOR OF THE UNITED STATES
GEOLOGICAL SURVEY

BY _____

The foregoing application is hereby approved this _____ day of _____, 1954,
and the time for the commencement of the test well referred to in the foregoing
application is hereby extended to February 10, 1955.

COMMISSIONER OF PUBLIC LANDS
STATE OF NEW MEXICO

BY _____

The foregoing application is hereby approved this 2nd day of August, 1954,
and the time for the commencement of the test well referred to in the foregoing
application is hereby extended to February 10, 1955.

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

BY W. B. Macey

254
Dusty
fill

STANOLIND OIL AND GAS COMPANY

OIL AND GAS BUILDING

MAIN OFFICE 000

FORT WORTH, TEXAS

C. F. BEDFORD
DIVISION PRODUCTION SUPERINTENDENT

July 6, 1954

1954 JUL 11 AM 3:47

File: RLH-8278-216.92

Subject: Guadalupe Foothills Unit,
Eddy County, New Mexico

TO: ALL WORKING INTEREST OWNERS
GUADALUPE FOOTHILLS UNIT

(Mailing List Attached)

Gentlemen:

Attached is a copy of an "Application for Extension of Time for the Commencement of Test Well" for the second test in the Guadalupe Foothills Unit, which Stanolind Oil and Gas Company, as Unit Operator, proposes to file with the U.S.G.S., the State Land Commission of the State of New Mexico and the Oil Conservation Commission of the State of New Mexico.

If the terms of this application are satisfactory with you, it is requested that you signify your approval by signing in the space below and returning a copy of this letter to the undersigned.

You will recall that the U.S.G.S. previously approved on January 4, 1954, a six-month extension for the commencement of the second test well in this unit, in order that geological data in the area might be re-evaluated prior to commencing a second well. Based on this re-evaluation, we now consider it advisable to attempt to make a suitable farmout of our acreage in this unit. The six-month extension outlined in the attached application is believed necessary in order that such a farmout may be consummated.

In order that we may file this application with the appropriate regulatory bodies, we would appreciate an early answer to our request.

Yours very truly,

RLH:cp
Attachment

C. F. Bedford

APPROVED: _____
COMPANY: _____
DATE: _____

COPIES OF THE ATTACHED LETTER SENT TO THE FOLLOWING:

Commissioner of Public Lands
State of New Mexico
Santa Fe, New Mexico

Gulf Oil Corporation
P. O. Drawer 1290
Fort Worth, Texas

Oil Conservation Commission ✓
State of New Mexico
Santa Fe, New Mexico

The Superior Oil Company
Midland, Texas

Malco Refineries, Inc.
Box 660
Roswell, New Mexico

Honolulu Oil Corporation
P. O. Drawer 1391
Midland, Texas

Texas Trading Company, Inc.
P. O. Box 505
Dallas 1, Texas

Lucille Parker
212 North Kansas
Roswell, New Mexico

Magnolia Petroleum Company
P. O. Box 900
Dallas 1, Texas
Attention: Mr. G. W. Stell

Mr. D. C. DeVito
Box 645
Midland, Texas

Cities Service Oil Company
Bartlesville, Oklahoma

Henry Schafer, Inc.
Apco Tower
Oklahoma City, Oklahoma

APPLICATION FOR EXTENSION OF TIME FOR COMMENCEMENT OF TEST WELL

TO: THE DIRECTOR OF THE UNITED STATES GEOLOGICAL SURVEY
COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION, STATE OF NEW MEXICO

Stanolind Oil and Gas Company, as Unit Operator of the Unit Agreement for the Development and Operation of the Guadalupe Foothills Unit, County of Eddy, State of New Mexico, has heretofore completed the first test well referred to in Article 9 of said Unit Agreement, such well being a dry hole. Pertinent information on this well is as follows:

Well Designation: Guadalupe Foothills Unit Well No. 1

Location: 660' from the south line and 2160' from the east line of Section 20, T-22-S, R-25-E, Eddy County, New Mexico.

Elevation: 3964 feet, derrick floor

Spudding Date: November 29, 1952.

Formations Tested: Delaware Sand Top 2050' - 2 Tests; no show of gas or oil.
Bone Springs Top 4445' - 4 Tests; est. 50 MCFD 4500-4567'.
Wolfcamp Top 7935' - 1 Test; gas volume too small to measure.
Pennsylvanian Top 8700' - 3 Tests; est. 8 MCFD 10,680-10,742'.
Siluro-Devonian (Fusselman) Top 11,325 - 2 Tests; No show oil or gas.
Ellenburger Top 12,535 - 3 Tests; no show oil or gas.

Total Depth: 1334 feet.

Casing Program: 13-3/8" casing set at 938' with cement circulated to surface; 9-5/8" casing set at 4499' with 200 sacks at 981' and 175 sacks at shoe.

Completion Data: Plugged back to 4600' to Bone Springs. Acidfrac 4499-4600' with 4000 gallons plus 2# sand per gallon. Swabbed in maximum flow 50 MCFD decreased to 20.3 MCFD in four days.

Completion Date: August 10, 1953, dry and abandoned.

According to Article 9 of the Unit Agreement, a second well was to have been commenced by February 10, 1954. On January 4, 1954, a six month extension of time to August 10, 1954, within which to commence drilling the second test well was approved by the acting director of the Geological Survey. Since Well No. 1 was drilled to a depth of 13,000 feet, the total costs were extremely high. For that reason, additional time was considered necessary to re-evaluate the geological data in the area prior to the commencement of the second test. Based on this re-evaluation, we now consider it advisable to attempt to make a suitable farmout of Stanolind acreage in this unit. We anticipate that the present extension period will expire before such a farmout can be consummated. Accordingly, we believe that a reasonable extension of time beyond August 10, 1954, for the commencement of such additional test well would be proper.

Accordingly, Stanolind Oil and Gas Company, Unit Operator under the Guadalupe Foothills Unit Agreement, hereby makes application to the Director, the Commissioner, and the Commission pursuant to Article 9 of said Unit Agreement for an extension of six months from August 10, 1954, for the commencement of the additional test well herein above referred to so that said test well shall be commenced on or before February 10, 1955.

IN WITNESS WHEREOF, this application is hereby made this _____ day
of _____, 1954.

ATTEST:

STANOLIND OIL AND GAS COMPANY
Unit Operator of the Guadalupe
Foothills Unit Agreement

Assistant Secretary

BY _____
Attorney-In-Fact

The foregoing application is hereby approved this _____ day of _____, 1954,
and the time for the commencement of the test well referred to in the foregoing
application is hereby extended to February 10, 1955.

DIRECTOR OF THE UNITED STATES
GEOLOGICAL SURVEY

BY _____

The foregoing application is hereby approved this _____ day of _____, 1954,
and the time for the commencement of the test well referred to in the foregoing
application is hereby extended to February 10, 1955.

COMMISSIONER OF PUBLIC LANDS
STATE OF NEW MEXICO

BY _____

The foregoing application is hereby approved this _____ day of _____, 1954,
and the time for the commencement of the test well referred to in the foregoing
application is hereby extended to February 10, 1955.

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

BY _____

APPLICATION FOR EXTENSION OF TIME FOR COMMENCEMENT OF TEST WELL - PAGE 2

IN WITNESS WHEREOF, this application is hereby made this _____ day
of _____, 1954.

ATTEST:

STANOLIND OIL AND GAS COMPANY
Unit Operator of the Guadalupe
Foothills Unit Agreement

Assistant Secretary

BY _____
Attorney-In-Fact

The foregoing application is hereby approved this _____ day of _____, 1954,
and the time for the commencement of the test well referred to in the foregoing
application is hereby extended to February 10, 1955.

DIRECTOR OF THE UNITED STATES
GEOLOGICAL SURVEY

BY _____

The foregoing application is hereby approved this _____ day of _____, 1954,
and the time for the commencement of the test well referred to in the foregoing
application is hereby extended to February 10, 1955.

COMMISSIONER OF PUBLIC LANDS
STATE OF NEW MEXICO

BY _____

The foregoing application is hereby approved this _____ day of _____, 1954,
and the time for the commencement of the test well referred to in the foregoing
application is hereby extended to February 10, 1955.

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

BY _____

STANOLIND OIL AND GAS COMPANY

STANOLIND BUILDING

TULSA, OKLAHOMA

January 12, 1954

File: GBJ-41.447

Re: Guadalupe Foothills Unit
Eddy County, New Mexico
AFE-9365

PRODUCING DEPARTMENT
G. B. JENKINSON
UNITIZATION MANAGER

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

State Land Commission
State of New Mexico
Santa Fe, New Mexico

Gentlemen:

On January 4, 1954, Acting Director of the Geological Survey, Thomas B. Nolan, approved a six-month extension of time to August 10, 1954, within which to commence drilling the second test well under the Guadalupe Foothills Unit Agreement.

Enclosed is a copy of the approved Application for your records.

Yours very truly,

G. B. Jenkinson

By *J. A. Roy*

TAC/gjc
Enclosure

APPLICATION FOR EXTENSION OF TIME FOR COMMENCEMENT OF TEST WELL

TO: THE DIRECTOR OF THE UNITED STATES GEOLOGICAL SURVEY

RECEIVED

DEC 8 1953

U. S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

Stanolind Oil and Gas Company, as Unit Operator of the Unit Agreement for the Development and Operation of the Guadalupe Foothills Unit, County of Eddy, State of New Mexico, has heretofore completed the first test well referred to in Article 9 of said Unit Agreement, such well being a dry hole. The said Unit Operator is now obligated to commence the drilling of an additional Fusselman test well on the Unit Area on or before February 10, 1954; however, due to the drilling depth necessary to test the Fusselman, approximately 13,000 feet, the Operator believes that additional time is needed to re-evaluate the geological data in this area and that a reasonable extension of time for the commencement of such additional test well would be proper.

Premises considered, Stanolind Oil and Gas Company, Unit Operator under the Guadalupe Foothills Unit Agreement, hereby makes application to the Director of the United States Geological Survey, pursuant to Article 9 of said Unit Agreement, for an extension of one year for the commencement of the additional test well hereinabove referred to, so that said test well shall be commenced on or before February 10, 1955. Copies of this application have been filed with the Commissioner of Public Lands of the State of New Mexico and the Oil Conservation Commission of the State of New Mexico.

IN WITNESS WHEREOF, this application is hereby made this 7th day of December, 1953.

ATTEST:

[Signature]
Assistant Secretary

STANOLIND OIL AND GAS COMPANY
Unit Operator of the Guadalupe Foothills
Unit Agreement

BY [Signature]
Attorney-in-Fact



~~The foregoing application is hereby approved this _____ day of _____, 1953,~~
~~and the time for the commencement of the test well referred to in the foregoing~~
~~application is hereby extended to February 10, 1955.~~

Date Dec 7 1953
A one-year extension is deemed
excessive. Accordingly, a six-
month extension to August 10,
1954, is hereby approved.

DIRECTOR OF THE UNITED STATES
GEOLOGICAL SURVEY

BY _____

Thomas B. Nolan
Acting Director, Geological Survey

3-8
December 9, 1953

C
O
P
Y
Stanolind Oil and Gas Company
P. O. Box 1410
Fort Worth, Texas

Re: Guadalupe Foothills Unit,
Eddy County, New Mexico

Gentlemen:

We are in receipt of your letter dated December 7, 1953 together with your application requesting a one-year deferment of the commencement date of the second obligatory well in the Guadalupe Foothills Unit Agreement.

This office approves a six month extension for commencement of the additional well from and after February 10, 1954; provided, however, like consent therefor is obtained from the United States Geological Survey and Oil Conservation Commission.

Yours very truly,

E. S. WALKER
Commissioner of Public Lands

cc: United States Geological Survey
Roswell, New Mexico (3)
Oil Conservation Commission
Santa Fe, New Mexico

3.518

STANOLIND OIL AND GAS COMPANY
FORT WORTH, TEXAS

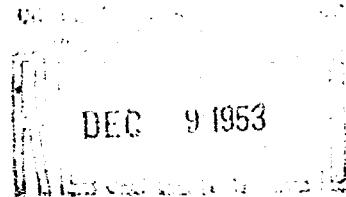
December 7, 1953

File: JTM-7897-216.92

Subject: Guadalupe Foothills Unit,
Eddy County, New Mexico

OK with Council

SPECIAL DELIVERY

Mr. John Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
P. O. Box 997
Roswell, New MexicoOil Conservation Commission
State of New Mexico
Santa Fe, New MexicoState Land Commission
State of New Mexico
Santa Fe, New Mexico

Gentlemen:

Stanolind Oil and Gas Company, as Unit Operator of the Guadalupe Foothills Unit, Eddy County, New Mexico, completed the first obligatory well in the Unit in August, 1953, this well being a dry hole to the Fusselman formation. This well was drilled in accordance with Section 9 of the Unit Agreement and formations down to and including the Fusselman were found to be non-productive.

The Unit Operator is obligated to commence drilling of an additional Fusselman test well on the Unit Area on or before February 10, 1954 in order to comply with the drilling requirements of Section 9 of the Unit Agreement. Due to the drilling depth necessary to test the Fusselman, approximately 13,000', the Unit Operator desires additional time to re-evaluate the geological data in this area. Upon completion of this re-evaluation, the Operator will then be in a position to determine future development in the Unit Area.

Section 9 of the Unit Agreement further provides that the Director and Commissioner may modify drilling requirements of the Unit Agreement by granting reasonable extensions of time, when, in his opinion, such

COPY

Page 2
December 7, 1953
JTM-7897-216.92

action is warranted. Stanolind, as Unit Operator, is hereby making application for a one-year deferment of the commencement date of the second obligatory well in the Unit. Copy of such application is attached.

We would appreciate your favorable consideration of this request.

Very truly yours,



JTM/ek

Attachments - U.S.G.S. (6)
Oil Conservation Commission (2) ✓
State Land Commission (2)

6-11-54

APPLICATION FOR EXTENSION OF TIME FOR COMMENCEMENT OF TEST WELL

TO: THE DIRECTOR OF THE UNITED STATES GEOLOGICAL SURVEY

Stanolind Oil and Gas Company, as Unit Operator of the Unit Agreement for the Development and Operation of the Guadalupe Foothills Unit, County of Eddy, State of New Mexico, has heretofore completed the first test well referred to in Article 9 of said Unit Agreement, such well being a dry hole. The said Unit Operator is now obligated to commence the drilling of an additional Fusselman test well on the Unit Area on or before February 10, 1954; however, due to the drilling depth necessary to test the Fusselman, approximately 13,000 feet, the Operator believes that additional time is needed to re-evaluate the geological data in this area and that a reasonable extension of time for the commencement of such additional test well would be proper.

Premises considered, Stanolind Oil and Gas Company, Unit Operator under the Guadalupe Foothills Unit Agreement, hereby makes application to the Director of the United States Geological Survey, pursuant to Article 9 of said Unit Agreement, for an extension of one year for the commencement of the additional test well hereinabove referred to, so that said test well shall be commenced on or before February 10, 1955. Copies of this application have been filed with the Commissioner of Public Lands of the State of New Mexico and the Oil Conservation Commission of the State of New Mexico.

IN WITNESS WHEREOF, this application is hereby made this 7th day of

December, 1953.

ATTEST:

Assistant Secretary

STANOLIND OIL AND GAS COMPANY
Unit Operator of the Guadalupe Foothills
Unit Agreement

BY C. H. Buford
Attorney-in-Fact

The foregoing application is hereby approved this ____ day of _____, 1953, and the time for the commencement of the test well referred to in the foregoing application is hereby extended to February 10, 1955.

DIRECTOR OF THE UNITED STATES
GEOLOGICAL SURVEY

BY _____

The foregoing application is hereby approved this 15th day of December, 1953, and the time for the commencement of the test well referred to in the foregoing application is hereby extended to May 15, 1953.

OIL CONSERVATION COMM.
By: P. R. Spencer

OIL CONSERVATION COMMISSION

P. O. BOX 871
SANTA FE, NEW MEXICO

July 22, 1952

558

C

Mr. Oliver Seth
Seth and Montgomery
Santa Fe, New Mexico

O

RE: Guadalupe Foothills Unit Agreement

Dear Mr. Seth:

P

Since I was unable to reach you by telephone, I would like to ask your opinion as to the standing of the captioned unit agreement.

Y

I discovered that the unit agreement was approved by the Commissioner of Public Lands on April 17, 1952. Order of the Commission was approved May 1, 1952.

Will this have any bearing on the legality of the Commissioner's signature? This is merely a routine question for my own information in the future.

Thanks,

BA

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF CON-
SIDERING:

CASE NO. 358
ORDER NO. R-149

THE APPLICATION OF STANOLIND OIL
AND GAS COMPANY FOR AN ORDER
APPROVING A PROPOSED UNIT AGREE-
MENT FOR THE DEVELOPMENT AND
OPERATION OF THE GUADALUPE FOOT-
HILLS UNIT AREA CONSISTING OF 25,924.50
ACRES SITUATED IN TOWNSHIPS 21, 22, AND
23 SOUTH, RANGES 24 AND 25 EAST, NMPM,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 15, 1952, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 1st day of May, 1952, the Commission, a quorum being present, having before it for consideration the testimony adduced at the hearing of said case and being fully advised in the premises:

FINDS: That the proposed unit plan will in principle tend to promote the conservation of oil and gas and the prevention of waste:

IT IS THEREFORE ORDERED:

That the order herein shall be known as the:

"GUADALUPE FOOTHILLS UNIT AGREEMENT ORDER"

SECTION 1. (a) That the project herein shall be known as the Guadalupe Foothills Unit Agreement and shall hereafter be referred to as the Project.

(b) That the plan by which the Project shall be operated shall be embraced in the form of a unit agreement for the development and operation of the Guadalupe Foothills Unit Area referred to in the Petitioner's petition and filed with said petition and such plan shall be known as the Guadalupe Foothills Unit Agreement Plan.

SECTION 2. That the Guadalupe Foothills Unit Agreement Plan shall be and is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval of said agreement shall not be considered as waiving or relinquishing in any manner any rights, duties, or obligations which are now or may hereafter be vested in the New Mexico Oil Conservation Commission by law relative to the supervision and control of operations for exploration and development of any lands committed to said Guadalupe Foothills Unit Agreement or relative to the production of oil or gas therefrom.

SECTION 3. (a) That the Unit Area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

T. 21 S., R. 25 E.,
Sec. 31, SE/4 NE/4, SE/4
Sec. 32, S/2 N/2, S/2
Sec. 33, NE/4, NE/4 NW/4, S/2 NW/4, S/2
Sec. 34, SW/4 NW/4, SW/4 SW/4 SE/4

T. 22 S., R. 24 E.
Sec. 1, All
Sec. 2, S/2 NE/4, SE/4
Secs. 11-14, inclusive, All
Sec. 22, E/2
Sec. 23-26, inclusive, All
Sec. 35, E/2, N/2 NW/4, SE/4 NW/4, E/2 SW/4
Sec. 36, All

T. 22 S., R. 25 E.
Sec. 2, W/2 W/2
Secs. 3-10, inclusive, All
Sec. 11, W/2 NW/4
Secs. 16-21, inclusive, All
Secs. 26-35, inclusive, All

T. 23 S., R. 25 E.,
Secs. 3 and 4, All.

Total Unit Area embraces 25,924.50 acres, more or less.

(b) The Unit Area may be enlarged or diminished as provided in said Plan.

SECTION 4. That the unit operator shall file with the Commission an executed original or executed counterpart thereof of the Guadalupe Foothills Unit Agreement not later than 30 days after the effective date hereof.

SECTION 5. That any party owning rights in the unitized substances who does not commit such rights to said Unit Agreement before the effective date thereof may thereafter become a party thereto by subscribing to such agreement or a counterpart thereof. The Unit Operator shall file with the Commission within 30 days an original or any such counterpart.


SECTION 6. That this order shall become effective on the first day of the calendar month next following the approval of the Commissioner of Public Lands and the Director of the United States Geological Survey and shall terminate ipso facto on the termination of said Unit Agreement. The last Unit Operator shall immediately notify the Commission in writing of such termination.

-3-

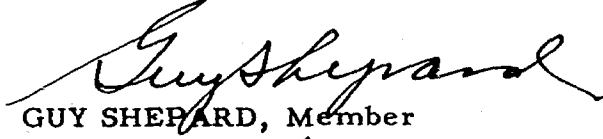
Case No. 358
Order No. R-149

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

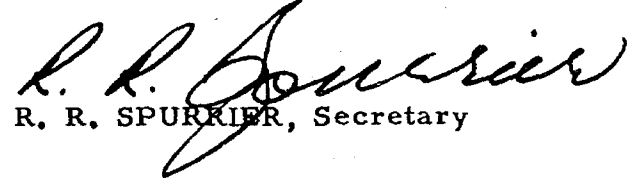
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



GUY SHEPARD, Member



R. R. SPURRIER, Secretary

S E A L

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
RECEIVED
JUN 8 1951
ALBUQUERQUE

BEFORE THE
OIL CONSERVATION COMMISSION
May 22, 1951

TRANSCRIPT OF PROCEEDINGS

Case No. 254

E. E. GREESON
COURT REPORTER
UNITED STATES COURT HOUSE
TELEPHONE 2-8872 1547
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION

May 22, 1951

CASE NO. 254: This is an application of Stanolind Oil and Gas Company for the Guadalupe Foothills Unit Agreement, generally in Twps. 22 and 23 S, R. 25 E, which was continued from the February hearing to May 22 hearing.

(Mr. Graham reads Notice of Publication in Case No. 254.)

MR. BOND: For Stanolind Oil and Gas Company, Lewis H.

Bond. We are in the process of enlarging the area to be included in the Guadalupe Foothills Unit and as a consequence, more time will be required before this unit is ready for approval. I would like to request that it be reset for the August state-wide hearing.


MR. SPURRIER: Without objection, I will recommend that this case be continued to the August 21 hearing.

If there are no further comments in this case, we will take up Case No. 269.

C E R T I F I C A T E

I HEREBY CERTIFY that the foregoing and attached transcript of proceedings before the Oil Conservation Commission, held at Santa Fe, New Mexico on May 22, 1951, is a true and complete record to the best of my knowledge, skill and ability.

Dated at Albuquerque, this 4 day of June, 1951.


