CASE 6843: YATES PETROLEUM CORPORATION FOR TWO COMPULSORY POOLINGS, EDDY COUNTY NEW MEXICO

met to

CASE NO.

6843

APPlication, Transcripts, Small Exhibits,

ETC.

P20 243311

RECEIPT FOR CONTRACE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

Sa	nt	a	AND ZIPCODE Fe, New Mexic	0:	875
PO	STA		FIEDFEE	\$. 15
FEES		ŚF	ECIAL DELIVERY		1.25
TER FOR	SES		SHOW TO WHOM AND ENTEROLIVEPED		
CONSULT POSTMASTER FOR FEES	OPTIONAL SERVICES	RETURN RECEIPT SERVICE	SHOW TO WHICH DATE AND ADDRESS OF TELLIERY		¢
NSULT P	OPT:ONA	N RECEI	SHOW TO WHO IS AND DATE DELIVERED WITH RESTRICTED DELIVERY		
ទិ		RETUR	SHOW TO WHOM DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		
10	TAL	POS	TAGE AND FEES	5	1.40
PO:	STM	ARK	OR DATE	1	
		8	-27-80		



207 SOUTH FOURTH STREET ARTESIA. NEW MEXICO 88210 TELEPHONE (505) 746.3558

August 27, 1980

CERTIFIED MAIE VE DERENT PRESIDENT P

Jule 6843

TO: UNLEASED MINERAL OWNERS ADDRESSEE LIST ATTACHED NEW MEXICO OIL CONSERVATION DIVISION P. O. Box 2088 Santa Fe, New Mexico 87501

Attention: Mr. Daniel S. Nutter

Re: Rushing "NJ" #2
Township 19 South, Range 25 East, NMPM
Section 6: SE/4 SE/4
Eddy County, New Mexico

Ladies and Gentlemen:

We are enclosing Order No. R-6346 which pools the captioned lands for the drilling of the Rushing "NJ" #2. Pursuant to ¶3 of page 4, we are enclosing an AFE listing estimated well costs. Should you wish to participate in the drilling of this well, we request that your share of expenses be paid within the time limit given in ¶4 of page 4. If not, we would still accept the lease previously sent to you covering your interest in the captioned acreage should you wish to lease to us.

If you do not choose either option, we have no choice but to consider your interest pooled as per the terms of the enclosed order and continue as such.

Thank you.

Very truly yours,

Randy G. Patterson Land Department

Kathy Colliert

By: Kathy Colbert

KC/gat Enclosures Steve Lane Vincent % Elaine McCombs Vincent 2809 W. 4th Amarillo, Texas 79102

Gail Scroggins Rocket Mobil Village Lot B14 Alamogordo, New Mexico 88310 J. C. Walcott 2222 Lime Deming, New Mexico 88030

Billy J. Walcott % Bobby Walcott 2402 Louisiana Blvd. NE Albuquerque, New Mexico 87110

STATE OF NEW MEXICO TRGY AND MINERALS DEPARTME OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:



CASE NO. 6843 Order No. R-6346

APPLICATION OF YATES PETROLEUM CORPORATION FOR TWO COMPULSORY POOLINGS, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 7, 1980, at Santa Fe, New Mexico, before Examiner, Daniel S. Nutter.

NOW, on this 22nd day of May, 1980, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Yates Petroleum Corporation, seeks an order pooling all mineral interests in the Yeso formation underlying two 40-acre proration units, the first being the SE/4 SE/4 and the second being the SW/4 SE/4 of Section 6, Township 19 South, Range 25 East, NMPM, Penasco Draw Field, Eddy County, New Mexico.
- (3) That the applicant has the right to drill and proposes to drill a well at a standard location on each of the aforesaid units.
- (4) That there are interest owners in the proposed proration units who have not agreed to pool their interests.
- (5) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said unit the opportunity to recover or

Case No. 6843 Order No. R-6346

- (13) That upon the failure of the operator to commence drilling of the Rushing "NJ" Well No. 1 to which the SW/4 SE/4 of Section 6 is to be dedicated on or before August 1, 1980, the order pooling both of the subject units should become null and void and of no effect whatsoever.
- (14) That upon failure of the operator to commence drilling of the Rushing "NJ" Well No. 2 within 60 days after putting Rushing "NJ" Well No. 1 on production, the order pooling the SE/4 SE/4 of Section 6 should become null and void and of no effect whatsoever.

IT IS THEREFORE ORDERED:

That all mineral interests, whatever they may be, in the Yeso formation underlying two 40-acre proration units, the first being the SE/4 SE/4 and the second being the SW/4 SE/4 of Section 6, Township 19 South, Range 25 East, NMPM, Penasco Draw Field, Eddy County, New Mexico, are hereby pooled to form two standard 40-acre oil spacing and proration units, each to be dedicated to a well to be drilled at a standard

PROVIDED HOWEVER, that the operator of the SW/4 SE/4 of location thereon. said Section 6 shall commence the drilling of a well thereon, said Section 6 snall commence the drilling of a well thereon, being the Rushing "NJ" Well No. 1, on or before the first day of August, 1980, and shall thereafter continue the drilling of said Well with due diligence to 2 don'th sufficient of said well with due diligence to a depth sufficient to test

PROVIDED FURTHER, that in the event said operator does the Yeso formation; not commence the drilling of said well on or before the first day of August, 1980, Order (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division for good cause

PROVIDED FURTHER, that should said well not be drilled to completion, or abandonment, within 90 days after commencement completion, or anandonment, within 30 days after conditioned the Division Director thereof, said operator shall appear before the Division Director shown. and show cause why Order (1) of this order should not be

PROVIDED FURTHER, that the operator of the SE/4 SE/4 of said Section 6 shall, within 60 days after putting the aforerescindeā. said Section & Shair, Within ou days after Futting the arole said Rushing "NJ" Well No. 1 on production, commence the drilling of a well thereon, being the Rushing "NJ" Well No. 2, Case No. 6843 Order No. R-6346

- (6) That within 60 days following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs in advance as provided above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well amount that leasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable
 - That for each well, the operator is hereby authorized to withhold the following costs and charges from production: well costs.
 - The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not baid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.
 - As a charge for the risk involved in the drilling of the well, 200 percent of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is
 - That the operator shall distribute said costs and charges withheld from production to the parties who advanced
 - That \$2,000.00 per month while drilling and \$200.00 per month while producing are hereby fixed as reasonable the well costs. per month white producing are nevery tixed as reasonable charges for supervision (combined fixed rates) for each of the subject wells; that the perator is hereby authorized to withhold from production the proportionate share of such superwithhold from production the proportionate share of such services of the production of the proportionate share of such services of the production of the proportionate share of such services of the proportionate share of such services of the production of the proportionate share of such services of the production of the proportionate share of such services of the proportionate share of such services of the proportion of the proportionate share of such services of the proportion of the proportio interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating such well, not on actual expendences required for operating such well, not in excess of what are reasonable, attributable to each non-
 - That any unsevered mineral interest shall be considered consenting working interest. a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

YATES PETROLEURI COPPOBATION AUTHORITY FOR EXPENDITURE

X- ...

APE # 80-143-0 Revision # Date August 24, 1.80

County Fal	Yesq	nate iswe st. 7.0.	exteo 3159!	Field	on 3308 330/ Permeo Fr ad Date ag Contracto	e de la colonia de la calca. Unitado	*********
Primary Obj Purpose Type Well	$: \Sigma \text{ Deft1}$	ing-New Opnont	Gas Recomple Explorate		Oi) and/o Other (Su		AFE, etc.)
THATCHE E	COSTS:		·		Dry Hole		Completion
9210 9211 9212 9213	Staking Pernit & L Location, Right-of Drilling, Footage Drilling, Daywork	`-1!ay		day	\$		\$ 0.00 5,600 42,400
9212/9213 9724 9214 9215 9216	Poving in, Rigging Bits, Tools & Supp Drilling Water Orilling End & Add Bud Logging Unit	olies .	ig down		·		14,500 3,500 11,800 3,300
9217 9218 9219	Cement, Tools & Se Orill Sten Testing Electric Logs		ap. Surveys				1,100 16,500 7,100
9220 9221 9223	Tool & Equip. Rent Supervision & Over Coring, Tools & Se	head rvices		• •			2,000 2,200
9241 9247 9222	Completion Unit			ry	÷	· .	3,000 25,000 15,000
	_	OTAL THTAN	GIBLES	•	>	•	\$ 154,000
WELL EQUIPS 9301 9302 9302 9302 9303 9304 9350	Christmas Tree and Casing: 30 3/h", 40	.5# J-55, # J-55, 5# J-55, 3 T# J-55, 2	9701		\$ 2		\$ 3,500 6,400 5,900 13,500 6,800 1,800 3,100
•	, -	OTAL WELL S	QUIPMENT		\$		\$ 44,000
LEASC & PAT 9491 9402 9403 9404	TERY EQUIPMENT COST Pumping Equipment Storage 2-210 bbl. Separation Eq., Fl Trucking & Constru	welded, w/ wwlines, Y	ilves å fitt	gun bbit ings	\$		\$ 9,200 7,700 6,900 4,200
	; <u>Ţ</u>	OTAL LEASE	& CATTERY CO	QUIP.	\$		\$ 28,000
	<u>r</u>	OFALS.			\$,	•	\$226,000
ì							
YATES PETRO	LETTI CORPORATION	• .				hare -	
By Carl	214 (5/54		Date	<u> </u>) Description for the con-	· · · · · · · · · · · · · · · · · · ·	
					•		
: Bv :			Date:			•	



ARTESIA, NEW MEXICO 88210 TELEPHONE (505) 746-3558

May 8, 1980

S. P. YATES PRESIDENT MARTIN YATES. III VICE PRESIDENT JOHN A. YATES VICE PRESIDENT W. HARPER

SEC. TREAS

Oil Conservation Division P. 0. Box 2088 Santa Fe, New Mexico 87501

Attention: Daniel S. Nutter

Examiner Hearing Case No. 6843 May 7, 1980

Dear Mr. Nutter:

We are writing pursuant to your request during the captioned hearing to furnish you with information concerning the Mobil "CI" #1 in the S/2 of Section 6, Township 19 South, Range 25 East. The parties to be compulsory pooled in said hearing were never compulsory pooled for the drilling of the Mobil "CI" #1. Proceeds attributable to their interests have been held in suspense since first runs. A copy of our paysheet showing this suspension is enclosed

Should you have any further questions, please do not hesitate to

Very truly yours,

Randy G. Patterson Land Department

RGP/kc Enclosure

contact me.

STATUS

1 - Suspend - No Div. Order 5 - Suspend - Unleased 7 - Suspend - Title Requirement 2 - Pay

YATES PETROLEUM CORPORATION Division of Interest Date - First Sales

Lease: YPC-Mobil "CI" Federal No. 1 S½ Sec. 6, T19S-R25E

OWNER NAME	INTEREST	ТҮРЕ	STATUS	I.D.
United States Drawer 1857 Roswell, New Mexico 88201	.0941063	RI	2	530196958-E
Nadine P. Rushing 2605 W.Alameda Roswell, New Mexico 88201	.0009654	RI	2	-
Patricia Jo McFarrez 303 So. Evergreen Roswell, New Mexico 88201	.0028963	RI	2	585-09-5537
Lillian Poteet Hanners	.0009654	RI	7-1	
Roy T. Mobley 600 Alcaide SW, Apt. 3A Albuquerque, New Mexico 87104	.0038617	RI	2	525-92-0298
George L. Reese, Jr. P. O. Box 1776 Roswell NM 88201	.0019308	RI	2	525-90-9167
Carmex, Inc. P. O. Box 1718 Carlsbad, NM 88220	.0019308	RI	2	85-6013513
J. W. Abernathy 321 S. Avenue A Portales, New Mexico 88130	.0038617	RI	2	525-10-6783
Florence VanValkenburg Box 97 Rock Springs, WY 82901	.0012873	RI	2	520-30-3042
Agnes Burdess 2942 Grant Avenue Ogden, Utah 84401	.0012873	RI	2	529-30-7383
Eleanor Rees Hesketh	.0003218	RI	7-1 /	ar ^e
Rebecca Rees Wallen	.0003218	RI	7-1	

	OWNER	INTEREST	TYPE	STATUS	I.D.
	Lois LaVerne Rees	.0003218	RI	7-1	
	James Richard Rees	.0003218	RI	7-1	
·	(Edgar) Morris Vincent	.0012873	- RI	, 7-1	
	(Charles) Loran Vincent	.0012873	RI	7-3- A	at A.C. Litable
	Elaine McCombs Vincent 1106 W. 16th Street Amarillo, Texas 79102	.0003218	RI	2	452-14-1395
	Richard Dean Vincent	.0003218	RI	7-1	
	Morris Edgar Vincent	.0003218	RI	7-1	
	Pat (Shi) Vincent	.0012873	RI	7-1	•
	Mary E. Brown	.0001427	RI	7-1	
	Bobby Walcott	.0001427	· RI	7-1	
	Monie Cowan	.0012872	RI	7-1	
	Betty Artz	.0012872	RI	7-1	
	Dorothy R. Brown P.O. Box 5325 Midland, Texas 79701	.0376425	ORI	2	543-24-1575
P. O. Bo	oducing Texas & New Mexico Inc. x 100275 Texas 77212	.0470531	ORI	2	13-5401570
	Mary Florence Bennett	.0231703		7-5-1	
2					
	Steve Lane Vincent	.0025745	and allowing suffering a day of the part o	7-5-1	

OWNER	INTEREST	ТҮРЕ	STATUS	1.0.
J. C. Walcott	.0011414	. Magana ara kata ya tada na mio Maraya mio mio kata ka	7-5-1	
Charles O. Walcott	.0011414		7-5-1	
Billy J. Walcott	.0011414		7-5-1	
Gail Scroggins	.0011414	-	7-5-1	
Betty Klump	.0011499	e.	7-5-1	
Patsy Whitlock	.0011499		7-5-1	
Mickey J. Walcott	.0011499		7-5-1	
J. E. Westervelt	.0102978		7-5-1	
Martin Yates III Account #2 207 S. 4th Street Artesia, NM 88210	. 0956747	WI	2	525-72-8577
Yates Drilling Company Acct. #2 207 S. 4th Street Artesia, NM 88210	.0956747	WI	2	85-0139955
John A. Yates Acct. #2 207 S. 4th Street Artesia, NM 88210	.0956747	WI	2	525-50-5925
ites Petroleum Corporation a/ć #2 207 S. 4th Street Artesia, NM 88210	.2870241	WI	2	85-0154842
Yates Petroleum Corporation	.1751310	WI	2	85-0154842



CERTIFIED MAIL RETURN RECEIPT REQUESTED

S. P. YATES
PRESIDENT

MARTIN YATES, III

JOHN A. YATES

VICE PRESIDENT

B. W. HARPER SEC.-TREAS.

207 SOUTH FOURTH STREET ARTESIA. NEW MEXICO 88210

TELEPHONE (505) 748-1331

December 4, 1980

7,60 6843

Steve Lane Vincent c/o Elaine McCombs Vincent 2809 West Fourth Street Amarillo, Texas 79102

Gail Scroggins Rocket Mobil Village Lot B-14 Alamogordo, New Mexico 88310 Billy J. Walcott c/o Bobby Walcott 2402 Louisiana Blvd. NE Albuquerque, New Mexico 87110

New Mexico Oil Conservation Div. P. O. Box 2088
Santa Fe, New Mexico 87501
Attn: Mr. Daniel S. Nutter

Re: Rushing "NJ" #1 T-19-S, R-25-E, NMPM

Section 6: SW\sE\sq Eddy County, New Mexico

Ladies and Gentlemen:

We are enclosing Order No. R-6346 which pools the captioned lands for production of the captioned well. Pursuant to Paragraph 5 of Page 4, we are enclosing an itemized schedule of expenses through September 30, 1980.

We request that your share of your expenses be paid within the time limit recited in Paragraph 6 of Page 5. Unless payment is received within this time period, we have no choice but to consider your interest pooled under the above mentioned order and collect the penalty allowed.

Thank you.

Yours very truly,

DIL CONSTRUCTION DIVISION

SANTA FE -

RANDY G. PATTERSON Land Department

Kathy Colbert

By: Kathy Colbert

KC/bh

Enclosures

STATE OF NEW MEXICO CRGY AND MINERALS DEPARTMI OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 6843 Order No. R-6346

APPLICATION OF YATES PETROLEUM CORPORATION FOR TWO COMPULSORY POOLINGS, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 7, 1980, at Santa Fe, New Mexico, before Examiner, Daniel S. Nutter.

NOW, on this 22nd day of May, 1980, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Yates Petroleum Corporation, seeks an order pooling all mineral interests in the Yeso formation underlying two 40-acre proration units, the first being the SE/4 SE/4 and the second being the SW/4 SE/4 of Section 6, Township 19 South, Range 25 East, NMPM, Penasco Draw Field, Eddy County, New Mexico.
- (3) That the applicant has the right to drill and proposes to drill a well at a standard location on each of the aforesaid units.
- (4) That there are interest owners in the proposed proration units who have not agreed to pool their interests.
- (5) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said unit the opportunity to recover or

-2-Case No. 68(Order No. R-6346

receive without unnecessary expense his just and fair share of the oil and gas in said pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said units.

- (6) That the applicant should be designated the operator of the subject wells and units.
- (7) That any non-consenting working interest owner in each of the pooled units should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.
- (8) That any non-consenting working interest owner who does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 200 percent thereof as a reasonable charge for the risk involved in the drilling of the well.
- (9) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that actual well costs should be adopted as the reasonable well costs in the absence of such objection.
- (10) That following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.
- (11) That \$2,000.00 per month while drilling and \$200.00 per month while producing should be fixed as reasonable charges for supervision (combined fixed rates) for each well: that the operator should be authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject wells, not in excess of what are reasonable, attributable to each non-consenting working interest.
- (12) That all proceeds from production from each of the subject wells which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

-3- (Case No. 6843 Order No. R-6346

- (13) That upon the failure of the operator to commence drilling of the Rushing "NJ" Well No. 1 to which the SW/4 SE/4 of Section 6 is to be dedicated on or before August 1, 1980, the order pooling both of the subject units should become null and void and of no effect whatsoever.
- (14) That upon failure of the operator to commence drilling of the Rushing "NJ" Well No. 2 within 60 days after putting Rushing "NJ" Well No. 1 on production, the order pooling the SE/4 SE/4 of Section 6 should become null and void and of no effect whatsoever.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Yeso formation underlying two 40-acre proration units, the first being the SE/4 SE/4 and the second being the SW/4 SE/4 of Section 6, Township 19 South, Range 25 East, NMPM, Penasco Draw Field, Eddy County, New Mexico, are hereby pooled to form two standard 40-acre oil spacing and proration units, each to be dedicated to a well to be drilled at a standard location thereon.

PROVIDED HOWEVER, that the operator of the SW/4 SE/4 of said Section 6 shall commence the drilling of a well thereon, being the Rushing "NJ" Well No. 1, on or before the first day of August, 1980, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Yeso formation;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the first day of August, 1980, Order (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division for good cause shown.

PROVIDED FURTHER, that should said well not be drilled to completion, or abandonment, within 90 days after commencement thereof, said operator shall appear before the Division Director and show cause why Order (1) of this order should not be rescinded.

PROVIDED FURTHER, that the operator of the SE/4 SE/4 of said Section 6 shall, within 60 days after putting the aforesaid Rushing "NJ" Well No. 1 on production, commence the drilling of a well thereon, being the Rushing "NJ" Well No. 2,

-4-Case No. 684 Order No. R-6346

and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Yeso formation.

PROVIDED FURTHER, that in the event said operator does not commence said Rushing "NJ" Well No. 2 within said 60-day period, Order (1) of this order shall be null and void and of no effect whatsoever with respect to the SE/4 SE/4 of Section 6, Township 19 South, Range 25 East, NMPM, unless said operator obtains a time extension from the Division for good cause shown.

PROVIDED FURTHER, that should said well not be drilled to completion, or abandonment, within 90 days after the commencement thereof, said operator shall appear before the Division Director and show cause why Order (1) of this order should not be rescinded with respect to the SE/4 SE/4 of said Section 6.

- (2) That Yates Petroleum Corporation is hereby designated the operator of the subject wells and units.
- (3) That after the effective date of this order and within 90 days prior to commencing each of said wells, the operator shall furnish the Division and each known working interest owner in the appropriate 40-acre unit an itemized schedule of estimated well costs.
- (4) That within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner within that particular well's unit shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and that any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.
- (5) That the operator shall furnish the Division and each known working interest owner within the applicable 40-acre unit an itemized schedule of actual well costs within 90 days following completion of the well; that if no objection to the actual well costs is received by the Division and the Division has not objected within 45 days following receipt of said schedule, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 45-day period the Division will determine reasonable well costs after public notice and hearing.

-5-Case No. 6843 Order No. R-6346

- (6) That within 60 days following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs in advance as provided above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.
- (7) That for each well, the operator is hereby authorized to withhold the following costs and charges from production:
 - (A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.
 - (B) As a charge for the risk involved in the drilling of the well, 200 percent of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.
- (8) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.
- (9) That \$2,000.00 per month while drilling and \$200.00 per month while producing are hereby fixed as reasonable charges for supervision (combined fixed rates) for each of the subject wells; that the operator is hereby authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating such well, not in excess of what are reasonable, attributable to each non-consenting working interest.
- (10) That any unsevered mineral interest shall be considered a seven-eighth's (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

-6-Case No. 684 Order No. R-6346

- (11) That any well costs or charges which are to be paid out of production shall be withheld only from the working interests share of production, and no costs or charges shall be withheld from production attributable to royalty interests.
- (12) That all proceeds from production from either of the subject wells which are not disbursed for any reason shall immediately be placed in escrow in Eddy County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.
- (13) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

> STATE OF NEW MEXICO **VIL CONSERVATION DIVISION**

JOE D. RAMEY, Director



207 SOUTH FOURTH STREET ARTESIA. NEW MEXICO 88210

TELEPHONE (505) 746-3558

June 10, 1980

SANTA FE

PRESIDENT MARTIN YATES, III VICE PRESIDENT JOHN A. YATES VICE PRESIDENT B. W. HARPER

S P. YATES

File 6843

UNLEASED MINERAL OWNERS ADDRESSEE LIST ATTACHED NEW MEXICO OIL CONSERVATION DIVISION P. O. Box 2088 Santa Fe, New Mexico 87501

Attention: Mr. Daniel S. Nutter

Rushing "NJ" #1 Township 19 South, Range 25 East, NMPK Section 6: SW/4 SE/4 Eddy County, New Mexico

Ladies and Gentlemen:

It has been brought to our attention that in our "Certified - Return Receipt Requested" letter dated June 5, 1980, the description for the captioned well was wrong. On Page 3, ¶1 of the Order No. R-6346 enclosed in said letter, it states the first proration unit shall be the SE/4 SE/4 and the second the SN/4 SE/4. The second part of that paragraph states the proration unit for the Rushing "NJ" #1 to be the SW/4 SE/4. Therefore, the description for the Rushing "NJ" #1 stated in our letter of June 5, 1980, should read SW/4 SE/4 of Section 6, Township 19 South, Range 25 East, not SE/4 SE/4.