Reporter

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

~~~~~  
TRANSCRIPTION OF HEARING

CASE NO. 254

August 21, 1951

(DATE)

E. E. GREESON  
ADA DEARNLEY  
COURT REPORTERS  
BOX 1302  
PHONE 2-4547  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

-----

In re:

This case, continued upon motion  
of the applicant, Stanolind Oil and  
Gas Company (by Order R-73) is concerned  
with Stanolind's request for approval  
of the Guadalupe Foothills Unit Agreement.

No. 254

TRANSCRIPT OF HEARING

August 21, 1951

MR. SHEPARD: The next case is 254.

(Mr. Graham reads the Notice of Publication.)

MR. BOND: Louis H. Bond, representing the Stanolind Oil and Gas Company.

There are certain matters pertaining to the unitization agreement which the form of the unitization agreement I -- which have not been agreed on by the interested parties, -- I would like that the case be continued until the November 1951 hearing to allow additional time to reach an agreement by all concerned.

MR. SHEPARD: Without objection this will be continued to the November hearing.

- - - -

STATE OF NEW MEXICO )  
                              : SS.  
COUNTY OF BERNALILLO )

I HEREBY CERTIFY that the foregoing and attached transcript of proceedings before the Oil Conservation Commission in Case No. 254, taken on August 21, 1951, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico this \_\_\_\_\_ day of \_\_\_\_\_, 1951.

\_\_\_\_\_  
REPORTER

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

TRANSCRIPT OF HEARING

CASE NO. 254

November 20, 1951

E. E. GREESON  
ADA DEARNLEY  
COURT REPORTERS  
BOX 1302  
PHONES 5-9422 AND 5-9546  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

---

In Re:

In the Matter of the application )  
of Stanolind Oil and Gas Company )  
for approval of the Guadalupe )  
Foothills Unit Agreement. )

Case No. 254

-----  
TRANSCRIPT OF HEARING

November 20, 1951

ADA DEARNLEY, COURT REPORTER

(Mr. Kellahin reads the notice of publication.)

MR. BONN: I am H. H. Bonn, representing Stanolind Oil & Gas Company. I would like to advise the Commission that we have not yet obtained sufficient commitments to submit this case for approval. I would like to ask an additional continuance, which I hope will be the final one to the January, regular January hearing.

CHAIRMAN SPURRIER: Without objection, this case will be continued to the regular January hearing. The hearing is hereby recessed to approve the proration schedule 'til Friday the 14th of December.

(Whereupon, the hearing was recessed until December 14, 1951.)

STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO ) ss

I HEREBY CERTIFY that the foregoing and attached Transcript of Proceedings in Case No. 254, before the Oil Conservation Commission, taken on November 20, 1951, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, Dec. 21,  
1951.

Ada Dearnley  
REPORTER

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

\*\*\*\*\*

Transcript of Hearing

CASE NO. 254

\*\*\*\*\*

January 22, 1952

Henrickson's Reporting Service  
2224 - 47th Street  
Los Alamos, New Mexico

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

January 22, 1952

-----  
Case 254: In the matter of the application of Stanolind Oil and Gas Company for approval of the Guadalupe Foothills Unit Area consisting of 11,404 acres, more or less, located in Township 22 and 23 South, Range 25 East, NMPM, Eddy County, New Mexico.

LEWIS H. BOND.

testified as follows:

MR. BOND: During the past month, it has been necessary for us to suspend work on this unit pending a review of our <sup>Survey work.</sup> conveyor. We have made that review and have once again gone to work on this unit. We would like to request that this be set for hearing in March.

MR. SPURRIER: Without objection, your application or your request will be granted and the case will be continued to the regular March hearing, which is set for March 20th. We will take a recess for lunch till 1:30 p.m.

-----  
STATE OF NEW MEXICO )  
COUNTY OF LOS ALAMOS ) ss.

I hereby certify that the foregoing and attached transcript of hearing in Case 254 before the Oil Conservation Commission on January 22, 1952, at Santa Fe is a true record of the same to the best of my knowledge, skill and ability.

DATED at Los Alamos, this 28th day of January, 1952.

Andrey M. Henriksen

My Commission expires September 20, 1955.

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

January 22, 1952

-----

Case 254: In the matter of the application of Stanolind Oil and Gas Company for approval of the Guadalupe Foothills Unit Area consisting of 11,404 acres, more or less, located in Township 22 and 23 South, Range 25 East, NMPM, Eddy County, New Mexico.

LEWIS H. BOND,

testified as follows:

MR. BOND: During the past month, it has been necessary for us to suspend work on this unit pending a review of our <sup>Survey work.</sup> conveyor. We have made that review and have once again gone to work on this unit. We would like to request that this be set for hearing in March.

MR. SPURRIER: Without objection, your application or your request will be granted and the case will be continued to the regular March hearing, which is set for March 20th. We will take a recess for lunch till 1:30 p.m.

-----

STATE OF NEW MEXICO )  
COUNTY OF LOS ALAMOS ) ss.

I hereby certify that the foregoing and attached transcript of hearing in Case 254 before the Oil Conservation Commission on January 22, 1952, at Santa Fe is a true record of the same to the best of my knowledge, skill and ability.

DATED at Los Alamos, this 28th day of January, 1952.

Audrey M. Henriksen

My Commission expires September 20, 1955.

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

---

In the Matter of Stanolind  
Oil and Gas Company's appli-  
cation for approval of the  
Guadalupe Foothills Unit  
Agreement.

No. 254

TRANSCRIPT OF HEARING

March 20, 1952

E. E. GREESON  
ADA DEARNLEY  
COURT REPORTERS  
BOX 1303  
PHONES 5-9422 AND 5-9546  
ALBUQUERQUE, NEW MEXICO

(Mr. Graham reads the notice of publication.)

MR. BOND: I am L. H. Bond for Stanolind Oil and Gas Company. It is my understanding, Mr. Spurrier, this case has been dismissed and will be readvertised for the April state-wide hearing.

MR. SPURRIER: That is correct.

MR. BOND: Thank you.

STATE OF NEW MEXICO  
COUNTY OF BERNALILLO

ss

I HEREBY CERTIFY That the foregoing transcript is a true record of the matters therein set forth.

DONE at Albuquerque, N. M., March 21, 1952

  
Notary Public

My Commission Expires: 8-4-52

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

TRANSCRIPT OF PROCEEDINGS  
CASE NO. 358

April 15, 1952

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ROOM 12, CROMWELL BLDG  
PHONES 7-9645 AND 5-9541  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

April 15, 1952

-----  
In the Matter of:

Stanolind's application for approval  
of Guadalupe Foothills Unit Agree-  
ment embracing 25,924.50 acres of  
land in Townships 21, 22 and 23 South,  
Ranges 24 and 25 East, Eddy County,  
New Mexico.

Case No. 358

-----  
(Notice of Publication read by Mr. Graham.)

MR. SETH: Seth and Montgomery appearing on the behalf  
of Stanolind Oil and Gas Company. This is the application in the  
usual form for approval of a unit area known as the Guadalupe  
Unit area.

T O M L. I N G R A M,

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. SETH:

Q Would you state your name and the position you hold,  
Mr. Ingram.

A Tom L. Ingram, District Geologist for Stanolind Oil and  
Gas in southern New Mexico district.

Q You have never testified before this Commission before?

A No, I have not.

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ROOM 12, CROMWELL BLDG.  
PHONES 7-6645 AND 5-9546  
ALBUQUERQUE, NEW MEXICO

Q State your qualifications.

A Have Bachelor of Science in Geological Engineering from the University of Oklahoma, one year of geo-physical work with Petti Geo-physical Engineering Company, and just slightly less than five years of geological work with Stanolind.

Q The nature of your work with Stanolind?

A Both of a sub-surface and surface nature and served as area geologist and now district geologist.

MR. SETH: Are the witness' qualifications acceptable?

MR. SPURRIER: They are.

Q In your capacity have you ever become familiar with the geology in the area which is now known as the Guadalupe Foothills Unit area in Eddy County, New Mexico?

A I have.

Q Would you state to the Commission the general geological basis for the unit and the application for the approval thereof.

A Well, geographically speaking, the unit is located some 15 miles west of Carlsbad in central Eddy County, New Mexico, Township 21, 22, 23, South, Ranges 24 and 25 East. From a geological standpoint it is located on the Toya-Mesilla Dissected Plateau which forms the eastern prong of the Guadalupe Mountains. It is separated from Seven Rivers Enbankment by High Cliffs on the west and it is bounded on the south by the Capitan Mountain. The surface is covered by Tansill, Yates and Seven

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ROOM 12, CROMWELL BLDG.  
PHONES 7-9645 AND 5-9546  
ALBUQUERQUE, NEW MEXICO

Rivers formation of the Guadalupe series and there is a small amount of Alluvian in the valleys. We have constructed, our geologists have constructed a surface map of the area, Stanolind geologists have.

Q What formations do you expect to encounter within the unit area?

A Well, the formations that we expect to encounter in the area, beginning at the permian age, Yates, Seven Rivers and Carlsbad from a depth of, say, zero to 1600 feet. The Delaware Mountain from 1600 to 2550 feet. The Bonn Springs from 2550 to 5500. The Hueco from 5500 to 8500 feet. Then enter the Magdalena formation and Pennsylvanian age from 8500 to 9700 feet. Then undifferentiated lime stones of Mississippian age, with possibly some Devonian, that being a depth of 9700 to 10,700 feet. Then the Fusselman Formation of Silurian age at 10,300 to 10,850 feet.

Q The expected test is at the Silurian formation, is that correct?

A Yes.

Q Do you have a map showing the unit boundaries in it?

A Yes, I have one here.

MR. SETH: We would like to offer this map as Stanolind's Exhibit No. 1.

MR. SPURRIER: Without objection it will be received.

Q Would you describe how the unit boundaries were determined as shown on this map?

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ROOM 12, CROMWELL BLDG.  
PHONES 7-8648 AND 5-9546  
ALBUQUERQUE, NEW MEXICO

A The map was prepared by geologists based on surface elevations of various beds. United States Geologic Survey bench marks were used and all traverses closed and there were several different datums within the Yates formation; however, they were all reduced to a single datum at the top of the original sandstone members some 700 feet below the top of the Yates.

Q Do you believe that there is a reasonable expectation of encountering oil and gas within the unit area?

A Yes, we do, based on other deep wells in the area that have shown porosity in the Fusselman formation as well as in the shallower formations.

Q In your opinion will the development of this area as a unit lead to the greatest ultimate recovery of oil?

A Yes, I think so.

Q Do you believe that operation of this area under a unit plan, under a unit plan as proposed here, will give to the state its fair share of the oil and gas?

A Yes, it will.

Q Do you also believe that the operation of this area under the unit plan will lead to the most orderly and most rapid development of this particular area?

A Yes, I think definitely orderly development based on the structural position.

MR. SETH: That is all the questions I have. If the Commission, please.

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ROOM 12, CROMWELL BLDG.  
PHONES 7-9645 AND 5-9646  
ALBUQUERQUE, NEW MEXICO

MR. SPURRIER: Anyone have a question? If not, the witness may be excused.

(Witness excused.)

E L M E R   J A C K S O N,  
having been first duly sworn, testified as follows:

DIRECT   EXAMINATION

By MR. SETH:

Q   State your name and position, Mr. Jackson.

A   Elmer Jackson, employed in the unitization section of Stanolind Oil and Gas Company in Tulsa.

Q   Are you familiar with the unit agreement known as the Guadalupe Foothills Unit agreement?

A   I am, sir.

Q   Would you state to the Commission in general terms the provisions of the unit, if it varies in any material respect from unit agreements previously considered by the Commission?

A   It does not vary in any respect from agreement previously approved by the Commission. It is the usual type of exploratory unit agreement. It provides for the commencement of the initial test well within six months from the final approval of the unit agreement. It provides that in the event that well is completed as a dry hole an additional well will be commenced in six months unless that obligation is either extended or the unit is terminated according to its own provisions. If the well is completed

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ROOM 12, CROMWELL BLDG.  
PHONES 7-9645 AND 5-9646  
ALBUQUERQUE, NEW MEXICO

as a producer the agreement requires a filing of a plan of development with the Commissioner and the Commission to provide for further development of the structure.

Q Do you have a map showing the unit boundaries and the division of ownership?

A I have.

MR. SETH: We would like to offer this as Stanolind's Exhibit No. 2.

MR. SPURRIER: Without objection it will be received.

Q Would you describe to the Commission, briefly, what this map shows by way of the division of ownership within the area?

A The map depicts by color the type of land that is involved in the unit, state, federal and patented land. In addition it describes each lease by a tract number and indicates the owner of the working interest under that lease.

Q Would you state in percentages the ownership of the lands within the area?

A Federal land constitutes approximately 83 per cent of the unit area, state land slightly in excess of  $14\frac{1}{2}$  per cent, and patented land approximately  $2\frac{1}{2}$  per cent.

Q Do you have executed copies of the unit agreement?

A I have two copies.

MR. SETH: If the Commission please, we would like to offer these two copies as Stanolind's exhibits with the right to

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ROOM 12, CROMWELL BLDG.  
PHONES 7-9845 AND 5-9846  
ALBUQUERQUE, NEW MEXICO

withdraw them and substitute copies not executed.

MR. SPURRIER: Very well.

Q Would you state, please, Mr. Jackson, the proportion of acreage within the various categories committed to the unit at this time?

A The total presently committed to the unit is 93 per cent and we have reasonable expectation that another three-quarters of one per cent will be committed, and the remaining six and one-quarter per cent have refused to join the unit at this time. As to the state acreage, there is presently committed 2880 acres, or  $76\frac{1}{2}$  per cent of the total state acreage. We have reasonable expectation an additional 40 acres, or one per cent of the state acreage, will eventually be committed; and the owners of 840 acres of state land, or approximately  $22\frac{1}{2}$  per cent, have refused to join the unit.

Q Does the agreement provide that later that interested owners may join at later dates?

A It does so provide.

Q And opportunity given to them to commit their acreage? If they desire they will be given that opportunity?

A Yes.

Q In your opinion, Mr. Jackson, do the terms of the agreement provide that the state will receive its fair share of the oil and gas that is recoverable?

A In my opinion it does, yes, sir.

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ROOM 12, CROMWELL BLDG.  
PHONES 7-9645 AND 5-9546  
ALBUQUERQUE, NEW MEXICO

Q Do you believe that the operation under this unit agreement in this area will tend to conserve critical materials and equipment?

A It definitely will.

Q Will it, in your opinion, promote the orderly and rapid development of this particular area?

A Yes, sir.

Q Will it likewise lead to the greatest ultimate recovery of oil and gas?

A Yes, sir.

Q Do you believe and is it in your opinion in the best interest of the State of New Mexico?

A It is.

MR. SETH: I believe that is all of this witness.

MR. SPURRIER: Any questions of this witness? If not, the witness may be excused.

MR. SETH: That is all our testimony on 358, if the Commission please.

MR. SPURRIER: The case will be taken under advisement and the next case is Case 359.

(Witness excused.)

STATE OF NEW MEXICO     )  
                              :  
COUNTY OF BERNALILLO    )

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Case No. 358 before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on April 15, 1952, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this \_\_\_\_\_ day of April, 1952.

\_\_\_\_\_  
REPORTER

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ROOM 12, CROMWELL BLDG.  
PHONES 7-9645 AND 5-9646  
ALBUQUERQUE, NEW MEXICO

OIL CONSERVATION COMMISSION

P. O. BOX 871  
SANTA FE, NEW MEXICO

April 2, 1952

C  
Mr. Oliver Seth  
SETH & MONTGOMERY  
Santa Fe, New Mexico

Dear Mr. Seth: RE: OCC Cases 358 and 359

O  
You will note that the Guadalupe Foothills and Polecat  
Canyon Unit Agreements (Stanolind Oil and Gas Company  
applications) have been set for hearing on April 15,  
1952, as Cases 358 and 359, respectively.

P  
Enclosed is an informal docket sheet listing cases and  
continuations for the April 15 session.

Very truly yours,

Y  
Chief Engineer

J. O. SETH  
A. K. MONTGOMERY  
OLIVER SETH  
WM. FEDERICI  
JUSTIN T. REID

SETH AND MONTGOMERY  
ATTORNEYS AND COUNSELORS AT LAW  
III SAN FRANCISCO ST.  
SANTA FE, NEW MEXICO

March 14, 1952

New Mexico Oil Conservation Commission  
Santa Fe  
New Mexico

Attention: Mr. R. R. Spurrier

Re: Case No. 254  
Guadalupe Foothills Unit Agreement  
Stanolind Oil and Gas Company

Gentlemen:

The Stanolind Oil and Gas Company has filed a new application for approval of the Guadalupe Foothills Unit Agreement, as amended.

It is respectfully requested that the previous petition be dismissed and, likewise, that Case No. 254 be dismissed.

Very truly yours,

STANOLIND OIL AND GAS COMPANY

BY

Oliver Seth  
Its Agent and Attorney

OS/mfl

In the Matter of the Unit Agreement )  
for the Development and Operations )  
of the Guadalupe Foothills Unit Area, )  
County of Eddy, State of New Mexico )

#358  
Application for Approval of  
Termination of the  
Guadalupe Foothills Unit Agreement  
Pursuant to Section 20 Thereof

To: The Honorable Director of the Geological Survey,  
Department of the Interior, Washington, D. C. *file*

The Honorable Commissioner of Public Lands  
of the State of New Mexico

RECEIVED  
STATE LAND OFFICE  
MAY 9 8 00 AM '55  
LAND

The State of New Mexico Oil Conservation Commission

Stanolind Oil and Gas Company as Unit Operator and in its own behalf as owner of over seventy-five percent (75%), on an acreage basis, of the working interests signatory to the Guadalupe Foothills Unit Agreement, Sec. No. 951, hereby respectfully requests approval of the Director, the Commissioner and the Commission to the immediate termination of said agreement, pursuant to Section 20 thereof.

In support of this Application for Termination, the following is respectfully submitted.

1. Pursuant to Section 9 of said Unit Agreement, the Guadalupe Unit Well #1 was spudded on November 29, 1952, at a location 660' from the south line and 2160' from the east line of Section 20, Township 22 South, Range 25 East, Eddy County, New Mexico, and drilled to a total depth of 13,034 feet at a cost of \$391,529. The well was completed as a dry hole and abandoned on August 10, 1953.

2. Elevation of the derrick floor was 3964', and various formations were tested without encountering commercial oil or gas showings, as follows:

|                                         |                                         |
|-----------------------------------------|-----------------------------------------|
| Delaware Sand Top 2050'                 | 2 tests; no show of gas or oil          |
| Bone Springs Top 4445'                  | 4 tests; est. 50 MCFD. 4500-4567'       |
| Wolfcamp Top 7935'                      | 1 test; gas volume too small to measure |
| Pennsylvanian Top 8700'                 | 3 tests; est. 8 MCFD. 10,680-10,742'    |
| Siluro-Devonian (Fusselman) Top 11,325' | 2 tests; no show of oil or gas          |
| Ellenberger Top 12,535'                 | 3 tests; no show of oil or gas          |

The undersigned believes that it is reasonably determined that the unitized land is incapable of production of unitized substances in paying quantities in the formations tested, and it and the other working interest owners in the unit have been unwilling to incur the expense and risk of drilling any additional wells. We have been unsuccessful in attempts to interest other parties in drilling another well on a farmout basis.

Dated this 4 day of May, 1955.

ATTEST:

*J. W. Howard*  
Assistant Secretary

STANOLIND OIL AND GAS COMPANY

By *Frank Lindemann*  
Vice-President



STATE OF OKLAHOMA )  
COUNTY OF TULSA )

On this 4th day of May, 1955, before me appeared FRANK LINDEMAN, JR., to me personally known, who, being by me duly sworn, did say that he is the vice President of STANOLIND OIL AND GAS COMPANY and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said FRANK LINDEMAN, JR. acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this 4th day of May, 1955.

My commission expires:

My Commission Expires October 4, 1955

Maxine M. Adams  
Notary Public  
Maxine McAdams

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to said instrument is the corporate seal of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_

\_\_\_\_\_  
Notary Public

The foregoing application is hereby approved this \_\_\_\_\_ day of \_\_\_\_\_, 1955, and the Guadalupe Foothills Unit Agreement is hereby terminated.

Director of the United States Geological Survey

By \_\_\_\_\_

The foregoing application is hereby approved this 9th day of May, 1955, and the Guadalupe Foothills Unit Agreement is hereby terminated.

E. Swalker

Commissioner of Public Lands

The foregoing application is hereby approved this 18 day of May, 1955, and the Guadalupe Foothills Unit Agreement is hereby terminated.

State of New Mexico  
Oil Conservation Commission

By orig /s/ WPM

# STANOLIND OIL AND GAS COMPANY

STANOLIND BUILDING

TULSA, OKLAHOMA

PRODUCING DEPARTMENT  
G. B. JENKINSON  
UNITIZATION MANAGER

March 11, 1953

File: OBJ-41.447

Re: Guadalupe Foothills Unit  
Eddy County, New Mexico

Mr. John Anderson, Regional Supervisor  
Oil and Gas Operations  
United States Geological Survey  
Roswell, New Mexico

Dear Sir:

Enclosed herewith for departmental distribution please find four (4) counterparts of "Ratification and Joinder of Unit Agreement" and three (3) counterparts of "Ratification and Joinder of Unit Operating Agreement", relating to the Guadalupe Foothills Unit. These instruments have been fully executed by the Honolulu Oil Corporation, an owner of Working Interest in Tract 26-B which is included in the Unit Area.

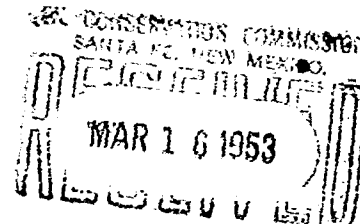
In accordance with provisions set forth in the Guadalupe Foothills Unit Agreement concerning subsequent joinders, Stanolind Oil and Gas Company, as Unit Operator, has indicated on the enclosed instruments its acceptance of this joinder.

Yours very truly,

*G. B. Jenkinson*  
G. B. Jenkinson

Enclosures

cc w/Enclosures: See Attached List



COPIES OF THE ATTACHED LETTER SENT TO THE FOLLOWING:

Commissioner of Public Lands  
State of New Mexico  
Santa Fe, New Mexico

Gulf Oil Corporation  
P. O. Drawer 1290  
Fort Worth, Texas

Oil Conservation Commission ✓  
State of New Mexico  
Santa Fe, New Mexico

The Superior Oil Company  
Midland,  
Texas

Malco Refineries, Inc.  
Box 660  
Roswell, New Mexico

Honolulu Oil Corporation  
P. O. Drawer 1391  
Midland, Texas

Texas Trading Company, Inc.  
P. O. Box 505  
Dallas 1, Texas

Lucille Parker  
212 North Kansas  
Roswell, New Mexico

Magnolia Petroleum Company  
P. O. Box 900  
Dallas 1, Texas  
Attn: Mr. G. W. Stell

Mr. D. C. De Vito  
Box 645  
Midland, Texas

Cities Service Oil Company  
Bartlesville,  
Oklahoma

OIL CONSERVATION COMMISSION

P. O. BOX 871  
SANTA FE, NEW MEXICO

1002  
254  
254

January 3, 1953

C

Stanolind Oil and Gas Company  
Stanolind Building  
Tulsa, Oklahoma

O

Attention: Mr. G. B. Jenkinson - Unitization Manager

Gentlemen:

P

This will acknowledge receipt on December 20, 1952  
of Ratification and Joinder of Unit Agreement, Guadalupe Foothills  
Unit, Eddy County, New Mexico, executed by Virginia Hess and  
R. M. Hess with reference to Tract 26B.

Y

Also, receipt of Ratification and Joinder of Unit  
Agreement for the abovementioned Unit executed by M. B.  
Kincaid and wife, Cordella Kincaid with reference to Tract 70.

Very truly yours,

R. R. Spurrier  
Secretary - Director

lh

# STANOLIND OIL AND GAS COMPANY

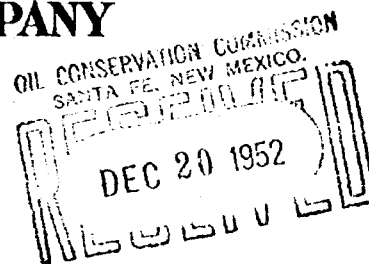
PRODUCING DEPARTMENT  
G. B. JENKINSON  
UNITIZATION MANAGER

STANOLIND BUILDING  
TULSA, OKLAHOMA

December 17, 1952

File: GBJ-41.447

Re: Guadalupe Foothills Unit  
Eddy County, New Mexico



Director,  
New Mexico Oil and Gas Conservation Commission  
Santa Fe, New Mexico

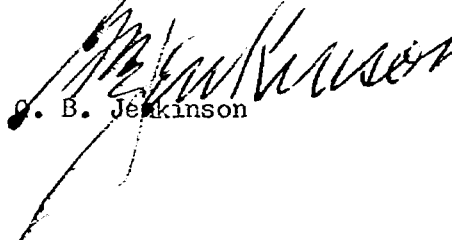
Commissioner of Public Lands  
State Land Office  
Santa Fe, New Mexico

Gentlemen:

We transmit herewith to each of you, a photostatic copy of the Ratification and Joinder of Unit Agreement executed by Virginia Hess and R. M. Hess. This serves to commit their interest under Tract 26B of the Guadalupe Foothills Unit.

In addition, we are furnishing a photostatic copy of the Ratification and Joinder of Unit Agreement executed by M. B. Kincaid and wife, Cordella Kincaid. This interest was previously committed by John W. Hair, who subsequently sold his entire interest to the Kincaids. This fully commits Tract 70 to the Guadalupe Foothills Unit.

Yours very truly,

  
G. B. Jenkinson

LLB:hs  
Attachment

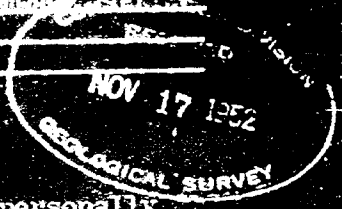
...of the provisions ...  
 ...shall constitute and carry out of all such obligations to the under-  
 signed existing under such leases as hereinafter.

...may be executed in any number of counterparts, each of which shall be deemed as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

This jointure is limited to the SE/4, SW/4 of the NE/4 of Sec. 31, T-21S, R-25E only.

SIGNATURES AND ADDRESSES

|                         |                                    |
|-------------------------|------------------------------------|
| Name <u>Harmon Hunt</u> | Name _____                         |
| Address <u>_____</u>    | Address _____                      |
| Name <u>_____</u>       | Name <u>RECEIVED</u>               |
| Address <u>_____</u>    | Address <u>NOV 14 1952</u>         |
| Name _____              | Name <u>U.S. GEOLOGICAL SURVEY</u> |
| Address _____           | Address <u>ROSWELL, NEW MEXICO</u> |



STATE OF Arizona  
 COUNTY OF YAVAPAI

On this 18 day of August, 1952, before me personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as his free act and deed.

WITNESSED my hand and seal of office this 18 day of Aug. 1952

Secretary of the Interior of the United States, and in the event it is applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned makes an investment herein is extended and applied to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas and any and all contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

#### SIGNATURES AND ADDRESSES

Name W. B. Kinnear  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name Candella Kinnear  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

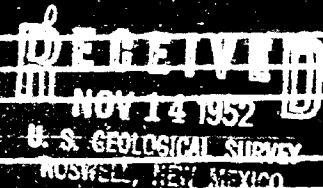
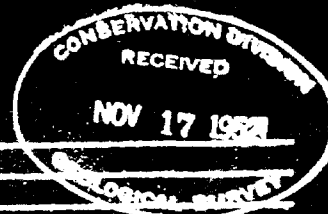
Name \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

STATE OF NEW MEXICO  
COUNTY OF DOUGLAS

On this 23 day of September, 1952, before me personally appeared W. B. Kinnear and Candella Kinnear to me known to be the person s described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 23 day of Sept, 1952.



# STANOLIND OIL AND GAS COMPANY

STANOLIND BUILDING

TULSA, OKLAHOMA

PRODUCING DEPARTMENT  
G. B. JENKINSON  
UNITIZATION MANAGER

August 29, 1952

File: GBJ-41.447

Re: Guadalupe Foothills  
Eddy County, New Mexico

Director  
New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Commissioner of Public Land  
State Land Office  
Santa Fe, New Mexico

Gentlemen:

With this letter, we are transmitting to each of you corrected pages numbered 6, 8 and 17 of Exhibit "B" to the Guadalupe Foothills Unit Agreement. The corrections are as follows:

1. Page 6 is corrected to show the acreage total under Tract 22 as 640.96 acres rather than 640 acres.
2. Page 8 is corrected to show the changed total for Federal acreage which is now 21,522.25.
3. Page 17 is corrected to show the changed total Federal acreage and the changed total unit area which is now 25,925.46 acres.

Please note that the percent figures remain unchanged.

We suggest that you remove and destroy pages numbered 6, 8 and 17 of Exhibit "B" now contained in your copies of the aforementioned Unit Agreement and insert these corrected pages.

Yours very truly,

G. B. Jenkinson

By: *S. A. Stocker*

JEM:ww  
Enclosures

*Case 258  
264*

*(from total 25,924.50)*

| TRACT NO.            | DESCRIPTION                                | NO. OF ACRES | SERIAL NO.<br>LAS CRUCES<br>(Except as otherwise shown) AND DATE OF LEASE | PERCENTAGE OF USA ROYALTY | RECORD OWNER OF LEASE OR APPLICATION | OVERRIDING ROYALTY OWNERS & PERCENTAGE                                       | WORKING INTEREST OWNER UNDER OPTION AGREEMENT OPERATING AGREEMENT LEASE OR ASSIGNMENT AND PERCENTAGE INTEREST |
|----------------------|--------------------------------------------|--------------|---------------------------------------------------------------------------|---------------------------|--------------------------------------|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <u>FEDERAL LANDS</u> |                                            |              |                                                                           |                           |                                      |                                                                              |                                                                                                               |
| 21A                  | T22S-R25E                                  |              |                                                                           |                           |                                      |                                                                              |                                                                                                               |
|                      | Sec. 4: SE/4, Lots 3, 4, S/2 NW/4, SW/4    | 1758.42      | NM-0495 2-1-50                                                            | USA - 12 $\frac{1}{2}$ %  | E. H. Shaw, Jr.                      | Eugenia Bate<br>Reservation-\$600 per acre, payable out of 3% of production. | Stanolind - 84 $\frac{1}{2}$ to 87 $\frac{1}{2}$ %                                                            |
|                      | Sec. 8: SW/4, N/2                          |              |                                                                           |                           |                                      |                                                                              |                                                                                                               |
|                      | Sec. 9: NE/4, NW/4                         |              |                                                                           |                           |                                      |                                                                              |                                                                                                               |
|                      | Sec. 29: SE/4                              |              |                                                                           |                           |                                      |                                                                              |                                                                                                               |
| 21B                  | Sec. 30: SE/4, E/2 SW/4 Lots 3 & 4         |              |                                                                           |                           |                                      |                                                                              |                                                                                                               |
|                      | Sec. 5: All<br>Sec. 6: Lots 1, 2, S/2 NE/4 | 799.90       |                                                                           |                           | Eugenia Bate                         | Eugenia Bate<br>Reservation-\$300 per acre, payable out of 2% of production. | Stanolind - 85 $\frac{1}{2}$ to 87 $\frac{1}{2}$ %                                                            |
| 22                   | Sec. 31: All                               | 640.96       | NM-0512 1-1-50                                                            | USA - 12 $\frac{1}{2}$ %  | Flossie D. Barnes                    | Flossie D. Barnes<br>reserves \$500 per acre out of 3% of production.        | Gulf Oil Corp.-84 $\frac{1}{2}$ to 87 $\frac{1}{2}$ %                                                         |
| 23                   | Sec. 11: W/2 NW/4                          | 80           | NM-0870 Application                                                       | USA - 12 $\frac{1}{2}$ %  | John D. Meredith                     | John D. Meredith                                                             | Stanolind - 84 $\frac{1}{2}$ %                                                                                |
| 24                   | Sec. 35: N/2 NW/4, SW/4 NW/4               | 120          | NM-0879 Application                                                       | USA - 12 $\frac{1}{2}$ %  | Eleanor L. Rettig                    | Eleanor L. Rettig                                                            | Phillips Petroleum Co. - 84 $\frac{1}{2}$ %                                                                   |

| TRACT NO. | DESCRIPTION                                                                                                         | SERIAL NO.<br>LAS CRUCES<br>(Except as<br>otherwise<br>shown) AND<br>DATE OF<br>LEASE | NO. OF<br>ACRES | PERCENTAGE<br>OF USA<br>ROYALTY | RECORD OWNER<br>OF LEASE OR<br>APPLICATION | OVERRIDING<br>ROYALTY<br>OWNERS &<br>PERCENTAGE                                     | WORKING INTEREST OWNER<br>UNDER OPTION AGREEMENT<br>OPERATING AGREEMENT<br>LEASE OR ASSIGNMENT<br>AND PERCENTAGE INTEREST |
|-----------|---------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-----------------|---------------------------------|--------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
|           | <u>FEDERAL LANDS</u>                                                                                                |                                                                                       |                 |                                 |                                            |                                                                                     |                                                                                                                           |
| 27        | T22S-R24E<br>Sec. 23: E/2 E/2<br>Sec. 24: E/2 SE/4, SE/4 NE/4<br>Sec. 25: NE/4<br>Sec. 26: All<br>Sec. 35: N/2 NE/4 | NM-04527<br>10-1-51                                                                   | 1160            | USA - 12½%                      | June C. Deason                             | June C. Deason<br>Reservation-\$300<br>per acre payable out<br>of 2% of production. | Stanolind - 85½ to 87½                                                                                                    |

Percentage of Unit Area Consisting of Federal Lease Acreage - 83.02%  
Total Federal Lease Acreage - 21,522.25 acres

RECAPITULATION

| <u>Land</u>     | <u>Acres in Unit</u> | <u>Percentage of Unit Area</u> |
|-----------------|----------------------|--------------------------------|
| Federal         | 21,522.25            | 83.02%                         |
| State           | 3,762.52             | 14.51%                         |
| Patented        | <u>640.69</u>        | <u>2.47%</u>                   |
| Total Unit Area | 25,925.46            | 100.00%                        |

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Guadalupe Foothills Unit Area, County of Eddy, State of New Mexico, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

SIGNATURES AND ADDRESSES

|                                    |                                                  |
|------------------------------------|--------------------------------------------------|
| Name <u>ATTESTED TO</u>            | Name <u>HONOLULU OIL CORPORATION</u>             |
| Address <u>By</u> <u>Secretary</u> | Address <u>P. O. Drawer 1391, Midland, Texas</u> |
|                                    | By <u>President</u>                              |
| Name _____                         | Name _____                                       |
| Address _____                      | Address _____                                    |
| Name _____                         | Name _____                                       |
| Address _____                      | Address _____                                    |

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally appeared \_\_\_\_\_ to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_

My Commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF CALIFORNIA )  
City and COUNTY OF San Francisco )

On this 11<sup>th</sup> day of February, 1953, before me appeared A. C. MATTEI, to me personally known, who, being by me duly sworn, did say that he is the \_\_\_\_\_ President of HONOLULU OIL CORPORATION

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said A. C. MATTEI acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this 11<sup>th</sup> day of February, 1953.

My Commission expires: \_\_\_\_\_

August 27, 1955

Helen G. Boyle  
Notary Public Helen G. Boyle



ACCEPTED:  
STANLIND OIL AND GAS COMPANY,  
UNIT OPERATOR  
BY [Signature] VICE PRESIDENT

# RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Guadalupe Foothills Unit Area, County of Eddy, State of New Mexico, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

## SIGNATURES AND ADDRESSES

|                                                                                       |                                                                                                                                            |
|---------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| <p><del>Name</del> <u>ATTESTED TO</u><br/> <del>Address</del> By <u>Secretary</u></p> | <p>Name <u>HONOLULU OIL CORPORATION</u><br/>         Address <u>P. O. Drawer 1391, Midland, Texas</u><br/>         By <u>President</u></p> |
| <p>Name _____<br/>         Address _____</p>                                          | <p>Name _____<br/>         Address _____</p>                                                                                               |
| <p>Name _____<br/>         Address _____</p>                                          | <p>Name _____<br/>         Address _____</p>                                                                                               |

STATE OF \_\_\_\_\_ )  
 COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally appeared \_\_\_\_\_ to me known to be the person \_\_\_\_\_ described in and who executed and delivered the foregoing instrument, and acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_

My Commission expires: \_\_\_\_\_

\_\_\_\_\_  
 Notary Public



ACCEPTED:  
 STANOLIND OIL AND GAS COMPANY,  
 UNIT OPERATOR  
 BY VICE PRESIDENT

STATE OF CALIFORNIA )  
 City and COUNTY OF San Francisco )

On this 11<sup>th</sup> day of February, 1953, before me appeared A. C. MATTEI, to me personally known, who, being by me duly sworn, did say that he is the \_\_\_\_\_ President of HONOLULU OIL CORPORATION

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said A. C. MATTEI acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this 11<sup>th</sup> day of February, 1953.

My Commission expires: \_\_\_\_\_

August 27, 1955

Notary Public Helen G. Boyle

# RATIFICATION AND JOINDER OF UNIT OPERATING AGREEMENT

In consideration of the execution or ratification by other working interest owners of the Unit Operating Agreement dated October 23, 1951, and entered into by and between STANOLIND OIL AND GAS COMPANY as Unit Operator and others, in connection with the Unit Agreement for the Development and Operation of the Guadalupe Foothills Area, County of Eddy, State of New Mexico, dated October 23, 1951, a copy of which Unit Agreement and Unit Operating Agreement, with all exhibits attached to each, has been furnished the undersigned and examined by him, the undersigned does hereby expressly ratify, approve, adopt, confirm and join in said Unit Operating Agreement, to the extent of all of undersigned's interest in any lands within the unit area, as the same may appear, and agrees to be governed by all of the terms and provisions thereof and that the terms and conditions of any and all leases, or other agreements covering lands described in said Unit Agreement shall be modified and amended to conform to the terms and provisions of said Unit Operating Agreement, as fully to all intents and purposes as though the undersigned had executed said Unit Operating Agreement and all counterparts thereof, and the undersigned especially agrees that distribution and allocation of production and of costs of operations shall be made as provided in said Unit Agreement and said Unit Operating Agreement.

This Ratification and Joinder may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

## SIGNATURES AND ADDRESSES

Name ATTESTED TO:

Address: By [Signature]  
Secretary

Name HONOLULU OIL CORPORATION

Address P. O. Drawer 1391, Midland, Texas

By [Signature]  
President

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally appeared \_\_\_\_\_ to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF CALIFORNIA )  
City and COUNTY OF San Francisco )

On this 11<sup>th</sup> day of February, 1953, before me appeared A. C. MATTEI, to me personally known, who, being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ HONOLULU OIL CORPORATION and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said A. C. MATTEI acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this 11<sup>th</sup> day of February, 1953.

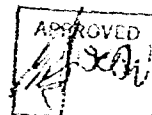
My Commission Expires: August 27, 1955.

[Signature]  
Notary Public Helen G. Boyle

ACCEPTED:

STANOLIND OIL AND GAS COMPANY,  
UNIT OPERATOR

BY [Signature]  
VICE PRESIDENT



J. O. SETH  
A. K. MONTGOMERY  
OLIVER SETH  
WM. FEDERICI  
JUSTIN T. REID

SETH AND MONTGOMERY  
ATTORNEYS AND COUNSELORS AT LAW  
III SAN FRANCISCO ST.  
SANTA FE, NEW MEXICO

July 28, 1952

Oil Conservation Commission  
State Capitol  
Santa Fe, New Mexico.

258  
Re: Guadalupe Foothills Unit  
Area

Gentlemen:

Please find herewith an additional joinder to be included with the approved Guadalupe Foothills Unit Agreement which has heretofore been filed with your office.

Very truly yours,



OS/mcs  
Enc

# RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Guadalupe Foothills Unit Area, County of Eddy, State of New Mexico, in form approved on behalf of the Secretary of the Interior the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

## SIGNATURES AND ADDRESSES

|               |                                         |
|---------------|-----------------------------------------|
| Name _____    | Name <u>HENRY SCHAFER, INCORPORATED</u> |
| Address _____ | Address <u>1511 Liberty Bank Bldg.</u>  |
|               | <u>Oklahoma City, Okla.</u>             |
| Name _____    | Name <u>Burnice M. Miller</u> President |
| Address _____ | Address _____                           |
|               |                                         |
| Name _____    | Name <u>Kermit P. Schafer</u> Secretary |
| Address _____ | Address _____                           |
|               |                                         |

STATE OF Oklahoma )  
COUNTY OF Oklahoma )

On this 26th day of June, 19 52, before me personally appeared Kermit Schafer to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that he executed the same as his free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 26th day of June, 19 52

My Commission expires:

June 21, 1956

Latha Mae Murray  
Notary Public

STATE OF Oklahoma )  
COUNTY OF Oklahoma )

On this 26th day of June, 19 52, before me appeared Burnice Miller, to me personally known, who, being by me duly sworn, did say that he is the \_\_\_\_\_ President of Henry Schafer, Incorporated

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said Burnice Miller acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this 26th day of June, 19 52

My Commission expires:

June 21, 1956

Latha Mae Murray  
Notary Public

J. O. SETH  
A. K. MONTGOMERY  
OLIVER SETH  
WM. FEDERICI  
JUSTIN T. REID

1-7215

SETH AND MONTGOMERY  
ATTORNEYS AND COUNSELORS AT LAW  
111 SAN FRANCISCO ST.  
SANTA FE, NEW MEXICO

July 17, 1952

OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO  
State Capitol Building  
Santa Fe, New Mexico

Gentlemen:

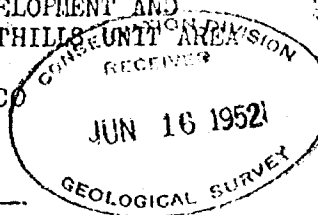
Re: Quadalupe Foothills Unit Agreement

Enclosed herewith is a copy of the approved  
Unit Agreement covering the Quadalupe Foothills  
Unit Area.

Very truly yours,

OS:f  
Enc.

UNIT AGREEMENT FOR THE DEVELOPMENT AND  
OPERATION OF THE GUADALUPE FOOTHILLS UNIT AREA  
COUNTY OF EDDY  
STATE OF NEW MEXICO



RECEIVED

MAY 29 1952

U. S. GEOLOGICAL SURVEY  
ROSWELL, NEW MEXICO

I Sec. No. 951

THIS AGREEMENT, entered into as of the 23<sup>d</sup> day of October, 1951,  
by and between the parties subscribing, ratifying, or consenting hereto, and herein  
referred to as the "parties hereto";

WITNESSETH:

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 act of February 25, 1920, 41 Stat. 437, as amended by the act  
of August 8, 1946, 60 Stat. 950, 30 U.S.C. Secs. 181, et seq. authorizes Federal  
lessees and their representatives to unite with each other, or jointly or separately  
with others, in collectively adopting and operating under a cooperative or unit plan  
of development or operation of any oil or gas pool, field, or like area, or any part  
thereof, for the purpose of more properly conserving the natural resources thereof  
whenever determined and certified by the Secretary of the Interior to be necessary  
or advisable in the public interest; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is  
authorized by an Act of the Legislature (Chap. 88, Laws 1943) to consent to or ap-  
prove 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 Oil Conservation Commission of the State of New Mexico is author-  
ized by an Act of the Legislature (Chap. 168, Laws 1949) to approve this agreement  
and the conservation provisions hereof; and

WHEREAS, the parties hereto hold sufficient interests in the Guadalupe  
Foothills Unit Area covering the land hereinafter described to give reasonably  
effective control of operations therein; and

WHEREAS, it is the purpose of the parties hereto to conserve natural re-  
sources, prevent waste, and secure 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 con-  
tained, the parties hereto commit to this agreement their respective interests in  
the below defined Unit Area and agree severally among themselves as follows:

July, 1951

1. ENABLING ACT AND REGULATIONS: The Act of February 25, 1920, as amended, supra, and all valid pertinent regulations, including operating and unit plan regulations, heretofore issued thereunder or valid pertinent and reasonable regulations hereafter issued thereunder are accepted and made a part of this agreement as to Federal lands, provided such regulations are not inconsistent with the terms of this agreement; and, as to non-Federal lands, 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 in which the non-Federal land is located, are hereby accepted and made a part of this agreement.

2. UNIT AREA: The following described land is hereby designated and recognized as constituting the Unit Area:

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

T. 21 S., R. 25 E.

Sec. 31, SE/4 NE/4, SE/4  
 Sec. 32, S/2 N/2, S/2  
 Sec. 33, NE/4, NE/4 NW/4, S/2 NW/4, S/2  
 Sec. 34, SW/4 NW/4, SW/4, SW/4 SE/4

T. 22 S., R. 25 E.

Sec. 2, W/2 W/2  
 Secs. 3-10, Inclusive, All  
 Sec. 11, W/2 NW/4  
 Secs. 16-21, Inclusive, All  
 Secs. 26-35, Inclusive, All

T. 22 S., R. 24 E.

Sec. 1, All  
 Sec. 2, S/2 NE/4, SE/4  
 Secs. 11-14, inclusive, All  
 Sec. 22, E/2  
 Sec. 23-26, inclusive, All  
 Sec. 35, E/2, N/2 NW/4, SE/4 NW/4,  
 E/2 SW/4  
 Sec. 36, All

T. 23 S., R. 25 E.

Secs. 3 and 4, all.

Total Unit Area embraces 25,924.50 acres, more or less.

Exhibit "A" attached hereto is a map showing the Unit Area and the boundaries and identity of tracts and leases in said area to the extent known to the Unit Operator. Exhibit "B" attached hereto is a schedule showing to the extent known to the Unit Operator the acreage, percentage, and kind of ownership of oil and gas interests in all land in the Unit Area. 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 or interests as are shown in said map or schedule as owned by such party. Exhibits "A" and "B" shall be revised by the Unit Operator whenever changes in the Unit Area render such revision necessary, or when requested by the Oil and Gas Supervisor, hereinafter referred to as "Supervisor". Not less than five copies of the revised exhibits shall be filed with the Supervisor, and two copies each with the Commissioner of Public Lands of the State of New Mexico, hereinafter referred to as "Commissioner" and the Oil Conservation Commission, hereinafter referred to as "Commission".

The above-described Unit Area shall, when practicable, be expanded to include therein any additional tract or tracts regarded as reasonably necessary or advisable for the purposes of this agreement, or shall be contracted to exclude lands not within any participating area whenever such expansion or contraction is

necessary or advisable to conform with the purposes of this agreement. Such expansion or contraction shall be effected in the following manner:

(a) Unit Operator, on its own motion or on demand of the Director of the Geological Survey, hereinafter referred to as "Director", or on demand of the Commissioner, shall prepare a notice of proposed expansion or contraction describing the contemplated changes in the boundaries of the Unit Area, the reasons therefor, and the proposed effective date thereof;

(b) Said notice shall be delivered to the Supervisor and Commissioner, and copies thereof mailed to the last known address of each working interest owner, lessee, and lessor whose interests are affected, advising that 30 days will be allowed for submission to the Unit Operator of any objections;

(c) Upon expiration of the 30-day period provided in the preceding item (b) hereof, Unit Operator shall file with the Supervisor and Commissioner evidence of mailing of the notice of expansion or contraction and a copy of any objections thereto which have been filed with the Unit Operator;

(d) After due consideration of all pertinent information, the expansion or contraction shall, upon approval by the Director and Commissioner, become effective as of the date prescribed in the notice thereof.

(e) Notwithstanding any other provision of this agreement, each quarter quarter section or numbered lot of land subject hereto, which, five years from the effective date hereof or two years after the date of first sale of unitized substances discovered hereunder, whichever period is longer, is situated one mile or more from the boundary of any participating area then established hereunder, shall be automatically eliminated from and no longer subject to this agreement, unless on the expiration date of such period drilling operations by unit operators are in progress at a location one mile or more from the boundary of any such participating area, in which event such non-participating land shall remain subject hereto for so long as drilling operations at locations situated one mile or more from the boundary of any such participating area are continued diligently without a lapse of time of more than one year between the completion of one such well and the beginning of the next such well. Inasmuch as any contraction under this section is automatic, the unit operator shall, within a reasonable time after any such contraction hereunder, define the area so eliminated, with the approval of the Director of the Geological Survey, and thereafter promptly notify all parties affected thereby.

All land committed to this agreement shall constitute land referred to herein as "unitized land" or "land subject to this agreement".

3. UNITIZED SUBSTANCES: All oil and gas in any and all formations of the unitized land are unitized under the terms of this agreement and herein are called "unitized substances".



4. UNIT OPERATOR: STANOLIND OIL AND GAS COMPANY is hereby designated as Unit Operator and by signature hereto as Unit Operator agrees and consents to accept the duties and obligations of Unit Operator for the discovery, development and production of unitized substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as 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.

5. RESIGNATION OR REMOVAL OF UNIT OPERATOR: Unit Operator shall have the right to resign at any time prior to the establishment of a participating area or areas hereunder, 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 6 months after notice of intention to resign has been served by Unit Operator on all working interest owners, the Director, and the Commissioner and until all wells then drilled hereunder are placed in a satisfactory condition for suspension or abandonment whichever is required by the Supervisor and Commissioner, unless a new Unit Operator shall have been selected and approved and shall have taken over and assumed the duties and obligations of Unit Operator prior to the expiration of said period.

Unit Operator shall have the right to resign in a like manner and subject to like limitations as above provided at any time a participating area established hereunder is in existence, but until a successor unit operator is selected and approved as hereinafter provided, the working interest owners shall be jointly responsible for the performance of the duties of unit operator and shall not later than 30 days before such resignation becomes effective appoint a common agent to represent them in any action to be taken hereunder.

The resignation of Unit Operator shall not release Unit Operator from any liability for any default by it hereunder occurring prior to the effective date of its resignation.

The Unit Operator may, upon default or failure in the performance of its duties or obligations hereunder, be subject to removal by the same percentage vote of the owners of working interests determined in like manner as herein provided for the selection of a new Unit Operator. Such removal shall be effective upon notice thereof to the Director and Commissioner.

The resignation or removal of Unit Operator under this Agreement shall not terminate his 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, materials, and appurtenances used in conducting the unit operations and owned by the working interest owners to the new duly qualified successor Unit Operator or to the owners thereof 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 and appurtenances needed for the preservation of any wells.