We are sorry for any inconvenience this typographical error may have caused you and hope this letter explains to your satisfaction.

Thank you.

Very truly yours,

Randy G. Patterson Land Department

Tatty Colbert

By: Kathy Colbert

STEVE LANE VINCENT c/o Elaine McCombs Vincent 1106 W. 16th Street Amarillo, Texas 79102 J. C. WALCOTT

CONS RIVATION 2402 Louisiana Blvd. NE Alamogordo, New Mexico 8831074 FS Albuquerque, New Mexico 87110

GAIL SCROGGINS 1006 College Alamogordo, New Mexico 88310 PATSY WHITLOCK c/o Bobby Walcott 2402 Louisiana Blvd. NE Albuquerque, New Mexico 87110 MICKEY J. WALCOTT Box 192 High Rolls, New Mexico 88325

J. E. WESTERVELT 709 1/2 R Avenue National City, California 92050

207 SOUTH FOURTH STREET ARTESIA. NEW MEXICO 88210

TELEPHONE (505) 746.3558

June 5, 1980

TO: UNLEASED MINERAL OWNERS ADDRESSEE LIST ATTACHED

S P. YATES RETURN RECEIPT PAESIDENT PAESIDENT PAESIDENT JOHN A. YATES REQUESTED VICE PRESIDENT B. W. HARPER

Jile Care 6843

NEW MEXICO OIL CONSERVATION DIVISION p. O. Box 2088 Santa Fe, New Mexico 87501

Attention: Mr. Daniel S. Nutter

Township 19 South Range 25 East, NMPM Section 6: SE/4 SE/4 Rushing "NJ" #1 Should be SWH SE/H Eddy County, New Mexico

We are enclosing Order No. R-6345 which pools the captioned lands we are enclosing order No. K-0345 which pools the captioned Lands for the drilling of the Rushing "NJ" #1. Pursuant to ¶3 of page 4, Ladies and Gentlemen: we are enclosing an AFE listing estimated well costs. Should you we are encrosing an are fiscing estimated well costs. Mound you wish to participate in the drilling of this well, we request that your share of expenses be paid within the time limit given in 14 of page 4. If not, we would still accept the lease previously sent to you covering your interest in the captioned acreage should you wish

If you do not choose either option, we have no choice but to consider You do not choose excher operon, we have no choice but to consider your interest pooled as per the terms of the enclosed order and to lease to us. continue as such.

Thank you.

OIL CONSERVATION DIVISION SANTA FE

Enclosures

Very truly yours,

Randy G. Patterson Land Department

Kathy Colliert

By: Kathy Colbert

By: Kathy Colbert

Called Pallerson This was contrary

Candal But No. 1814 and the le rein

Pantal the SEI4 from right is we let

No. 1814 and the server

Colbert

Which was heart wife being the let with the let w

STEVE LANE VINCENT c/o Elaine McCombs Vincent 1106 W. 16th Street Amarillo, Texas 79102 J. C. WALCOTT 706 Dewey Lane Alamogordo, New Mexico 88310 BILLY J. WALCOTT c/o Bobby Walcott 2402 Louisiana Blvd. NE Albuquerque, New Mexico 87110

GAIL SCROGGINS 1006 College Alamogordo, New Mexico 88310 PATSY WHITLOCK c/o Bobby Walcott 2402 Louisiana Blvd. NE Albuquerque, New Mexico 87110 MICKEY J. WALCOTT Box 192 High Rolls, New Mexico 88325

J. E. WESTERVELT 709 1/2 R Avenue National City, California 92050



24

25

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION STATE LAND CFFICE BLDG. SANTA FE, NEW MEXICO 7 May 1980 EXAMINER HEARING IN THE MATTER OF: Application of Yates Petroleum Corpor-) CASE ation for two compulsory poolings, 6843 Eddy County, New Mexico. 10 BEFORE: Daniel S. Nutter 11 12 TRANSCRIPT OF HEARING 13 APPEARANCES 15 16 For the OI1 Conservation Ernest L. Padilla, Esq. 17 Division: Legal Counsel to the Division State Land Office Bldg. 18 Santa Fe, New Mexico 87501 19 20 Chad Dickerson, Esq. For the Applicant: LOSEE, CARSON, & DICKERSON 21 Artesia, New Mexico 22

I N D E X

RANDOLPH PATTERSON

Direct Examination by Mr. Dickerson Cross Examination by Mr. Nutter

Applicant Exhibit One, Plat	e de la companya de l	4
Applicant Exhibit Two, List		4
Applicant Exhibit Three, Letters		5
Applicant Exhibit Four, Operating Agreement		Ü
Applicant Exhibit Five, AFE		7

*	
	MR NUTTER: We'll call next Case 6843.
	MR. PADILLA: Application of Yates Petro-
leum Corporation fo	r compulsory poolings, Eddy County, New
Mexico.	
	MR. DICKERSON: Chad Dickerson, on behalf
of the applicant.	I have one witness.
	(Witness sworn.)
	RANDOLPH PATTERSON
BEING called as a w	itness and having been duly sworn upon his
oath, testified as	follows, to-wit:
	DIRECT EXAMINATION
BY MR. DICKERSON:	
Q	Will you state your name, your occupation,
please?	
А.	Randy Patterson. I'm a landman for
Yates Petroleum Cor	poration.
Q.	Mr. Patterson, you've previously testified
before this Division	on as a landman for your employer?
А.	Yes, sir.
Q.	Were Exhibits One through Five, to which

you will refer, prepared by you or under your direction?

Yos, sir, they were.

7

10

11

12

13

14

15

16

17

18

19

20

21

22

23

25

are	von	familiar	wi +h	the	ກມກາດຂອ	Δ.

Yes, sir.

this application today?

Would you briefly describe the purpose of this pending application?

This application is to seek compulsory pooling for several parties who could not be contacted for the drilling of two Yeso oil wells in Eddy County, New Mexico.

Would you please turn to Exhibit Number One and describe what it shows?

Exhibit Number One is a land plat showing the 80 acres on which the two wells will be located and the wellsites for the Russian "NJ" Wells Nos. 1 and 2.

And to what zones are these proposed wells to be drilled?

These will test the Yeso formation.

Mr. Patterson, refer to Exhibit Number Two and describe what it shows, please.

Exhibit Number Two shows the full ownership of the 80 acres in Section 2. That is 100 percent ownership. Then at the bottom of the page these are the parties to which we are seeking compulsory pooling who could not be contacted.

Approximately what percentage of total ownership is owned by these parties that we're pooling today?

25

Approximately 7 percent. Turn to Exhibit Number Three and describe 3 Exhibit Number Three is an example of the letter which we sent certified mail to these parties to try to contact them to lease or to join in the operation. Have you had any response from these 9 All the letters were returned. 10 So all of these parties you're unable to 11 12 13 Mr. Patterson, turn to Exhibit Number 14 15 Exhibit Number Four is our operating 16 agreement for the drilling of these two wells, which shows 17 Yates Petroleum Corporation as operator, the percentage of 18 interest of each party, the leases involved, and the drilling 19 20 And this operating agreement has been 21 executed on behalf of all working interest owners? 22 23 What are the proposed drilling well and

Our drilling well rate will be \$2000 per

11

10

13

14

15

16

17 18

19

20

21

22

23

month and the producing well rate, \$200 per month.

And in the opinion of Yates are those reasonable charges for supervision of this well?

Yes, sir, these are our standard charges which we've been charging on this type of well for several months.

Mr. Patterson, are you prepared to make a recommendation as to the risk factor that should be assessed for -- as a penalty involved in drilling these wells?

Yes, sir, I am.

And what is your recommendation?

I recommend the 200 percent penalty.

What is your recommendation based upon?

Our recommendation is based upon the fact that these wells -- it is questionable that these wells will pay out. These wells are on the southeast edge of field development. Please notice in Section 5 on your Exhibit One, the land plat, the southwest southwest of Section 5, Mobil "CI" No. 2 has been producing since 1973 and it has not yet paid out. It is presently producing very slight amount of oil and a small amount of gas.

Also on your land plat we show the Mobil "CI" Nos. 4 and 5, which are our most recent wells, just to the west of these two wells which we are trying to compulsory pool. These wells had a calculated potential on a 24-

11

12

13

14

15

16

17

18

19

20

21

22

23

25

BY MR. NUTTER:

hour test of 36 barrels of oil per day plus four barrels of water; however, it's expected to fall off quite rapidly down to 5 to 6 barrels per day. Do you have any further testimony with regard to Exhibit Number Four, Mr. Patterson? I don't think so. Turn to Exhibit Number Five and describe what it is, please. Exhibit Number Five is our AFE for the drilling of this -- of the No. 1 Well. The No. 2 Well will be a similar AFE. And so the Exhibits Four and Five contain the terms that the parties, in the event they elected to participate in drilling -- in the well, would be expected to abide by? Yes, sir, that's correct. Mr. Patterson, in your opinion would the granting of this application prevent waste and protect correlative rights? Yes, sir. MP. DICKERSON: Mr. Examiner, we have nothing further to offer.

CROSS EXAMINATION

1	0 Mr. Patterson, you've got an 80-acre unit
2	or an 80-acre outline here on Exhibit One, but we're talking
3	about two 40-acre units. Are the interests common throughout
4	this entire 80-acre lease?
5	A. The title is common throughout this 80
6	acres.
7	$\mathfrak Q$ Okay. Then the first well is going to be
8	the No. 1 Well
9	A. Yes, sir.
10	Q to be drilled in the southwest of the
11	southeast?
12	A Yes, sir, that's correct.
13	Q. And what is that location on that?
14	A It's 1650 from the east, 330 from the
15	south.
16	Q And then you would drill the No. 2 Well
17	and I presume that that's 330 from the corner.
18	A. 330 and 330, yes, sir.
19	0 Now, on this list of poolees that you've
20	got, they own a total of 7 percent in the 80 or 7 percent
21	under each of the two wells. Why haven't you been able to
22	contact these recple?
23	A This these people have been attempted
24	and the bear attempting to gentagt these people since shout

1973 when the Mobil "CI" No. 1 Well was drilled just to the

talking about.

north. It shows as a gas well on your plat.

These people have, in talking with their relatives and whatnot, have just not been found.

Q You mean the relatives don't know where they are?

A No, that's correct. Most of these people that you see on the Exhibit Two are related to each other; however, they're not close relation or keep in touch with each other, and the people there listed at the bottom just -- we have not been able to find them.

Q Now these people own this land in fee, is that it?

A Yes, sir, that's correct.

And so being unable to lease from them they're going to be working interest owners as well as royalty owners in the well, or the wells.

Only the ones at the bottom. The top --
Only the ones at the bottom of the page, I'm

A. Yes, sir, that's correct.

Q. And the ones at the top of the page are royalty owners only they've given you leases on their share of the 80.

A. Yes, sir. Yes.

Q. What, are they all descendants of somebody

.

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

that owned this land at one time, or what?

A. Yes. Yes, they're all -- all heirs.

And they don't know where their relatives are? Now, I notice that J. E. Westerfeld is one of those persons listed here with 3 acres, 3-1/3 acres, and you did have a letter that you've sent, which is Exhibit Number Three,

A. Yes, sir.

O. -- to Mr. Westerfeld.

A This is an example; a letter exactly like this was sent to each of the ones that we're trying to pool.

Q Now you sent it to Mrs. Monie Cowan. What happened to that letter?

A. Mrs. Cowan replied that she could not -- she did not know where her relative was, and our letter was returned.

Now, you mentioned that you've been trying to find these people since '73 when the gas well was completed. I guess they are sharing in the -- did you have a forced pooling case on the gas well, also?

A I can't answer that. I don't know.

Q You don't know what's happening to the --

A. I don't know whether --

Q -- monies that would be going --

A. -- those people are pooled under the gas

well or not.

18

19

20

21

22

23

24

25

MR. NUTTER: Do you know, Mr. Dickerson? MR. DICKERSON: No, Mr. Nutter, I don't. MR. NUTTER: Wonder if we could ---MR. DICKERSON: We could find out. MP. NUTTER: -- find that out and let me know. MR. DICKERSON: Yes, sir. MR. NUTTER: What the status of these interests is under the gas well? 10 MP. DICKERSON: Okay. 11 We can check with the purchaser and see 12 if it has addresses for any of these people. 13 MP. DICKERSON: Any new addresses. I 14 understand Yates had addresses for the people in one form or 15 another at one time or another, but they're simply no longer 16 their addresses. MR. NUTTER: I'd appreciate knowing how the funds that belong to them are being handled. Are there any further questions of Mr. Patterson? He may be excused. Do you have anything further, Mr. Dickerson? MR. DICKERSON: No, we don't. MR. NUTTER: Did you offer your exhibits?

MR. DICKERSON: I would offer Exhibits

2õ

One through Five into evidence if I did not do so.

MR. NUTTER: Yates Exhibits One through

Five will be admitted in evidence.

Does anyone have anything they wish to offer in Case Number 6843?

We'll take the case under advisement.

(Hearing concluded.)

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEPEBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sarry W. Boyd C. S.R.



BRUCE KING GOVERNOR LARRY KEHOE SECRETARY

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-2434

May 23, 1980

Mr. Chad Dickerson Losee, Carson & Dickerson Attorneys at Law	Re:	CASE NO. 6843 ORDER NO. R-6346
Post Office Box 239 Artesia, New Mexico 88210		Applicant:
		Yates Petroleum Corporation
Dear Sir: Enclosed herewith are two Division order recently encours very truly.	copies tered	s of the above-referenced in the subject case.
JOE D. RAMEY Director		
JDR/fd		
Copy of order also sent t	:0:	
Hobbs OCD x Artesia OCD x Aztec OCD		
Other		

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

> CASE NO. 6843 Order No. R-6346

APPLICATION OF YATES PETROLEUM CORPORATION FOR TWO COMPULSORY POOLINGS, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 7, 1980, at Santa Fe, New Mexico, before Examiner, Daniel S. Nutter.

NOW, on this 22nd day of May, 1980, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Yates Petroleum Corporation, seeks an order pooling all mineral interests in the Yeso formation underlying two 40-acre proration units, the first being the SE/4 SE/4 and the second being the SW/4 SE/4 of Section 6, Township 19 South, Range 25 East, NMPM, Penasco Draw Field, Eddy County, New Mexico.
- (3) That the applicant has the right to drill and proposes to drill a well at a standard location on each of the aforesaid units.
- (4) That there are interest owners in the proposed proration units who have not agreed to pool their interests.
- (5) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said unit the opportunity to recover or

-2-Case No. 6843 Order No. R-6346

receive without unnecessary expense his just and fair share of the oil and gas in said pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said units.

- (6) That the applicant should be designated the operator of the subject wells and units.
- (7) That any non-consenting working interest owner in each of the pooled units should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.
- (8) That any non-consenting working interest owner who does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 200 percent thereof as a reasonable charge for the risk involved in the drilling of the well.
- (9) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that actual well costs should be adopted as the reasonable well costs in the absence of such objection.
- (10) That following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.
- (11) That \$2,000.00 per month while drilling and \$200.00 per month while producing should be fixed as reasonable charges for supervision (combined fixed rates) for each well; that the operator should be authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject wells, not in excess of what are reasonable, attributable to each non-consenting working interest.
- (12) That all proceeds from production from each of the subject wells which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

-3-Case No. 6843 Order No. R-6346

- (13) That upon the failure of the operator to commence drilling of the Rushing "NJ" Well No. 1 to which the SW/4 SE/4 of Section 6 is to be dedicated on or before August 1, 1980, the order pooling both of the subject units should become null and void and of no effect whatsoever.
- (14) That upon failure of the operator to commence drilling of the Rushing "NJ" Well No. 2 within 60 days after putting Rushing "NJ" Well No. 1 on production, the order pooling the SE/4 SE/4 of Section 6 should become null and void and of no effect whatsoever.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Yeso formation underlying two 40-acre proration units, the first being the SE/4 SE/4 and the second being the SW/4 SE/4 of Section 6, Township 19 South, Range 25 East, NMPM, Penasco Draw Field, Eddy County, New Mexico, are hereby pooled to form two standard 40-acre oil spacing and proration units, each to be dedicated to a well to be drilled at a standard location thereon.

PROVIDED HOWEVER, that the operator of the SW/4 SE/4 of said Section 6 shall commence the drilling of a well thereon, being the Rushing "NJ" Well No. 1, on or before the first day of August, 1980, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Yeso formation;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the first day of August, 1980, Order (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division for good cause shown.

PROVIDED FURTHER, that should said well not be drilled to completion, or abandonment, within 90 days after commencement thereof, said operator shall appear before the Division Director and show cause why Order (1) of this order should not be rescinded.

PROVIDED FURTHER, that the operator of the SE/4 SE/4 of said Section 6 shall, within 60 days after putting the aforesaid Rushing "NJ" Well No. 1 on production, commence the drilling of a well thereon, being the Rushing "NJ" Well No. 2,

-4-Case No. 6843 Order No. R-6346

and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Yeso formation.

PROVIDED FURTHER, that in the event said operator does not commence said Rushing "NJ" Well No. 2 within said 60-day period, Order (1) of this order shall be null and void and of no effect whatsoever with respect to the SE/4 SE/4 of Section 6, Township 19 South, Range 25 East, NMPM, unless said operator obtains a time extension from the Division for good cause shown.

PROVIDED FURTHER, that should said well not be drilled to completion, or abandonment, within 90 days after the commencement thereof, said operator shall appear before the Division Director and show cause why Order (1) of this order should not be rescinded with respect to the SE/4 SE/4 of said Section 6.

- (2) That Yates Petroleum Corporation is hereby designated the operator of the subject wells and units.
- (3) That after the effective date of this order and within 90 days prior to commencing each of said wells, the operator shall furnish the Division and each known working interest owner in the appropriate 40-acre unit an itemized schedule of estimated well costs.
- estimated well costs is furnished to him, any non-consenting working interest owner within that particular well's unit shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and that any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.
- (5) That the operator shall furnish the Division and each known working interest owner within the applicable 40-acre unit an itemized schedule of actual well costs within 90 days following completion of the well; that if no objection to the actual well costs is received by the Division and the Division has not objected within 45 days following receipt of said schedule, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 45-day period the Division will determine reasonable well costs after public notice and hearing.

-5-Case No. 6843 Order No. R-6346

- (6) That within 60 days following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs in advance as provided above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.
- (7) That for each well, the operator is hereby authorized to withhold the following costs and charges from production:
 - (A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.
 - (B) As a charge for the risk involved in the drilling of the well, 200 percent of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.
- (8) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.
- (9) That \$2,000.00 per month while drilling and \$200.00 per month while producing are hereby fixed as reasonable charges for supervision (combined fixed rates) for each of the subject wells; that the operator is hereby authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating such well, not in excess of what are reasonable, attributable to each non-consenting working interest.
- (10) That any unsevered mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

-6-Case No. 6843 Order No. R-6346

- (11) That any well costs or charges which are to be paid out of production shall be withheld only from the working interests share of production, and no costs or charges shall be withheld from production attributable to royalty interests.
- (12) That all proceeds from production from either of the subject wells which are not disbursed for any reason shall immediately be placed in escrow in Eddy County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.
- (13) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

JOE D. RAMEY, O

SEAL

11

12

13

15

16

17

18

19

20

21

22

23

24

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
7 May 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Corpor-) ation for two compulsory poolings,) Eddy County, New Mexico.

CASE 6843

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

APPEARANCES

For the OIl Conservation Division:

Ernest L. Padilla, Esq. Legal Counsel to the Division State Land Office Bldg. Santa Fe, New Mexico 87501

For the Applicant:

Chad Dickerson, Esq. LOSEE, CARSON, & DICKERSON Artesia, New Mexico

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-8
Santa Fc, New Mardeo 87501
Phone (305) 455-7409

655-7409

INDEX

RANDOLPH PATTERSON

Direct Examination by Mr. Dickerson 3 & Cross Examination by Mr. Nutter 8

EXHIBITS

Applicant Exhibit One, Plat	4
Applicant Exhibit Two, List	4
Applicant Exhibit Three, Letters	១
Applicant Exhibit Four, Operating Agreement	5
Applicant Exhibit Five, AFE	7

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

MR. NUTTER: We'll call next Case 6843.

MR. PADILLA: Application of Yates Petroleum Corporation for compulsory poolings, Eddy County, New Mexico.

MR. DICKERSON: Chad Dickerson, on behalf of the applicant. I have one witness.

(Witness sworn.)

RANDOLPH PATTERSON

BEING called as a witness and having been duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. DICKERSON:

Will you state your name, your occupation, please?

Randy Patterson. I'm a landman for Yates Petroleum Corporation.

Mr. Patterson, you've previously testified before this Division as a landman for your employer?

> Yes, sir. A.

Were Exhibits One through Five, to which you will refer, prepared by you or under your direction?

Yes, six, they were.

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

Phone (505) 455-7409	
Santa Fe, New Mexico 8750	
Rt. 1 Box 193-B	
SALLY W. BOYD, C.S.	

	Ď.	And	are	you	familiar	with	the	purpose	of
this	application	today?							

Yes, sir.

Would you briefly describe the purpose of this pending application?

This application is to seek compulsory pooling for several parties who could not be contacted for the drilling of two Yeso oil wells in Eddy County, New Mexico.

Ø. Would you please turn to Exhibit Number One and describe what it shows?

Exhibit Number One is a land plat showing the 80 acres on which the two wells will be located and the wellsites for the Russian "NJ" Wells Nos. 1 and 2.

And to what zones are these proposed wells to be drilled?

These will test the Yeso formation.

Mr. Patterson, refer to Exhibit Number Two and describe what it shows, please.

Exhibit Number Two shows the full owner-A. ship of the 80 acres in Section 2. That is 100 percent owner ship. Then at the bottom of the page these are the parties to which we are seeking compulsory pooling who could not be contacted.

Approximately what percentage of total ownership is owned by these parties that we're pooling today?

13

14

15

16

i7

18

19

20

21

22

24

25

		1 ago
	A.	Approximately 7 percent.
	Ū	Turn to Exhibit Number Three and describe
what it is	s, please.	
	λ.	Exhibit Number Three is an example of the
letter who	ich we sen	t certified mail to these parties to try
to contact	t them to	lease or to join in the operation.
	Q.	Have you had any response from these
letters?		
	Α.	All the letters were returned.
*	Ø	So all of these parties you're unable to
locate at	this time	?
	A.	That's correct.
	Q	Mr. Patterson, turn to Exhibit Number
Four and	describe w	hat it shows, if you would.
	۸.	Exhibit Number Four is our operating
agreement	for the d	rilling of these two wells, which shows
Yates Pet.	roleum Cor	poration as operator, the percentage of
interest	of each pa	rty, the leases involved, and the drilling
well, pro	ducing wel	1 rates.
	Ø.	And this operating agreement has been

What are the proposed drilling well and

Our drilling well rate will be \$2000 per

executed on behalf of all working interest owners?

Yes, sir.

producing well rates, Mr. Patterson?

month and the producing well rate, \$200 per month. And in the opinion of Yates are those reasonable charges for supervision of this well? Yes, sir, these are our standard charges which we've been charging on this type of well for several months. Mr. Patterson, are you prepared to make a recommendation as to the risk factor that should be assessed for -- as a penalty involved in drilling these wells? 10 Yes, sir, I am. 11 And what is your recommendation? 12 I recommend the 200 percent penalty. 13 What is your recommendation based upon? 14 Our recommendation is based upon the fact 15 that these wells -- it is questionable that these wells will 16 pay out. These wells are on the southeast edge of field de-17 velopment. Please notice in Section 5 on your Exhibit One, 18 the land plat, the southwest southwest of Section 5, Mobil 19 "CI" No. 2 has been producing since 1973 and it has not yet 20 paid out. It is presently producing very slight amount of 21 oil and a small amount of gas. 22 23 Also on your land plat we show the Mobil "CI" Nos. 4 and 5, which are our most recent wells, just to 24 the west of these two wells which we are trying to comput-25 These wells had a calculated potential on a 24-

14

15

17

20

21

22

23

24

hour test of 36 barrels of oil per day plus four barrels of water; however, it's expected to fall off quite rapidly down to 5 to 6 barrels per day.

Do you have any further testimony with regard to Exhibit Number Four, Mr. Patterson?

A. I don't think so.

Q Turn to Exhibit Number Five and describe what it is, please.

A Exhibit Number Five is our AFE for the drilling of this -- of the No. 1 Well. The No. 2 Well will be a similar AFE.

And so the Exhibits Four and Five contain the terms that the parties, in the event they elected to participate in drilling -- in the well, would be expected to abide by?

A. Yes, sir, that's correct.

Mr. Patterson, in your opinion would the granting of this application prevent waste and protect correlative rights?

A. Yes, sir.

MR. DICKERSON: Mr. Examiner, we have nothing further to offer.

CROSS EXAMINATION

BY MR. MUTTER:

11

12

13

14

15

16

17

18

19

20

21

22

23

25

Mr. Patterson, you've got an 80-acre unit, or an 80-acre outline here on Exhibit One, but we're talking about two 40-acre units. Are the interests common throughout this entire 90-acre lease? The title is common throughout this 80 acres. Okay. Then the first well is going to be the No. 1 Well --Yes, sir. -- to be drilled in the southwest of the southeast? Yes, sir, that's correct. And what is that location on that? It's 1650 from the east, 330 from the south. And then you would drill the No. 2 Well and I presume that that's 330 from the corner. 330 and 330, yes, sir. Now, on this list of poolees that you've got, they own a total of 7 percent in the 80 or 7 percent under each of the two wells. Why haven't you been able to contact these people? This -- these people have been attempted we've been attempting to contact these people since about

1973 when the Mobil "CI" No. 1 Well was drilled just to the

of the 80.

north. It shows as a gas well on your plat. These people have, in talking with their relatives and whatnot, have just not been found. 3 You mean the relatives don't know where 5 they are? No, that's correct. Most of these people 7 that you see on the Exhibit Two are related to each other; however, they're not close relation or keep in touch with each other, and the people there listed at the bottom just --- we 10 have not been able to find them. 11 Now these people own this land in fee, 12 is that it? 13 Yes, sir, that's correct. 14 And so being unable to lease from them 15 they're going to be working interest owners as well as royalty 16 owners in the well, or the wells. 17 Only the ones at the bottom. The top ---18 The names at the bottom of the page, I'm 19 talking about. 20 Yes, sir, that's correct. ۸. 21 And the ones at the top of the page are Q. 22 royalty owners only they've given you leases on their share 23

Yes, sir. Yes.

What, are they all descendants of somebody

23

24

that owned this land at one time, or what?

A Yes. Yes, they're all -- all heirs.

And they don't know where their relatives are? Now, I notice that J. E. Westerfeld is one of those persons listed here with 3 acres, 3-1/3 acres, and you did have a letter that you've sent, which is Exhibit Number Three,

A. Yes, sir.

Q -- to Westerfeld.

A. This is an example; a letter exactly like this was sent to each of the ones that we're trying to pool.

Now you sent it to Mrs. Monie Cowan. What happened to that letter?

Mrs. Cowan replied that she could not --she did not know where her relative was, and our lotter was
returned.

Now, you mentioned that you've been trying to find these people since '73 when the gas well was completed. I guess they are sharing in the --- did you have a forced pooling case on the gas well, also?

A I can't answer that. I don't know.

Q You don't know what's happening to the --

A. I don't know whether --

monies that would be going ---

A. ~ those people are pooled under the gas vell or not.

MR. NUTTER: Do you know, Mr. Dickerson?

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

MR. DICKERSON: No, Mr. Nutter, I don't. MR. NUTTER: Wonder if we could ---MR. DICKERSON: We could find out. MR. NUTTER: -- find that out and let me know. MR. DICKERSON: Yes, sir. MR. NUTTER: What the status of these interests is under the gas well? MR. DICKERSON: Okay. We can check with the purchaser and see if it has addresses for any of these people. their addresses.

MR. DICKERSON: Any new addresses. I understand Yates had addresses for the people in one form or another at one time or another, but they're simply no longer

MR. HUTTER: I'd appreciate knowing how the funds that belong to them are being handled.

Are there any further questions of Mr. Patterson? He may be excused.

Do you have anything further, Mr. Dicker-

son?

MR. DICKERSON: No, we don't.

BR. MUTTER: Did you offer your exhibits?

MR. DICKEPSON: I would offer Exhibits

17.

One through Five into evidence if I did not do so.

MR. NUTTER: Yates Exhibits One through Five will be admitted in evidence.

Does anyone have anything they wish to offer in Case Number 6943?

We'll take the case under advisement.

(Hearing concluded.)

REPORTER'S CERTIFICATE I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conserva-tion Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability. Conservation Division

O Reg G G G G G G G G G	Meso Pet 1	18 1 1 12 18 11 U.S.	Concern Control	Action & Page 19 19 19 19 19 19 19 19 19 19 19 19 19	Angeren 2000	
Control Socio Solid So	A company of the comp	Yeter hat Services of Services for the S	The state of the s	Ref veltory	10 20 es 1 to 20 es 1	
Yotes Pet Yotes Pet Yours Pet	Pubeo E, No Not Vas 1975 1975 1975 1975 1975 1975 1975 1975	Robert Of the race (5) interstyl Cities for mice) Cities St. State 1 25% District City (10 Unit City) D	Gulf Ration Co. Gulf Ration Co. Gulf Ration Co. 10.000 Ration Co.		Votes Per 1 18 18	25.
2 Yoles Pet 1: All Arrathon number of the control o	Emon Sines (35 to 5) R Nix 231-551 25	Monort Will Messper 17	The state of the s	Total a come light	Valus Feltand J.E. Por Act 1807 M.S. Lineaga C. Colo 0447713 June 1907 Colo 05140 Charles 55170 Salas 7Fod Salas Weekla	
Meso Fet (1975)	No Not Gos No Cos Side Cos Sid	State 17.5 19.0	Yote, etal 243 145-15 Yote, etal 243 145-15 0487738 1555M 251 HBC N/2	A Control of Control o	Moren Courted (A.R.Co.U/R) INEC K-6458 K-6458	Wo to
G-11 L-247 HBC 1-279 L 15-23 1-28 LL-277 1-58 LL-277	Meso Per 12 5.79 12 5.79 13 13 13 13 13 13 13 1	Syste Syste	Mesa Pet (Na Nat Gos) 3.5 Mil 1.5 Mil	State A.R.Co.	Machine de la company de la co	Talosfet,
15 22 H6C 34 200 15 ki 17 17 17 17 17 17 17 1	(No.Nat. Gos) Guif 11-18-78 FCdy - 5*. Amoco (1-1-84 22616 11-184 22616 11-184 22616 11-184 22616 11-184 22616	36 * 23 Mil.	VS.3	HBC.W/Z HBC	TOTAL	Suberta M.D. H. Wilson III
Site 312 1-247 15-22 15-	State 3356 93. Allico Chem. (1) 1-2764 MEST	*Rio-St." State 1313 *Augus 18121 (A12) *Vates Pet. * (So. Roy. * L. ** ** ** ** ** ** ** ** ** **	11.0 2 (4.0.0) 10.6 (4.0.0) 10.		Cross of the Control	CHANGE Support of the Control of th
MNG 1/2 Abby Corp. 5/1-78 1-1-85 6026 23267 U.S. MOCO (Amoro (4/1-6) 16/13 (16/15) 16/13 (16/15)	2 Notes 9 - 11 3.005 Profile P	Votes Pet. 0433491 Obo Ote) 105321 Orosal Isor Petrol Orosal Isor Petrol HRC Allied Chem 195	(Mobil) Ortes Pell 2 (Mobil) (Magnes of the Mobil And The Mobil About the Mobil All Magnes of the Mobil About the Mobil All Magnes of the M	Control of the first of the fir	Bellocknor 1 W. Connefor W. Connefor 29 Bl W. Connefor 29 Bl W. Connefor 29 Blocknor 20 Bl	Crest in a control of the control of
16.53 16.51	Great Mestern, Davidiss's Great Mestern, Davidiss's Grates Pet, et al. 12 - 22 - 90	We estable S.	ites (Interpretate of the state	Votes & hondeing 4: 13 353: 13 353: 14 3418: 15 418: 16 418: 17 434:	1 15-72	ARCO Efoskel 3-15-72 3-23-72 Sannie Mottack RE Grass O Fac ARCO
Story Collins [3] Story Collins [4-102] Story Collins [4-102] Story Collins (Anixon) Yotes Pet. Hilly	Flerg H. Davis Hencom Pet. Valua Pet. etal. 1 5 64 1 7 7 7 82 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Your Pet	100 100	RC S.R.Yanes Construction from the month of the construction of th	Podenask Cheville, a. Waitt	LocyAraios 9 11 9 2 2113 9 805 105 105 105 105 105 105 105 105 105 1
famocol Notes Fedi ghi US. Allison	Sten, that Breesin Mickey as a second of the	Osterfor (R. C. Promes, Osterf	The Charles of the Control of the Co	Golden Charles Constituted at the constitute of	Record of the form of the first	25%
Notes Pet. 14/18 14/18 15/1	(ales Pas. (ales Pas.) 1699 1499 1499 1499 1499 1499 1499 1499	Votes Pacong ties Votes Pacong ties (A Honks kegs) Language Pacong ties (A) Los (color (A) Los (color (A	11.11 Voles 11.12 OSS 7.42 S (100) OSS 7.42 (S (Cooperation of the second of t	Non Actor
Angender Services Servic	os tifanses	10 C Harks 7 21501	Washington States of the State	Track of the state	Trues The Street of the Street	A Jegley Jess
27 1	Yates feet States State	Falson by Property Control of the Co	30 (33)	Control March	Constant And Control C	Advanced Columbia
EXHIBI OCASE N EXAMIN DATE 5	IO. 6843 HER HEARING 5/7/80	Control of Control	de Concer (1988) 4.33 4.35	thosonts E	(Described on the control of the con	Comment of the second
,	Action of St.	The second secon		transmits for the second	33	

- 1) The SW/4 SE/4 and the SE/4 SE/4 of Section 6, Township 19 South, Range 25 East, N.M.P.M. are held by Yates Petroleum Corporation, et al, under numerous fee leases.
- 2) The ownership of the SW/4 SE/4 and the SE/4 SE/4 of Section 6, Township 19 South, Range 25 East, N.M.P.M. is as follows:

Nadine Rushing			•											•		•		9/288
Patricia J. McFarrez .																		27/288
Lillian Poteet Hanners	•			•,									•			•		9/288
Mary Florence Bennett.									•					•		٠		27/288
Roy T. Mobley	•	•				٠						•				•		24/288
George L. Reese, Jr																		12/283
Carmex, Inc		•			•	•				•						•		12/288
J. W. Abernathy		•		•	•	•			•			•	•		•		•	36/288
Florence VanValkenburg	•								•							٠	•	12/288
Agnes Burdess																		12/288
Eleanor Rees Hesketh .	٠		•	•					•				•	•	•	٠		3/288
Rebecca Rees Wallen					•													3/288
Lois LaVerne Rees		•												•	•	•	•	3/288
James Richard Rees	•	•	•	•	•	٠		•	•	•	•	•		٠	٠	٠	•	3/288
(Edgar) Morris Vincent						•			•	•		•		•	•	•	•	12/288
(Charles) Loran Vincent	٠.	•	•	•	•	•	•	٠	•	•	•	•			•	•		12/288
Elaine McCombs Vincent					•	•		•	٠	٠		•		•		•	•	3/288
Richard Dean Vincent .																		3/288
Morris Edgar Vincent .			•		•				•			•	•	•	•	•	•	3/288
Steve Lane Vincent																		3/288
Pat (Shi) Vincent		•		•		•	•		•		•	•		•	•		•	12/288
J. C. Walcott				•			•	•	•		•		•	•		•	•	1.33/288
Mary E. Brown	•		•	•	•				•	•	•	٠	•	•	•		•	1.33/288
Charles O. Walcott	3				•	•			•	•	•		•		•	•	•	1.33/288
Billy J. Walcott	•		•	•		•		•		•		•		•			•	1.33/288
Bobby Walcott	•		•			•		•	•	•	•				•	•	•	1.33/288
Gail Scroggins																		
Betty Klump																		
Patsy Whitlock							•				•	٠			٠,	•		1.34/288
Mickey J. Walcott																		
Monie Cowan																		12/288
Betty Artz																		• •
J. E. Westervelt																		• .
	•	•	•	•	•	•	-	•	-	•	•	-	-	,	•	•	-	,

Yates Petroleum Corporation, et al, now holds leases from all of the owners of the SW/4 SE/4 and the SE/4 SE/4 with the exception of the owners listed below. These owners have been offered leases and the opportunity to participate in drilling. They have also been advised of the compulsory pooling proceedings.

		Percentage
	Net Acres	of Each Well
Steve Lane Vincent	.833333	1.041666
J. C. Walcott	.369444	.461805
Charles O. Walcott	.369444	.461805
Billy J. Walcott	.369444	.461805 i
Gail Scroggins	.369444	.461805
Patsy Whitlock	.372222	.465278
Mickey J. Walcott	.372222	.465278
J. E. Westervelt	3.333333	4.166666

EXHIBIT NO. 2 CASE NO. 6843 EXAMINER HEARING DATE 5/7/80



207 SOUTH FOURTH STREET ARTESIA. NEW MEXICO 88210 TELEPHONE (505) 746.3558

April 16, 1980

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

J. E. Westervelt c/o Mrs. Monie Cowan Blanchard, Oklahoma 73010 P. O. Box 416

Township 19 South, Range 25 East, NMPM Section 6: 5/2 SE/4 Unleased Oil and Gas Lease Re:

S. P. YATES PHESIDENT MARTIN YATES. III VICE PRESIDENT JOHN A. YATES VICE PRESIDENT W. HARPER SEC TREAS

Eddy County, New Mexico

Yates Petroleum Corporation may possibly drill a well on or near the cap-tioned acreage if we can lease the interests to the same. We would like Yates petroleum Corporation may possibly drill a well on or near the cap-tioned acreage if we can lease the interests to the same. We would like Dear Mr. Westervelt:

We have taken the liberty of enclosing an original and one (1) copy of an original and original to lease your interests in these lands. we have taken the tiperty of encrosing an original and one (1).

Oil and Gas Lease, one year term, providing for a 3/16 royalty.

If satisfactory, please execute the Lease before a Notary Public and return the original to this office as soon as possible.

Should we not receive the Lease on or before May 15, 1980, we will have no choice but to institute communication procedure.

Should you have any questions, please call me collect at (505) 748-1331. Should we not receive the Lease on or before may 13, 1 no choice but to institute compulsory pooling procedure.

Thank you. andy 6. Patterson and Department FRTIFIED MAIL SETURN RECEIPT SERVICE SADIVARA SERVICES