6. SUCCESSOR UNIT OPERATOR: Whenever the Unit Operator shall tender his or its resignation as Unit Operator or shall be removed as hereinabove provided, the owners of the working interests in the participating area or areas according to their respective acreage interests in such participating area or areas, or, until a participating area shall have been established, the owners of the working interest according to their respective acreage interests in all unitized land, shall by majority vote select a successor Unit Operator; Provided, that, if a majority but less than 75 percent of the working interests qualified to vote are owned by one party to this agreement, a concurring vote of one or more additional working interest owners shall be required to select a new operator. Such selection 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 Director and Commissioner. If no successor Unit Operator is selected and qualified as herein provided, the Director and Commissioner at their election may declare this unit agreement terminated.

7. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT: If the Unit Operator is not the sole owner of working interests, costs and expenses incurred by Unit Operator in conducting unit operations hereunder shall be paid and apportioned among and borne by the owners of working interests, all in accordance with the agreement or agreements entered into by and between the Unit Operator and the owners of working interests, whether one or more, separately or collectively. Any agreement or agreements entered into between the working interest owners and the Unit Operator as provided in this section, whether one or more, are herein referred to as 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 hereto 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 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 unit agreement, and in case of any inconsistency or conflict between the unit agreement and the unit operating agreement this unit agreement shall prevail. Three true copies of any unit operating agreement executed pursuant to this section shall be filed with the Supervisor and one true copy with the Commissioner.

8. 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. 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.

9. DRILLING TO DISCOVERY: Within six months after the effective date hereof the Unit Operator shall begin to drill an adequate test well at a location approved by the Supervisor if such location is upon lands of the United States, and if upon State lands or patented lands, such location shall be approved by the Commission, unless on such effective date a well is being drilled conformably with the terms hereof, and thereafter continue such drilling diligently until the Fusselman formation has been tested or until at a lesser depth unitized substances shall be discovered which can be produced in paying quantities (to wit: quantities sufficient to repay the costs of drilling and producing operations, with a reasonable profit) or the Unit Operator shall at any time establish to the satisfaction of the Supervisor

as to wells on Federal lands, or the Commission as to wells on State lands or patented lands, that further drilling of said well would be unwarranted or impracticable, provided, however, that the Unit Operator shall not in any event be required to drill said well to a depth in excess of 11,000 feet.

In the event of discovery and completion of the initial or subsequent test wells as a commercial well or wells in formations above and before reaching the Fusselman formation, a test well shall be drilled to the original objective, and it is agreed that such well will be begun at a location approved as above not later than 18 months after the effective date of this agreement.

Until the discovery of a deposit of unitized substances capable of being produced in paying quantities, the Unit Operator shall continue drilling diligently one well at a time, allowing not more than 6 months between the completion of one well and the beginning of the next well, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of said Supervisor and Commissioner, or until it is reasonably proved that the unitized land is incapable of producing unitized substances in paying quantities in the formations drilled hereunder. Nothing in this section shall be deemed to limit the right of the Unit Operator to resign as provided in Section 5 hereof, or as requiring Unit Operator to commence or continue any drilling during the period pending such resignation becoming effective in order to comply with the requirements of this section. The Director and Commissioner may modify the drilling requirements of this section by granting reasonable extensions of time when, in their opinion, such action is warranted. Upon failure to comply with the drilling provisions of this section, the Director and Commissioner may, after reasonable notice to the Unit Operator, and each working interest owner, lessee, and lessor at their last known addresses, declare this unit agreement terminated.

10. PLAN OF FURTHER DEVELOPMENT AND OPERATION: Within 6 months after completion of a well capable of producing unitized substances in paying quantities, the Unit Operator shall submit for the approval of the Supervisor, the Commissioner, and the Commission an acceptable plan of development and operation for the unitized land which, when approved by the Supervisor, the Commissioner, and the Commission, shall constitute the further drilling and operating obligations of the Unit Operator under this agreement for the period specified therein. Thereafter, from time to time before the expiration of any existing plan, the Unit Operator shall submit for the

approval of the Supervisor, the Commissioner, and the Commission, a plan for an additional specified period for the development and operation of the unitized land. any plan submitted pursuant to this section shall provide for the exploration of the unitized area and for the determination of the area or areas thereof capable of producing unitized substances in paying quantities in each and every productive formation and shall be as complete and adequate as the Supervisor, the Commissioner, and the Commission may determine to be necessary for timely development and proper conservation of the oil and gas resources of the unitized area and shall (a) specify the number and locations of any wells to be drilled and the proposed order and time for such drilling; and (b) to the extent practicable, specify the operating practices regarded as necessary and advisable for proper conservation of natural resources. Separate plans may be submitted for separate productive zones, subject to the approval of the Supervisor, the Commissioner and the Commission. Said plan or plans shall be modified or supplemented when necessary to meet changed conditions or to protect the interests of all parties to this agreement. Reasonable diligence shall be exercised in complying with the obligations of the approved plan of development. The Supervisor and Commissioner are authorized to grant a reasonable extension of the 6-month period herein prescribed for submission of an initial plan of development where such action is justified because of unusual conditions or circumstances. After completion hereunder of a well capable of producing any unitized substances in paying quantities, no further wells, except such as may be necessary to afford protection against operations not under this agreement or such as may be specifically approved by the Supervisor and the Commissioner, shall be drilled except in accordance with a plan of development approved as herein provided.

11. PARTICIPATION AFTER DISCOVERY: Upon a completion of a well capable of producing unitized substances in paying quantities, or as soon thereafter as required by the Supervisor and Commissioner, the Unit Operator shall submit for approval by the Director, the Commissioner, and the Commission, a schedule based on subdivisions of the public-land survey or aliquot parts thereof, of all unitized land then regarded as reasonably proved to be productive of unitized substances in paying quantities; all land in said schedule on approval of the Director, the Commissioner, and the Commission to constitute a participating area, effective as of the date of first production. Said schedule also shall set forth the percentage of unitized substances to be allocated as herein provided to each unitized tract in the participating area

so established, and shall govern the allocation of production from and after the date the participating area becomes effective.

A separate participating area shall be established in like manner for each separate pool or deposit of unitized substances or for any group thereof produced as a single pool or zone, and any two or more participating areas so established may be combined into one with the consent of the owners of all working interests in the lands within the participating areas so to be combined, and approval of the Director, the Commissioner, and the Commission. The participating area or areas so established shall be revised from time to time, subject to like approval, whenever such action appears proper as a result of further drilling operations or otherwise, to include additional land then regarded as reasonably proved to be productive in paying quantities or to exclude land then regarded as reasonably proved not to be productive and the percentage of allocation shall also be revised accordingly. The effective date of any revision shall be the first of the month in which is obtained the knowledge or information on which such revision is predicated, unless a more appropriate effective date is specified in the schedule. No land shall be excluded from a participating area on account of depletion of the unitized substances.

It is the intent of this section that a participating area shall represent the area known or reasonably estimated to be productive in paying quantities; but, regardless of any revision of the participating area, nothing herein contained shall be construed as requiring any retroactive adjustment for production obtained prior to the effective date of revision of the participating area.

In the absence of agreement at any time between the Unit Operator and the Director, the Commissioner, and the Commission as to the proper definition or re-definition of a participating area, or until a participating area has, or areas have, been established as provided herein, the portion of all payments affected thereby may be impounded in a manner mutually acceptable to the owners of working interest, except royalties due the United States and the State of New Mexico, which shall be determined by the Supervisor and the Commissioner, respectively, and the amount thereof deposited as directed by the Supervisor and the Commissioner, respectively, to be held as unearned money until a participating area is finally approved and then applied as earned or returned in accordance with a determination of the sum due as Federal and State Royalty on the basis of such approved participating area.

Whenever it is determined, subject to the approval of the Supervisor, as to wells on Federal land, the Commissioner, as to wells on State land, and the Commissioner

as to patented land, that a well drilled under this agreement is not capable of production in paying quantities and inclusion of the land on which it is situated in a participating area is unwarranted, production from such well for the purpose of settlement among all parties other than working interest owners shall be allocated to the land on which the well is located so long as such land is not within a participating area established for the pool or deposit from which such production is obtained. Settlement for working interests benefits from such a well shall be made as provided in the Unit Operating Agreement.

12. ALLOCATION OF PRODUCTION: All unitized substances produced from each participating area established under this agreement, except any part thereof used in conformity with good operating practices within the unitized area for drilling, operating, camp and other production or development purposes, for repressuring or recycling in accordance with a plan of development approved by the Supervisor, the Commissioner, and the Commission, or unavoidably lost, shall be deemed to be produced equally on an acreage basis from the several tracts of unitized land of the participating area established for such production and, for the purpose of determining any benefits accruing under this agreement, each such tract of unitized land shall have allocated to it such percentage of said production as the number of acres of such tract included in said participating area bears to the total acres of unitized land in said participating area. It is hereby agreed that production of unitized substances from a participating area shall be allocated as provided herein regardless of whether any wells are drilled on any particular part or tract of said participating area. If any gas produced from one participating area is used for repressuring or recycling purposes in another participating area, the first gas withdrawn from such last mentioned participating area for sale during the life of this agreement shall be considered to be the gas so transferred until an amount equal to that transferred shall be so produced for sale and such gas shall be allocated to the participating area from which initially produced as constituted at the time of such final production.

13. DEVELOPMENT OR OPERATION OF NON-PARTICIPATING LAND OR FORMATIONS: Any party hereto owning or controlling the working interest in any unitized land having thereon a regular well location may, with the respective approval of the Supervisor, the Commissioner, or the Commission at such party's sole risk, cost and expense drill a well to test any formation for which a participating area has not been established

or to test any formation for which a participating area has been established if such location is not within said participating area, unless within 90 days of receipt of notice from said party of his intention to drill the well, the Unit Operator elects and commences to drill such well in like manner as other wells are drilled by the Unit Operator under this agreement.

If any well drilled as aforesaid by a working interest owner results in production such that the land upon which it is situated may properly be included in a participating area, such participating area shall be established or enlarged as provided in this agreement and the well shall thereafter be transferred to and operated by Unit Operator in accordance with the terms of this agreement and the Unit Operating Agreement.

If any well drilled as aforesaid by a working interest owner obtains production in quantities insufficient to justify the inclusion in a participating area of the land upon which such well is situated such well may be operated and produced by the party drilling the same subject to the conservation requirements of this agreement. The royalties in amount or value of production from any such well shall be paid as specified in the underlying lease and agreements affected.

14. ROYALTY SETTLEMENT: The United States and the State of New Mexico and all royalty owners who, under existing contract, are entitled to take in kind a share of the substances now unitized hereunder produced from any tract, shall hereafter be entitled to the right to take in kind their share of the unitized substances allocated to such tract, and Unit Operator, or in case of the operation of a well by a working interest owner as herein in special cases provided for, such working interest owner, 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 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 royalties due under their leases.

If gas obtained from lands not subject to this agreement is introduced into any participating area hereunder, for use in repressuring, stimulation of production, or increasing ultimate recovery, which shall be in conformity with a plan first approved by the Supervisor and the Commissioner, a like amount of gas after settlement as herein provided for any gas transferred from any other participating area

and with due allowance for loss or depletion from any cause, may be withdrawn from the formation into which the gas was introduced, royalty free as to dry gas, but not as to the products extracted therefrom; provided that such withdrawal shall be at such time as may be provided in the plan of operations or as may otherwise be consented to by the Supervisor, the Commissioner, and the Commission as conforming to good petroleum engineering practice, and provided further, that such right of withdrawal shall terminate on the termination of this unit agreement.

Royalty due the United States shall be computed as provided in the operating regulations and paid in value or delivered in kind as to all unitized substances on the basis of the amounts thereof allocated to unitized Federal land as provided herein at the rates specified in the respective Federal leases, or at such lower rate or rates as may be authorized by law or regulation; provided, that for leases on which the royalty rate depends on the daily average production per well, said average production shall be determined in accordance with the operating regulations as though each participating area were a single consolidated lease.

15. 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 the payment of any rental or minimum royalty in lieu thereof due under their leases. Rental or minimum royalty for lands of the United States subject to this agreement shall be paid at the rate specified in the respective leases from the United States, unless such rental or minimum royalty is waived, suspended, or reduced by law or by approval of the Secretary. Rentals on State of New Mexico lands subject to this agreement shall be paid at the rates specified in the respective leases, or may be reduced and suspended upon the order of the Commissioner of Public Lands of the State of New Mexico pursuant to applicable laws and regulations.

With respect to any lease on non-Federal land containing provisions which would terminate such lease unless drilling operations were within the time therein specified commenced upon the land covered thereby or rentals paid for the privilege of deferring such drilling operations, the rentals required thereby shall, notwithstanding any other provisions of this agreement, be deemed to accrue and become payable during the term thereof as extended by this agreement and thereafter until the required drilling operations are commenced upon the land covered thereby or some

portion of such land is included within a participating area.

16. 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 or pursuant to State or Federal law or regulation.

17. DRAINAGE: The Unit Operator shall take appropriate and adequate measures to prevent drainage of unitized substances from unitized land by wells on land not subject to this agreement or pursuant to applicable regulations pay a fair and reasonable compensatory royalty as determined by the Supervisor and the Commissioner.

18. 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 of lands committed to this agreement 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 holding interests in leases embracing unitized land of the United States or of the State of New Mexico hereby consent that the Secretary of the Interior, hereinafter referred to as "Secretary", and the Commissioner, respectively, shall, and said Secretary and Commissioner by their approval of this agreement or by the approval hereof by their duly authorized representatives do, hereby establish, alter, change, or revoke the drilling, producing, rental, minimum royalty, and royalty requirements of Federal and State leases committed hereto and the regulations in respect thereto, to conform said requirements to the provisions of this agreement, and, 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 any lease, operating agreement or other contract by and between the parties hereto, or their respective predecessors in interest, or any of them.

(b) Drilling and producing operations performed hereunder upon any tract of unitized lands will 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 lands of the United States pursuant to direction or consent of the Secretary or his duly authorized representative, and on all unitized lands of the State of New Mexico pursuant to direction or consent of the Commissioner or his duly authorized representative, shall be deemed to constitute such suspension pursuant to such direction or consent as to each and every tract of unitized land.

(d) Each lease, sublease or contract relating to the exploration, drilling, development or operation for oil or gas of lands other than those of the United States committed to this agreement, 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 term of this agreement.

(e) Any Federal lease for a fixed term of twenty (20) years or any renewal thereof or any part of such lease which is made subject to this agreement shall continue in force beyond the term provided therein until the termination hereof. Any other Federal lease committed hereto shall continue in force beyond the term so provided therein or by law as to the committed land so long as such land remains committed hereto, provided a valuable deposit of unitized substances are discovered in paying quantities within the Unit Area prior to the expiration date of the primary term of such lease.

(f) Each sublease or contract relating to the operation and development of unitized substances from lands of the United States committed to this agreement, which by its terms would expire prior to the time at which the underlying lease, as extended by the immediately preceding paragraph, will expire, 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 term of the underlying lease as such term is herein extended.

(g) Any lease having only a portion of its lands committed hereto shall be segregated as to the portion committed and the portion not committed, and the terms of such lease shall apply separately to such segregated portions commencing as of the effective date hereof. In the event any such lease provides for a lump-sum rental payment, such payment shall be prorated between the portions so segregated in proportion to the acreage of the respective tracts.

19. 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, royalty or other 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.

20. EFFECTIVE DATE AND TERM: This agreement shall become effective upon approval by the Secretary and the Commissioner or their duly authorized representatives and shall terminate 5 years from said effective date unless (a) such date of expiration is extended by the Director and the Commissioner, or (b) it is reasonably determined prior to the expiration of the fixed term or any extension thereof that the unitized land is incapable of production of unitized substances in paying quantities in the formations tested hereunder and after notice of intention to terminate the agreement on such ground is given by the Unit Operator to all parties in interest at their last known addresses, the agreement is terminated with the approval of the Director and the Commissioner, or (c) a valuable discovery of unitized substances has been made on unitized land during said initial term or any extension thereof, in which event the agreement shall remain in effect for such term and so long as unitized substances can be produced from the unitized land in paying quantities, i. e., in this particular instance in quantities sufficient to pay for the cost of producing same, and, should production cease so long thereafter as diligent operations are in progress for the restoration of production or discovery of new production and so long thereafter as the unitized substances so discovered can be produced as aforesaid, or (d) it is terminated as provided in Section 6 or Section 9 hereof. This agreement may be terminated at any time by not less than 75 percentum, on an acreage basis, of the owners of working interests signatory hereto, with the approval of the Director and the Commissioner.

21. RATE OF PROSPECTING, DEVELOPMENT, AND PRODUCTION: The Director is hereby vested with authority to alter or modify from time to time in his discretion the quantity and rate of production under this agreement when such quantity and rate is not fixed pursuant to Federal or State law or does not conform

to any state-wide voluntary conservation or allocation program which is established, recognized, and generally adhered to by the majority of operators in such State, such authority being hereby limited to alteration or modification in the public interest, the purpose thereof and the public interest to be served thereby to be stated in the order of alteration or modification. Without regard to the foregoing, the Director is also hereby vested with authority to alter or modify from time to time, in his discretion, the rate of prospecting and development and, to alter or modify the quantity and rate of production under this agreement when such alteration or modification is in the interest of attaining the conservation objectives stated in this agreement and is not in violation of any applicable Federal or State laws; provided further that no such alteration or modification shall be effective as to any land of the State of New Mexico as to the rate of prospecting and development in the absence of the specific written approval thereof by the Commissioner and as to any lands of the State of New Mexico or privately-owned lands subject to this agreement as to the quantity and rate of production in the absence of specific written approval thereof by the Commission. Powers in this section vested in the Director shall only be exercised after notice to Unit Operator and hearing to be held not less than 15 days from notice.

22. CONFLICT OF SUPERVISION: Neither the Unit Operator nor the working interest owners nor any of them shall be subject to any forfeiture, termination, or expiration of any rights hereunder or under any leases or contracts subject hereto, or to any penalty or liability for delay or failure in whole or in part to comply therewith to the extent that the said Unit Operator, working interest owners or any of them are hindered, delayed, or prevented from complying therewith by reason of failure of the Unit Operator to obtain with the exercise of due diligence the concurrence of the representatives of the United States and the representatives of the State of New Mexico in and about any matters or thing concerning which it is required herein that such concurrence be obtained. The parties hereto, including the Commission, agree that all powers and authority vested in the Commission in and by any provisions of this contract are vested in the Commission and shall be exercised by it pursuant to the provisions of the laws of the State of New Mexico and subject in any case to appeal or judicial review as may now or hereafter be provided by the laws of the State of New Mexico.

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

24. 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 to 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.

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 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.

26. 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 accidents, 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.

27. FAIR EMPLOYMENT: The Unit Operator shall not discriminate against any employee or applicant for employment because of race, creed, color, or national origin, and an identical provision shall be incorporated in all sub-contracts.

28. LOSS OF TITLE: In the event title to any tract of unitized land shall fail and the true owner cannot be induced to join this unit agreement, so that such tract is not committed to this unit agreement, such tract shall automatically be regarded as not committed hereto and there shall be such readjustment of future costs and benefits as may be required on account of the loss of such title. In the event of a dispute as to title as to any royalty, working, or other interests subject thereto, payment or delivery on account thereof may be withheld without liability for interest until the dispute is finally settled; provided, that, as to Federal and State land or leases, no payments of funds due the United States or the State of New Mexico shall be withheld, but such funds shall be deposited as directed by the Supervisor and the Commissioner of Public Lands of the State of New Mexico, respectively, to be held as unearned money pending final settlement of the 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.