EXHIBIT NO. CASE NO. 6843 EXAMINER HEARING DATE 5/7/80

33000

9:61 My '00st mro I Sd 8331 FOT RAIZAMIZOT 1102193

J. E. WESTERVELT, dealing in his		ate property,	n and an analysis and the second seco
(whether one or more), whose address is: 1. Lessor in consideration of TEN AND NO/10			
10.00) in hand paid, of the royalties herein usively unto Lessee for the purpose of investigating, exploseds, tanks, power stations, telephone lines and other str	provided and of the agreeing, prespecting, drilling ructures thereon and on,	eements of Lessen herein contained, hereby ; and mining for and producing oil and ga- over and across lands owned or claimed by L	grants, leases and lets ex- , laying pipe lines, building moor adjacent and contiguous
ereto, to produce, save, take care of, treat, transport, an	d own said products, and		d land in
Township 19 South, Range Section 6: S\2SE\4 Containing 80.00 acres, r		P.M.	
2. Without reference to the commencement, prosecutio lopment or cessation at any time of production of oil or ing else herein contained to the contrary, this lease shall gas is produced from said land or land with which said	gas and without further be for a term of ONEye	payments than the royalties herein provide ar from this date (called "primary term")	d, and notwithstanding any
 The royalties to paid by Lessee are: (a) on oil, edit of Lessor into the pipe line to which the wells may arket price therefor prevailing for the field where produce 	3/16 of that produce be connected; Lessee med on the date of purchase	ed and saved from said land, the same to be d by from time to time purchase any royalty oil se; (b) on gas, including casinghead gas or	elivered at the wells or to the in its possession, paying the other gaseous aubstance, pro
nced from said land, and sold, or used off the premises or	for the extraction of gas	oline or other product therefrom, the market v	alue at the well of 3/16
the gas so sold or used, provided that on gas sold at the ell on this lease or on acreage pooled therewith but gas the date on which said well is shut, in and thereafter at an ot terminate and it will be considered that gas is being permade by check or draft of Lessee mailed or delivered that gas coal and water from said land, except wat uted after deducting any so used.	inual intervals the sum coorduced from this lease to the parties entitled t	f 51.00 per acre, and if such payment is mad in paying quantities. Payment or tender of hereto on or before the date said payment i	e or tendered, this lease shall said shut-in gas royalty may s due. Lessee shall have fre
4. Lessee, at its option, is hereby given the right as nd gas, or either of them, with other land, lesse or lesses, is necessary or advisable to do so in order properly to e ne New Mexico Oil Conservation Commission, or other land gas in and under and that may be produced from said nd gas in and under and that may be produced from said authority having jurisdiction prescribe or permit the crevith those prescribed by governmental regulations. Lessee hereof as above provided as to oil in any one or more stratted not conform as to area with gas units. The pooling in of cottions thereof into other units. Lessee shall file for reco	in the immediate vicinit explore, or to develop an wful authority or when premises. Units pooled y exceed in area 640 act ation of units larger that under the provisions he a and as to gas in any o into which the lease is ne or more instances sh	y thereof to the extent, hereinafter stipulated operate said leased premises in compliano odo so would, in the judgment of Leasee, pi for oil hereunder shall not substantially eles each plus a tolerance of 10% thereof, prot those specified, units thereafter created may eof may pool or combine acreage covered he or more strata. The units formed by poolir pooled or combined as to any other atratum all not exhaust the rights of the Leasee he	d, when in Lessee's judgmer, ex with the apacing rules of comment the conservation of o occeed 40 acres each in are wided that should government conform substantially in air by this lesse, or any portions as to any stratum or strat
octions thereof into direct thins. Desire shall the co- escribing and designating the pooled acreage as a pooled un ompleting an oil or gas well on the leased premises, and the apable of producing oil or gas in paying quantities has the heretofore been commenced. Operations for drilling on or p and covered by this lease regardless of whether such opera I this instrument or the instrument designating the pooled in his lease whether or not the well or wells be located on the	nit. Lessee may at its the pooled unit may incluing the record been complete production of oil or gas fations for drilling were unit, shall be considered a	ection exercise its pooling option after co le, but it is not required to include, land d or upon which operations for the drilling rom any part of the pooled unit which incl commenced or such production was secured s operations for drilling on or production of o	mmencing operations for a or leases upon which a we of a well for oil cr gas have under all or a portion of the before or after the execution il or gas from land covered by
reither of them, as herein provided, shall be treated for ere included in this lease. For the purpose of computing e entitled on production of oil and gas, or either of them, ald unit s pro rata portion of the oil and gas, or either of uch allocation shall be on an acreage basis—that is to su tat pro rata portion of the oil and gas, or either of the reluded in the pooled unit bears to the total number of a uch production, whether it be oil and gas, or either of the	r all purposes, except the the royalties to which o , from the pooled unit, to for them, produced from to ay, there shall be allocat m, produced from the po- surface acres included in	payment of royallies on production from the wners of royallies and payments out of produ- iere shall be allocated to the land covered he pooled unit after deducting that used for a ed to the acreage covered by this lease and oled unit which the number of surface acre the pooled unit. Royallies hereunder shall the	ne pooled unit, as if the san iction and each of them, sha by this lease and included i operations on the pooled unit i included in the pooled un- es covered by this lease ar we computed on the portion.
production, whether it be on and gas, of either of the production were from such land. The production from an and not as production from a gas pooled unit; and produc which it is producing and not from an oil pooled unit. In o time to commit said land or any part or formation or reperation, and to any modifications thereof, which have buthority. In such event, the royalty payable to Lessor it the terms of any such agreement or plan of operation, which	oil well will be consider ction from a gas well w n addition to the foregoin nineral substance covered been approved by the N hercunder shall be comp	ed production from the lease or oil pooled ur ill be considered as production from the le ig, Leasee at its option is hereby given the hereby to any cooperative or unit agreemen ew Mexico Oil Conservation Commission of uted and paid on the basis of the oil or gas	nit from which it is producir ease or gas pooled unit fro e right and power from the t or plan of development ar or other lawful government a allocated to such land und
Mexico is computed and paid. This lease shall not expire agreement or plan of operation shall be filed with the N the County in which the leased premises are situated, an and the same may be recorded either before or after the county in the country of the count	during the life of such lew Mexico Oil Conserva Linstrument describing s	agreement or plan and shall be subject to tion Commission, or other lawful authority	the terms thereof and sa and Lessee shall record
5. If at the expiration of the primary term oil or an drilling or reworking operations thereon, or shall have emain in force so long as operations on said well or for directive days, and if they result in the production of oil or after the expiration of the primary term of this lease and hould cease from any cause, this lease shall not terminal under production, but shall remain in force and effect so if they result in the production of oil or gas, so long the	completed a dry hole the irilling or reworking of a gas so long thereafter as after oil or gas is produ- te if Lessee commences. long as such operation ereafter as oil or gas is	ereon within 60 days prior to the end of the ny additional well are prosecuted with no c oil or gas is produced from said land, or freed from said land, or from land pooled the operations for drilling or reworking within a reprosecuted with no cessation of more produced from said land, or from land pool	primary terms, the lease shi essation of more than 60 co com land pooled therewith. I rewith, the production there 60 days after the ressation than 60 consecutive days, as ed therewith. Any pooled us
designated by Lessee in accordance with the terms hereof, in which the leased premises are situated at any time af wells producing oil or gas in paying quantities should be beherewith. Lessee agrees to drill such offset well or wells it any time execute and deliver to Lessor or place of rethereby surrender this lesse as to such portion or portions	ter the completion of a rought in on adjacent la as a reasonably prudent cord a release or releas	see by instrument filed for record in the ap- dity hole or the resistion of production on sai and and within 650 feet of and draining the operator would drill under the same or simi- as covering any portion or portions of the	propriate records of the cound unit. In the event a well lease premises, or land pool lar circumstances. Lesses m
 Lessee shall have the right at any time during or a neluding the right to draw and remove all easing. When re frilled within two hundred feet of any residence or barn 	required by Lessor, Lesse	e will bury all pipe lines below ordinary plo	placed by Lessee on said lar w depth, and no well shall
7. The rights of either party hereunder may be assigned to change or division in ownership of the land or roys lessee; and no change or division in such ownership shall. S. mail at Lessee's principal place of business with a sereof in whole or in part liability for breach of any obtomits such breach. If six or more parties become entities or distinct the coordable instrument executed by all such parties designs	alties, however accomplis il be binding on Lessee i certified copy of records ligation hereunder shall led to royalty hereunder,	ned, shall operate to enforce the obligation intil thirty (30) days after Lesses shall hav d instrument or instruments evidencing sam rest exclusively upon the owner of this less Lesses may withhold payment thereof unle	ns or diminish the rights e been furnished by register e. In the event of assignme e or of a portion thereof w
8. The breach by Leasee of any obligation arising her of the estate created hereby nor be grounds for cancellativeing conducted in compliance with this lease, Leasor shall need the discovery of oil or gas in paying quantities on a put in discharging this obligation it shall in no event be of producing oil in paying quantities and one well per 6 and capable of producing gas in paying quantities.	on hereof in whole or in i notify Lessee in writing tice in which to commer said premises, Lessee sha required to drill more th	part. In the event Leasor considers that of of the facts relied upon as constituting to the temporal develop the acreage retained becounder as an one well per forty (40) acres of the area.	perations are not at any ti breach hereof, and Lessee, ed by virtue of this instrume a reasonably prudent opera retained hereunder and cara
9. Lessor hereby warrants and agrees to defend the open said land either in whole or in part, and in event Lecruing hereinder toward satisfying same. Without impairment an interest in the oil or gas on, in or under said I proportionately. Should any one or more of the parties receuting the same.	essee does so, it shall be riment of Lessee's right and less than the entire	subropated to such lien with the right to er inder the warranty in event of failure of ti fee simple estate, then the royalties to be	sforce same and apply royal tle, it is agreed that if Les paid Lessor shall be redu
10. Should Lessee be prevented from complying with thereon or from producing off or gas therefrom by reason majoure, any Federal or state law or any order, rule or covenant shall be suspended, and Lessee shall not be liable as Lessee is prevented by any such cause from conducting the time while Lessee is so prevented shall not be counted IN WITNESS WHEREOF, this instrument is executed	i of scarcity of or inable regulation of government of damages for feiture by drilling or reworking department Lessee, anything	ity to obtain or to use equipment or mate- tal authority, then while so prevented, Lesses' to comply therewith; and this lease shall equipment on or from producing oil or gas is in this lease to the contrary notwithstand	rial, or by operation of for a chligation to comply with a be extended while and so he from the leased premises:
		J. E. WESTERVELT	randiana e con describir de la restado e cardo de laboración e cardo de la como confirmado a que se describa e
	Lessor	Social Security Number	

INDIVIDUAL ACKNOWLEDGMENT

ounty of	55.		
		day of	an dalam no trans da kanpata a union dele 🛊
by J. E. WESTERV	ELT, dealing in his sole	and separate property.	
y commission expires		Notary Public	
	•	\$ 	
•			
		-	
	CORPORATION ACKNOWLE	DGMENT	
PATE OF NEW MEXICO	} ss.		
ounty of			4
		day of	
	dinasi nasasian ataupulusian asaan asaa muusika maga ka addi miista maraa asaa a		President
behalf of said corporation.			_ corporation
y Commission Expires:	· · · · · · · · · · · · · · · · · · ·	Not	ary Public
,	Annalised depth in the contract of the contrac		-13 2 4214
· · · · · · · · · · · · · · · · · · ·		·	
			•
	INDIVIDUAL ACKNOWLE	DGHENT	
TATE OF	—\ <u></u>		
ounty of	85.		
The foregoing instrument was	s acknowledged before me this	day of	
9 by			
arina ha Pilatani Shi, birada dalambay inginakanakan panganakana, masa pana atau da andisi			
ly commission expires	19	Notary Public	
y commission expires		Money Addition	
		ı	
ii ii ii		the the ice.	nty
	18		, Deputy
		County, N. M. for record on the 19. M., and duly Page ords of this office.	9
		d for record on the 19————————————————————————————————————	turn
Oil and Gas Lease FROM			ed ref
)	Of	nt was fi	cord
	1 1 1 1 1 1 1		
Oil a		instrument was day of o'clock in Book	When recorded return to

OPERATING AGRLEMENT

DATED

April 29 , 19 80 ,

OPERATOR YATES PETROLEUM CORPORATION 25 EAST, N.M.P.M.	
OPERATOR	
OPERATOR TAXABLE TOWNSHIP 19 SOUTH, RANGE 25 EAST, N.M.P.M. CONTRACT AREA TOWNSHIP 19 SOUTH, RANGE 25 EAST, N.M.P.M.	·
SISEIA	
Containing 80.00 acres, more or less.	
STATE OF NEW MEXICO	
COUNTY OR PARTITION OF EDDY	

COPYRIGHT 1977 — ALL RIGHTS RESERVED

AMERICAN ASSOCIATION OF PETROLEUM LANDMEN

APPROVED FORM. A.P.L. NO. 610 - 1977 REVISED

MAY BE ORDERED DIRECTLY FROM THE PUBLISHER

KRAFTBILT PRODUCTS, BOX 800, TULSA 74101

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1922

TABLE OF CONTENTS

Articl	e Title	Page
1,	DEFINITIONS	1
П.	EXHIBITS	1
111.	INTERESTS OF PARTIES A. OIL AND GAS INTERESTS B. INTEREST OF PARTIES IN COSTS AND PRODUCTION	
IV.	TITLES A. TITLE EXAMINATION B. LOSS OF TITLE 1. Failure of Title 2. Loss by Non-Payment or Erroneous Payment of Amount Due 3. Other Losses	2-3
	OPERATOR A. DESIGNATION AND RESPONSIBILITIES OF OPERATOR B. RESIGNATION OR REMOVAL OF OPERATOR AND SELECTION OF SUCCESSOR 1. Resignation or Removal of Operator 2. Selection of Successor Operator C. EMPLOYEES D. DRILLING CONTRACTS	4
VI.	DRILLING AND DEVELOPMENT A. INITIAL WELL B. SUBSEQUENT OPERATIONS 1. Proposed Operations 2. Operations by Less than All Parties C. RIGHT TO TAKE PRODUCTION IN KIND D. ACCESS TO CONTRACT AREA AND INFORMATION E. ABANDONMENT OF WELLS 1. Abandonment of Dry Holes 2. Abandonment of Wells that have Produced	5 5 5-6 6-7 7 7
	EXPENDITURES AND LIABILITY OF PARTIES A. LIABILITY OF PARTIES B. LIENS AND PAYMENT DEFAULTS C. PAYMENTS AND ACCOUNTING D. LIMITATION OF EXPENDITURES 1. Drill or Deepen 2. Rework or Plug Back 3. Other Operations E. ROYALTIES, OVERRIDING ROYALTIES AND OTHER PAYMENTS F. RENTALS, SHUT-IN WELL PAYMENTS AND MINIMUM ROYALTIES G. TAXES II. INSURANCE	8 8 9 9 9 9 9 9-10 10
	ACQUISITION, MAINTENANCE OR TRANSFER OF INTEREST A. SURRENDER OF LEASES B. RENEWAL OR EXTENSION OF LEASES C. ACREAGE OR CASH CONTRIBUTION D. SUBSEQUENTLY CREATED INTEREST E. MAINTENANCE OF UNIFORM INTEREST F. WAIVER OF RIGHT TO PARTITION G. PREFERENTIAL RIGHT TO PURCHASE	10-11 11 11 11-12 12 12
IX.	INTERNAL REVENUE CODE ELECTION	12-13
X.	CLAIMS AND LAWSUITS	13
XI.	FORCE MAJEURE	13
XII.	NOTICES	13
хш.	TERM OF AGREEMENT	13-14
XIV.	COMPLIANCE WITH LAWS AND REGULATIONS A. LAWS, REGULATIONS AND ORDERS B. GOVERNING LAW	14 14
	OTHER PROVISIONS	14
XVI.	MISCELLAREOUS	

WHEREAS, the parties to this agreement are owners of oil and gas leases and/or oil and gas in-11 terests in the land identified in Exhibit "A", and the parties hereto have reached an agreement to explore and develop these leases and or oil and gas interests for the production of oil and gas to the extent and

NOW, THEREFORE, it is agreed as follows:

DEFINITIONS

As used in this agreement, the following words and terms shall have the meanings here ascribed

A. The term "oil and gas" shall mean oil, gas, casinghead gas, gas condensate, and all other liquid or gaseous hydrocarbons and other marketable substances produced therewith, unless an intent to 24 limit the inclusiveness of this term is specifically stated. B. The terms "oil and gas lease", "lease" and "leasehold" shall meet the oil and gas leases cov-

ering tracts of land lying within the Contract Area which are owned by the parties to this agreement. C. The term "oil and gas interests" shall mean unleased fee and mineral interests in tracts of 28 land lying within the Contract Area which are owned by parties to this agreement. D. The term "Contract Area" shall mean all of the lands, oil and gas leasehold interests and oil

30 and gas interests intended to be developed and operated for oil and gas purposes under this agreement. Such lands, oil and gas leasehold interests and oil and gas interests are described in Exhibit "A". E. The term "drilling unit" shall mean the area fixed for the drilling of one well by order or rule 33 of any state or federal body having authority. If a drilling unit is not fixed by any such rule or order, 34 a drilling unit shall be the drilling unit as established by the pattern of drilling in the Contract Area 35 or as fixed by express agreement of the Drilling Parties.

F. The term "drillsite" shall mean the oil and gas lease or interest on which a proposed well is to 38 G. The terms "Drilling Party" and "Consenting Party" shall mean a party who agrees to join in

39 and pay its share of the cost of any operation conducted under the provisions of this agreement. 40 H. The terms "Non-Drilling Party" and "Non-Consenting Party" shall mean a party who elects 41 not to participate in a proposed operation.

Unless the context otherwise clearly indicates, words used in the singular include the plural, the 44 plural includes the singular, and the neuter gender includes the masculine and the feminine.

The following exhibits, as indicated below and attached hereto, are incorporated in and made a

51 X A. Exhibit "A", shall include the following information: (1) Identification of lands subject to agreement,

(2) Restrictions, if any, as to depths or formations, (3) Percentages or fractional interests of parties to this agreement, (4) Oil and gas leases and/or oil and gas interests subject to this agreement,

(5) Addresses of parties for notice purposes. [] B. Exhibit "B", Form of Lease. 58 X C. Exhibit "C", Accounting Procedure.

59 X D. Exhibit "D", Insurance.

60 K E. Exhibit "E", Gas Balancing Agreement. 61 X F. Exhibit "F", Non-Discrimination and Certification of Non-Segregated Facilities.

If any provision of any exhibit, except Exhibit "E", is inconsistent with any provision contained

61 in the body of this agreement, the provisions in the body of this agreement shall prevail.

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977

ARTICLE III. INTERESTS OF PARTIES

4 A. Oil and Gas Interests;

If any party owns an unleased oil and gas interest in the Contract Area, that interest shall be 7 treated for the purpose of this agreement and during the term hereof as if it were a leased interest 8 under the form of oil and gas lease attached as Exhibit "B". As to such interest, the owner shall re-9 ceive royalty on production as prescribed in the form of oil and gas lease attached hereto as Exhibit 10 "B". Such party shall, however, be subject to all of the provisions of this agreement relating to lessees,

13 B. Interest of Parties in Costs and Production:

ARTICLE IV

Exhibit "A" lists all of the parties and their respective percentage or fractional interests under this agreement. Unless changed by other provisions, all costs and liabilities incurred in operations under this agreement shall be borne and paid, and all equipment and material acquired in operations on the 18 Contract Area shall be owned by the parties as their interests are shown in Exhibit "A". All produc-19 tion of oil and gas from the Contract Area, subject to the payment of lessor's royalties which all be 20 horne by the joint Accounts shall also be owned by the parties in the same manner during the term hereof; provided, however, this shall not be deemed an assignment or cross-assignment of interests cov-

A. Title Examination:

64 B. Loss of Title:

Title examination shall be made on the drillsite of any proposed well prior to commencement of drilling operations or, if the Drilling Parties so request, title examination shall be made on the leases and/or oil and gas interests included, or planned to be included, in the drilling unit around such well. The opinion will include the ownership of the working interest, minerals, royalty, overriding royalty and production payments under the applicable leases. At the time a well is proposed, each party con-34 tributing leases and/or oil and gas interests to the drillsite, or to be included in such drilling unit, shall 35 furnish to Operator all abstracts (including Federal Lease Status Reports), title opinions, title papers and curative material in its possession free of charge. All such information not in the possession of or 3? made available to Operator by the parties, but necessary for the examination of title, shall be obtained by Operator. Operator shall cause title to be examined by attorneys on its staff or by outside attorneys. Copies of all title opinions shall be furnished to each party hereto. The cost incurred by Operator in

preliminary, supplemental, shut-in gas royalty opinions and division order title opinions) shall be a part of the administrative overhead as provided in Exhibit "C." and shall not be a direct charge, whether An perference in Opennion in electrockers on his enteridentification

47 Option No. 2: Costs incurred by Operator in procuring abstracts and fees paid outside attorneys for title examination (including preliminary, supplemental, shut-in gas royalty opinions and division order title opinions) shall be borne by the Drilling Parties in the proportion that the interest of each Drilling Party bears to the total interest of all Drilling Parties as such interests appear in Exhibit "A". Operator shall make no charge for services rendered by its staff attorneys or other personnel in the

Each party shall be responsible for securing curative matter and pooling amendments or agreements required in connection with leases or oil and gas interests contributed by such party. The Operator shall be 56 responsible for the preparation and recording of Pooling Designations or Declarations as well as the 57 conduct of hearings before Governmental Agencies for the securing of spacing or pooling orders. This 58 shall not prevent any party from appearing on its own behalf at any such hearing.

No well shall be drilled on the Contract Area until after (1) the title to the drillsite or drilling unit has been examined as above provided, and (2) the title has been approved by the examining attorney or 62 title has been accepted by all of the parties who are to participate in the drilling of the well.

1. Failure of Title: Should any oil and gas interest or lease, or interest therein, b. lost through 67 failure of title, which loss results in a reduction of interest from that shown on Exhibit "A", this agree 68 ment, nevertheless, shall continue in force as to all remaining oil and p (a) The party whose oil and gar lease or interest is affected by the title failure shall bear aisne the entire loss and it shall not be entitled to recover from Operator or the other parties any development A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977. A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977

4 (b) There shall be no retroactive adjustment of expenses incurred or revenues received from the 5 operation of the interest which has been lost, but the interests of the parties shall be revised on an acre-6 age basis, as of the time it is determined finally that title failure has occurred, so that the interest of 7 the party whose lease or interest is affected by the title failure will thereafter be reduced in the Contract 9 (c) If the proportionate interest of the other parties hereto in any producing well theretofore drilled on the Contract Area is increased by reason of the title failure, the party whose title has failed shall 11 receive the proceeds attributable to the increase in such interests (less costs and burdens attributable 12 thereto) until it has been reimbursed for unrecovered costs paid by it in connection with such well;

14 (d) Should any person not a party to this agreement, who is determined to be the owner of any in-15 terest in the title which has failed, pay in any manner any part of the cost of operation, development, 1€ er equipment, such amount shall be paid to the party or parties who bore the costs which are so refund-(e) Any liability to account to a third party for prior production of oil and gas which arises by

19 reason of title failure shall be borne by the party or parties in the same proportions in which they shared 20 in such prior production; and 21 (f) No charge shall be made to the joint account for legal expenses, fees or salaries, in connection 22 with the defense of the interest claimed by any party hereto, it being the intention of the parties

1 or operating costs which it may have theretofore paid, but there shall be no monetary liability on its

2 part to the other parties hereto for drilling, development, operating or other similar costs by reason of

23 hereto that each shall defend title to its interest and bear all expenses in connection therewith.

ARTICLE V.

OPERATOR

3 such title failure; and

47 terests; and

55 the Contract Area.

8 Area by the amount of the interest lost; and

25 2. Loss by Non-Payment or Erroneous Payment of Amount Due: If, through mistake or oversight, 26 any rental, shut-in well payment, minimum royalty or royalty payment, is not paid or is erroncously 27 paid, and as a result a lease or interest therein terminates, there shall be no monetary liability against 28 the party who failed to make such payment. Unless the party who failed to make the required payment 29 secures a new lease covering the same interest within ninety (90) days from the discovery of the fail-30 ure to make proper payment, which acquisition will not be subject to Article VIII.B., the interests of 31 the parties shall be revised on an acreage basis, effective as of the date of termination of the lease in-32 volved, and the party who failed to make proper payment will no longer be credited with an interest in 33 the Contract Area on account of ownership of the lease or interest which has terminated. In the event 34 the party who failed to make the required payment shall not have been fully reimbursed, at the time of 35 the loss, from the proceeds of the sale of oil and gas attributable to the lost interest, calculated on an 36 acreage basis, for the development and operating costs theretofore paid on account of such interest, it 37 shall be reimbursed for unrecovered actual costs theretofore paid by it (but not for its share of the 38 cost of any dry hole previously drilled or wells previously abandoned) from 30 much of the following 39 as is necessary to effect reimbursement:

40 (a) Proceeds of oil and gas, less operating expenses, theretofore accrued to the credit of the lost 41 interest, on an acreage basis, up to the amount of unrecovered costs;

42 (b) Proceeds, less operating expenses, thereafter accrued attributable to the lost interest on an 43 acreage basis, of that portion of oil and gas thereafter produced and marketed (excluding production 44 from any wells thereafter drilled) which, in the absence of such lease termination, would be attributable 45 to the lost interest on an acreage basis, up to the amount of unrecovered costs, the proceeds of said 46 portion of the oil and gas to be contributed by the other parties in proportion to their respective in-

48 (c) Any monies, up to the amount of unrecovered costs, that may be paid by any party who is, or 49 becomes, the owner of the interest lost, for the privilege of participating in the Contract Area or be-50 coming a party to this agreement.

3. Other Losses: All losses incurred, other than those set forth in Articles IV.B.1. and IV.B.2. 53 above, shall not be considered failure of title but shall be joint losses and shall be borne by all parties 54 in proportion to their interests. There shall be no readjustment of interests in the remaining portion of

60 A. DESIGNATION AND RESPONSIBILITIES OF OPERATOR:

YATES PETROLEUM CORPORATION, 267 South 4th Street, Artesia, NM 88210 shall be the 63 Operator of the Contract Area, and shall conduct and direct and have full control of all operations on 64 The Contract Area as permitted and required by, and within the limits of, this agreement. It shall con-65 duct all such operations in a good and workmanlike manner, but it shall have no liability as Operator 66 to the other parties for losses sustained or liabilities incurred, except such as may result from gross 67 negligence or willful misconduct.

1 B. Resignation or Removal of Operator and Selection of Successor:

1. Resignation or Removal of Operator: Operator may resign at any time by giving written notice 4 thereof to Non-Operators. If Operator terminates its legal existence, no longer owns an interest in the 5 Contract Area, or is no longer capable of serving as Operator, it shall cease to be Operator without any

6 action by Non-Operator, except the selection of a successor. Operator may be removed if it fails or 7 refuses to carry out its duties hereunder, or becomes insolvent, bankrupt or is placed in receivership, 8 by the affirmative vote of two (2) or more Non-Operators owning a majority interest based on owner-9 ship as shown on Exhibit "A", and not on the number of parties remaining after excluding the voting 10 interest of Operator. Such resignation or removal shall not become effective until 7:00 o'clock A.M. 11 on the first day of the calendar month following the expiration of ninety (90) days after the giving of 12 notice of resignation by Operator or action by the Non-Operators to remove Operator, unless a successor 13 Operator has been selected and assumes the duties of Operator at an earlier date. Operator, after effect-14 ive date of resignation or removal, shall be bound by the terms hereof as a Non-Operator. A change of 15 a corporate name or structure of Operator or transfer of Operator's interest to any single subsidiary, 16 parent or successor corporation shall not be the basis for removal of Operator.

2. Selection of Successor Operator: Upon the resignation or removal of Operator, a successor Op-19 erator shall be selected by the Parties. The successor Operator shall be selected from the parties owning 20 an interest in the Contract Area at the time such successor Operator is selected. If the Operator that 21 is removed fails to vote or votes only to succeed itself, the successor Operator shall be selected by the 22 affirmative vote of two (2) or more parties owning a majority interest based on ownership as shown 23 on Exhibit "A", and not on the number of parties remaining after excluding the voting interest of the 24 Operator that was removed.

The number of employees used by Operator in conducting operations hereunder, their selection, and the hours of labor and the compensation for services performed, shall be determined by Operator, 30 and all such employees shall be the employees of Operator.

32 D. Drilling Contracts:

All wells drilled on the Contract Area shall be drilled on a competitive contract basis at the usual 35 rates prevailing in the area. If it so desires, Operator may employ its own tools and equipment in the 36 drilling of wells, but its charges therefor shall not exceed the prevailing rates in the area and the rate 37 of such charges shall be agreed upon by the parties in writing before drilling operations are com-38 menced, and such work shall be performed by Operator under the same terms and conditions as are 39 customary and usual in the area in contracts of independent contractors who are doing work of a sim-40 ilar nature.

DRILLING AND DEVELOPMENT

45 A. Initial Well:

On or before the 15th day of May , 19 80 Operator shall commence the drill-48 ing of a well for oil and gas at the following location:

Township 19 South, Range 25 East, N.M.P.M.

53 and shall thereafter continue the drilling of the well with due diligence to adequately test the 54 Yeso formation at approximately 3100',

58 unless granite or other practically impenetrable substance or condition in the hole, which renders 59 further drilling impractical, is encountered at a lesser depth, or unless all parties agree to complete or 60 abandon the well at a lesser depth.

Operator shall make reasonable tests of all formations encountered during drilling which give in-63 dication of containing oil and gas in quantities sufficient to test, unless this agreement shall be limited 64 in its application to a specific formation or formations, in which event Operator shall be required to C5 test only the formation or formations to which this agreement may apply.

67 If, in Operator's judgment, the well will not produce oil or gas in paying quantities, and it wishes 68 to plug and abandon the well as a dry hole, it shall first secure the consent of all parties and shall 69 plug and abandon same as provided in Article VLE L Lercof.

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT = 1977

15 notice or response given by telephone shall be promptly confirmed in writing.

1 B. Subsequent Operations;

1. Proposed Operations: Should any party hereto desire to drill any well on the Contract Area 4 other than the well provided for in Article VI.A., or to rework, deepen or plug back a dry hole drilled 5 at the joint expense of all parties or a well jointly owned by all the parties and not then producing

6 in paying quantities, the party desiring to drill, rework, deepen or plug back such a well shall give the 7 other parties written notice of the proposed operation, specifying the work to be performed, the loca-B tion, proposed depth, objective formation and the estimated cost of the operation. The parties receiv-9 ing such a notice shall have thirty (30) days after receipt of the notice within which to notify the 10 parties wishing to do the work whether they elect to participate in the cost of the proposed operation. 11 If a drilling rig is on location, notice of proposal to rework, plug back or drill deeper may be given 12 by telephone and the response period shall be limited to forty-eight (48) hours, exclusive of Saturday. 13 Sunday or legal holidays. Failure of a party receiving such notice to reply within the period above fixed shall constitute an election by that party not to participate in the cost of the proposed operation. Any

2. Operations by Less than All Parties: If any party receiving such notice as provided in Article 18 VI.B.1, or VI.E.1, elects not to participate in the proposed operation, then, in order to be entitled to 19 the benefits of this article, the party or parties giving the notice and such other parties as shall elect 20 to participate in the operation shall, within sixty (60) days after the expiration of the notice period of 21 thirty (30) days (or as promptly as possible after the expiration of the forty-eight (48) hour period 22 where the drilling rig is on location, as the case may be) actually commonce work on the proposed 23 operation and complete it with due diligence. Operator shall perform all work for the account of the 24 Consenting Parties; provided, however, if no drilling rig or other equipment is on location, and if Op-25 erator is a Non-Consenting Party, the Consenting Parties shall either: (a) request Operator to perform 26 the work required by such proposed operation for the account of the Consenting Parties, or (b) desig-27 nate one (1) of the Consenting Parties as Operator to perform such work. Consenting Parties, when 28 conducting operations on the Contract Area pursuant to this Article VI.B.2., shall comply with all terms 29 and conditions of this agreement.

If less than all parties approve any proposed operation, the proposing party, immediately after the 32 expiration of the applicable notice period, shall advise the Consenting Parties of (a) the total interest 33 of the parties approving such operation, and (b) its recommendation as to whether the Consenting Par-34 ties should proceed with the operation as proposed. Each Consenting Party, within forty-eight (48) 35 hours (exclusive of Saturday, Sunday or legal holidays) after receipt of such notice, shall advise the 36 proposing party of its desire to (a) limit participation to such party's interest as shown on Exhibit "A", 3? or (b) carry its proportionate part of Non-Consenting Parties' interest. The proposing party, at its 38 election, may withdraw such proposal if there is insufficient participation, and shall promptly notify 39 all parties of such decision.

The entire cost and risk of conducting such operations shall be borne by the Consenting Parties in

42 the proportions they have elected to bear same under the terms of the preceding paragraph. Consenting 43 Parties shall keep the leasehold estates involved in such operations free and clear of all liens and 44 encumbrances of every kind created by or arising from the operations of the Consenting Parties. If such 45 an operation results in a dry hole, the Consenting Parties shall plug and abandon the well at their sole 46 cost, risk and expense. If any well drilled, reworked, deepened or plugged back under the provisions 47 of this Article results in a producer of oil and/or gas in paying quantities, the Consenting Parties shall 48 complete and equip the well to produce at their sole cost and risk, and the well shall then be turned 49 over to Operator and shall be operated by it at the expense and for the account of the Consenting Parties. 150 Upon commencement of operations for the drilling, reworking, deepening or plugging back of any such 51 well by Consenting Parties in accordance with the provisions of this Article, each Non-Consenting Party 52 shall be deemed to have relinquished to Consenting Parties, and the Consenting Parties shall own and 53 be entitled to receive, in proportion to their respective interests, all of such Non-Consenting Party's 54 interest in the well and share of production therefrom until the proceeds of the sale of such share, 55 calculated at the well, or market value thereof if such share is not sold (after deducting production 56 taxes, royalty, overriding royalty and other interests existing on the effective date hereof, payable out of 57 or measured by the production from such well accruing with respect to such interest until it reverts) 58 shall equal the total of the following:

60 (a) 100% of each such Non-Consenting Party's share of the cost of any newly acquired surface 61 equipment beyond the wellhead connections (including, but not limited to, stock tanks, separators, 62 treaters, pumping equipment and piping), plus 100% of each such Non-Consenting Party's share of the 63 cost of operation of the well commencing with first production and continuing until each such Non-64 Consenting Party's relinquished interest shall revert to it under other provisions of this Article, it being 65 agreed that each Non-Consenting Party's share of such costs and equipment will be that interest which 66 would have been chargeable to each Non-Consenting Party had it participated in the well from the be-67 ginning of the operation; and

59 (b) 300,00 of that pertian of the certs and explanes of drilling rewerking, decreasing, or placetry 70 back, 4esting and completing, after deducting any cosh contributions received under Article VIII.2., and

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977

3 pated therein.

1 300 % of that portion of the cost of newly acquired equipment in the well (to and including the well-2 head connections), which would have been chargeable to such Non-Consenting Party if it had partici-

Gas production attributable to any Non-Consenting Party's relinquished interest upon such Party's 6 election, shall be sold to its purchaser, if available, under the terms of its existing gas sales con-7 tract. Such Non-Consenting Party shall direct its purchaser to remit the proceeds receivable from 8 such sale direct to the Consenting Parties until the amounts provided for in this Article are recov-9 ered from the Non-Consenting Party's relinquished interest. If such Non-Consenting Party has not 10 contracted for sale of its gas at the time such gas is available for delivery, or has not made the elec-11 tion as provided above, the Consenting Parties shall own and be entitled to receive and sell such Non-12 Consenting Party's share of gas as hereinabove provided during the recoupment period.

During the period of time Consenting Parties are entitled to receive Non-Consenting Party's share 15 of production, or the proceeds therefrom, Consenting Parties shall be responsible for the payment of 16 all production, severance, gathering and other taxes, and all royalty, overriding royalty and other 7 burdens applicable to Non-Consenting Party's share of production.

In the case of any reworking, plugging back or deeper drilling operation, the Consenting Parties shall 20 be permitted to use, free of cost, all casing, tubing and other equipment in the well, but the ownership of 21 all such equipment shall remain unchanged; and upon abandonment of a well after such reworking, 22 plugging back or deeper drilling, the Consenting Parties shall account for all such equipment to the 23 owners thereof, with each party receiving its proportionate part in kind or in value, less cost of 24 salvage.

Within sixty (60) days after the completion of any operation under this Article, the party con-27 ducting the operations for the Consenting Parties shall furnish each Non-Consenting Party with an in-28 ventory of the equipment in and connected to the well, and an itemized statement of the cost of drilling, 29 deepening, plugging back, testing, completing, and equipping the weil for production; or, at its option, 30 the operating party, in lieu of an itemized statement of such costs of operation, may submit a detailed 31 statement of monthly billings. Each month thereafter, during the time the Consenting Parties are being 32 reimbursed as provided above, the Party conducting the operations for the Consenting Parties shall furn-33 ish the Non-Consenting Parties with an itemized statement of all costs and liabilities incurred in the 34 operation of the well, together with a statement of the quantity of oil and gas produced from it and the amount of proceeds realized from the sale of the well's working interest production during the preceding 36 month. In determining the quantity of oil and gas produced during any month, Consenting Parties 37 shall use industry accepted methods such as, but not limited to, metering or periodic well tests. Any amount realized from the sale or other disposition of equipment newly acquired in connection with any 39 such operation which would have been owned by a Non-Consenting Party had it participated therein 40 shall be credited against the total unreturned costs of the work done and of the equipment purchased, 41 in determining when the interest of such Non-Consenting Party shall revert to it as above provided;

If and when the Consenting Parties recover from a Non-Consenting Party's relinquished interest 45 the amounts provided for above, the relinquished interests of such Non-Consenting Party shall auto-46 matically revert to it, and, from and after such reversion, such Non-Consenting Party shall own the same 47 interest in such well, the material and equipment in or pertaining thereto, and the production there-48 from as such Non-Consenting Party would have been entitled to had it participated in the drilling, 49 reworking, deepening or plugging back of said well. Thereafter, such Non-Consenting Party shall be 50 charged with and shall pay its proportionate part of the further costs of the operation of said well in 51 accordance with the terms of this agreement and the Accounting Procedure, attached hereto.

Noiwithstanding the provisions of this Article VI.B.2., it is agreed that without the mutual consent 54 of all parties, no wells shall be completed in or produced from a source of supply from which a well 55 located elsewhere on the Contract Area is producing, unless such well conforms to the then-existing 56 well spacing pattern for such source of supply.

The provisions of this Article shall have no application whatsoever to the drilling of the initial 59 well described in Article VI.A. except (a) when Option 2, Article VII.D.1., has been selected, or (b) 60 to the reworking, deepening and plugging back of such initial well, if such well is or thereafter shall 61 prove to be a dry hole or non-commercial well, after having been drilled to the depth specified in Article

64 C. Right to Take Production in Kind:

42 and if there is a credit balance, it shall be paid to such Non-Consenting party.

66 Each party shall have the right to take in kind or separately dispose of its proportionate share of 67 all oil and gas produced from the Contract Area, exclusive of production which may be used in d

68 velopment and readuring operations and in preparing oil testing oil for matheting pe- 60 predoction unavoidable lost. Any extra expenditure incurred in the falling in kind or separate dep - 70 sition by any party of its proportionate share of the production shall be borne by such party. Any

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977

1 party taking its share of production in kind shall be required to pay for only its proportionate share 2 of such part of Operator's surface facilities which it uses,

Each party shall execute such division orders and contracts as may be necessary for the sale of its 5 interest in production from the Contract Area, and, except as provided in Article VILB., shall be entitled 6 to receive payment direct from the purchaser thereof for its share of all production.

In the event any party shall fail to make the arrangements necessary to take in kind or separately 9 dispose of its proportionate share of the oil and gas produced from the Contract Area, Operator shall have 10 the right, subject to the revocation at will by the party owning it, but not the obligation, to purchase such oil and gas or sell it to others at any time and from time to time, for the account of the non-taking party at the best price obtainable in the area for such production. Any such purchase or sale by Operator shall be subject always to the right of the owner of the production to exercise at any time its 14 right to take in kind, or separately dispose of, its share of all oil and gas not previously delivered to a 15 purchaser. Any purchase or sale by Operator of any other party's share of oil and gas shall be only for such reasonable periods of time as are consistent with the minimum needs of the industry under the 17 particular circumstances, but in no event for a period in excess of one (1) year. Notwithstanding the 18 foregoing. Operator shall not make a sale, including one into interstate commerce, of any other party's 19 share of gas production without first giving such other party thirty (39) days notice of such intended

In the event any party hereto is not at any time taking or marketing its share of gas

In the event any party hereto is not at any time taking or marketing its share of gas

production and Operator is either (i) unwilling to purchase or sell or (ii) unable to

production and Operator is either (i) unwilling to purchase or sell or (ii) unable to

obtain the prior written consent to purchase or sell such party's share of gas produced from the Contract

or in the event any party has contracted to sell its share of gas produced from the Contract

or in the event any party has contracted to sell its share of gas produced from the Contract

or in the event any party has contracted to sell its share of gas produced from the Contract

or in the event any party has contracted to sell its share of gas produced from the Contract

or in the event any party has contracted to sell its share of gas produced from the Contract

or in the event any party has contracted to sell its share of gas produced from the Contract

or in the event any party has contracted to sell its share of gas produced from the Contract

or in the event any party has contracted to sell its share of gas produced from the Contract

or in the event any party has contracted to sell its share of gas produced from the Contract

or in the event any party has contracted to sell its share of gas produced from the Contract

or in the event any party has contracted to sell its share of gas produced from the Contract

Area to a purchase of gas attributable to the interest of such party, then in any such event the

full share of gas attributable to the interest of such party, then in any such event the

terms and conditions of the Gas Balancing Agreement attached hereto as Exhibit "E" and

terms and conditions of the Gas Balancing Agreement attached hereto as Exhibit "E" and ?7 incorporated herein shall automatically become effective.

29 D. Access to Contract Area and Information:

Each party shall have access to the Contract Area at all reasonable times, at its sole risk to inspect 32 or observe operations, and shall have access at reasonable times to information pertaining to the de-33 velopment or operation thereof, including Operator's books and records relating thereto. Operator, upon request, shall furnish each of the other parties with copies of all forms or reports filed with govern-35 mental agencies, daily drilling reports, well logs, tank tables, daily gauge and run tickets and reports of stock on hand at the first of each month, and shall make available samples of any cores or cuttings 37 taken from any well drilled on the Contract Area. The cost of gathering and furnishing information to 38 Non-Operator, other than that specified above, shall be charged to the Non-Operator that requests the 39 information

41 E. Abandonment of Wells:

1. Abandonment of Dry Holes. Except for any well drilled pursuant to Article VI.B.2., any well which has been drilled under the terms of this agreement and is proposed to be completed as a dry hole 45 shall not be plugged and abandoned without the consent of all parties. Should Operator, after diligent 46 effort, be unable to contact any party, or should any party fail to reply within forty-eight (48) hours 47 (exclusive of Saturday, Sunday or legal holidays) after receipt of notice of the proposal to plug and 48 abandon such well, such party shall be deemed to have consented to the proposed abandonment. All 49 such wells shall be plugged and abandoned in accordance with applicable regulations and at the cost, 50 risk and expense of the parties who participated in the cost of drilling of such well. Any party who objects to the plugging and abandoning such well shall have the right to take over the well and conduct 52 further operations in search of oil and/or gas subject to the provisions of Article VLB.

54 2. Abandonment of Wells that have Produced: Except for any well which has been drilled or re-55 worked pursuant to Article VI.B.2, hereof for which the Consenting Parties have not been fully reim-56 bursed as therein provided, any well which has been completed as a producer shall not be plugged and 57 abandoned without the consent of all parties. If all parties consent to such abandonment, the well shall 58 be plugged and abundoned in accordance with applicable regulations and at the cost; risk and expense 59 of all the parties hereto. If, within thirty (30) days after receipt of notice of the proposed abandonment of such well, all parties do not agree to the abandonment of any well, these wishing to continue its op-61 eration shall tender to each of the other parties its proportionate share of the value of the well's salvable 62 material and equipment, determined in accordance with the provisions of Exhibit "C", less the estimated .63 cost of advaging and the estimated cost of plugging and abandoning. Each abandoning party shall 64 assign to the non-abandening parties, without warranty, express or mapfied, as to title or as te quantity, 55 quality, or fitners for use of the equipment and material, all of its interest in the well and related equip-66 ment, together with its interest in the tensehold estate as to, but only as to, the interval or intervals of the 67 formation or formations then open to production. If the interest of the abandoning party is or includes 68 an oil and gas interest, such party shall execute and deliver to the non-abandoning party or parties in 69 oil and gar. Peace, limited to the interval or intervals of the formation or formations then open to producA.A.P.L., FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977

I vals of the formation or formations covered thereby, such lease to be on the form attached as Exhibit 2 "B". The assignments or leases so limited shall encompass the "drilling unit" upon which the well is 3 located. The payments by, and the assignments or leases to, the assignees shall be in a ratio based upon 4 the relationship of their respective percentages of participation in the Contract Area to the aggregate of 5 the percentages of participation in the Contract Area of all assignees. There shall be no readjustment 6 of interest in the remaining portion of the Contract Area.

B Thereafter, abandoning parties shall have no further responsibility, liability, or interest in the op-9 eration of or production from the well in the interval or intervals then open other than the royalties 10 retained in any lease made under the terms of this Article. Upon request, Operator shall continue to 1) operate the assigned well for the account of the non-abandoning parties at the rates and charges con-12 templated by this agreement, plus any additional cost and charges which may arise as the result of 13 the separate ownership of the assigned well.

18 A. Liability of Parties:

The liability of the parties shall be several, not joint or collective. Each party shall be responsible 21 only for its obligations, and shall be liable only for its proportionate share of the costs of developing 22 and operating the Contract Area. Accordingly, the liens granted among the parties in Article VII.B. are 23 given to secure only the debts of each severally. It is not the intention of the parties to create, nor shall 24 this agreement be construed as creating, a mining or other partnership or association, or to render the 25 parties liable as partners.

52 Except as herein otherwise specifically provided, Operator shall promptly pay and discharge expenses.

ARTICLE VII.

EXPENDITURES AND LIABILITY OF PARTIES

27 B. Liens and Payment Defaults:

29 Each Non-Operator grants to Operator a lien upon its oil and gas rights in the Contract Area, and a 30 security interest in its share of oil and or gas when extracted and its interest in all equipment, to secure 31 payment of its share of expense, together with interest thereon at the rate provided in the Accounting 32 Procedure attached hereto as Exhibit "C". To the extent that Operator has a security interest under the 33 Uniform Commercial Code of the State, Operator shall be entitled to exercise the rights and remedies 34 of a secured party under the Code. The bringing of a suit and the obtaining of judgment by Operator 35 for the secured indebtedness shall not be deemed an election of remedies or otherwise affect the lien 36 rights or security interest as security for the payment thereof. In addition, upon default by any Non-37 Operator in the payment of its share of expense, Operator shall have the right, without prejudice to 40 purchaser shall be entitled to rely upon Operator's written statement concerning the amount of any de-41 fault. Operator grants a like lien and security interest to the Non-Operators to secure payment of Op-42 erator's proportionate share of expense.

44 If any party fails or is unable to pay its share of expense within sixty (60) days after rendition of 45 a statement therefor by Operator, the non-defaulting parties, including Operator, shall, upon request by 46 Operator, pay the unpaid amount in the proportion that the interest of each such party bears to the in-47 terest of all such parties. Each party so paying its share of the unpaid amount shall, to obtain reimburse-48 ment thereof, he subrogated to the security rights described in the foregoing paragraph.

50 C. Payments and Accounting:

57 received.