29. NON-JOINDER AND SUBSEQUENT JOINDER: If the owner of any substantial interest in a tract within the Unit Area fails or refuses to subscribe or consent to this agreement, the owner of the working interest in that tract may withdraw said tract from this agreement by written notice to the Director, the Commissioner, and the Unit Operator prior to the approval of this agreement by the Director and the Commissioner. Any oil or gas interests in lands within the Unit Area not committed hereto prior to submission of this agreement for final approval may thereafter be committed hereto by the owner or owners thereof subscribing or consenting to this agreement and, if the interest is a working interest, by the owner of such interest also subscribing to the Unit Operating Agreement. After operations are commenced hereunder, the right of subsequent joinder, as provided in this section, by a working interest owner is subject to such requirements or approvals, if any, pertaining to such joinder, as may be provided for in the Unit Operating Agreement. After final approval hereof joinder by a non-working interest owner must be consented to in writing by the working interest owner committed hereto and responsible for the payment of any benefits that may accrue hereunder in behalf of such non-working interest. Prior to final approval hereof, joinder by any owner of a non-working interest must be accompanied by appropriate joinder by the owner of the corresponding working interest in order for the interest to be regarded as effectively committed

hereto. Except as may otherwise herein be provided, subsequent joinder to this agreement shall be effective as of the first day of the month following the filing with the Supervisor and the Commissioner of duly executed counterparts of all or any papers necessary to establish effective commitment of any tract to this agreement unless objection to such joinder is duly made within 60 days by the Director or Commissioner.

30. COUNTERPARTS: 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 those parties who have executed such a counterpart, ratification, or consent hereto with the same force and effect as if all such 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.

31. SURRENDER: (a) Nothing in this agreement shall prohibit the exercise by any working interest owner of the right to surrender vested in such party in any lease, sub-lease, or operating agreement as to all or any part of the lands covered thereby, provided that each party who will or might acquire such working interest by such surrender or by forfeiture as hereafter set forth, is bound by the terms of this agreement.

If, as a result of any such surrender, the working interest rights as to such lands become vested in any party other than the fee owner of the unitized substances, said party shall forfeit such rights and no further benefits from operations hereunder as to said land shall accrue to such party, unless within ninety (90) days thereafter said party shall execute this agreement and the unit operating agreement as to the working interest acquired through such surrender, effective as though such land had remained continuously subject to this agreement and the unit operating agreement. And in the event such agreements are not so executed, the party next in the chain of title shall be and become the owner of such working interest at the end of such ninety (90) day period, with the same force and effect as though such working interest had been surrendered to such party.

If, as the result of any such surrender or forfeiture, the working interest rights as to such lands become vested in the fee owner of the unitized substances, such owner may:

(1) Execute this agreement and the unit operating agreement as a working

interest owner, effective as though such land had remained continuously subject to this agreement and the unit operating agreement.

(2) Again lease such lands but only under the condition that the holder of such lease shall within thirty (30) days after such lands are so leased execute this agreement and the unit operating agreement as to each participating area theretofore established hereunder, effective as though such land had remained continuously subject to this agreement and the unit operating agreement.

(3) Operate or provide for the operation of such land independently of this agreement as to any part thereof or any oil or gas deposits therein not then included within a participating area.

If the fee owner of the unitized substances does not execute this agreement and the unit operating agreement as a working interest owner or again lease such lands as above provided with respect to each existing participating area, within six (6) months after any such surrender or forfeiture, such fee owner shall be deemed to have waived the right to execute the unit operating agreement or lease such lands as to each such participating area, to have agreed that operations hereunder as to any such participating area or areas shall not be affected by such surrender, and to have elected to receive the compensation hereinafter provided.

For any period the working interest in any lands are not expressly committed to the unit operating agreement as the result of any such surrender or forfeiture, the benefits and obligations of operations accruing to such lands under this agreement and the unit operating agreement shall be shared by the remaining owners of unitized working interest in accordance with their respective participating working interest ownerships in any such participating area or areas, and such owners of working interests shall compensate the fee owner of unitized substances in such lands by paying sums equal to the rentals, minimum royalties, and royalties applicable to such lands under the lease in effect when the lands were unitized, as to such participating area or areas.

(b) Upon commitment of a working interest to this agreement and the unit operating agreement as provided in this section, an appropriate accounting and settlement shall be made, to reflect the retroactive effect of the commitment, for all benefits accruing to or payments and expenditures made or incurred on behalf of such surrendered working interest during the period between the date of surrender and the date of recommitment, and payment of any moneys found to be owing by such an accounting shall be made as between the parties then signatory to the unit operating

agreement and this agreement within thirty (30) days after the recommitment. The right to become a party to this agreement and the unit operating agreement as a working interest owner by reason of a surrender or forfeiture as provided in this section shall not be defeated by the non-existence of a unit operating agreement and in the event no unit operating agreement is in existence and a mutually acceptable agreement between the proper parties thereto cannot be consummated, the Supervisor may prescribe such reasonable and equitable agreement as he deems warranted under the circumstances.

(c) Nothing in this section shall be deemed to limit the right of joinder or subsequent joinder to this agreement as provided elsewhere in this agreement. The exercise of any right vested in a working interest owner to reassign such working interest to the party from whom obtained shall be subject to the same conditions as set forth in this section in regard to the exercise of a right to surrender.

32. TAXES: The working interest owners shall render and pay for their account and the account of the royalty owners all valid taxes on or measured by the unitized substances in and under or that may be produced, gathered and sold from the land subject to this contract after the effective date of this agreement, or upon the proceeds or net proceeds derived therefrom. The working interest owners on each tract shall and may charge the proper proportion of said taxes to the royalty owners having interests in said tract, and may currently retain and deduct sufficient of the unitized substances or derivative products, or net proceeds thereof from the allocated share of each royalty owner to secure reimbursement for the taxes so paid. No such taxes shall be charged to the United States or the State of New Mexico or to any lessor who has a contract with his lessee which required the lessee to pay such taxes.

33. NO PARTNERSHIP: It is expressly agreed that the relation of the parties hereto is that of independent contractors and nothing in this agreement contained, expressed or implied, nor any operations conducted hereunder, shall create or be deemed to have created a partnership or association between the parties hereto or any of them.

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

ATTEST:

[Signature]  
Assistant Secretary

DATE:

10/23/51

By

[Signature]  
Vice-President

UNIT OPERATOR AND WORKING INTEREST OWNER  
STANOLIND OIL AND GAS COMPANY



WORKING INTEREST OWNERS

MALCO REFINERIES, Inc.

ATTEST:

[Signature]  
Assistant Secretary

DATE:

Jan 31, 1952

By

[Signature]  
Vice-President

TEXAS TRADING CO., INC.

P. O. Box 505

DALLAS 1, TEXAS

ATTEST:

[Signature]  
Secretary

DATE:

By

[Signature]  
President

Address:

ATTEST:

[Signature]  
Asst. Secretary H. W. Clark  
Magnolia Petroleum Company

DATE:

4/4/52

By

[Signature]  
Vice-President

MAGNOLIA PETROLEUM COMPANY

Address:

P. O. Box 900, Dallas 1, Texas

ATTEST:

[Signature]  
Secretary

DATE:

By

[Signature]  
Attorney in fact

Cities Service Oil Company

Address:

ATTEST:

[Signature]  
Asst. Secretary H. M. CRAIG

DATE:

5/16/52

By

[Signature]  
Vice President

GULF OIL CORPORATION

Address:

P. O. Drawer 1290  
Fort Worth, Texas

ATTEST:

[Signature]  
Secretary

DATE:

By

[Signature]  
President

Address:

STATE OF OKLAHOMA  
COUNTY OF TULSA

On this 23rd day of October, 1951, before me appeared J. E. ROUSE, to me personally known, who, being by me duly sworn, did say that he is the Vice President of Stanolind Oil and Gas Company

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said J. E. ROUSE acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this 23rd day of October, 1951.

My Commission expires:

October 4, 1955

Margie M. Adams  
Notary Public

STATE OF New Mexico  
COUNTY OF Chaves

On this 31st day of Jan., 1952, before me appeared Donald B. Anderson, to me personally known, who, being by me duly sworn, did say that he is the Vice President of Matco Refineries, Inc.

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said Donald B. Anderson acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this 31st day of Jan., 1952

My Commission expires:

Mar. 21, 1955

William B. McComb  
Notary Public

STATE OF Texas  
COUNTY OF Dallas

On this 4 day of April, 1952, before me appeared A. E. Chester, to me personally known, who, being by me duly sworn, did say that he is the Vice President of Magnolia Petroleum Company

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said A. E. Chester acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this 4 day of April, 1952

My Commission expires:

June 1, 1953

Moreene Kinard  
Notary Public  
MOREENE KINARD, Notary Public  
in and for Dallas County, Texas

STATE OF Texas  
COUNTY OF Dallas

On this 5 day of April, 1952, before me appeared John H. Moore, to me personally known, who, being by me duly sworn, did say that he is the President of Wax Trading Co., Inc.

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said John H. Moore acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this 5 day of April, 1952

My Commission expires:

June 1, 1953

Virginia Blasingame  
Notary Public

(New Mexico)

VIRGINIA BLASINGAME  
Notary Public, Santa Fe, N.M.

STATE OF OKLAHOMA }  
COUNTY OF WASHINGTON) SS:

NEW MEXICO ACKNOWLEDGMENT

On this 20 day of April, 1952, before me personally appeared H. Ben Cox, to me known to be the person who executed the foregoing instrument as Attorney in Fact in behalf of Cities Service Oil Company, and acknowledged that he executed the same as the free act and deed of said Cities Service Oil Company.

My commission expires:  
My commission expires  
January 25, 1955

James Mulkins  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_ day of \_\_\_\_\_, 19\_\_.

My Commission expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_ day of \_\_\_\_\_, 19\_\_.

My Commission expires:

\_\_\_\_\_  
Notary Public

STATE OF TEXAS )  
COUNTY OF TARRANT )

On this 16 day of May, 1952, before me appeared F. J. ADAMS, to me personally known, who, being by me duly sworn, did say that he is the Vice President of Gulf Oil Corporation

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said F. J. ADAMS acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this 16 day of May, 1952

My Commission expires:

June 1, 1953

B. R. Jordan **B. R. JORDAN**  
Notary Public in and  
for Tarrant County, Texas

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_ day of \_\_\_\_\_, 19\_\_

My Commission expires:

\_\_\_\_\_  
Notary Public

# RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Guadalupe Foothills Unit Area, County of Eddy, State of New Mexico, in form approved on behalf of the Secretary of the Interior the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

## SIGNATURES AND ADDRESSES

|                             |                             |
|-----------------------------|-----------------------------|
| Name <u>E. H. Shaw Jr.</u>  | Name <u>Joy Shaw</u>        |
| Address <u>P.O. Box 103</u> | Address <u>P.O. Box 103</u> |
| <u>Midland, Texas</u>       | <u>Midland, Texas</u>       |
| Name _____                  | Name _____                  |
| Address _____               | Address _____               |
| Name _____                  | Name _____                  |
| Address _____               | Address _____               |

STATE OF Texas  
COUNTY OF Midland

On this 27th day of March, 19 52, before me personally appeared E. H. Shaw, Jr., and wife, Joy Shaw to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 27th day of March, 19 52.

My Commission expires:

June 1, 1953

Mary Jane Stevens  
Notary Public

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_.

My Commission expires:

\_\_\_\_\_  
Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Guadalupe Foothills Unit Area, County of Eddy, State of New Mexico, in form approved on behalf of the Secretary of the Interior the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

SIGNATURES AND ADDRESSES

*Tract 2A 2B*

Name *Edith Riggs*  
Address *Carlsbad, N.M.*

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

STATE OF *New Mexico* )  
COUNTY OF *Eddy* )

On this *28th* day of *April*, 19*52*, before me personally appeared *Edith Riggs* to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that *she* executed the same as *her* free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this *28th* day of *April*, 19*52*

My Commission expires:

*8-21-52*

*R. L. Brunel*  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My Commission expires:

\_\_\_\_\_  
Notary Public

# RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Guadalupe Foothills Unit Area, County of Eddy, State of New Mexico, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

## SIGNATURES AND ADDRESSES

Tract 9

|                              |               |
|------------------------------|---------------|
| Name <u>Callie B. McLean</u> | Name _____    |
| Address <u>Artesia N.M.</u>  | Address _____ |
| <u>Box 604</u>               | _____         |
| Name <u>M. A. McLean</u>     | Name _____    |
| Address <u>Artesia N.M.</u>  | Address _____ |
| <u>Box 604</u>               | _____         |
| Name _____                   | Name _____    |
| Address _____                | Address _____ |
| _____                        | _____         |

STATE OF New Mexico  
COUNTY OF Eddy

On this 10<sup>th</sup> day of January, 1952, before me personally appeared Callie B. McLean & M. A. McLean to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 10<sup>th</sup> day of January, 1952.

My Commission expires:

January 18, 1952

Leonard A. King  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My Commission expires:

\_\_\_\_\_  
Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Guadalupe Foothills Unit Area, County of Eddy, State of New Mexico, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

SIGNATURES AND ADDRESSES

Tract 10

|                                  |                           |
|----------------------------------|---------------------------|
| Name <u>Mrs. Nora M. Burgamy</u> | Name <u>Ester Burgamy</u> |
| Address <u>Box 5</u>             | Address <u>Box 5</u>      |
| <u>Lubbock, Texas</u>            | <u>Lubbock, Texas</u>     |
| Name _____                       | Name _____                |
| Address _____                    | Address _____             |
| Name _____                       | Name _____                |
| Address _____                    | Address _____             |

STATE OF Texas )  
COUNTY OF Lubbock )

On this 12th day of Jan., 19 52, before me personally appeared Mrs. Nora M. & Mr. Ester Burgamy to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 12th day of Jan., 19 52.

My Commission expires:  
6/1/53

George Taylor  
Notary Public  
George Taylor

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My Commission expires:

\_\_\_\_\_  
Notary Public

# RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Guadalupe Foothills Unit Area, County of Eddy, State of New Mexico, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

## SIGNATURES AND ADDRESSES

|                                    |               |
|------------------------------------|---------------|
| Name <u>Grady Southworth</u>       | Name _____    |
| Address <u>108 W. Alameda</u>      | Address _____ |
| _____                              | _____         |
| Name <u>Ethel Marie Southworth</u> | Name _____    |
| Address <u>108 W. Alameda</u>      | Address _____ |
| _____                              | _____         |
| Name _____                         | Name _____    |
| Address _____                      | Address _____ |
| _____                              | _____         |

STATE OF New Mexico )  
COUNTY OF Chaves )

On this 23rd day of January, 19 52, before me personally appeared Grady Southworth and Ethel Marie Southworth <sup>his wife</sup> to me known to be the person as described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 23rd day of Jan., 19 52.

My Commission expires:  
August 15, 1953

Corrine McCarter  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_.

My Commission expires:

\_\_\_\_\_  
Notary Public

# RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Guadalupe Foothills Unit Area, County of Eddy, State of New Mexico, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

## SIGNATURES AND ADDRESSES

|                             |                          |
|-----------------------------|--------------------------|
| Name <u>Josephine Rodke</u> | Name <u>R. B. Rodke</u>  |
| Address <u>2065 Palm</u>    | Address <u>2065 Palm</u> |
| <u>Abilene, Texas</u>       | <u>Abilene, Texas</u>    |
| Name _____                  | Name _____               |
| Address _____               | Address _____            |
| Name _____                  | Name _____               |
| Address _____               | Address _____            |

*Tracts 13 and 20*

STATE OF Texas )  
COUNTY OF Taylor )

On this 17 day of January, 1954, before me personally appeared R. B. Rodke and Josephine Rodke, his wife to me known to be the person s described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 17 day of Jan, 1954.

My Commission expires:  
6-1-53

Margaret A. Robinson  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My Commission expires:

\_\_\_\_\_  
Notary Public

# RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Guadalupe Foothills Unit Area, County of Eddy, State of New Mexico, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

## SIGNATURES AND ADDRESSES

Name \_\_\_\_\_ Address \_\_\_\_\_

Name Thomas Truman Sanders Jr. Address Box 939  
Rosewell, N.M.

Name \_\_\_\_\_ Address \_\_\_\_\_

Name Dora L. Sanders Address Box 939  
Rosewell, N.M.

Name \_\_\_\_\_ Address \_\_\_\_\_

Name \_\_\_\_\_ Address \_\_\_\_\_

STATE OF New Mexico )  
COUNTY OF Chaves )

On this 15<sup>th</sup> day of January, 1952, before me personally appeared Thomas Truman Sanders Jr. & Dora L. Sanders, to me known to be the person s described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 15<sup>th</sup> day of Jan, 1952.

My Commission expires:

March 9, 1953

Paul M. Hartman  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My Commission expires:

Notary Public

# RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Guadalupe Foothills Unit Area, County of Eddy, State of New Mexico, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

## SIGNATURES AND ADDRESSES

tract 17

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name Mrs. Mabel E. Tedhunter  
Address Box 852  
Roswell New Mexico

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

STATE OF New Mexico  
COUNTY OF Chaves

On this 24<sup>th</sup> day of April, 1952, before me personally appeared Mabel E. Tedhunter to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that she executed the same as her free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 24<sup>th</sup> day of April, 1952.

My Commission expires:  
February 25, 1954

Emerson B. Tedhunter  
Notary Public

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My Commission expires:

Notary Public

# RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Guadalupe Foothills Unit Area, County of Eddy, State of New Mexico, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

## SIGNATURES AND ADDRESSES

Name Sue M. Winston  
Address Roswell N M

Name Lucille Parker  
Address 212 N. Grand

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

STATE OF NEW MEXICO )  
COUNTY OF CHAVES )

On this 13th day of March, 1952, before me personally appeared Sue M. Winston and Lucille Parker to me known to be the person s described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 13th day of March, 1952.

My Commission expires:  
March 29, 1953

Richard P. Clark  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My Commission expires:

\_\_\_\_\_  
Notary Public

# RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Guadalupe Foothills Unit Area, County of Eddy, State of New Mexico, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

## SIGNATURES AND ADDRESSES

Tract 23

|               |                              |
|---------------|------------------------------|
| Name _____    | Name <u>John B. Meredith</u> |
| Address _____ | Address <u>Box 206</u>       |
| _____         | _____                        |
| Name _____    | Name <u>Altha Meredith</u>   |
| Address _____ | Address <u>P.O. Box 206</u>  |
| _____         | <u>Las Cruces New Mexico</u> |
| Name _____    | Name _____                   |
| Address _____ | Address _____                |
| _____         | _____                        |

STATE OF New Mexico )  
COUNTY OF Eddy )

On this 29th day of January, 1952, before me personally appeared John B. Meredith and Altha Meredith to me known to be the person s described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 29th day of Jan., 1952.

My Commission expires:  
2/20/55

Thom Glenn  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My Commission expires:

Notary Public

Unit Agreement, together with all the rights and obligations created or defined shall be deemed to be the full and complete performance of said Unit Agreement and no further action shall be required of or by the undersigned, his heirs, devisees, assigns or successors to the production of the same, and the undersigned, his heirs, devisees, assigns or successors, shall constitute full performance of all such obligations to the undersigned existing under such lease or other contracts.

This ratification and consent of the undersigned may be shown in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

TX - 34

| ATTEST:                  |                                    | SIGNATURES AND ADDRESSES |  |
|--------------------------|------------------------------------|--------------------------|--|
| Name <u>Joe W. Lachy</u> | Name <u>Malco Refineries, Inc.</u> |                          |  |
| Address _____            | Address _____                      |                          |  |
| Name _____               | Name _____                         |                          |  |
| Address _____            | Address _____                      |                          |  |
| Name _____               | Name _____                         |                          |  |
| Address _____            | Address _____                      |                          |  |

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally appeared \_\_\_\_\_ to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ free and clear.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My Commission Expires: \_\_\_\_\_

STATE OF Mississippi  
COUNTY OF Jefferson

*[Faint, illegible text, likely a notary signature and commission details]*

# RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Guadalupe Foothills Unit Area, County of Eddy, State of New Mexico, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

## SIGNATURES AND ADDRESSES

*Tract 36*

|                                         |               |
|-----------------------------------------|---------------|
| Name <u>William G. Rethy</u>            | Name _____    |
| Address <u>WM. G. RETHY</u>             | Address _____ |
| <u>201 NORTH SANTA ANITA AVE.</u>       |               |
| <u>SIERRA MADRE, CALIFORNIA</u>         |               |
| Name <u>Mrs. Mary Margaret Rethy</u>    | Name _____    |
| Address <u>Mrs. Mary Margaret Rethy</u> | Address _____ |
| <u>201 NORTH SANTA ANITA AVE.</u>       |               |
| <u>SIERRA MADRE, CALIFORNIA</u>         |               |
| Name _____                              | Name _____    |
| Address _____                           | Address _____ |

STATE OF California )  
COUNTY OF Los Angeles )

On this 22 day of January, 19 52, before me personally appeared William G. and Mary Margaret Rethy to me known to be the person s described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 22nd day of Jan., 19 52.

My Commission expires:  
Jan. 31, 1954

Peggy A. Gault  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

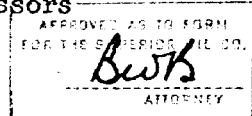
My Commission expires:

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Guadalupe Foothills Unit Area, County of Eddy, State of New Mexico, in form approved on behalf of the Secretary of the Interior the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.



SIGNATURES AND ADDRESSES

|               |                                             |
|---------------|---------------------------------------------|
| Name _____    | Name <b>THE SUPERIOR OIL COMPANY</b>        |
| Address _____ | Address <u>By <b>Howard Leck</b></u>        |
|               | <b>Midland, Texas</b> <b>Vice President</b> |
| Name _____    | Name _____                                  |
| Address _____ | Address _____                               |
| Name _____    | Name _____                                  |
| Address _____ | Address _____                               |

*37, 39, 43*

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally appeared \_\_\_\_\_ to me known to be the person \_\_\_\_\_ described in and who executed and delivered the foregoing instrument, and acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My Commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF **TEXAS** )  
COUNTY OF **MIDLAND** )

On this 9 day of April, 1952, before me appeared Howard Leck, to me personally known, who, being by me duly sworn, did say that he is the **Vice** President of **THE SUPERIOR OIL COMPANY**

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said Howard Leck acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this 9 day of April, 1952.

My Commission expires: \_\_\_\_\_

My Commission Expires June 1, 1953  
ANN O'LEARY

Ann O'Leary  
Notary Public

# RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Guadalupe Foothills Unit Area, County of Eddy, State of New Mexico, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

## SIGNATURES AND ADDRESSES

Tract 38

Name RS Magruder  
Address 601 Sinclair Bldg.  
Fort Worth 2 Texas

Name Helen Magruder  
Address 601 Sinclair Bldg  
Fort Worth 2 Texas

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

STATE OF Texas  
COUNTY OF Tarrant

On this 10th day of January, 1952, before me personally appeared RS Magruder & wife Helen Magruder to me known to be the person s described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 10th day of January, 1952.

My Commission expires: \_\_\_\_\_

EMMA BARNETT  
Notary Public, Tarrant County, Texas  
My Commission Expires May 31, 1953

Emma Barnett  
Notary Public

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My Commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Guadalupe Foothills Unit Area, County of Eddy, State of New Mexico, in form approved on behalf of the Secretary of the Interior the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

SIGNATURES AND ADDRESSES

|               |                                   |
|---------------|-----------------------------------|
| Name _____    | Name <u>D. C. Biville</u>         |
| Address _____ | Address <u>Box 6-05</u>           |
| _____         | _____ <u>Midland, Texas</u>       |
| Name _____    | Name <u>Geo. J. Schrup</u>        |
| Address _____ | Address <u>725 Fair Building</u>  |
| _____         | _____ <u>Fort Worth, 2, Texas</u> |
| Name _____    | Name _____                        |
| Address _____ | Address _____                     |
| _____         | _____                             |

STATE OF Texas  
COUNTY OF Midland)

On this 21 day of March, 1952, before me personally appeared D. C. Biville to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that he executed the same as his free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 21 day of March 1952.

My Commission expires:

June 1, 1953

Julius Smith  
Notary Public

STATE OF \_\_\_\_\_

STATE OF TEXAS )  
COUNTY OF TARRANT ) SS

On this 16th day of April, 1952, before me personally appeared Geo. J. Schrup, to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that he executed the same as his free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 16th day of April, 1952.

Thora Prater  
Notary Public in and for  
Tarrant County, Texas  
THORA PRATER

My Commission Expires:

# RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Guadalupe Foothills Unit Area, County of Eddy, State of New Mexico, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

## SIGNATURES AND ADDRESSES

Tract 47

|                                |               |
|--------------------------------|---------------|
| Name <u>William McDowell</u>   | Name _____    |
| Address <u>720 McCullen St</u> | Address _____ |
| <u>Emery, Calif.</u>           | _____         |
| Name _____                     | Name _____    |
| Address _____                  | Address _____ |
| _____                          | _____         |
| Name _____                     | Name _____    |
| Address _____                  | Address _____ |
| _____                          | _____         |

STATE OF California )  
COUNTY OF Butte )

On this 15 day of Jan, 1952, before me personally appeared William McDowell to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that he executed the same as his free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 15 day of Jan, 1952.

My Commission expires:  
May 17, 1955

Paul Williamson  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My Commission expires:

\_\_\_\_\_  
Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Guadalupe Foothills Unit Area, County of Eddy, State of New Mexico, in form approved on behalf of the Secretary of the Interior the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

SIGNATURES AND ADDRESSES

*Trout 78*

|               |                                                      |
|---------------|------------------------------------------------------|
| Name _____    | Name <u>HENRY SCHAFER, INC.</u>                      |
| Address _____ | Address <u>By <i>Burnice M. Miller</i> President</u> |
| Name _____    | Name _____                                           |
| Address _____ | Address _____                                        |
| Name _____    | Name _____                                           |
| Address _____ | Address _____                                        |

STATE OF Oklahoma  
COUNTY OF Oklahoma

On this 25th day of April, 1952, before me personally appeared Burnice Miller to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that she executed the same as her free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 25th day of April, 1952.

My Commission expires:

June 24, 1954

*Lillian Mae Murphy*  
Notary Public

STATE OF Oklahoma  
COUNTY OF Oklahoma

On this 25th day of April, 1952, before me appeared Burnice Miller, to me personally known, who, being by me duly sworn, did say that she is the \_\_\_\_\_ President of HENRY SCHAFER, INC.

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said Burnice Miller acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this 25th day of April, 1952.

My Commission expires:

June 24, 1954

*Lillian Mae Murphy*  
Notary Public

# RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Guadalupe Foothills Unit Area, County of Eddy, State of New Mexico, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

## SIGNATURES AND ADDRESSES

*Tract 49*

|                                               |               |
|-----------------------------------------------|---------------|
| Name <u><i>A. J. Huston</i></u>               | Name _____    |
| Address <u><i>c/o Union National Bank</i></u> | Address _____ |
| <u><i>MaComb, Illinois</i></u>                | _____         |
|                                               |               |
| Name <u><i>Geneva G. Huston</i></u>           | Name _____    |
| Address <u><i>c/o Union National Bank</i></u> | Address _____ |
| <u><i>MaComb, Illinois</i></u>                | _____         |
|                                               |               |
| Name _____                                    | Name _____    |
| Address _____                                 | Address _____ |
|                                               |               |

STATE OF *Illinois* )  
COUNTY OF *McDonough* )

On this *12* day of *Jan*, 19*52*, before me personally appeared *A. J. Huston & Geneva G. Huston* to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that *they* executed the same as *their* free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this *12* day of *Jan*, 19*52*.

My Commission expires:

*Sept 9-1955*

*Raymond L. Stone*  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My Commission expires:

\_\_\_\_\_  
Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Guadalupe Foothills Unit Area, County of Eddy, State of New Mexico, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

SIGNATURES AND ADDRESSES

*Tract 70*

|                                            |               |
|--------------------------------------------|---------------|
| Name <u>John W. Hair</u>                   | Name _____    |
| Address <u>Box 6, Carlsbad, New Mexico</u> | Address _____ |
| _____                                      | _____         |
| Name _____                                 | Name _____    |
| Address _____                              | Address _____ |
| _____                                      | _____         |
| Name _____                                 | Name _____    |
| Address _____                              | Address _____ |
| _____                                      | _____         |

STATE OF NEW MEXICO )  
COUNTY OF EDDY )

On this 14th day of January, 19 52, before me personally appeared JOHN W. HAIR, a single man to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that he executed the same as his free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 14th day of January, 19 52.

My Commission expires:  
5-22-52

Walter M. Jackson  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My Commission expires:

\_\_\_\_\_  
Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Guadalupe Foothills Unit Area, County of Eddy, State of New Mexico, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

SIGNATURES AND ADDRESSES

*Tract 70*

|                                              |               |
|----------------------------------------------|---------------|
| Name <u>A. F. McIVER</u>                     | Name _____    |
| Address <u>Box 365, Carlsbad, N.M.</u>       | Address _____ |
| <u>Box 365, Carlsbad, New Mexico</u>         | _____         |
| Name <u>Elizabeth Kee McIVER</u>             | Name _____    |
| Address <u>Box 365, Carlsbad, New Mexico</u> | Address _____ |
| _____                                        | _____         |
| Name _____                                   | Name _____    |
| Address _____                                | Address _____ |
| _____                                        | _____         |

STATE OF NEW MEXICO )  
COUNTY OF EDDY )

On this 12th day of February, 19 52, before me personally appeared A. F. McIVER and ELIZABETH KEE McIVER, husband and wife, the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 12th day of Feb, 19 52.

My Commission expires:  
5-22-52

William M. Jackson  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_

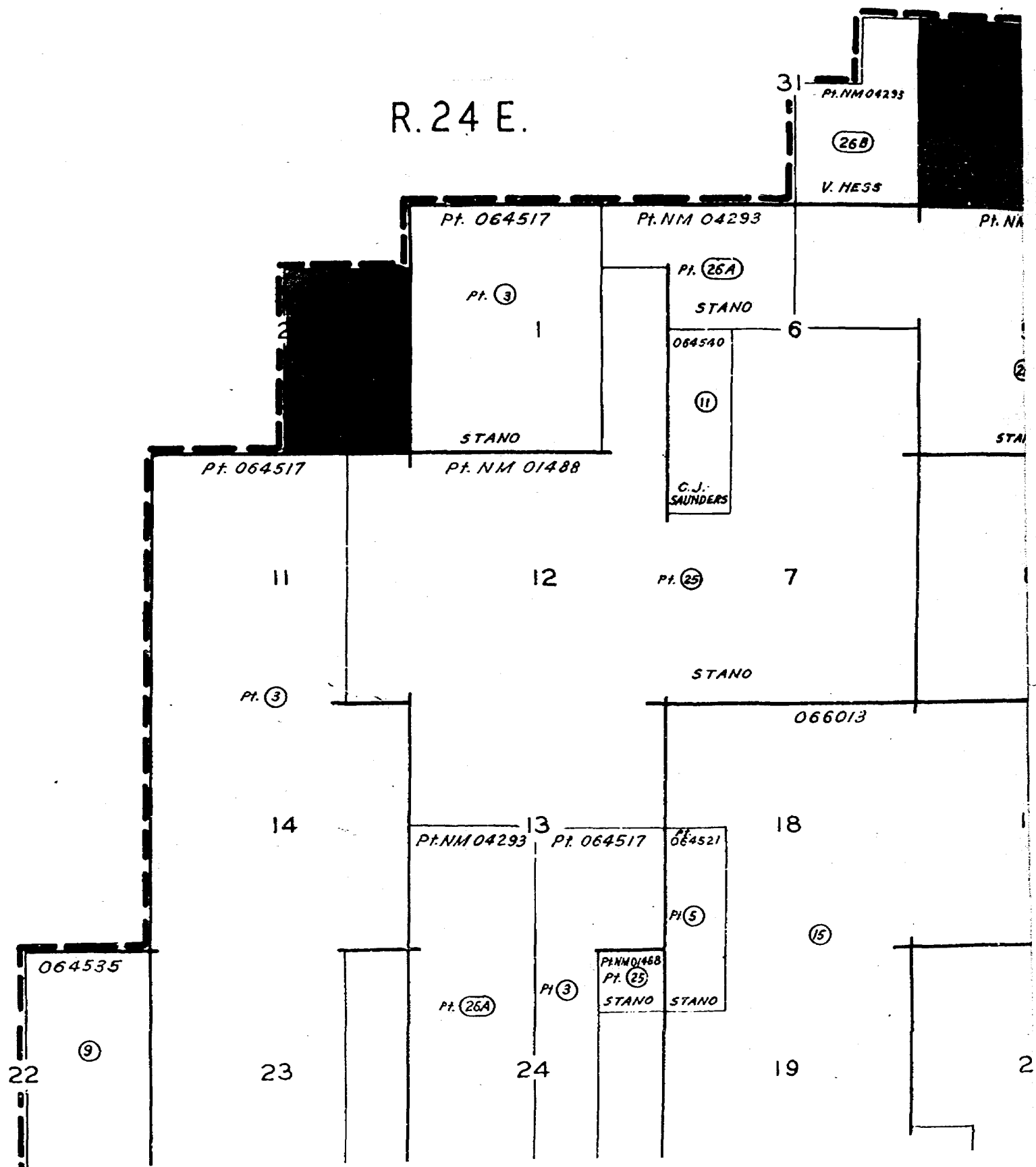
and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

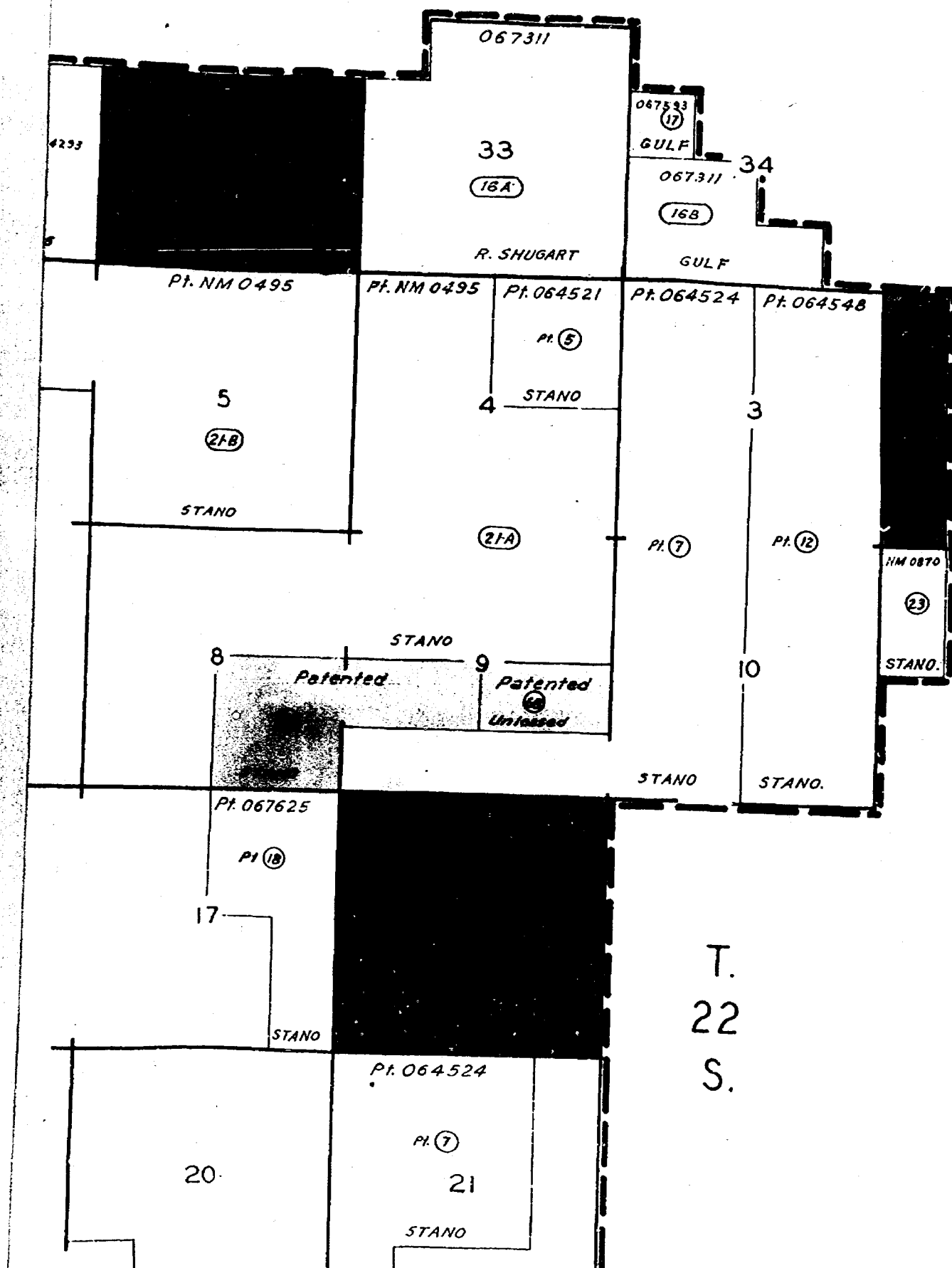
My Commission expires:

\_\_\_\_\_  
Notary Public

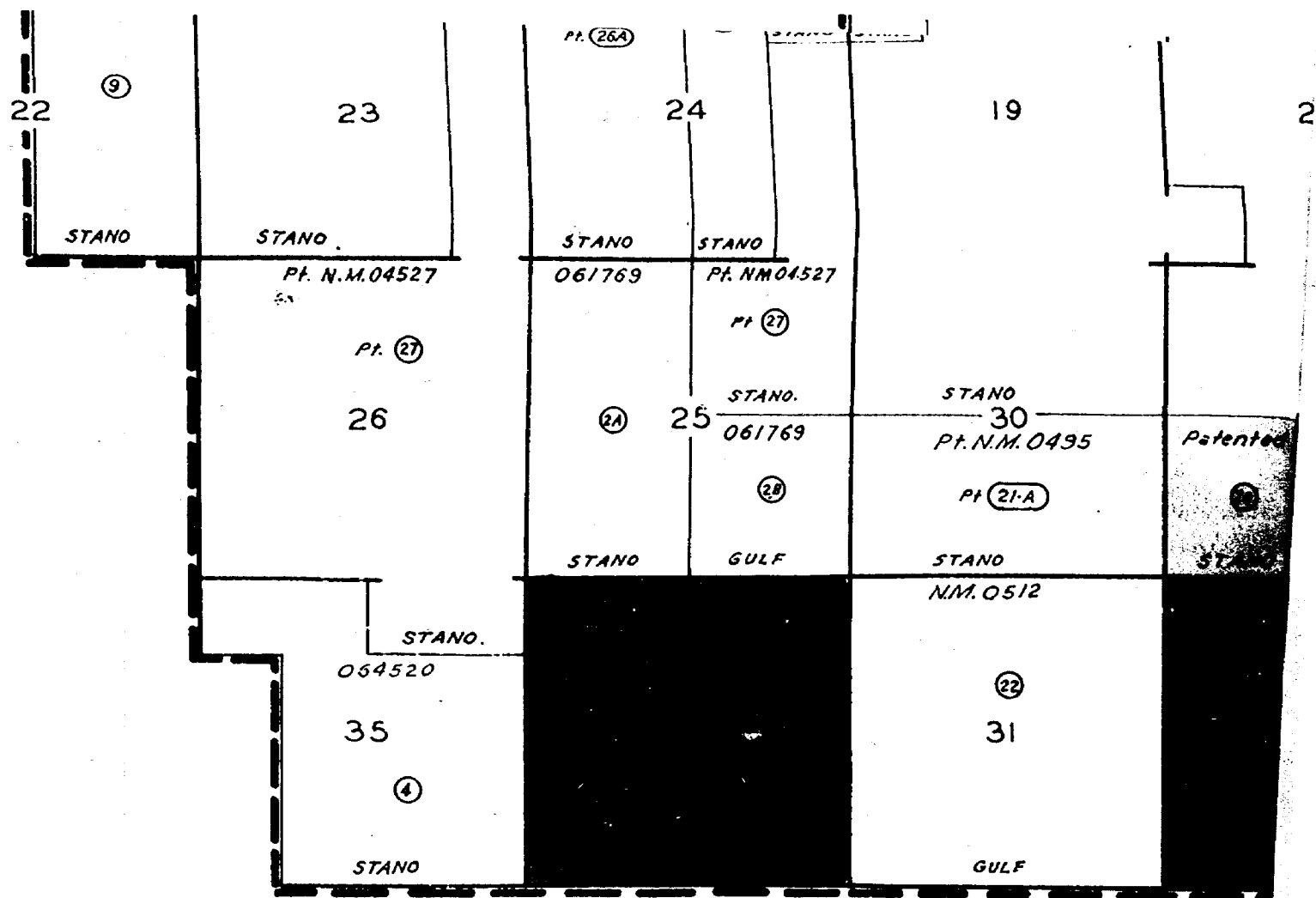
R.24 E.



T.  
21  
S.



T.  
22  
S.



## LEGEND

- UNIT BOUNDARY
- TRACT BOUNDARY
- FEDERAL LAND
- STATE LAND
- PATENTED LAND
- ⑤ TRACT NUMBER



E X H I B I T "B"

SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS  
IN ALL LAND IN THE GUADALUPE FOOTHILLS UNIT

| TRACT<br>NO.         | DESCRIPTION                                                                                                                                                       | NO. OF<br>ACRES. | SERIAL NO.<br>IAS CRUCES<br>(Except as<br>otherwise<br>shown) AND<br>DATE OF<br>LEASE | PERCENTAGE<br>OF USA<br>ROYALTY | RECORD OWNER<br>OF LEASE OR<br>APPLICATION | OVERLIDING<br>ROYALTY<br>OWNERS &<br>PERCENTAGE                                                     | WORKING INTEREST OWNER<br>UNDER OPTION AGREEMENT<br>OPERATING AGREEMENT<br>LEASE OR ASSIGNMENT<br>AND PERCENTAGE OF INTEREST |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|---------------------------------------------------------------------------------------|---------------------------------|--------------------------------------------|-----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| <u>FEDERAL LANDS</u> |                                                                                                                                                                   |                  |                                                                                       |                                 |                                            |                                                                                                     |                                                                                                                              |
| 1.                   | T23S-R25E<br>Sec. 4: SW/4                                                                                                                                         | 160              | 061218<br>8-1-49                                                                      | USA - 12 $\frac{1}{2}$ %        | E. H. Shaw, Jr.                            | J. S. Murlless<br>Reservation-\$600 per<br>acre, payable out of<br>3% of production.                | Stanolind - 84 $\frac{1}{2}$ to 87 $\frac{1}{2}$ %                                                                           |
| 2A                   | T22S-R24E<br>Sec. 25: W/2                                                                                                                                         | 320              | 061769<br>2-1-48                                                                      | USA - 12 $\frac{1}{2}$ %        | Edith Riggs                                | Edith Riggs<br>Reservation-\$300 per<br>acre payable out of<br>2% of production.                    | Stanolind - 85 $\frac{1}{2}$ to 87 $\frac{1}{2}$ %                                                                           |
| 2B                   | Sec. 25: SE/4                                                                                                                                                     | 160              |                                                                                       |                                 | Edith Riggs                                | Edith Riggs-reserves<br>\$500 per acre out of<br>3% of production.                                  | Gulf Oil Corp. 84 $\frac{1}{2}$ to<br>87 $\frac{1}{2}$ %                                                                     |
| 3                    | Sec. 1: Lots 2,3,4, SW/4 NE/4,<br>W/2 SE/4, S/2 NW/4, SW/4<br>Sec. 11: W/2, W/2 E/2<br>Sec. 13: SE/4<br>Sec. 14: ALL<br>Sec. 23: W/2, W/2 E/2<br>Sec. 24: W/2 E/2 | 2435.37          | LC-064517<br>5-1-51                                                                   | USA -12 $\frac{1}{2}$ %         | Jimmie Saunders, a<br>widow                | Jimmie Saunders, a<br>widow, Reservation<br>of \$300 per acre<br>payable out of 2%<br>of production | Stanolind - 85 $\frac{1}{2}$ to 87 $\frac{1}{2}$ %                                                                           |

| TRACT NO.            | DESCRIPTION                                                                                                                                              | NO. OF ACRES | SERIAL NO. LAS CRUCES (Except as otherwise shown) AND DATE OF LEASE | PERCENTAGE OF USA ROYALTY | RECORD OWNER OF LEASE OR APPLICATION | OVERRIDING ROYALTY OWNERS & PERCENTAGE                                                   | WORKING INTEREST OWNER UNDER OPTION AGREEMENT OPERATING AGREEMENT LEASE OR ASSIGNMENT AND PERCENTAGE INTEREST |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------------------------------------------------------------|---------------------------|--------------------------------------|------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <u>FEDERAL LANDS</u> |                                                                                                                                                          |              |                                                                     |                           |                                      |                                                                                          |                                                                                                               |
| 4                    | T22S-R24E<br>Sec. 35: S/2 NE/4, SE/4 E/2 W/2, NW/4 NW/4                                                                                                  | 440          | LC-064520<br>9-1-51                                                 | USA - 12 $\frac{1}{2}$ %  | C. A. Hobbs                          | C. A. Hobbs<br>Reservation-\$300<br>per acre payable out<br>of 2% of production.         | Stanolind - 85 $\frac{1}{2}$ to 87 $\frac{1}{2}$ %                                                            |
| 5                    | T22S-R25E<br>Sec. 4: Lots 1, 2, S/2 NE/4<br>Sec. 18: Lots 3 & 4<br>Sec. 19: Lot 1                                                                        | 281.65       | 064521<br>2-1-51                                                    | USA - 12 $\frac{1}{2}$ %  | D. O. Wilson                         | D. O. Wilson<br>Reservation-\$600<br>per acre payable out<br>of 3% of production.        | Stanolind - 84 $\frac{1}{2}$ to 87 $\frac{1}{2}$ %                                                            |
| 6                    | Sec. 20: E/2, E/2 W/2, W/2 NW/4, NW/4 SW/4<br>Sec. 21: E/2 E/2, SW/4 SE/4, SE/4 SW/4<br>Sec. 28: W/2, W/2 E/2, SE/4 SE/4<br>Sec. 29: W/2<br>Sec. 33: All | 2320         | 064522<br>9-1-51                                                    | USA - 12 $\frac{1}{2}$ %  | Porter K. Middleton                  | Porter K. Middleton<br>Reservation-\$600<br>per acre payable out<br>of 3% of production. | Stanolind - 84 $\frac{1}{2}$ to 87 $\frac{1}{2}$ %                                                            |

| TRACT NO.            | DESCRIPTION                                                                                                                                  | NO. OF ACRES | SERIAL NO. IAS CRUCES (Except as otherwise shown) AND DATE OF LEASE | PERCENTAGE OF USA ROYALTY | RECORD OWNER OF LEASE OR APPLICATION | OVERRIDING ROYALTY OWNERS & PERCENTAGE                                               | WORKING INTEREST OWNER UNDER OPTION AGREEMENT OPERATING AGREEMENT, LEASE OR ASSIGNMENT, AND PERCENTAGE OF INTEREST |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------------------------------------------------------------|---------------------------|--------------------------------------|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| <u>FEDERAL LANDS</u> |                                                                                                                                              |              |                                                                     |                           |                                      |                                                                                      |                                                                                                                    |
| 7                    | T22S-R2SE<br>Sec. 3: Lots 3, 4, S/2 NW/4, SW/4<br>Sec. 9: S/2 S/2<br>Sec. 10: T/2<br>Sec. 21: NW/4, W/2 SW/4, NE/4 SW/4, W/2 NE/4, NW/4 SE/4 | 1201.08      | 064524<br>2-1-51                                                    | USA - 12 $\frac{1}{2}$ %  | Madge Blocksom                       | Madge Blocksom<br>Reservation-\$600 per acre, payable out of 5% of production.       | Stanolind - 84 $\frac{1}{2}$ to 87 $\frac{1}{2}$ %                                                                 |
| 8                    | T23S-R2SE<br>Sec. 3: SW/4                                                                                                                    | 160          | 064525<br>2-1-51                                                    | USA - 12 $\frac{1}{2}$ %  | Caldwell J. Saunders                 | Caldwell J. Saunders<br>Reservation-\$600 per acre, payable out of 5% of production. | Stanolind - 84 $\frac{1}{2}$ to 87 $\frac{1}{2}$ %                                                                 |
| 9                    | T22S-R24E<br>Sec. 22: E/2                                                                                                                    | 320          | LC-064535<br>8-1-48                                                 | USA - 12 $\frac{1}{2}$ %  | Callie C. McLean                     | Callie C. McLean<br>Reservation-\$300 per acre payable out of 2% of production.      | Stanolind - 85 $\frac{1}{2}$ to 87 $\frac{1}{2}$ %                                                                 |
| 10                   | T23S-R2SE<br>Sec. 3: SE/4                                                                                                                    | 160          | 064539<br>6-1-51                                                    | USA - 12 $\frac{1}{2}$ %  | Nona M. Burgamy                      | Nona M. Burgamy<br>Reservation-\$600 per acre, payable out of 3% of production.      | Stanolind - 84 $\frac{1}{2}$ to 87 $\frac{1}{2}$ %                                                                 |

| TRACT NO.            | DESCRIPTION                                                                                                                                                                  | NO. OF ACRES | SERIAL NO. LAS CRUCES (Except as otherwise shown) AND DATE OF LEASE | PERCENTAGE OF USA ROYALTY | RECORD OWNER OF LEASE OR APPLICATION | OVERRIDING ROYALTY OWNERS & PERCENTAGE                                            | WORKING INTEREST OWNER UNDER OPTION AGREEMENT, OPERATING AGREEMENT, LEASE OR ASSIGNMENT, AND PERCENTAGE OF INTEREST |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------------------------------------------------------------|---------------------------|--------------------------------------|-----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| <u>FEDERAL LANDS</u> |                                                                                                                                                                              |              |                                                                     |                           |                                      |                                                                                   |                                                                                                                     |
| <u>T22S-R25E</u>     |                                                                                                                                                                              |              |                                                                     |                           |                                      |                                                                                   |                                                                                                                     |
| 11                   | Sec. 6: Lots 6, 7<br>Sec. 7: Lot 1                                                                                                                                           | 118.14       | 1C-064540<br>2-1-51                                                 | USA - 12 $\frac{1}{2}$ %  | Caldwell J. Saunders                 | None                                                                              | Caldwell J. Saunders - 87 $\frac{1}{2}$ %                                                                           |
| 12                   | Sec. 3: Lots 1, 2, S/2 NE/4, SE/4<br>Sec. 10: E/2<br>Sec. 34: E/2                                                                                                            | 961.08       | 064548<br>2-1-51                                                    | USA - 12 $\frac{1}{2}$ %  | Grady Southworth                     | Grady Southworth - 3%                                                             | Stanolind - 84 $\frac{1}{2}$ %                                                                                      |
| 13                   | Sec. 26: SE/4, S/2 NE/4, NE/4 NE/4<br>Sec. 35: S/2, SE/4 NW/4, N/2 NE/4, SW/4 NE/4                                                                                           | 760.00       | 065532<br>5-1-51                                                    | USA - 12 $\frac{1}{2}$ %  | Josephine Rodke                      | Josephine Rodke - 3%                                                              | Stanolind - 84 $\frac{1}{2}$ %                                                                                      |
| 14                   | Sec. 26: NW/4, NW/4 NE/4, N/2 SW/4, SE/4 SW/4<br>Sec. 27: NE/4, NE/4 NW/4, N/2 SE/4, S/2 SW/4                                                                                | 680.00       | 065595<br>3-1-48                                                    | USA - 12 $\frac{1}{2}$ %  | E. H. Shaw, Jr.                      | Thomas Truman Sanders, Jr. - 3%                                                   | Stanolind - 84 $\frac{1}{2}$ %                                                                                      |
| 15                   | Sec. 17: W/2, W/2 SE/4<br>Sec. 18: Lots 1 & 2, E/2 NW/4, E/2 SW/4, E/2<br>Sec. 19: E/2, E/2 W/2 & Lots 2, 3, & 4<br>Sec. 20: SW/4 SW/4<br>Sec. 30: Lots 1, 2, E/2 NW/4, NE/4 | 1917.61      | 066013<br>3-1-51                                                    | USA - 12 $\frac{1}{2}$ %  | Ruby S. Crosby (Bell)                | Ruby S. Crosby (Bell) Reservation-\$600 per acre, payable out of 3% of production | Stanolind - 84 $\frac{1}{2}$ to 87 $\frac{1}{2}$ %                                                                  |

| TRACT NO.            | DESCRIPTION                                             | NO. OF ACRES | SERIAL NO. IAS CRUCES (Except as otherwise shown) AND DATE OF LEASE | PERCENTAGE OF USA ROYALTY | RECORD OWNER OF LEASE OR APPLICATION | OVERRIDING ROYALTY OWNERS & PERCENTAGE                                          | WORKING INTEREST OWNER UNDER OPTION AGREEMENT, OPERATING AGREEMENT, LEASE OR ASSIGNMENT AND PERCENTAGE INTEREST |
|----------------------|---------------------------------------------------------|--------------|---------------------------------------------------------------------|---------------------------|--------------------------------------|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| <u>FEDERAL LANDS</u> |                                                         |              |                                                                     |                           |                                      |                                                                                 |                                                                                                                 |
| 16A                  | T21S-R25E<br>Sec. 33: E/2, E/2 W/2, W/2 SW/4, SW/4 NW/4 | 600          | LC-067311<br>7-1-48                                                 | USA - 12 1/2%             | Rena Shugart                         | None                                                                            | Rena Shugart - 87 1/2%                                                                                          |
| 16B                  | Sec. 34: SW/4 SE/4, SW/4                                | 200          | LC-067311<br>7-1-48                                                 | USA - 12 1/2%             | Rena Shugart                         | Rena Shugart - 3%                                                               | Gulf Oil Corp. - 84 1/2%                                                                                        |
| 17                   | Sec. 34: SW/4 NW/4                                      | 40           | LC-067593<br>4-1-51                                                 | USA - 12 1/2%             | Mabel E. Todhunter                   | Mabel E. Todhunter Reservation - \$750 per acre out of 3% of production.        | Gulf Oil Corp. - 84 1/2% to 87 1/2%                                                                             |
| 18                   | T22S-R25E<br>Sec. 17: E/2 E/2, W/2 NE/4<br>Sec. 34: W/2 | 560          | 067625<br>10-1-51                                                   | USA - 12 1/2%             | Frances M. Price                     | Frances M. Price Reservation - \$600 per acre, payable out of 3% of production. | Stanolind - 84 1/2% to 87 1/2%                                                                                  |
| 19                   | T22S-R25E<br>Sec. 35: SE/4 NE/4                         | 40           | 067973<br>Application                                               | USA - 12 1/2%             | Miss Lucille Parker                  | None                                                                            | Miss Lucille Parker - 87 1/2%                                                                                   |