53 incurred in the development and operation of the Contract Area pursuent to this agreement and shall 54 charge each of the parties hereto with their respective proportionate shares upon the expense basis pro-55 vided in the Accounting Precedure attached hereto as Exhibit "C". Operator shall keep an accurate 56 record of the joint account hereunder, showing expenses incurred and charges and credits made and

Operator, at its election, shall have the right from time to time to demand and receive from the 00 other parties payment in advance of their respective shares of the estimated amount of the expense to 61 be incurred in operations hereunder during the next succeeding month, which right may be exercised only 62 by submission to each such party of an itemized statement of such estimated expense, together with 63 an invoice for its share thereof. Each such statement and invoice for the payment in advance of 415 61 maded expense shall be submitted on or before the 20th day of the next preceding month. Each many 65 shall pay to Operator its proportionate share of such estimate within fifteen (15) days after such estimate within fifteen (15) days after such estimate. 66 timate and invoice is received. If any party fails to pay its share of seid estimate within this time, the 57 amount due shall bear interest as provided in Evhibit "C" until peld. Proper adjutiment shall be

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977

1 D. Limitation of Expenditures:

3 1. Drill or Deepen: Without the consent of all parties, no well shall be drilled or deepened, ex-4 cept any well drilled or deepened pursuant to the provisions of Article VLB.2, of this Agreement, it being 5 understood that the consent to the drilling or deepening shall include:

The Option New It waiteness was presentations for the wind they consider perings testings completings and B-requipping of the well-hielality measury language and overalline facilities

10 [18] Option No. 2: All necessary expenditures for the drilling or deepening and testing of the well. When

2. Rework or Piug Back: Without the consent of all parties, no well shall be reworked or plugged

11 such well has reached its authorized depth, and all tests have been completed. Operator shall give im-12 mediate notice to the Non-Operators who have the right to participate in the completion costs. The parties 13 receiving such notice shall have forty-eight (48) hours (exclusive of Saturday, Sunday and legal holi-14 days) in which to elect to participate in the setting of casing and the completion attempt. Such election, when made, shall include consent to all necessary expenditures for the completing and equipping of such 16 well, including necessary tankage and/or surface facilities. Failure of any party receiving such notice. 17 to reply within the period above fixed shall constitute an election by that party not to participate in 18 the cost of the completion attempt. If one or more, but less than all of the parties, elect to set pipe and 19 to attempt a completion, the provisions of Article VI.B.2, hereof (the phrase "reworking, deepening or 20 plugging back" as contained in Article VI.B.2, shall be deemed to include 'completing") shall apply to 21 the operations thereafter conducted by less than all parties.

24 back except a well reworked or plugged back pursuant to the provisions of Article VI.B.2, of this agree-25 ment, it being understood that the consent to the reworking or plugging back of a well shall include 26 consent to all necessary expenditures in conducting such operations and completing and equipping of 27 said well, including necessary tankage and/or surface facilities. 3. Other Operations: Operator shall not undertake any single project reasonably estimated to require

31 except in connection with a well, the drilling, reworking, deepening, completing, recompleting, or plug-32 ging back of which has been previously authorized by or pursuant to this agreement; provided, however, that, in case of explosion, fire, flood or other sudden emergency, whether of the same or different 34 nature, Operator may take such steps and incur such expenses as in its opinion are required to deal with 35 the emergency to safeguard life and property but Operator, as promptly as possible, shall report the emer-36 gency to the other parties. If Operator prepares "Authority for Expenditures" for its own use, 37 Operator, upon request, shall furnish copies of its "Authority for Expenditures" for any single project

Each party shall pay or deliver, or cause to be paid or delivered, all royalties to the extent of

40 E. Royalties, Overriding Royalties and Other Payments:

1/8 of 8/8ths due on its share of production and shall hold the other parties free 44 from any liability therefor. If the interest of any party in any oil and gas lease covered by this agree-45 ment is subject to any royalty, overriding royalty, production payment, or other charge over and above 46 the aforesaid royalty, such party shall assume and alone bear all such obligations and shall account 47 for or cause to be accounted for, such interest to the owners thereof.

No party shall ever be responsible, on any price basis higher than the price received by such party. 50 to any other party's lessor or royalty owner; and if any such other party's lessor or royalty owner should 51 demand and receive settlements on a higher price basis, the party contributing such lease shall bear the 52 royalty burden insofar as such higher price is concerned.

54 F. Rentals, Shut-in Well Payments and Minimum Royalties:

56 Rentals, shut-in well payments and minimum royalties which may be required under the terms of

- 57 any lease shall be poid by the party or parties who subjected such lease to this agreement of its or their - 50 expense. In the event two or more parties own and have contributed interests in the same lease to this 59 agreement, such parties may designate one of such parties to make said payments for and on behalt of all 60 such parties. Any party may request, and shall be entitled to receive, proper evidence of all such pay-61 ments. In the event of follows to make proper payment of any rental, shut-in well payment or minimum 62 royalty through mistake or oversight where such payment is required to continue the lease in force, 63 any loss which results from such non-pages at shall be bound in accordance with the provisions of Article

— 66 Operator shall notify Mon-Operator of the anticipated completion of a shut-in gat well, or the shut- 67 and in or adorn to production of a producing gas well, at least five (6) days (excluding Saturday, but s 65 day and hold (y), or at the excitent operationity permitted by circumstruces, prior to turn creen active. 60 Left source, i.e. histority for factors to do not in the exact of fainted by together to a control Y.

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977

I of any shut-in well payment shall be borne jointly by the parties here'to under the provisions of Article

Later to the second second

6 Beginning with the first calendar year after the effective date hereof, Operator shall render for ad-7 valurem taxation all property subject to this agreement which by law should be rendered for such 8 taxes, and it shall pay all such taxes ascessed thereon before they become definquent. Prior to the ren-9 dition date, each Ron-Operator shell furnish Operator information as to burdens (to include, but not be 10 limited to, royalties, overriding royalties and production payments) on bases and oil and gas interests con-11 tributed by such Non-Operator. If the assessed valuation of any leasehold estate is reduced by reason of its 12 being subject to outstanding excess régalties, overriding royalties or production payments, the reduction in 13 ad valorem taxes resulting therefrom shall inure to the benefit of the owner or owners of such leasehold 14 estate, and Operator shall adjust the charge to such owner or owners so as to reflect the benefit of such

15 reduction. Operator shall bill other parties for their proportionate share of all tax payments in the man-

18 H Operator considers any tax assessment improper, Operator may, at its discretion, protest within 19 the time and manner prescribed by law, and prosecute the protest to a final determination, unless all 20 parties agree to abandon the protest prior to final determination. During the pendency of administrative 21 or judicial proceedings. Operator may elect to pay, under protest, all such taxes and any interest and 22 penalty. When any such protested assessment shall have been finally determined, Operator shall pay 23 the tax for the joint account, together with any interest and penalty accrued, and the total cost shall then 24 be assessed against the parties, and be paid by them, as provided in Exhibit "C".

26 Each party shall pay or cause to be paid all production, severance, gathering and other taxes im-27 posed upon or with respect to the production or handling of such party's share of oil and/or gas pro-28 duced under the terms of this agreement.

30 H. Insurance;

16 ner provided in Exhibit "C".

2 IV.B.3.

4 G. Taxes:

At all times while operations are conducted hereunder, Operator shall comply with the Workmen's 33 Compensation Law of the State where the operations are being conducted; provided, however, that Op-34 erator may be a self-insurer for liability under said compensation laws in which event the only charge 35 that shall be made to the joint account shall be an amount equivalent to the premium which would have 36 been paid had such insurance been obtained. Operator shall also carry or provide insurance for the 37 benefit of the joint account of the parties as outlined in Exhibit "D", attached to and made a part hereof. 38 Operator shall require all contractors engaged in work on or for the Contract Area to comply with the 39 Workmen's Compensation Law of the State where the operations are being conducted and to maintain 40 such other insurance as Operator may require.

In the event Automobile Public Liability Insurance is specified in said Exhibit "D", or subsequently 43 receives the approval of the parties, no direct charge shall be made by Operator for premiums paid for 44 such insurance for Operator's fully owned automotive equipment.

ACQUISITION, MAINTENANCE OR TRANSFER OF INTEREST

ARTICLE VIII.

49 A. Surrender of Leases:

The leases covered by this agreement, insofar as they embrace acreage in the Contract Area, shall 52 not be surrendered in whole or in part unless all parties consent thereto.

However, should any party desire to surrender its interest in any lease or in any portion thereof, and 55 other parties do not agree or consent thereto, the party desiring to surrender shall a sion, without express 56 or implied warranty of title, all of its interest in such lease, or portion thereof, and any well, material and 57 equipment which may be less ted thereon and any rights in production thereafter accured, to the parties 58 not desiring to surrender it. If the interest of the assigning party includes as, oil and gas interest, the assigning

59 signing party shall execute and deliver to the party or parties not desiring to surrender an oil and the 60 lease covering such oil and gas interest for a term of one year and so long thereafter as oil and for me 61 is produced from the land covered thereby, such lease to be on the form attached hereto as Exhibit "it" 62. Upon such assignment, the assigning party shall be relieved from all obligations thereafter accruing 63 but not therefore accrued, with respect to the priesse assigned and the operation of any well that

-64 and the property facty shall have no further insered 1, the lease and end and its earliesent and ex-65 duction other than the royalties retained in any lease made under the terms of this Article. The partic 66 addingle shall pay to the party assigner the reasonable salance value of the latter's interest in any wall ~ 67 , and equipment on 9 escalinged types \sim . The value of the matrix is determined in resonant 65 with the provider, of Exhibit CC, by the efficiency of objecting and the stands for

1 be shared by the parties assigned in the proportions that the interest of cash bears to the interest of all Any assignment or surrender made under this provision shall not reduce or change the assignment's or 5 surrendering parties' interest, as it was immediately before the assignment, in the balance of the Contract

A.A.P.L. FORM 610 - MODEL FORM CHIRA CINCO AGREEMENTS

5 Surremaining parties interest, as it was immeritative actors the assignment, in the parameter that contact of Area; and the acreage assigned or surrendered, and subsequent operations thereon, shall not therefore the acreage assigned or surrendered, and subsequent operations thereon, shall not therefore the acreage assigned or surrendered. y be subject to the terms and provisions of this agreement.

If any party secures a renewal of any oil and gas lease subject to this Agreement, all other parties 9 B. Renewal or Extension of Geases: 11 many party secures a renewar or any on and has least adopted in any experiment, an order parties 12 skall be notified promptly, and shall have the right for a period of thirty (30) dive following receipt

of such potice in which to elect to participate in the ewnership of the renewal lead, insofar as such of such notice in which to elect to participate in the ewhership of the renewal leade, insorar as standing to such notice in which their several proper lease affects lands within the Contract Area, by paying to the party who acquired it their several proper lease affects lands within the Contract Area, proportionate shares of the acquisition cost allocated to that part of such lease within the Contract Area, proportionate shares of the acquisition cost allocated to that part of such lease within the Contract Area, and the contract Area, area, and the contract Area, an preparationate shares of the acquisition cost america to that part of such near within the Contract Area.

Which shall be in proportion to the interests held at that time by the parties in the Contract Area.

If some, but less than all, of the parties elect to participate in the purchase of a renewal lease, it shall be owned by the parties who elect to participate therein, in a ratio based upon the relationship of the presentation of the presentation in the Pentrumb Assoc to the presentation of the presentation snan to owned by the parties who elect to participate therein, in a ratio based upon the retailorish of the percentages

their respective percentage of participation in the Contract Area to the aggregate of the percentages inch respective percentage of par known of all parties participating in the purchase of such renewal lease.

21 of participation in the Contract Area of all parties participating in the purchase of such renewal lease. or participation in the Contract Area or an parties participate shall not be subject to this agreement.

Any renewal lease in which less than all parties elect to participate shall not be subject to this agreement.

Each party who participates in the purchase of a renewal lease shall be given an assignment/of its 25 proportionate interest therein by the acquiring party. The provisions of this Article shall apply to renewal leases whether they are for the entire interest 28 covered by the expiring lease or cover only a portion of its area or an interest therein. Any renewal lease taken before the assistant of the medianescent lease on taken before the assistant of the medianescent lease on taken to the assistant of the medianescent lease.

20 covered by the expring lease or cover unity a popular or its area or an interest increm. Any remewal rease 20 taken before the expiration of its predecessor lease, or taken or contracted for within six (6) months after 20 taken before the expiration of its predecessor lease, or taken or contracted for within six (6) months after taken before the expiration of its producessor lease, or taken or contracted to within six (v) months are:

30 the expiration of the existing lease shall be subject to this provision; but any lease taken or contracted or one expiration of the existing lease shall be subject to this provision; but any lease taken or contracted for more than six (6) months after the expiration of an existing lease shall not be deemed a renewal loose and shall not be outside to the magnificant of this agreement.

32 lease and shall not be subject to the provisions of this agreement. The provisions in this Article shall apply also and in like manner to extensions of oil and gas or the provisions in this Article VIII-B shall only apply to leases, or portions leases. The provisions of this Article VIII-B shall only apply to leases, or portions

36 of leases, located within the Unit Area. 37 C. Acreage or Cash Contributions:

While this agreement is in force, if any party contracts for a contribution of cash toward the drilling or while this agreement is in torce, it any party contracts for a contribution shall be paid to the party who of a well or any other operation on the Contract Area, such contribution shall be paid to the party who or a went or any other operation on the Contract Area, such contribution shall be applied by it against the cost of such drilling or conducted the drilling or other operation and shall be applied by it against the cost of such drilling or other operation. If the contribution has in the form of conducted the driving of other operation and shall be applied by a against the cost of such driving of the operation. If the contribution be in the form of acreage, the party to whom the contribution is the operation. If the contribution be in the form of acreage, the party to whom the contribution is omer operation. If the contribution be in the form of acreage, the party to whom the contribution is made shall promptly tender an assignment of the acreage, without warranty of title, to the Drilling made shall promptly tender an assignment of the acreage, without warranty of title, to the Drilling made shall promptly tender an assignment of the acreage, without warranty of title, to the Drilling made shall promptly tender an assignment of the acreage, without warranty of title, to the Drilling made shall promptly tender an assignment of the acreage, without warranty of title, to the Drilling made shall promptly tender an assignment of the acreage, without warranty of title, to the Drilling made shall promptly tender an assignment of the acreage, without warranty of title, to the Drilling made shall promptly tender an assignment of the acreage, without warranty of title, to the Drilling made shall promptly tender an assignment of the acreage, without warranty of the acreage. made shan promptly tender an assignment of the acreage, without waiting of title, to the Drining 44 Parties in the proportions said Drilling Parties shared the cost of drilling the well. If all parties hereto

45 are Drilling Parties and accept such tonder, such acreage shall become a part of the Contract Area and are Drining raries and accept such topoler, such acreage shall become a part of the Contract Area and
be governed by the provisions of this agreement. If less than all parties hereto are Drilling Parties and
contract Area Contract Contract Area Contract Co oe governed by the provisions of this agreement. It less than an partial are brining raides do.

47 accept such tender, such acreage shall not become a part of the Contract Area. Each party shall prompt

48 the action of the contract of t accept such tender, such acreage shall not second a part of the contine rich support of any well or

48 Is notify all other parties of all acreage or money contributions it may obtain in support of any well or

If any party contracts for any consideration relating to disposition of such party's share of substances

49 any other operation on the Contract Area.

37 to partition and have set aside to it in severalty its undivided interest therein.

46 receipt of the notice, to purchase on the same terms seem concurious the interest which the other per-47 proposes to sell; and, if this optional right-fills arrised, the purchasing as

40 parties. However, the control be no preferential right to machine in the e come where may party wishe

For the purpose of maintaining uniformity of ownership in the oil and gas leasehold interests 13 covered by this agreement, and notwithstanding any other provisions to the contrary, no party shall 14 sell, encumber, transfer or make other disposition of its interest in the leases embraced within the Con-

15 tract Area and in wells, equipment and production unless such disposition covers either:

1. the entire interest of the party in all leases and equipment and production; or

2. an equal undivided interest in all leases and equipment and production in the Contract Area.

Every such sale, encumbrance, transfer or other disposition made by any party shall be made ex-

22 pressly subject to this agreement, and shall be made without prejudice to the right of the other parties. If, at any time the interest of any party is divided among and owned by four or more co-owners, 25 Operator, at its discretion, may require such co-owners to appoint a single trustee or agent with full

authority to receive notices, approve expenditures, receive billings for and approve and pay such party's 27 share of the joint expenses, and to deal generally with, and with power to bind, the co-owners of such 28 party's interests within the scope of the operations embraced in this agreement; however, all such 29 co-owners shall have the right to enter into and execute all contracts or agreements for the disposition of their respective shares of the oil and gas produced from the Contract Area and they shall have the 31 right to receive, separately, payment of the sale proceeds hereof.

33 F. Waiver of Right to Partition:

35 If permitted by the laws of the state or states in which the property covered hereby is located, each 36 party hereto owning an undivided interest in the Contract Area waives any and all rights it may have

30-Cal-Preferential Right to Provide or-

42 interests in the Contract Area, it shall promptly give written notice to the other parties, with acil infermation concerning its proposed sale, which shall include the name and address of the prospective pur-44 chaser (who must be ready, willing and able to purchase), the purchase wifee, and all other terms of 45 the offer. The other parties shall then have an optional price office, for a period of ten (10) days at

48 chased interest in the properties will the interest of each bears to the total interest of all purchasing

62 reflected resists to be explained from the made to the c

Alexander Alexandre of the desired and the desired product of the desired at the constant of t

50 to mortgage Revillierests, or to dispose of its interestr by measure, records izerient controlling

. James this agreement and the operations heretyeld are repeated as a partnership, ex-

A.A.P.J., FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977

2. If the owner of the interest from which the subesquently created interest is derived (1) fails to

3 visions of Article VI.E. hereof, or (3) elects to surrender a lease under provisions of Article VIII.A.

5 hereunder in the same manner as if such interest were a working interest. For purposes of collecting

6' such chargeable expenses, the party or parties who receive assignments as a result of (2) or (3) above

7 shall have the right to enferce all provisions of Article VII.B. hereof against such subsequently created

4 hereof, the subsequently created interest shall be chargeable with the pro-rata portion of all expenses

2 pay, when due, its share of expenses chargeable hereunder, or (2) elects to abandon a well under pro-

10 E. Maintenance of Uniform Interest:

.....

The state of the second se

81 of Stone substratibily all or its me as to some distincy or provide stone with a constitutions.

INTERNAL RETENCE CODE E ECTEM

50 mendije av pri sela fethes for proté littinga, et et rig tere parks, herefo. Kofreish

		A.A.P.F. EVY TESTS A SUDDIE, FORM OPERATHING ASSESSMENT OF THE TOTAL ASSESSMEN
en e		
الله المرافق المرافق المستخدمة المرافق المرافق المرافق المستخدمة المرافق المرافق المستخدمة المرافق المرافق الم التي المرافق ا	* <u></u>	
		1 such party shall give any notices or take any other action inconsistent with the obstice, made hardly
		2. Heavy present or future income tax least of the state or states in which the Contract Area is localed or
		3 any future income tax Lexis of the United States contain provisions similar to these in Subshapte. "K",
The second of th		4 Chapter I, Sublitle "A", of the Internal Revenue Code of 1953, under which an election similar to that
		5 provided by Section 76) of the Code is permitted, each party hereby affected shall make such election as
		6 may be permitted or required by such laws. In making the foregoing election, each such party states that
		7 the income derived by such party from Operations hereunder can be adequately determined without the
		8 computation of partnership taxable income.
기본들은 사용사용 별시다다.		9
		10 ARTICLE X.
		11 CLAIMS AND LAWSUIGS
	r	
		Operator may settle any single damage claim or suit arising from operations hereunder if the ex-
		15 (\$.15,000.00) and if the payment is in complete settlement of such claim or suit. If the amount
		required for wettlement exceeds the above amount, the parties hereto shall assume and take over the further handling of the claim or suit, unless such authority is delegated to Operator. All costs and ex-
		pense of handling, settling, or otherwise discharging such claim or suit shall be at the joint expense
		19 of the parties. If a claim is made against any party or if any party is sued on account of any matter
		20 arising from operations hereunder over which such individual has no control because of the rights given
보는 사람들이 되었다. 		21 Operator by this egreement, the party shall immediately notify Operator, and the claim or suit shall
		21 be treated as any other claim or suit involving operations he are also.
		23
		24 ARTICLE XI.
		25 FORCE MAJEURE
		26
		27 If any party is rendered unable, wholly or in part, by force majeure to carry out its obligations
		28 under this agreement, ether than the obligation to make money payments, that party shall give to all
		the state of the s

29 other parties prompt written notice of the force moleure with reasonably full particulars concerning it: 30 thereupon, the obligations of the party giving the notice, so far as they are affected by the force majoure, 31 shall be suspended during, but no longer than, the continuance of the force majoure. The affected party 32 shall use all reasonable diligence to remove the force majeure situation as quickly as practicable. 34 The requirement that any force majeure shall be remedied with all reasonable dispatch shall not

35 require the settlement of strikes, lockouts, or other labor difficulty by the party involved, contrary to its 36 wishes; how all such difficulties shall be handled shall be entirely within the discretion of the party 37 concerned. The term "force majeure", as here employed, shall mean an act of God, strike, lockeut, or other

40 industrial disturbance, not of the public ensury, war, blockade, public riot, lightning, fire, storm, flood, 41 explosion, governmental action governmental delay, restraint or inaction, unavailability of equipment, 42 and any other cause, whether of the kind specifically enumerated above or otherwise, which is not 43 reasonably within the control of the party claiming suspension.

ARTICLE NH.

40 this agreement, unless otherwise specifically provided, shall be given in writing by United States mail 50 or Western Union telegrom, posinge or charges propried or by teletype, and addressed to the party to to the whom the code is siven at the radius, existed on Fwillia. "A". The originating notice given under our - 53 and the time for such party to give any notice in response thereto shall run from the date the originalfor in motice is received. The second or key respective notice shall be deemed given when deposited in istorijos Ualisel Sielekan illi or mitroji. Med op U. Lie Telegraph Campany, wille postoje or chargo sporyedd, ing and which the tentral probability is an experience of the probability of the probabil

A 1014 (NOTE) (1841)

(a) pribated by the other party beyond figure and or this agreement.