| 20                   | Sec. 26: SW/4 SW/4<br>Sec. 27: S/2 SE/4                 | 120          | 069950<br>6-1-51                                                    | USA - 12 1/2%             | R. B. Rodke                          | R. B. Rodke - 3%                                                                | Stanolind - 84 1/2%                                                                                             |

| TRACT NO.            | DESCRIPTION                                                                                                                               | NO. OF ACRES | SERIAL NO. LAS CRUCES (Except as otherwise shown) AND DATE OF LEASE | PERCENTAGE OF USA ROYALTY | RECORD OWNER OF LEASE OR APPLICATION | OVERRIDE ROYALTY OWNERS & PERCENTAGE                                         | WORKING INTEREST OWNER UNDER OPTION AGREEMENT OPERATING AGREEMENT LEASE OR ASSIGNMENT AND PERCENTAGE INTEREST |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------------------------------------------------------------|---------------------------|--------------------------------------|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <u>FEDERAL LANDS</u> |                                                                                                                                           |              |                                                                     |                           |                                      |                                                                              |                                                                                                               |
| <u>T22S-R25E</u>     |                                                                                                                                           |              |                                                                     |                           |                                      |                                                                              |                                                                                                               |
| 21A                  | Sec. 4: SE/4, Lots 3, 4, S/2 NW/4, SW/4<br>Sec. 8: SW/4, N/2<br>Sec. 9: NE/4, NW/4<br>Sec. 29: SE/4<br>Sec. 30: SE/4, E/2 SW/4 Lots 3 & 4 | 1758.42      | NM-0495<br>2-1-50                                                   | USA - 12 $\frac{1}{2}$ %  | E. H. Shaw, Jr.                      | Eugenia Bate<br>Reservation-\$600 per acre, payable out of 3% of production. | Stanolind - 84 $\frac{1}{2}$ to 87 $\frac{1}{2}$ %                                                            |
| 21B                  | Sec. 5: All<br>Sec. 6: Lots 1, 2, S/2 NE/4                                                                                                | 799.90       |                                                                     |                           | Eugenia Bate                         | Eugenia Bate<br>Reservation-\$300 per acre, payable out of 2% of production. | Stanolind - 85 $\frac{1}{2}$ to 87 $\frac{1}{2}$ %                                                            |
| 22                   | Sec. 31: All                                                                                                                              | 640          | NM-0512<br>1-1-50                                                   | USA - 12 $\frac{1}{2}$ %  | Flossie D. Barnes                    | Flossie D. Barnes<br>reserves \$500 per acre out of 3% of Production.        | Gulf Oil Corp.-84 $\frac{1}{2}$ to 87 $\frac{1}{2}$ %                                                         |
| 23                   | Sec. 11: W/2 NW/4                                                                                                                         | 80           | NM-0870<br>Application                                              | USA - 12 $\frac{1}{2}$ %  | John D. Meredith                     | John D. Meredith - 3%                                                        | Stanolind - 84 $\frac{1}{2}$ %                                                                                |
| 24                   | Sec. 35: N/2 NW/4, SW/4 NW/4                                                                                                              | 120          | NM-0879<br>Application                                              | USA - 12 $\frac{1}{2}$ %  | Eleanor L. Rettig                    | Eleanor L. Rettig - 5%                                                       | Phillips Petroleum Co. - 84 $\frac{1}{2}$ %                                                                   |

| TRACT NO.            | DESCRIPTION                                                                                                        | NO. OF ACRES | SERIAL NO. LAS CRUCES (Except as shown) AND otherwise | DATE OF LEASE | PERCENTAGE OF USA ROYALTY | RECORD OWNER OF LEASE OR APPLICATION | OVERRIDING ROYALTY OWNERS & PERCENTAGE                                              | WORKING INTEREST OWNER UNDER OPTION AGREEMENT, OPERATING AGREEMENT, LEASE OR ASSIGNMENT AND PERCENTAGE OF INTEREST |
|----------------------|--------------------------------------------------------------------------------------------------------------------|--------------|-------------------------------------------------------|---------------|---------------------------|--------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| <u>FEDERAL LANDS</u> |                                                                                                                    |              |                                                       |               |                           |                                      |                                                                                     |                                                                                                                    |
| 25                   | T22S-R25E<br>Sec. 6: E/2 SW/4, SE/4<br>Sec. 7: Lot 2, 3, 4, E/2, E/2 W/2                                           | 2118.31      | NM-01488                                              | Application   | USA - 12 $\frac{1}{2}$ %  | Margret L. Wilson                    | Margret L. Wilson<br>Reservation-\$300<br>per acre payable out of 2% of production. | Stanolind - 85 $\frac{1}{2}$ to 87 $\frac{1}{2}$ %                                                                 |
|                      | T22S-R24E<br>Sec. 1: SE/4 NE/4, E/2 SE/4<br>Sec. 11: E/2 E/2<br>Sec. 12: All<br>Sec. 13: N/2<br>Sec. 24: NE/4 NE/4 |              |                                                       |               |                           |                                      |                                                                                     |                                                                                                                    |
| 26A                  | Sec. 1: Lot 1<br>Sec. 13: SW/4<br>Sec. 24: W/2<br>T22S-R25E<br>Sec. 6: Lots 3, 4, 5, SE/4 NW/4                     | 689.73       | NM-04293                                              | 2-1-51        | USA - 12 $\frac{1}{2}$ %  | Mrs. Virginia Hess                   | Virginia Hess<br>Reservation-\$300 per<br>acre payable out of<br>2% of production   | Stanolind - 85 $\frac{1}{2}$ to 87 $\frac{1}{2}$ %                                                                 |
| 26B                  | T21S-R25E<br>Sec. 31: SE/4, SE/4 NE/4                                                                              | 200          |                                                       |               |                           | Virginia Hess                        | None                                                                                | Virginia Hess - 87 $\frac{1}{2}$ %                                                                                 |

DESCRIPTION

| SERIAL NO. | NO. OF<br>ACRES | DATE OF<br>LEASE | IAS CRUCES<br>(Except as<br>otherwise<br>shown) AND |
|------------|-----------------|------------------|-----------------------------------------------------|
| 1          | 10              | 1910             | 1000                                                |
| 2          | 10              | 1910             | 1000                                                |
| 3          | 10              | 1910             | 1000                                                |
| 4          | 10              | 1910             | 1000                                                |
| 5          | 10              | 1910             | 1000                                                |
| 6          | 10              | 1910             | 1000                                                |
| 7          | 10              | 1910             | 1000                                                |
| 8          | 10              | 1910             | 1000                                                |
| 9          | 10              | 1910             | 1000                                                |
| 10         | 10              | 1910             | 1000                                                |
| 11         | 10              | 1910             | 1000                                                |
| 12         | 10              | 1910             | 1000                                                |
| 13         | 10              | 1910             | 1000                                                |
| 14         | 10              | 1910             | 1000                                                |
| 15         | 10              | 1910             | 1000                                                |
| 16         | 10              | 1910             | 1000                                                |
| 17         | 10              | 1910             | 1000                                                |
| 18         | 10              | 1910             | 1000                                                |
| 19         | 10              | 1910             | 1000                                                |
| 20         | 10              | 1910             | 1000                                                |
| 21         | 10              | 1910             | 1000                                                |
| 22         | 10              | 1910             | 1000                                                |
| 23         | 10              | 1910             | 1000                                                |
| 24         | 10              | 1910             | 1000                                                |
| 25         | 10              | 1910             | 1000                                                |
| 26         | 10              | 1910             | 1000                                                |
| 27         | 10              | 1910             | 1000                                                |
| 28         | 10              | 1910             | 1000                                                |
| 29         | 10              | 1910             | 1000                                                |
| 30         | 10              | 1910             | 1000                                                |
| 31         | 10              | 1910             | 1000                                                |
| 32         | 10              | 1910             | 1000                                                |
| 33         | 10              | 1910             | 1000                                                |
| 34         | 10              | 1910             | 1000                                                |
| 35         | 10              | 1910             | 1000                                                |
| 36         | 10              | 1910             | 1000                                                |
| 37         | 10              | 1910             | 1000                                                |
| 38         | 10              | 1910             | 1000                                                |
| 39         | 10              | 1910             | 1000                                                |
| 40         | 10              | 1910             | 1000                                                |
| 41         | 10              | 1910             | 1000                                                |
| 42         | 10              | 1910             | 1000                                                |
| 43         | 10              | 1910             | 1000                                                |
| 44         | 10              | 1910             | 1000                                                |
| 45         | 10              | 1910             | 1000                                                |
| 46         | 10              | 1910             | 1000                                                |
| 47         | 10              | 1910             | 1000                                                |
| 48         | 10              | 1910             | 1000                                                |
| 49         | 10              | 1910             | 1000                                                |
| 50         | 10              | 1910             | 1000                                                |
| 51         | 10              | 1910             | 1000                                                |
| 52         | 10              | 1910             | 1000                                                |
| 53         | 10              | 1910             | 1000                                                |
| 54         | 10              | 1910             | 1000                                                |
| 55         | 10              | 1910             | 1000                                                |
| 56         | 10              | 1910             | 1000                                                |
| 57         | 10              | 1910             | 1000                                                |
| 58         | 10              | 1910             | 1000                                                |
| 59         | 10              | 1910             | 1000                                                |
| 60         | 10              | 1910             | 1000                                                |
| 61         | 10              | 1910             | 1000                                                |
| 62         | 10              | 1910             | 1000                                                |
| 63         | 10              | 1910             | 1000                                                |
| 64         | 10              | 1910             | 1000                                                |
| 65         | 10              | 1910             | 1000                                                |
| 66         | 10              | 1910             | 1000                                                |
| 67         | 10              | 1910             | 1000                                                |
| 68         | 10              | 1910             | 1000                                                |
| 69         | 10              | 1910             | 1000                                                |
| 70         | 10              | 1910             | 1000                                                |
| 71         | 10              | 1910             | 1000                                                |
| 72         | 10              | 1910             | 1000                                                |
| 73         | 10              | 1910             | 1000                                                |
| 74         | 10              | 1910             | 1000                                                |
| 75         | 10              | 1910             | 1000                                                |
| 76         | 10              | 1910             | 1000                                                |
| 77         | 10              | 1910             | 1000                                                |
| 78         | 10              | 1910             | 1000                                                |
| 79         | 10              | 1910             | 1000                                                |
| 80         | 10              | 1910             | 1000                                                |
| 81         | 10              | 1910             | 1000                                                |
| 82         | 10              | 1910             | 1000                                                |
| 83         | 10              | 1910             | 1000                                                |
| 84         | 10              | 1910             | 1000                                                |
| 85         | 10              | 1910             | 1000                                                |
| 86         | 10              | 1910             | 1000                                                |
| 87         | 10              | 1910             | 1000                                                |
| 88         | 10              | 1910             | 1000                                                |
| 89         | 10              | 1910             | 1000                                                |
| 90         | 10              | 1910             | 1000                                                |
| 91         | 10              | 1910             | 1000                                                |
| 92         | 10              | 1910             | 1000                                                |
| 93         | 10              | 1910             | 1000                                                |
| 94         | 10              | 1910             |                                                     |

**PERCENTAGE  
OF USA  
ROYALTY**

**RECORD OWNER  
OF LEASE OR  
APPLICATION**

**OVERRIDING  
ROYALTY  
OWNERS &  
PERCENTAGE**

WORKING INTEREST OWNER  
UNDER OPTION AGREEMENT  
OPERATING AGREEMENT  
LEASE OR ASSIGNMENT  
AND PERCENTAGE INTEREST

FEDERAL LANDS

T22S-H24E

Sec. 23: E/2 E/2  
Sec. 24: E/2 SE/4, SE/4 NE/4  
Sec. 25: NE/4  
Sec. 26: A11  
Sec. 35: N/2 NE/4

1160

MM-04527  
10-1-51

US-1 - 12 1/2%

June C. Deason

June C. Deason  
Reservation-\$300  
per acre payable out  
of 2% of production.

Stanolind -  $85\frac{1}{2}$  to  $87\frac{1}{2}\%$

Total Federal Lease Acreage - 21,521.29 acres  
Percentage of Unit Area Consisting of Federal Lease Acreage - 85.02%

| TRACT NO.          | DESCRIPTION                            | NO. OF ACRES | NEW MEXICO STATE LEASE NO. AND DATE OF LEASE | PERCENTAGE OF STATE ROYALTY            | RECORD OWNER OF LEASE OR APPLICATION | OVERRIDING ROYALTY OWNERS & PERCENTAGE | WORKING INTEREST OWNER UNDER OPTION AGREEMENT OPERATING AGREEMENT LEASE OR ASSIGNMENT AND PERCENTAGE INTEREST |
|--------------------|----------------------------------------|--------------|----------------------------------------------|----------------------------------------|--------------------------------------|----------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <u>STATE LANDS</u> |                                        |              |                                              |                                        |                                      |                                        |                                                                                                               |
| 28                 | <u>T23S-R25E</u><br>Sec. 4: SE/4       | 160          | E-5218<br>5-10-51                            | State of New Mexico-12 $\frac{1}{2}$ % | Stanolind                            | None                                   | Stanolind - 87 $\frac{1}{2}$ %                                                                                |
| 29                 | <u>T22S-R25E</u><br>Sec. 32: SE/4 NE/4 | 40           | E-5225<br>5-10-51                            | State of New Mexico-12 $\frac{1}{2}$ % | Leonard Oil Company                  | None                                   | Leonard Oil Company - 87 $\frac{1}{2}$ %                                                                      |
| 30                 | Sec. 2: SW/4 NW/4,<br>SW/4 SW/4        | 80           | E-5669<br>10-10-51                           | State of New Mexico-12 $\frac{1}{2}$ % | Stanolind                            | None                                   | Stanolind - 87 $\frac{1}{2}$ %                                                                                |
| 31                 | Sec. 32: SW/4 SW/4,<br>SW/4 SE/4       | 80           | E-5670<br>10-10-51                           | State of New Mexico-12 $\frac{1}{2}$ % | Texas Trading Co.                    | None                                   | Texas Trading Co. - 87 $\frac{1}{2}$ %                                                                        |
| 32                 | Sec. 16: S/2 NE/4, NW/4 NW/4           | 120          | E-5995<br>2-11-52                            | State of New Mexico-12 $\frac{1}{2}$ % | Malco Refin. Inc.                    | None                                   | Malco - 87 $\frac{1}{2}$ %                                                                                    |
| 33                 | <u>T22S-R24E</u><br>Sec. 36: SW/4      | 160          | E-6065<br>3-10-52                            | State of New Mexico-12 $\frac{1}{2}$ % | Gulf Oil Corp.                       | None                                   | Gulf Oil Corp. - 87 $\frac{1}{2}$ %                                                                           |

| TRACT NO.          | DESCRIPTION                      | NO. OF ACRES | NEW MEXICO STATE LEASE NO. AND DATE OF LEASE | PERCENTAGE OF STATE ROYALTY            | RECORD OWNER OF LEASE OR APPLICATION | OVERRIDING ROYALTY OWNERS & PERCENTAGE                                            | WORKING INTEREST OWNER UNDER OPTION AGREEMENT, OPERATING AGREEMENT, LEASE OR ASSIGNMENT AND PERCENTAGE OF INTEREST |
|--------------------|----------------------------------|--------------|----------------------------------------------|----------------------------------------|--------------------------------------|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| <u>STATE LANDS</u> |                                  |              |                                              |                                        |                                      |                                                                                   |                                                                                                                    |
| <u>T23S-R25E</u>   |                                  |              |                                              |                                        |                                      |                                                                                   |                                                                                                                    |
| 34                 | Sec. 3: Lot 1                    | 40.35        | 5-10-52                                      | State of New Mexico-12 $\frac{1}{2}$ % | Malco                                | None                                                                              | Malco - 87 $\frac{1}{2}$ %                                                                                         |
| <u>T21S-R25E</u>   |                                  |              |                                              |                                        |                                      |                                                                                   |                                                                                                                    |
| 35                 | Sec. 32: W/2 SW/4                | 80           | B-9705-2<br>6-24-42                          | State of New Mexico-12 $\frac{1}{2}$ % | Ralph A. Shugart                     | None                                                                              | Ralph A. Shugart - 87 $\frac{1}{2}$ %                                                                              |
| <u>T22S-R25E</u>   |                                  |              |                                              |                                        |                                      |                                                                                   |                                                                                                                    |
| 36                 | Sec. 16: NW/4 SW/4               | 40           | B-9843<br>9-25-42                            | State of New Mexico-12 $\frac{1}{2}$ % | Stanolind                            | Wm. G. Rethy and wife, Stanolind - 84 $\frac{1}{2}$ %<br>Mary Margaret Rethy - 3% | Superior Oil Co. - 87 $\frac{1}{2}$ %                                                                              |
| 37                 | Sec. 32: NW/4 NE/4,<br>NW/4 SE/4 | 80           | B9983-11<br>12-29-42                         | State of New Mexico-12 $\frac{1}{2}$ % | Superior Oil Co.<br>(of California)  | None                                                                              | Superior Oil Co. - 87 $\frac{1}{2}$ %<br>(of California)                                                           |
| <u>T22S-R24E</u>   |                                  |              |                                              |                                        |                                      |                                                                                   |                                                                                                                    |
| 38                 | Sec. 2: SW/4 SE/4                | 40           | B-10044<br>1-18-43                           | State of New Mexico-12 $\frac{1}{2}$ % | Stanolind                            | R. S. Magruder - 2 $\frac{1}{2}$ %                                                | Stanolind - 85%                                                                                                    |
| <u>T22S-R25E</u>   |                                  |              |                                              |                                        |                                      |                                                                                   |                                                                                                                    |
| 39                 | Sec. 32: N/2 NW/4                | 80           | B-10044-6<br>1-18-43                         | State of New Mexico-12 $\frac{1}{2}$ % | Superior Oil Co.<br>(of California)  | None                                                                              | Superior Oil Co. - 87 $\frac{1}{2}$ %                                                                              |

| TRACT NO.          | DESCRIPTION                                      | NO. OF ACRES | NEW MEXICO STATE LEASE NO. AND DATE OF LEASE | PERCENTAGE OF STATE ROYALTY            | RECORD OWNER OF LEASE OR APPLICATION | OVERRIDING ROYALTY OWNERS & PERCENTAGE | WORKING INTEREST OWNER UNDER OPTION AGREEMENT OPERATING AGREEMENT LEASE OR ASSIGNMENT AND PERCENTAGE OF INTEREST |
|--------------------|--------------------------------------------------|--------------|----------------------------------------------|----------------------------------------|--------------------------------------|----------------------------------------|------------------------------------------------------------------------------------------------------------------|
| <u>STATE LANDS</u> |                                                  |              |                                              |                                        |                                      |                                        |                                                                                                                  |