ROTICES 48. All notices authorized or required between the parties, and required by any of the provisions of

1 [7] Option No. 2: In the event the well described in Article VI.A., or any subsequent well drilled 4 tion, and for an additional period of 189 days from cessation of all production; provided, however, b. If, prior to the expiration of such additional period, one or more of the parties hereto are engaged in 6 drilling or reworking a well or wells hardunder, this agreement shall continue in force until such op-7 continua have been completed and if production results therefrom, this agreement shall continue in 8.5 faces as provided herein. In the event the well described in Article VLA, or any subsequent well 9 drilled hereunder, results in a dry hole, and no other well is producing, or capable of packeting oil 10 and/or gas from the Contract Area, this agreement shall terminate unless drilling or reworking opera-11 tions are communeed within 120 days from the date of abandonment of said well.

26 B. Governing Law:

29 ited to, matters of parformance, non-performance, breach, remedies, precedures, rights, duties and in-30 terpretation or construction, shall be governed and determined by the law of the state in which the 31 Contract Area is located. If the Contract Area is in two or more states, the law of the state where most a 32 of the land in the Contract Area is located shall govern. ARTICLE XV.

B. Option Well: Within 90 days after the completion of the Unitial Well and, if drille

C. Apy provision berain concerning the Initital Mell shall also apply to the Substitut jand Cation Wells, and reviewed withou benefit excepting the toilled Well shall aborexcept th

A.A.P.L. FORM 610 MODEL FORM OPERATING AGREEMENT - 1977

2 under any provision of this agreement, results in production of oil and for gas in paying quantities, this 3 agreement shall continue in force, so long as any such well or wells produce, or are capable of produc-

ARTICLE NIV.

OTHER PROVISIONS

. agencounters nechanical difficulties rendering it impracticable, in the opinion of Operator

grined to be defined, described, recented, placed and, Westerland

It is agreed, however, that the termination of this agreement shall not relieve any purty hereto from 15 any liability which has account or attached prior to the date of such terralization.

COMPLIANCE WITH LAWS AND REQULATIONS 9 A. Jaws, Megalinders and Orders;

This agreement shall be subject to the conservation laws of the state in which the committed 22 aereage is located, to the valid rules, regulations, and orders of any duly constituted regulatory body of 23 said state; and to all other applicable federal, state, and local laws, ordinances, rules, regulations, and 24 orders.

The essential validity of this agreement and all matters portaining thereto, including, but not lim-

seA. Substitute Well: If, in the drilling of the Initial Well, Operator loses the hole of

asto drill the well to the Objective depth, then and in any of such events, on or before 3030 days after completion of the Initial Well, Operator shall have the option to commence to the actual drilling of another well ("Substitute Well") at a lawful location of Operator' asselection on the Unit Area, and prosecute the drilling of said well with due diligence $_{
m As}$ and in a good and worksanlike manner to the Objective Depth. For all purposes of this againteement, the drilling of the Substitute Well shall be considered as the drilling o Lithe Initial Well.

Turk Substitute Wall, as a dry hele, Operator shall have the option of commencing an "Option Vell" at a lawful location of Gueraiar's selection in the Unit Arms. The Option Well shall

MISCELLANEOUS This agreement shalf be binding upon and shall innie to the benefit of the parties hereto and to their o respective heirs, devisees, legal representatives, successors and assigns. This instrument may be executed in any number of counterparts, each of which shall be considered o an original for all purposes.

NON-OPERATORS

Allenton Rec

A.A.P.L. FORM 619 - MODEL FORM OPERATING AGREEMENT - 1977

IN WITNESS WHERMOF, this agreement shall be effective as of 29th day of April ORERATOR

and the second s

(Attorney-in-Pace JOHN A. YATES

of Marin, 1980, by Spling Date, Attorney-in-Fact for YATES PERSONNEY.

TO STATE OF ME MEMICO)

YATES DRILLING COMPANY

5 STATE OF YER MEXICO

COUNTY OF EDDY

Porcentage Intocest of Parties Under Agreement: INTEND TEST

Provenien Unit as dated in the Res Res Evidence of

Township 19 (South, James 25 Dept., M.H.P.M.

Capaining 20.00 cores, core or less.

1. 1. Table Saliper to Agreement:

High Capity, the Exico

3. Prilling Date for Mirst Wall:

2. Depth Restainting

All rights.

Lessea:

Jule of Lease.

2. Leasure:

ACTEC BY DAY AND MADE A PART OF THE OPERATION A PROBABLE DESIRE.

OPERWARE, AND MARKS DRILLING COMPANY, HIT AL, AS RESPONSIVE OR

YATES PREADERED CORPORTRION YATES PIDEOUSEM CORPORTION-ACCT. =2 YATES BRILLIAND COMPANY-ACCO. \$2 20.000000 COPR A. YMTHS-ACCT. 42 6,665607 6.666667 MARTIN YATES, ITT-ACCO. #2

III. A. Leasehold Interest of Parties:

Yates Petroleca Corporation Pate of Lease: February S, 1972 Serial No. of Lease: Pescription: Tranship 19 South, Kango 35 Past, W.E.P.L. Community 80.00 marcs, from on Jesu. Coorge La Baose, Jr.

Containing 80.00 acres, more or tear

فيستست

Yellow beilling Company - 1/2
John A. Valos Yates Petroleum Corporation - 1/2
Yates Drilling Company - 1/6
John A. Yates Martin Vates, 111 July 18, 1967 Serial Bo. of Logon

7. Lessor:

8. lesses:

Original Lesses:

Date of Lease: Serial No. of Lease:

Description:

Present Lessee:

Present Lesses:

Containing 89.00 acres, apre or less, Yates Petroleum Corporation Yatos Petrologic Corporation - >

Principle appointing a 1/2

Vales Deilling Occapany - 1/3
John A. Vaton - 1/6 Murtin Vates, III July 18, 1957 Containing 80.00 acres, more or less.

Takes Petroleum Composition - 1/2 Yates Drilling Company - 1/2 John A. Yases Mintin Vates, Til

August 3, 1967

Contenting colon sures, size or less

August 7, 1372 greekle 16 frans. Strop 35 day (1.21) Comparing Applea reason, where on John .

Year labeled, Orpordion

John A. Vates

Martin Yates, III

- 803: 366 5F | 8/11 8F 4 | -

lois laverno then

John A. Yates

- Markin Yatos, Ili

July 25, 1967

Retly Artz

Juno 22, 1972

Ecction 6: 8 2 8 74

Monie Vincent Colan

August 4, 1972

- Section 6: 8/2 St/4

Maine Holosha Vincent

Yates Petroleum Corporation

July 31, 1967

TIBLE OF BRIDE

Original Les wes

Date of lease:

Sarial No. of Lease:

Poscribtion:

13. Lessor:

14. Lesson:

35. Tesson:

Fassed:

lessoo:

lata of Lease:

Pasaciption:

Sarial No. of Lease:

Lessoo:

- Darbil Mr. of Dead

Barislion:

arten Athr de da Cinpan i ba

Subject tilling Company - - 1/6

Containing 80.13 sores, more or test.

Containing 80.00 acres, more or loss.

Township 19 South, Parco 25 Past, N.H.P.E.

Township 19 fouth, Pero to cost, N.M.P.M.

Containing 80.00 sches, more or less.

Containing 80.00 acres, wate or lass.

Yates Petroless Criposation - 1/2

Yaben Drilling Coursely

Yates Phiroleus Corporation

Yates Petroleum Corporation

-				and the second of the second o		
			1. X 种种的 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1.		H. DERUCY CRARGUS	
						1
			ATTALHED TO AND HADE A PART OF OPERATURE		Operation bull Charge the Joint Account with the tollewing Henry	
.48. 1000 mi	Par Chi Albomb		ACHIEROUGH PATER ARRIE VO. 1980, BERVELL			
\$4.855.N\$	Yaton Pelandeun Corporation		YATES PETROLISM CORPORATION, "OFFICE ON".		L. Rentals and Rapulties	
Pate of lease:	June 22, 1972		and vares preliance courage, by AL, "Note-		I. Rentals and Republics Locase rentals and revalles paid by Operator for the Joint Operations.	: :
Serial Me. of Lease:	$\mathbf{F}_{\mathbf{x}}$		OPERATORS", COVERING SUSEE SEC. 6, 19-25.		2. Labor A. (1) Salaries and wages of Operator's field employees directly employed on the Joint Property in the conduct	
Description:	Township 19 South, Fange 25 First, M.M.P.M.				A CAN Salarine and water of Operator's field employees directly employees	
Commission Control	Footion G: 5/2 Styl		ACCOUNTING PROCEDURE		of Join! Operations.	•
	One aiming 80.00 arres, more or less.			A second	(2) Salaries of First Level Supervisors in the field. (3) Salaries and wages of Technical Employers directly employed on the Joint Property If such charges are	2
			JOINT OPERATIONS			
19. Tosson:	Bottoy Walcott				(3) Salaries and wages of Abdulton Tracks excluded from the Overhead rates B. Operator's cost of heliday, vacation, sickness and disability benefits and other contemary allowances paid to B. Operator's cost of heliday, vacation, sickness and disability benefits and other contemary allowances paid to B. Operator's cost of heliday, vacation, sickness and disability benefits and other contemary allowances paid to B. Operator's cost of heliday, vacation, sickness and disability benefits and other contemary allowances paid to	F
laseco:	Yapan Formalians Cosperation		1 GENERAL PROVISIONS		B. Operator's cost of holiday, vacation, sickness and disability benefits and other enstanary allowances pair with the Operator's cost of holiday, vacation, sickness and disability benefits and as paid basis" or by "percentage ascendances and wayes are charge the to the doint Account under Paragraph 2A of this employees whose salaries and wayes are charged on a "when and as paid basis" or by "percentage ascendances are paragraph. 2D may be charged on a "when and as paid basis" or by "percentage ascendances are paragraph. 2D may be charged on a "when and as paid basis" or by "percentage ascendances are paragraph. 2D may be charged on a "when and as paid basis" or by "percentage ascendances" or a paragraph.	
Table of Tease:	January 8, 1973				B. Operator's cost of heliday, vacation, sacround discount to the doint Account under Paragraph EA of this detailed employees whose salaries and wayes are charged in the doint Account under the by "percentage as it. Such ross under this Paragraph. IP may be charged in the doint Account under Paragraph 2A of this it. Such ross under this Paragraph and wages charged by the doint Account under Paragraph 2A of this it.	
Social In. of Lease:	At the second se		1. Definitions		employees whose salaries and wayes are enabled on a "when and as pull basis" or by "jetterady." 11. Such costs under this Paragraph, 2D may be charged on a "when and as pull basis" or by "jetterady." 12. Such costs under this Paragraph, 2D may be charged to the Joint Account under Paragraph 2A of this sussement" on the amount of salaries and wages charged by based on the Operator's cost experience.	
Legenighina:	Manashin 39 Shalla, Borgo 25 Mast, M.S.P.M.		1. Determinates "Joint Property" shall mean the real and personal property subject to the agreement to which this Accounting		Such costs under this Paragraph. It has been been to the doint Account under Editerral and the second seasons on the impount of salaries and wages charges ble to the doint Account under Editerral and seasons on the Operator's cost experience. Section H. If percentage assessment is used, the rate shall be based on the Operator's cost experience. Section H. If percentage assessment is used, the rate shall be based on the Operator's cost experience.	
to Care and Live and Live	Systion 6: 8/2 88/8		the contract of the state of th		Section H. If percentage assessment is used, the rate shall be based on the Operator authority which are Section H. If percentage assessment is used, the rate shall be based on the Operator authority which are C. Expenditures or contributions made pursuant to assessments imposed by governmental authority which are C. Expenditures or contributions made pursuant to assessments imposed by governmental authority which are C. Expenditures or contributions made pursuant to assessments imposed by governmental authority which are	
	Containire, 80.00 acres, apre or less.	그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그	"Most Operations" shall mean all operations accessary or proper for the development, operation, presented and		Section H. If percentage assessment is consument to assessments imposed by governmental authority which are C. Expenditures or contributions made pursuant to assessments imposed by governmental authority which are applicable to Operator's costs chargeable to the Joint Account under Paragraphs 2A and 2d of this Securificable to Operator's costs chargeable to the Joint Account under	
			1 + 1 + 1 + 1 + 1 + 1 + 1 + 1 + 1 + 1 +		applicable to Operator's costs chargeagne to the	
20. esson:	Charles Foren Vincent		to the Account that leave the account should the charges paid and credits received in line conduct of the confi		tion II. D. Personal Expenses of those employees whose salaries and wages are chargenide to the Joint Account under D. Personal Expenses of those employees whose salaries and wages are chargenide to the Joint Account under D. Personal Expenses of those employees whose salaries and wages are chargenide to the Joint Account under the D. Personal Expenses of those employees whose salaries and wages are chargenide to the Joint Account under the D. Personal Expenses of those employees whose salaries and wages are chargenide to the Joint Account under the D. Personal Expenses of those employees whose salaries and wages are chargenide to the Joint Account under the D. Personal Expenses of those employees whose salaries and wages are chargenide to the Joint Account under the D. Personal Expenses of those employees whose salaries and wages are chargenide to the Joint Account under the D. Personal Expenses of those employees whose salaries and wages are chargenide to the Joint Account under the D. Personal Expenses of the D. Person	under the second se
Fessoot	Yaron Pobantona Campuration		1 Convertions and which are to be shared by the relation	$\hat{m{g}}$	D. Personal Extenses of those employees where	<u>.</u>
Externi (case:	June 22, 1973		are compare start many the court design tractal conduct the Joint Operations.		$V_{ij} = V_{ij} = V$	
Seria: Tourel Tears:	Pro		"Non-Operators" the Borson the parties to this agreement offer then the Operator.		2. Employee Benefits	
pesemiption	Township De Couth, Pongo 25 Lost, N.M.P.M.		The second of the second None Organizations.		Output of course of cathering a mater than to be a little nature. The state of the little nature is the state of the little nature.	
the was fire of the second	Footion 6: S/2 SE/A				Operator's current costs of established piens for things of a like nature, applicable to Operator's law- thremont, succeedings, theili, bonus, and other benefit plans of a like nature, applicable to Operator's setted thremont, succeedings, theili, bonus, and other benefit plans of a like nature, applicable to Operator's setted cost chargeable to the Joint Account under Paragraphs 2A and 2B of this Section II shall be Operator's setted cost chargeable to the Joint Account under Paragraphs 2A and 2B of this Section II shall be Operator's setted to the present them the Joint Account under Paragraphs 2A and 2B of this Section II shall be Operator's setted to the present the Joint Account under Paragraphs 2A and 2B of this Section II shall be Operator's setted	
	Containing 80.00 acres, more or less.		"Pirst Level Supervicers" shall mean these employees whose primary indicant in evaluation of other employees and er contract labor directly employed on the Joint Property in a field operat-		cost chargeable to the Joint Account under the contage most recently recommended by contage	
21. lessor:	Mgar Morris Vincent		trainer special and enseitle enumerate 199009031 OF OIECE 1			
Tosabe:	Yates Petroleua Comporation		The state of the s		Material Muterial purchased or furnished by Operator for use on the Joint Property as provided under Section IV. Only Muterial purchased or furnished by Operator for use on the Joint Property as may be required for immediate use such Material shall be purchased for or transferred to the Joint Property as may be required for immediate use such Material shall be purchased for or transferred to the Joint Property as provided under Section IV. Only Muterial purchased or furnished by Operator for use on the Joint Property as provided under Section IV. Only Material purchased or furnished by Operator for use on the Joint Property as provided under Section IV. Only Material purchased or furnished by Operator for use on the Joint Property as may be required for immediate use such Material purchased for or transferred to the Joint Property as may be required for immediate use such Material shall be purchased for or transferred to the Joint Property as may be required for immediate use such Material Shall be purchased for or transferred to the Joint Property as may be required for immediate use such Material purchased for or transferred to the Joint Property as may be required for immediate use	
Date of Loase:	Junio 22, 1972		1		such Material shall be purchased for or transfer to state of ficient and economical operations. The accumulation of sav	
Serial Wo. of Lease:	Fee		the contract shall mean transland other reasonable reminurance expenses of Operaria s Chipagees.			
Description:	Township 19 South, Range 75 Bast, M.M.P.M.		with a support property comprend or supplies accurred or held for use on the futher respects.			
A	Section 6: 8/2 81/4		i i i i i i i i i i i i i i i i i i i		5. Transportation Transportation of employees and Material necessary for the Joint Operations but subject to the following limita-	
	Coptaining 80.00 acres, more or less.		"Controllable Meterial" shall mean Material which do the time is so plastified in the additional material which the countries of North America.		manageration of employees and Material necessary for the court of	
					Transportation of employees and material states of the properties of the properties, no charge shall tions: A. If Material is move, so the delet Property from the Operator's wavehouse or other properties, no charge shall be a Material is move, so the delet Property from the Operator's wavehouse or other properties, no charge shall be a Material is moved to the John John Long and the Association of the Property from the Operator's wavehouse or other properties, no charge shall be a Material is moved.	·
22. Lessor:	lietty Kleep		2. Statement and Billings		A. If Material is moved to the Jeist Projectly from the Operator's werehouse or other properties, no charge shall be made to the Joint Account for a distance greater than the distance from the nearest reliable supply store, be made to the Joint Account for a distance greater than the distance from the nearest reliable supply store, be made to the freedgaized barge to both, or, railway according point where the material is normally available, unless agreed recognized barge to both, or, railway according point where the material is normally available, unless agreed to be the Parties.	<i>A</i> .
Yessee.	Yates Polyfologia Componetion		2. Statement and fittings Operator shall bill Non-Operators on or before the last day of each month for their proportionate share of the Donat Account for the preceding month. Such bills will be accompanied by statements which identify the author-Joint Account for the preceding month. The blooming and each month is supportionally appropriate classifications of in-		A. If Material is the Joint Association a distance fraction that the majorial is normally evaluate, times agreed	
fate of Toss:	March 18, 1980		Joint Account for the preceding month. Such bits will be accomplianted by separations of in- ity accomplainted, least or facility, and all charges and credits, summarized by appropriate classifications of in- ity accomplainted, least or facility, and all charges and credits which be sep-		Projection of the state of the	
Sarial Mo. of trase:	Place		ity ser expanditure, lease or factory, and all carries and elected standards of algest and credits shall be sep- vestment and expanse except that items of Controllable Material and unusual charges and credits shall be sep-		10 DV 100 * STATE A LIBERT AND	
Deposit Siden:	Wownship 19 South, Duope 25 Fast, M.M.P.W.		orately atentines; and hilly described to defail.		9. If soughts limiterial is reserved for Open to a water than the distance to the majorest reliable supply state, respective from the distance to the majorest reliable supply state.	
	Saction 6: 8/2 86/4		t n by Van Operations		lomi Account in the induce agreed to by the factor of the low the Parties.	
	Containing 80.00 seres, some or loss.		3. Advances and Payments by Non-Operators Unless otherwise provided for in the agreement, the Operator may require the Non-Operators to advance their Unless otherwise provided for in the agreement, the Operator may require the Non-Operators to advance their Unless otherwise provided for in the agreement, the Operator may require the Non-Operators to advance their	그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그	B. If surplus limiterial is a send to Open to is warenoused. On the material reliable supply store, recognized out to John Account for a distance specified than the distance to the Parties. No charge shall be made to the Joint Account for reliway receiving point unless agreed to by the Parties. terminal, or railway receiving point unless agreed to Operator, unless agreed to by the Parties, count for moving Material to other properties belonging to Operator, unless agreed to by the Parties.	
	Shove Jane Vincent		Unless otherwise provided for in the agreement, the Operator and Acquire the shall adjust each monthly billing there of estimated cash outlay for the succeeding martin's operation. Operator shall adjust each monthly billing		count for moving and a special R shove, there shall be no equalization of agree a	
23. Unloaded Minerals:	J. C. Walcott		:		C. In the application of Supports that the charges. of \$200 or less excluding accessorial charges.	
	A. A. Mill October March for the Mallowith		1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	and the second of the second o	0[\$200 00 300 00 manual ber	
	markana da la markana da m Markana da la markana da m	akin da kanan ang ka	the Arms American Alabamy He regionism of all this visite in the term of the twelve restricting in the last term in the term of the term o	And the second of the second o	A Supplied to the Control of the Con	
	CASE SERVED IN				The course conversations with a state of the state of the state of professional consultant services and to the state of th	
			The state of the s		The control of Section is the standard of the first the data proporty to such distinguisher of their formation of districtly a regard on the data proporty to such distinguisher formation of the control	
	er grandenske Motografie Wellioph				The state of the s	
	and the state of t		d. Adfuscio P		The provides of the desired the second transfer and the second reviews of comment in transfer to by Order of the following the second transfer and the second transfer factors by the second transfer the second	
			,一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个			
	Average to the state of the control		and the state of the state of the first of the state of the The state of the state of		7. Operator shall startliffe them in the control of	
Responding to Christian			on the contract of the property of the contract of the contrac		The state of the s	
			그 그 그는 그는 그는 그는 그는 어느는 그는 어느를 가는 어느를 가는 것을 하는 것이 되었다. 그는 그를 가는 그는 그를 가는 것을 하는 것이 없다. 그를 가는 것이 없는 것이 없는 것이 없는 그를 가는 것이 없다.		A. Observe shall strong the first Lerson's for the few with votes half hedge each of maintaining resources to the process (MO) measure with a constitution, and appealing a put in the constitution of the feature of th	
					mental in this Charles and the Angerth of the interest of the interest that	
			en en en en de la companya de la co La companya de la co		그는 그를 가는 것이 되었다. 그는	
					on the control of the	
					and the control of t The control of the control of	
			en e			

Landy Ir. Strike grown

والمراجع والمتعارض والمتعا

R. Overhand, Percentage Busis (1) Operator shall charge the Joint Account at the following rates: All there of every hind and nature assessed or levied upon or in connection with the Joint Property, the opera-·)6. Taxes tion thereon, or the production therefrom, and which taxes have even paid by the Operator for the benefit of the Percent (. !!) of the cost of Development of the Joint Property exclusive of reals (a) Development provided under Pacagraph 9 of Section II and all salvage credits. Percent (%) of the cost of Operating the Joint Property exclusive of costs provided under Paramaphs 1 and 9 of Section II. all salvage credits, the value of injected substances purchased for secondary recovery and all taxes and massesments which are levied, assessed and paid upon the mineral interest in and to the Joint Property. Net premiums paid for insurance required to be carried for the Joint Operations for the protection of the Par-11. Insurance ret premiums paid for insurance requires to be carried for the about Operations for the protection of the factions. In the event Joint Operations are conducted in a state in which Operator may act as colf-insurer for Workties. In the event Joint Operations are conducted in a state in which Operator may act as colf-insurer for Workties. In the event Joint Induce and/or Employers Liability under the respective state's laws, Operator may, at its election, include the risk under its self-insurance program and in that event, Operator shall include a charge at Operator's cost but to even adjustment rates. crel interest in and to the Joint Property.