| 40                 | <u>T22S-R24E</u><br>Sec. 36: NE/4 SE/4, S/2 SE/4 | 120          | B-10044-9<br>1-18-43                         | State of New Mexico-12 $\frac{1}{2}$ % | Cities Service Oil Co.               | None                                   | Cities Service Oil Co. - 87 $\frac{1}{2}$ %                                                                      |
| 41                 | <u>T22S-R25E</u><br>Sec. 32: SE/4 SW/4           | 40           | B-10114<br>3-1-43                            | State of Mexico-12 $\frac{1}{2}$ %     | D. C. Devito                         | None                                   | D. C. Devito - 87 $\frac{1}{2}$ %                                                                                |
| 42                 | Sec. 32: NE/4 SW/4                               | 40           | B-10119-1<br>3-4-43                          | State of New Mexico-12 $\frac{1}{2}$ % | Clem Holdgrafer & John F. Kautz      | None                                   | Clem Holdgrafer & John F. Kautz - 87 $\frac{1}{2}$ %                                                             |
| 43                 | <u>T23S-R25E</u><br>Sec. 2: Lot 2                | 40.34        | B-10335-32<br>5-26-43                        | State of New Mexico-12 $\frac{1}{2}$ % | Superior Oil Co. (of California)     | None                                   | Superior Oil Co. - 87 $\frac{1}{2}$ %                                                                            |
| 44                 | <u>T21S-R25E</u><br>Sec. 32: SW/4 NE/4           | 40           | B-10403-9<br>6-22-43                         | State of New Mexico-12 $\frac{1}{2}$ % | Malco Refineries                     | None                                   | Malco - 87 $\frac{1}{2}$ %                                                                                       |
| 45                 | <u>T22S-R24E</u><br>Sec. 36: N/2 NE/4            | 80           | B-10495-1<br>7-29-43                         | State of New Mexico-12 $\frac{1}{2}$ % | Superior Oil Co. (of California)     | None                                   | Superior Oil Co. - 87 $\frac{1}{2}$ %                                                                            |

| TRACT NO           | DESCRIPTION                             | NO. OF ACRES | NEW MEXICO STATE LEASE NO. AND DATE OF LEASE | PERCENTAGE OF STATE ROYALTY            | RECORD OWNER OF LEASE OR APPLICATION      | OVERRIDE ROYALTY OWNERS & PERCENTAGE     | WORKING INTEREST OWNER UNDER OPTION AGREEMENT OPERATING AGREEMENT, LEASE OR ASSIGNMENT AND PERCENTAGE OF INTEREST |
|--------------------|-----------------------------------------|--------------|----------------------------------------------|----------------------------------------|-------------------------------------------|------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| <u>STATE LANDS</u> |                                         |              |                                              |                                        |                                           |                                          |                                                                                                                   |
| <u>T22S-R25E</u>   |                                         |              |                                              |                                        |                                           |                                          |                                                                                                                   |
| 46                 | Sec. 32: NE/4 SE/4                      | 40           | B-10665-10<br>10-1-43                        | State of New Mexico-12 $\frac{1}{2}$ % | Rose F. Wilson                            | None                                     | Rose F. Wilson - 87 $\frac{1}{2}$ %                                                                               |
| 47                 | Sec. 16: NW/4 SE/4,<br>SE/4 SE/4        | 80           | B-11014<br>2-17-44                           | State of New Mexico-12 $\frac{1}{2}$ % | Stanolind                                 | William McDowell,<br>single man, - 3%    | Stanolind - 84 $\frac{1}{2}$ %                                                                                    |
| 48                 | Sec. 32: SE/4 SE/4                      | 40           | B-11117-20<br>3-4-44                         | State of New Mexico-12 $\frac{1}{2}$ % | Henry Schafer, Inc.                       | None                                     | Henry Schafer, Inc. - 87 $\frac{1}{2}$ %                                                                          |
| 49                 | Sec. 16: S/2 NW/4<br>Sec. 27: NW/4 NW/4 | 120          | B-11434<br>9-11-44                           | State of New Mexico-12 $\frac{1}{2}$ % | Stanolind                                 | T. J. Huston & wife,<br>Geneva Huston-3% | Stanolind - 84 $\frac{1}{2}$ %                                                                                    |
| 50                 | Sec. 2: NW/4 SW/4                       | 40           | B-11434-11<br>9-11-44                        | State of New Mexico-12 $\frac{1}{2}$ % | E. F. Luke & H. A. Luke,<br>Joint Tenants | None                                     | E. F. Luke &<br>H. A. Luke - 87 $\frac{1}{2}$ %                                                                   |
| <u>T23S-R25E</u>   |                                         |              |                                              |                                        |                                           |                                          |                                                                                                                   |
| 51                 | Sec. 3: SE/4 NW/4                       | 40           | B-11439<br>9-11-44                           | State of New Mexico-12 $\frac{1}{2}$ % | Stanolind                                 | William J. Dietrich<br>- 2%              | Stanolind - 85 $\frac{1}{2}$ %                                                                                    |
| 52                 | Sec. 3: SW/4 NW/4                       | 40           | B-11439-12<br>9-11-44                        | State of New Mexico-12 $\frac{1}{2}$ % | Magnolia Petroleum Co.                    | None                                     | Magnolia Petroleum Co.<br>- 87 $\frac{1}{2}$ %                                                                    |

| TRACT NO.          | DESCRIPTION                                                                                | NO. OF ACRES | NEW MEXICO STATE LEASE NO. AND DATE OF LEASE | PERCENTAGE OF STATE ROYALTY            | RECORD OWNER OF LEASE OR APPLICATION | OVERRIDING ROYALTY OWNERS & PERCENTAGE | WORKING INTEREST OWNER UNDER OPTION AGREEMENT, OPERATING AGREEMENT, LEASE OR ASSIGNMENT, AND PERCENTAGE OF INTEREST |
|--------------------|--------------------------------------------------------------------------------------------|--------------|----------------------------------------------|----------------------------------------|--------------------------------------|----------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| <u>STATE LANDS</u> |                                                                                            |              |                                              |                                        |                                      |                                        |                                                                                                                     |
| 53                 | <u>T22S-R24E</u><br>Sec. 2: S/2 NE/4                                                       | 80           | E-488-1<br>8-10-45                           | State of New Mexico-12 $\frac{1}{2}$ % | John M. Kelly                        | None                                   | John M. Kelly - 87 $\frac{1}{2}$ %                                                                                  |
| 54                 | Sec. 36: N/2 NW/4<br><u>T22S-R25E</u><br>Sec. 2: Lot 4                                     | 120.57       | E-1289<br>4-10-47                            | State of New Mexico-12 $\frac{1}{2}$ % | Pure Oil Company                     | None                                   | Pure - 87 $\frac{1}{2}$ %                                                                                           |
| 55                 | Sec. 32: NE/4 NE/4, S/2 NW/4, NW/4 SW/4<br><u>T22S-R24E</u><br>Sec. 36: S/2 NW/4, S/2 NE/4 | 320.         | E-1325<br>5-10-47                            | State of New Mexico-12 $\frac{1}{2}$ % | Gulf Oil Corporation                 | None                                   | Gulf Oil Corporation - 87 $\frac{1}{2}$ %                                                                           |
| 56                 | <u>T23S-R25E</u><br>Sec. 4: Lots 1 & 2, S/2 NE/4                                           | 160.63       | E-1326<br>5-10-47                            | State of New Mexico-12 $\frac{1}{2}$ % | Gulf Oil Corporation                 | None                                   | Gulf Oil Corporation - 87 $\frac{1}{2}$ %                                                                           |
| 57                 | <u>T21S-R25E</u><br>Sec. 32: NE/4 SW/4                                                     | 40           | E-1560<br>11-10-47                           | State of New Mexico-12 $\frac{1}{2}$ % | Ralph Nix                            | None                                   | Ralph Nix - 87 $\frac{1}{2}$ %                                                                                      |

| TRACT NO.          | DESCRIPTION                                                                                                                      | NO. OF ACRES | NEW MEXICO STATE LEASE NO. AND DATE OF LEASE | PERCENTAGE OF STATE ROYALTY            | RECORD OWNER OF LEASE OR APPLICATION | OVERRIDING ROYALTY OWNERS & PERCENTAGE                    | WORKING INTEREST OWNER UNDER OPTION AGREEMENT OPERATING AGREEMENT LEASE OR ASSIGNMENT AND PERCENTAGE OF INTEREST |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------|--------------|----------------------------------------------|----------------------------------------|--------------------------------------|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| <u>STATE LANDS</u> |                                                                                                                                  |              |                                              |                                        |                                      |                                                           |                                                                                                                  |
| 58                 | T22S-R24E<br>Sec. 2: SE/4 SE/4                                                                                                   | 40           | E-2021<br>7-10-48                            | State of New Mexico-12 $\frac{1}{2}$ % | Stanolind                            | Ralph A. Shugart & wife, Rena Shugart - 2 $\frac{1}{2}$ % | Stanolind - 85%                                                                                                  |
| 59                 | T21S-R25E<br>Sec. 32: SW/4 NW/4, SE/4 NW/4, SE/4 SW/4, SE/4 NE/4                                                                 | 160          | E-2021<br>7-10-48                            | State of New Mexico-12 $\frac{1}{2}$ % | Ralph A. Shugart                     | None                                                      | Ralph A. Shugart - 87 $\frac{1}{2}$ %                                                                            |
| 60                 | Sec. 32: N/2 SE/4                                                                                                                | 80           | E-2021-1<br>7-10-48                          | State of New Mexico-12 $\frac{1}{2}$ % | Warner Blair                         | None                                                      | Warner Blair - 87 $\frac{1}{2}$ %                                                                                |
| 61                 | T22S-R25E<br>Sec. 16: N/2 NE/4, NE/4 NW/4, NE/4 SW/4, S/2 SW/4, NE/4 SE/4, SW/4 NW/4<br>Sec. 27: SW/4 NW/4<br>Sec. 32: SW/4 NE/4 | 520.32       | E-3435<br>4-10-50                            | State of New Mexico-12 $\frac{1}{2}$ % | Stanolind                            | None                                                      | Stanolind - 87 $\frac{1}{2}$ %                                                                                   |
| 62                 | T23S-R25E<br>Sec. 3: S/2 NE/4, Lot 3 (NE/4 NW/4)                                                                                 | 40.31        | E-4399<br>10-10-50                           | State of New Mexico-12 $\frac{1}{2}$ % | Phillips Petroleum Co.               | None                                                      | Phillips Petroleum Co. - 87 $\frac{1}{2}$ %                                                                      |

| TRACT NO.          | DESCRIPTION                              | NO. OF ACRES | NEW MEXICO STATE LEASE NO. AND DATE OF LEASE | PERCENTAGE OF STATE ROYALTY            | RECORD OWNER OF LEASE OR APPLICATION | OVERRIDE ROYALTY OWNERS & PERCENTAGE | WORKING INTEREST OWNER UNDER OPTION AGREEMENT OPERATING AGREEMENT LEASE OR ASSIGNMENT AND PERCENTAGE OF INTEREST |
|--------------------|------------------------------------------|--------------|----------------------------------------------|----------------------------------------|--------------------------------------|--------------------------------------|------------------------------------------------------------------------------------------------------------------|
| <u>STATE LANDS</u> |                                          |              |                                              |                                        |                                      |                                      |                                                                                                                  |
| 63                 | T22S-R24E<br>Sec. 2: N/2 SE/4            | 80           | E-5137<br>4-10-51                            | State of New Mexico-12 $\frac{1}{2}$ % | Malco Refineries, Inc.               | None                                 | Malco - 87 $\frac{1}{2}$ %                                                                                       |
| 64                 | T21S-R2SE<br>Sec. 32: S/2 SE/4           | 80           | E-5304<br>6-11-51                            | State of New Mexico-12 $\frac{1}{2}$ % | Humble                               | None                                 | Humble - 87 $\frac{1}{2}$ %                                                                                      |
| 65                 | T22S-R24E<br>Sec. 36: NE/4 SE/4          | 40           | E-5306<br>6-11-51                            | State of New Mexico-12 $\frac{1}{2}$ % | Pure                                 | None                                 | Pure - 87 $\frac{1}{2}$ %                                                                                        |
| 66                 | T22S-R2SE<br>Sec. 27: N/2 S/4, SE/4 NW/4 | 120          | E-5996<br>2-11-52                            | State of New Mexico-12 $\frac{1}{2}$ % | Gulf Oil Corp.                       | None                                 | Gulf Oil Corp. - 87 $\frac{1}{2}$ %                                                                              |
| 67                 | Sec. 28: E/2 NE/4, NE/4 SE/4             | 120          | E-5997<br>2-11-52                            | State of New Mexico-12 $\frac{1}{2}$ % | Gulf Oil Corp.                       | None                                 | Gulf Oil Corp. - 87 $\frac{1}{2}$ %                                                                              |

Total State Lease Acreage - 3,762.52 acres  
Percentage of Unit Area consisting of State Lease Acreage - 14.51%

| TRACT NO.             | DESCRIPTION                      | NO. OF ACRES | DATE OF LEASE              | MINERAL OR ROYALTY OWNER                                                                                             | LEASE OWNERS   | OVERRIDE ROYALTY | WORKING INTEREST OWNER UNDER OPTION AGREEMENT OPERATING AGREEMENT LEASE OR ASSIGNMENT AND PERCENTAGE OF INTEREST |
|-----------------------|----------------------------------|--------------|----------------------------|----------------------------------------------------------------------------------------------------------------------|----------------|------------------|------------------------------------------------------------------------------------------------------------------|
| <u>PATENTED LANDS</u> |                                  |              |                            |                                                                                                                      |                |                  |                                                                                                                  |
| <u>T22S-R2SE</u>      |                                  |              |                            |                                                                                                                      |                |                  |                                                                                                                  |
| 68                    | Sec. 9: N/2 SE/4                 | 80           |                            | Frank H. Jones                                                                                                       | O P E N        |                  |                                                                                                                  |
| 69                    | Sec. 9: N/2 SW/4<br>Sec. 8: SE/4 | 240          | Jan. 28, 1950<br>(10 yrs.) | L.A. Campbell and wife, Alma Campbell-12 1/2% royalty                                                                | Stanolind      | None             | Stanolind - 87 1/2%                                                                                              |
| 70                    | Sec. 29: SW/4                    | 160 A & B    | Jan. 28, 1950<br>(10 yrs.) | "A" Lease: John W. Hair- 6 1/4% royalty<br>"B" Lease: Elizabeth Kee McIver & husband, A. F. McIver - 6 1/4% royalty. | Stanolind      | None             | Stanolind - 87 1/2%                                                                                              |
| <u>T23S-R2SE</u>      |                                  |              |                            |                                                                                                                      |                |                  |                                                                                                                  |
| 71                    | Sec. 4: Lots 3 & 4, S/2 NW/4     | 160.69       | Apr. 25, 1947<br>(10 yrs.) | G. F. Newman 12 1/2% royalty                                                                                         | Gulf Oil Corp. | None             | Gulf Oil Corp. - 87 1/2%                                                                                         |

RECAPITULATION

| <u>Land</u>     | <u>Acres in Unit</u> | <u>Percentage of Unit Area</u> |
|-----------------|----------------------|--------------------------------|
| Federal         | 21,521.29            | 83.02%                         |
| State           | 3,762.52             | 14.51%                         |
| Patented        | <u>640.69</u>        | <u>2.47%</u>                   |
| Total Unit Area | 25,924.50            | 100.00%                        |

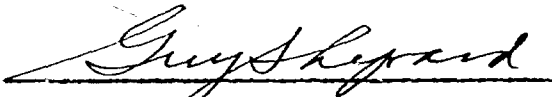
IN THE MATTER OF THE APPLICATION OF  
STANOLIND OIL AND GAS COMPANY FOR THE  
APPROVAL OF THE GUADALUPE FOOTHILLS  
UNIT AGREEMENT EMBRACING 25,924.50  
ACRES OF LAND IN TOWNSHIPS 21, 22,  
AND 23 SOUTH, RANGES 24 AND 25 EAST,  
N.M.P.M., EDDY COUNTY, NEW MEXICO

The undersigned, Commissioner of Public Lands of the State of New Mexico, having considered the application of Stanolind Oil and Gas Company for approval of the Guadalupe Foothills Unit Agreement covering lands in Eddy County, New Mexico, described in said Agreement, and the undersigned having considered the aforesaid application and the evidence offered by the Petitioner at the hearing before the Oil Conservation Commission on the 15th day of April, 1952, FINDS:

1. That said Guadalupe Foothills Unit Agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy.
2. That under the operation of the proposed Unit Agreement the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area affected.
3. That the Agreement is in other respects for the best interests of the State of New Mexico.

Said Agreement is hereby approved.

Dated April 17, 1952, in Santa Fe, New Mexico.

  
Commissioner of Public Lands

**STANDARD INFORMATION**

**NOW** we're  
being treated  
at the hospital.

**IT IS THEREFORE ORDERED:**

That the order herein shall be known as the:

**SECTION 1.** (a) That the project herein shall be known as the Guadalupe Teacallis Unit Agreement and shall hereinafter be referred to as the Project.

(b) That the plan by which the Project will be operated shall be embodied in the form of a written agreement for the development and operation of the Chesapeake Potomac River Area to be the property of a corporation the name of which shall be known as the Chesapeake Potomac River Authority.

SECTION 1. That the Commission on the Status of Women shall be composed of the following members:

T. 22 S., R. 37 E.  
 Sec. 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

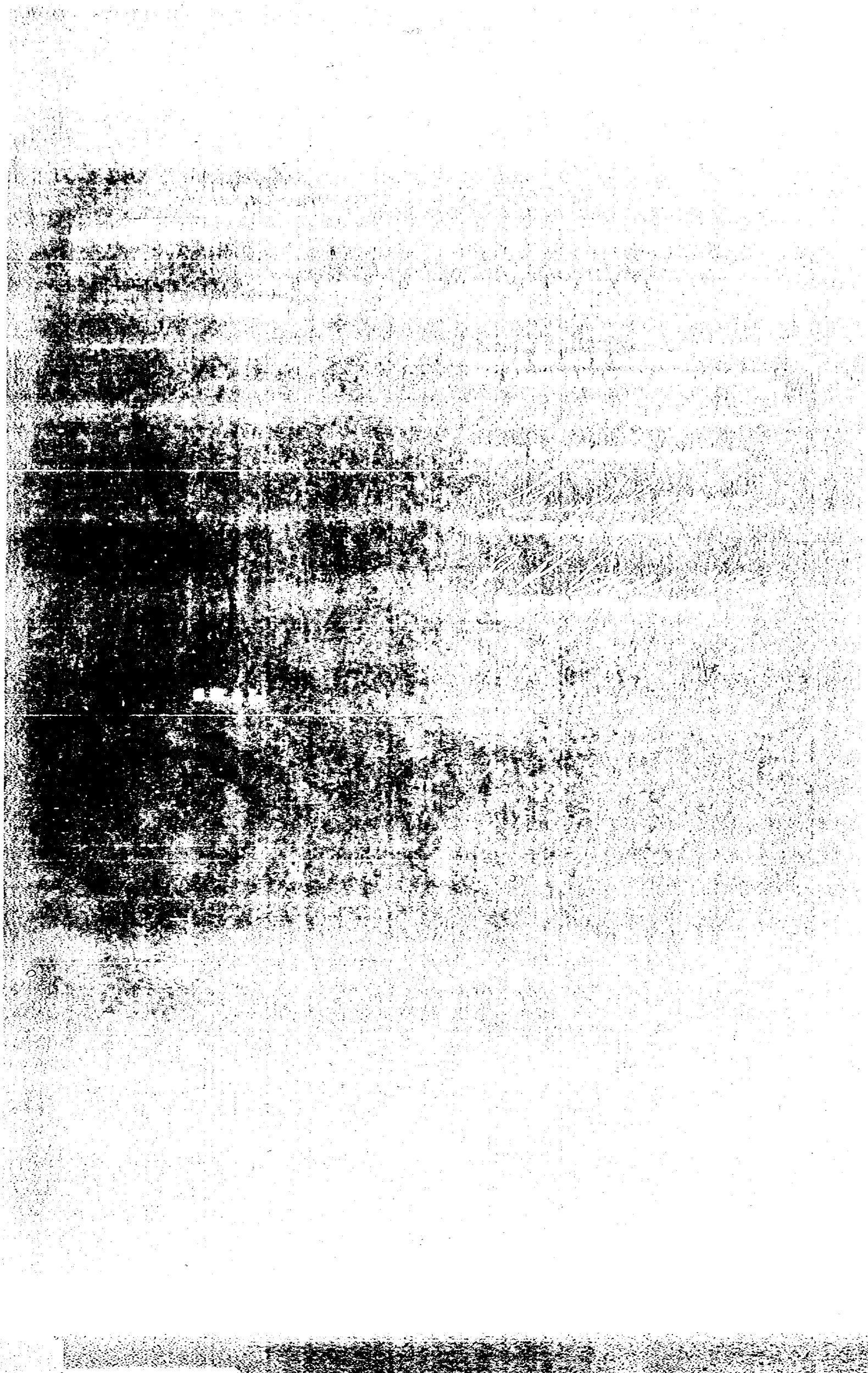
Total Unit Area embraces 11,924.65 acres, more or less.

(b) The Unit Area may be enlarged or diminished as provided in said Plan.

**SECTION 4.** That the unit operator shall file with the Commission an original copy of the Unit Agreement of the Gaudalupe Potholes Unit Agreement not later than 10 days after the effective date thereof.

**SECTION 5.** That any party seeking rights in the unitized sub-claims shall not be deemed to have agreed to said Unit Agreement before the effective date of the Unit Agreement unless it is a party to the Unit Agreement.

**SECTION 6.** That the Unit Agreement shall be subject to the approval of the Commission and the Unit Agreement shall be subject to the approval of the Unit Operator.



CERTIFICATE--DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior, under the act approved February 25, 1920, 41 Stat. 437, 30 U.S.C. secs. 181 et seq., as amended by the act of August 8, 1946, 60 Stat. 950, and delegated to the Director of the Geological Survey pursuant to Departmental Order No. 2365 of October 8, 1947, 43 CFR sec. 4.611, 12 F. R. 6784, I do hereby:

A. Approve the attached agreement for the development and operation of the Guadalupe Foothills Unit Area, State of New Mexico.

B. Certify and determine that the unit plan of development and operation contemplated in the attached agreement is necessary and advisable in the public interest for the purpose of more properly conserving the natural resources.

C. Certify and determine that the drilling, producing, rental, minimum royalty, and royalty requirements of all Federal leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of this agreement.

Dated JUN 24 1952.

Thomas B. Nolan

Acting Director, United States Geological Survey

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
STANOLIND OIL AND GAS COMPANY FOR THE  
APPROVAL OF THE GUADALUPE FOOTHILLS  
UNIT AGREEMENT EMBRACING 25,924.50  
ACRES OF LAND IN TOWNSHIPS 21, 22 and  
23 SOUTH, RANGES 24 and 25 EAST, N.M.P.M.  
EDDY COUNTY, NEW MEXICO.

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

APPLICATION

An application is hereby made by Stanolind Oil and Gas Company, a corporation, for approval by the Oil Conservation Commission, of a unit agreement entitled "Unit Agreement for the Development and Operation of the Guadalupe Foothills Unit Area, County of Eddy, State of New Mexico," the said agreement having been entered into between the applicant herein as the Unit Operator and certain working interest owners and royalty owners as have, or may hereafter, subscribe to or consent to the agreement.

The Guadalupe Foothills Unit Area embraces the following described lands located in Eddy County, New Mexico, to-wit:

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

T. 21 S., R. 25 E.

Sec. 31, SE/4 NE/4, SE/4  
Sec. 32, S/2 N/2, S/2  
Sec. 33, NE/4, NE/4 NW/4, S/2 NW/4, S/2  
Sec. 34, SW/4 NW/4, SW/4, SW/4 SE/4

T. 22 S., R. 25 E.

Sec. 2, W/2 W/2  
Secs. 3 - 10, inclusive, All  
Sec. 11, W/2 NW/4  
Secs. 16-21, inclusive, All.  
Secs. 26 - 35, inclusive, All.

T. 23 S., R. 25 E.  
Secs. 3 and 4, All.

T. 22 S., R. 24 E.  
Sec. 1, All  
Sec. 2, S/2 NE/4, SE/4  
Secs. 11-14, inclusive, All  
Sec. 22, E/2  
Sec. 23-26, inclusive, All  
Sec. 35, E/2, N/2 NW/4, SE/4 NW/4, E/2 SW/4  
Sec. 36, All.

Total Unit Area embraces 25,924.50 acres, more or less.

At the hearing hereinafter requested, the requisite number of signed copies of the unit agreement will be submitted for approval and it is requested that the same be returned to the applicant in order that it may file the necessary counterparts thereof with the Department of the Interior of the United States for the purpose of obtaining final approval of the agreement by the Secretary of the Interior. After approval of the agreement by the Secretary of the Interior a complete and signed copy of the unit agreement will be filed in the Office of the Commissioner of Public Lands of the State of New Mexico. An unsigned copy of the unit agreement has already been filed in the office of the Commission for a temporary record pending the receipt of the final completed copy.

The form of unit agreement has previously been considered by the Commissioner of Public Lands. Geological evidence concerning the structure affected by this unitization will be submitted to the Commissioner of Public Lands and at the hearing hereinafter requested.

With reference to the lands embraced in this unit, there is attached to the unsigned copy of the unit agreement

hereinafter filed, a map of the unit area on which is shown the ownership of the various lands embraced in the said unit. There is likewise attached to the said proposed agreement a schedule entitled Exhibit "B" on which is shown the ownership of the oil and gas interests in all lands embraced in the said unit. The applicant is continuing efforts to obtain commitments to the unit agreement from those owners of interests who have not yet joined and a full showing of the commitments will be made at the time of the hearing hereinafter requested.

Within six (6) months after the date the unit agreement becomes effective the unit operator is obligated to commence drilling operations on an adequate test well. Should commercial production be discovered the unitized operation will assure an orderly development program based on structural position and will enable productive operations to be conducted in accordance with the best over-all reservoir practices. Development and operation will be conducted in accordance with the plans have the joint approval of Federal and State authorities. Under this agreement the State of New Mexico will receive its fair share of the oil and gas and this will be allocated to it on an acreage basis in any and all participating areas that may be established. This unit agreement is in all respects to the best interests of the State of New Mexico and tends to eliminate wast and promote conservation of oil and gas.

The unit agreement makes express provision that additional/<sup>parties</sup>may join and to subject their interests to the said agreement after its final approval.

The Commission is respectfully requested to set this matter and application down for hearing and following said hearing to give its approval to the unit agreement.

Respectfully submitted this 14th day of March, 1952.

STANOLIND OIL AND GAS COMPANY

By *Chas. H. [Signature]*  
Its Agent and Attorney