(2) Application of Overhead - Percentage Basis shall be as follows:

Por the purpose of determining charges on a percentage basis under Paragraph IB of this Section III, development shall include ah costs in connection with drilling, redrilling, deepening or any remedial operations on any or all wells involving the use of drilling crew and equipment; also, preliminary expenditures tions on any or all wells involving the use of drilling crew and equipment; also, preliminary expenditures necessary in preparation for drilling and expenditures incurred in abandoning when the well is not completed as a producer, and original cost of construction or installation of fixed assets, the expension of fixed pleted as a producer, and original cost of construction or installation of fixed assets and any other project clearly discernible as a fixed asset, except Major Construction as defined in assets and any other project clearly discernible as a fixed asset, except Major Construction as defined in assets and only other project clearly discernible as a fixed asset, except Major Construction as defined in assets and only other project clearly discernible as a fixed asset, except Major Construction as defined in assets and only other project clearly discernible as a fixed asset, except Major Construction as defined in assets and only other project clearly discernible as a fixed asset, except Major Construction as defined in assets. cost not to exceed manual rates. Any other expenditure not covered or dealt with in the foregoing provisions of this Section II, or in Section III, and which is incurred by the Operator in the necessary and proper conduct of the Joint Operations. HL OVERHEAD To compensate Operator for overhead costs incurred in the construction and installation of fixed assets, the expansion of fixed assets, and any other project clearly disservible as a fixed asset required for the development and operation of the Joint Property, Operator shall either negatiate a rate price to the beginning of construction, or shall observe the Laint Append to Operator the development beginning of construction and a first appendict to the beginning of construction and the shall observe the Laint Append to Operator the development pages the unit of the following pages the laint appendix of the operator of the following pages the laint appendix of the following pages to the following pages t 1. Overhead - Drilling and Producing Operations i. As compersation for administrative, supervision, office services and watchousing costs, Operator shall charge charge the Joint Account for Overhead based on the following rates for any Major Construction project in excess of \$25,000.00 -1 drilling and producing operations on either: (XX) Fixed Rate Bosis, Paragraph 1A, or of \$ __20,000.00 :

A. _5 _ g of total costs if such costs are record than \$ _25,000,00 but less than \$ 100.000.00 ; plus

B. _3 _ g of total costs in excess of \$ _100,000.00 but less than \$1,000,000; plus Unless otherwise agreed to by the Parties, such charge shall be in lieu of cests and expenses of all offices and salaries or wages plus applicable burdens and expenses of all personnel, except those directly chargeable under Paragraph 2A. Section H. The cost and expense of services from outside sources in connection with under Paragraph 2A, Section H. The cost and expense of involving governmental agencies shall be considered matters of taxation, traffic, accounting or matters before or involving governmental agencies shall be considered as included in the Overhead rates provided for in the above selected Paragraph of this Section III unless such cost and expense are agreed to by the Parties as a direct charge to the Joint Account. C. 2 % of total costs in excess of \$1,000,000. Total cost shall mean the gross cost of any one project. For the purpose of this paragraph, the component parts of a single project shall not be treated separately and the cost of drilling and workever wells shall be excluded. H. The salaries, wages and Personal Expenses of Technical Employees and/or the cost of professional consultant The Overhead rates provided for in this Section III may be amended from time to time only by mutual agreement services and contract services of technical personnel directly employed on the Joint Property shall () shall between the Parties hereto if, in practice, the rates are found to be insufficient or excessive. not (X) be covered by the Overhead rates. IV. PRICING OF JOINT ACCOUNT MATERIAL PURCHASUS, TRANSFERS AND DISPOSITIONS Operator is responsible for Joint Account Material and shall make proper and timely charges and credits for all material movements affecting the Joint Property. Operator shall provide all Material for use on the Joint Property; how-terial movements affecting the Joint Property. Operator shall provide all Material for use on the Joint Property; how-terial movements affecting the Joint Property. Operator shall make timely disposition ever, at Operator's option, such Material may be supplied by the Non-Operator. Operator or Non-Operator, division in of idle and for surplus Material, such disposal being mode either through sale to Operator or Non-Operator, division in of idle and for surplus Material, such disposal being mode either through sale to Operator or Non-Operator, division in of idle and for surplus Material, such disposal being mode either through sale to Operator or Non-Operator, division in of idle and for surplus Material. Operator may purchase, but shall be under no obligation to purchase, interest of Non-Operators in surplus condition. A or B Material. The disposal of surplus Controllable Material not purchased by the Operator shall be ugreed to by the Parties. A. Overhead - Fixed Rate Basis (1) Operator shall charge the Joint Account at the following rates per well per month: Drilling Well Rate \$ 2,000.00 Producing Well Rate \$ 200.00 (2) Application of Overhead - Fixed Rate Basis shall be as follows: [1] Charges for onshore drilling wells shall begin on the date the well is spudded and terminate on the date the drilling or completion rig is released, whichever is later, except that no charge shall the date the drilling or completion rig is released, whichever is later, except that no charge shall the date the drilling or completion rig is released, whichever is later, except that no charge shall be made daving suspension of drilling operations for filteen (1a) or more consecutive days. Material purchased shall be charged at the price paid by Operator after deduction of all discounts received. In case of Material found to be defective or returned to wender for any other reason, credit shall be passed to the Joint of Material found to be defective or returned by the Operator.

Account when adjustment has been received by the Operator. [2] Charges for offshore drilling wells shall begin on the date when crilling or completion equipment [2] Charges for offshore diriting wells shall begin on the date when criming of completion equipment moves off locaarrives on location and terminate on the date the drilling or completion equipment moves off location or rig is released, whitenever occurs first, croppt that no charge shall be made during suspention of diffing operations for lifecan (15) or more concuentive days Material furnished to the Joint Property and Material transferred from the John Property or dispersed of by the Operator, unless otherwise alread to by the Parties, shall be priced on the following bases exclusive of each disconnector, unless otherwise alread to by the Parties, shall be priced on the following bases exclusive of each discounterform. [2] Charges for wells undergoing any type of workever or recompletion for a pariet of five (3) consequences for wells undergoing any type of workever or recompletion for a pariet of five (3) consequences and the applied for sequence days or more shall be made at the drilling well rate. Such charges shall be made operations, with rig, Connected through date of tig, clease, except that as charge shall be reade during suspension of operations for fifteen (15) or more consecutive. (i) An active well either preduced to injeried into for any portion of the month rhall be considered as a conserval charge for the entire month. (2) when we are completion in a unit exempleted will be which or limited is not completed down that will be a one-wall charge powering such completion in conclusion a sense to

3

The cost of reconditioning, if any; shall be absorbed by the transferring property. C. Other Used Material (Condition C and D) \sim (1) Condition $|{f C}|_{\sim}$ · 探到"特殊的**是**"和"

cent (75%) of current new price.

3

Material which is not in sound and serviceable condition and not suitable for its original function until after reconditioning shall be prived at fifty percent (50%) of current new price as determined by Paragraph 2A of this Section IV. The cost of reconditioning shall be charged to the receiving property, prograph 2A of this Section IV. vided Condition C value plus cost of reconditioning does not exceed Condition B value. (2) Condition D

All other Material, including junk, shall be priced at a value commensurate with its use or at prevailing prices. Material no longer suitable for its original purpose but usable for some other purpose, shall be priced on a basis comparable with that of items normally used for such other purpose. Operator may dispriced on a basis comparable with that of items normally used for such other purpose. pose of Condition D Material under procedures normally utilized by the Operator without prior approval of Non-Operators.

(b) at sixty-five percent (65%) of current new price, as determined by Paragraph 2A of this Section IV, if binicial was originally charged to the Joint Account as good used Material at seventy five per-

D. Obsolete Material Material which is serviceable and usable for its original function but condition and/or value of such Material is not equivalent to that which would justify a price as provided above may be specially priced as acred to be the Parties. Such price should result in the Joint Account being charged with the value of the service rendered by such Material.

(1) Loading and unloading costs may be charged to the Joint Account at the rate of filteen cents (15¢) per hundred weight on all tubular goods movements, in lieu of loading and unloading costs sustained, when actual hauling cost of such tubular goods are equalized under provisions of Paragraph 5 of Section II.

(2) Material involving eraction costs shall be charged at applicable percentage of the current knocked-down price of new Material.

Whenever Material is not readily obtainable at published or listed prices because of national emergencies, strikes

Whenever Material is not readily obtainable at published or usced prices because of national emergencies, strikes or other unusual causes over which the Operator has no control, the Operator may charge the Joint Account for the required Material at the Operator's actual cost incurred in providing such Material, in making it suitable for use, and in moving it to the Joint Property; provided notice in writing is furnished to Non-Operators of the proposed charge prior to billing Non-Operators for such Material. Each Non-Operator shall have the right, by so electing and notifying Operator within ten days after receiving notice from Operator, to furnish in kind all or part of his share of such Material spitable for use and accountable to Operator. of such Material suitable for use and acceptable to Operator.

4. Warranty of Material Furnished by Operator Operator does not warrant the Material furnished. In case of defective Material, credit shall not be passed to the

Joint Account until adjustment has been received by Operator from the manufacturers or their agents.

V. INVENTORIES

The Operator shall maintain detailed records of Controllable Material.

1. Periodic Inventories, Rollec and Representation

At reasonable intervals, inventories shall be inten by Operator of the Joint Account Controllable Material.

At reasonable intervals, Inventories shall be inten by Operator at least thirty (36) days before any inventory within notice of intention to take inventory shall be given by Operator at least thirty (36) days before any inventory for taken. Softmake Non-Operators for preventies when any inventory in taken. Softmake Non-Operators to be represented at an inventory shall bind Hon-Operators to accept the inventory taken by Operator. 2. Recordifiction and Adjustments, of Inventories

Reconciliation of a physical inventory with the Joint Account shell I a track, and a list of everyors and shortages shall be furnished to the New-Operators within, sin mentils following the taking of the inventory. Inventory administration is the illaments of the New-Operator with the John Laccount for overeges and shortages, but Operator shall be instructed only for shortages due to tack of reconsists diligence.

Epropi taronische dam to ekonomi, dere flere in dam element de of interest in the Joint Propiety. It in ill a p By the state of the grant while two configural union stopic accuracy of produce who decreases of our contributes. 2. Special Inventories

EXHIBIT "D"

But the state of t

ATTACHED TO AND MADE A PART OF GERRATURG AGREEMENT TOXIED APRIL 29, 1980, PETTEER YATES PETROLEUM CORPORATION, "OPERATOR", and VATES DRULLING COMPANY, ET AL, "NON-OPERATORS", COVERING STATE SEC. 6, 19-25.

ADDITIONAL PRSURANCE PROVISIONS

Operator, ducing the term of this agreement, shall carry insurance for the benefit and at the expense of the parties hereto, as follows:

- (A) Morkmen's Compensation Insurance as contemplated by the state in which operations will be conducted, and Employer's Liability Insurance with limits of not less than \$100,000.00 per employee.
- (B) Public Liability Insurance: Bodily Injury - \$500,000.00 each occurrence.
- (C) Automobile Public Liability Insurance: Bodily Injury - \$250,000.00 each person. \$500,000.00 each occurrence.

Property Damage - \$100,000.00 each occurates.

Except as authorized by this Exhibit "D", Operator shall not take any charge to the joint account for insurance premiums. Louses not covered by Operator's increases (or by insurance vegoired by this agreement to be recricit for the Net different of the expense of the parties between both the charged to also loty to proposition

ASPACED TO AND HADE A PART OF OTTER ORDER ACREMENT DATES APRIL 29, 1980, BETWEET YATES PETEOLEUS CORPORATION, "OPTRATES", and VATES DESIGNED COMPANY, LT AL, "ROE openarous", coviendo stabla sec. 6, 19-25.

and the second s

。 1985年 - 1985年 -

FXHIBIT "E"

GAS BALAJOING AGREECHENT

The parties to the Operating Agreement to which this agreement is attached own the working interest in the gas rights underlying the Unit Area covered by such agreement in accordance with the percentages of participation as set forth in Exhibit "A" to the Operating Agreement.

During the period or periods when any party hereto has no market for

In accordance with the terms of the Operating Agreement, each party thereto has the right to take its share of gas produced from the Unit Area and market the same. In the event any of the parties hereto is not at any time taking or marketing its share of gis or has contracted to sell its share of gas produced from the Unit Area to a purchasor which does not at any time while this sugrecount is in effect take the full share of gas attoributable to the interest of such party, the terms of this agreement shall automatically become effective.

its share of gas produced from any promation unit within the Unit Area, or its purchaser does not take its full share of gas produced from such proration unit. the other parties shall be entitled to produce each month one hundred percent - (100%) of the allowable gas production assigned to such proration unit by the State regulatory body having jurisdiction and shall be entitled to take and deliver to its or their purchaser all of such gas production; however, no party shall be entitled to take or deliver to a purchaser gas production in excess of 300% of its current share of the volumes capable of being delivered or its current share of allowable gas production if regulated thereto by State regulatory body having jurisdiction, unless that party has gas in place. All parties hereto shall share in and own the liquid hydrocarbons recovered from such gas by lease equipment in accordance with their respective interests and subject to the Operating Agreement to which this agreement is attached, but the party or parties taking such gas shall own all of the gas delivered to its or their purchaser.

 On a cumulative basis, each party not taking or marketing its full share of the gas produced shall be credited with gas in place equal to lits full share of the gas produced under this egreenest. Loss its share of gas used in - lease operations, 'vented or lest, and less that contion such party roof or delivered to its perchaser. The Operator will equation a current account of gas showing the total quantity of eas produced, the smoont used in loase operations, - vented or lost, the total quantity of liquid hydrocarbons recovered therefree and the conthly and completive over and under account of each party.

Fig. 19. After englis age in avadenad firm the Hill Greek park and be because will onto setflugent with the respective repulty mores, to who they are gard recessor alleger report and 12 result coming where capital on deligenting its as murdicular of

วันการ ครอง ออกรัฐปรัจ (ดีเรียกประจำประจำ วันการโดย และวัน ก็องไปสู่ (ดับการไป เรียบไม้ นั้นก็ไปนั้น เป็นก็เรี

has production of the party or parties without has in place by a fraction, the

numerator of which is the interest in the proration unit of such party with gas

in place and the denominator of which is the total percentage interest in such

proration unit of all parties with gas in place currently taking or delivering to

to time, to produce and take or deliver to its purchaser its full share of the

allowable gas production to meet the deliverablility tests required by its

nurchaser, provided that said test should be resonable length, normally not to

tinued before the das account is balanced, settlement will be made between the

underproduced and overproduced parties. In making such settlement, the underpro-

duced party or parties will be paid a sum of money by the overproduced party or

parties attributable to the overproduction which said overproduced party received, less applicable taxes theretofore paid, at the applicable price defined below for

the delivery of a volume of gas equal to that for which settlement is made. To

agas sold in intrastate commerce, the price basis shall be the price received for

sale of the gas. For gas sold in interstate commerce, the price basis shall be

as provided by the Federal Power Commission pursuant to final order or settlement

applicable to the gas seld from such well, plus any additional collected amount

which is not ultimately required by said Cormission to be refunded, such addition-

al collected amount to be accounted for at such time as final determination is

lits proportionate share of the cashe and listilities incurred, as its share

tion unit within the Unit Arca and shall become offentive is accurated with its.

which it is attached receins in elfect, and shall have to the benefit of rad-

-terms and shall result in forme and eligab on long as the Operation Jarockant to

- Rothing Remain shall change or effect each party's obligation to pay

This corpogent shall constitute a separate agreement as to each proper

the rate collected, from time to time, which is not subject to possible refund,

shall pay any and all production taxes due on such gas.

a purchaser.

exceed 72 hours.

made with respect thereto.

thereof is set for the in the Operating Agreement.

After notice to the Operator, any party at any time may begin taking or

Each party producing and taking or delivering gas to its purchaser

- Nothing herein shall be construed to deav any party the right, from time

Should production of gas from a proration unit be percanently discon-

YATES TETROLESH COMPORATION, "OPERATOR", COBELLY NO MARYANTO DE AND THE OPERATORS", CONTRING STREET, SEC. 6, 19-25. EXHEREN PER PER

EQUAL ESSLAYMENT OPTOIGUNGSY PROVISION

Redding of Parish Visite Co. 1650, 1850 Chillian

During the performance of this contract, the Operator agrees as follows: delivering to its purchaser its full share of the gas produced from a proration unit under which it has gas in place less such party's share of gas used in opera-(1) The Operator will not discriminate against any employee or applicant tions, vented or lost. In addition to such share, each party, including the Operafor employment because of race, color, religion, national origin or tor, until it has recovered its gas in place and balanced the gas account as to . sex. The Operator will take affilmative action to ensure that appliits interest, shall be entitled to take or deliver to its purchaser a share of gas determined by multiplying fifty percent (50%) of the interest in the current

and a literal constant description of the confidence of the constant of the co

cants are employed, and that employees are treated during employment, without regard to their race, color, religion, pational origin or sex. Such action shall include, but not be limited to the following: Employment, upgrading, desotion, or transfer, recruitment or recruitment advertising; layeff or termination; races of pay or other forms of compensation; and selection for training, including apprenticeship. The Operator agrees to post in conspicuous places, available to employees and applicants for employment notices to be provided for the contracting officer satting forth the provisions of this non-discrimination

- (2) The Operator will, in all solicitations or advertisements for employees placed by or on behalf of the Operator, state that all qualified applicanta will recaive consideration for application without regard to race, color, religion, national origin or sex.
- (3) The Operator will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the Operator's conmitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (4) The Operator will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevent orders of the Secretary of Labor.

-problemos while the measurement institut

- (5) The Operator will furnish all information and reports required by Executive Order 11246 of Testember 24, 1965, and by the rules, reculations, and orders of the Secreta . of Labor, or pursuant thereto, and will permit access to its books, mecoads, and seconds by the contracting agency and the Secretary of habor Co. purpos. In investigation to accertain compliance with such miles, republication, cui orban
- bertei salad og martend å it vind som allegations in Executive Object September is , see , seed such culton nearthour may be imposed as - involved de priviléed la Executive Order 13046 of September 3 mule, regulation, or excess of the Secretary of Labor, or as

(7) The Operator will include the provisions of Peragraphs (1) through (7) in every subcontract or purchase order unless excepted by rules, regulations, or orders of the Secretary of Labor issued persuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or wender. The Operator will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for non-compliance: Provided, however, that in the event the Operator becomes involved in, or is threatened with, litigation with a subcoatractor or vendor as a result of such direction by the contracting agency, the Operator may request the United States to enter into such litigation to protect the interests of the United States.

(EEO-1) promulgated jointly by the Office of Federal Contract Compliance, the Equal Employment Opportunity Cormicolon and Plans for Progress with Joint Paporting Committee, Federal Dopol, defformonville, Indiana, within thirty (30) days of the date of contract sward if such report has not been fited for the current year and otherwise couply with or file such other compliance reports as may be required under Executive Order 11246, as amended and Hules and Regulations adopted thereunder.

Operator further acknowledges that he may be required to develop a written affirmative action compliance program as required by the Rules and Regulation approved by the Secretary of Labor under authority of Executive Order 11246 and supply Non-Operators with a copy of such program if they so request.

CERTIFICATION OF HON-SEGREGATED FACILITIES

maintain or provide for its employees any segrecate litelities at any Where segregated facilities are maintained. For this purpose, it is that bederstood and acreed that maintaining or providing segregated facilities for its employees or permitting its especycle to perfore their Sensions of car feeting under the control ubor, segregors to present the controls.

Operation further tadenstance and egreen than a breach of the assurance herein, confident religioning it to the recovisions of the Order at 42 CPR Chapter 50 of the Sec. Story of Labor Sales Say 23, 1968, 196 the provintess of its equal opportunity characteristics in with what

between the Poinst Review of America with Disconnected

Lease Hune RUSHIRG "To"

County ENV. Horazon Veso Est. Completion Date Primary Objective: Development A Exploratory Purpose Type Well 9210 Staking Permit & Legal Fees

Operator assures Non-Operators that if the not and will not of its establishments, and that it does not and will not permit its employees to perform their services at any location, under its control, understood that the phrase "segregated facilities" includes facilities which are in fact segregated on a basis of race, color, religion, or national origin, because of babit; local emaker or allegation. It is

- Manager Allowingly and will delig as hed app Tallo , districtions on

9211 Location, Right-of-May Operator acknowledges that it may be required to file Standard Form 100 Drilling, Footage
Drilling, Daywork D days 0 \$3750 /day 9212/9213 Foring in, Rigging up, Rigging down 9224 Bits, Tools & Supplies Drilling Mud & Additives Mud Logging Unit Cement, Tools & Services, Temp. Surveys

Christmas Tree and Mell Head Casing: (" 25" 9.5% J-55, 3100° Jubing: 2 778° 6.57 J-55, 2600 Packer & Special Equipment Contingency

TOTAL INTANGIBLES

...H.S PERROTER COOPERATION

APPROPRIATE TOWN X MALEON THREE

Est. T.V. 31001

Desilling-New

Tool & Equip. Rental, Trucking, Welding

Coring, Tools & Services
Completion Unit 3 days 0 \$1000 /day

Drill Stem Testing

Supervision & Overhead

Slectric Logs

Stimulation

Contingency

WELL EQUIPMENT COSTS:

9222

9404 Pracking & Complete Alles Costs

Revision t

The deposit of the second seco				o a la companya da l		(ONE TEAR PAID UP LUASE) Hall-porter of Press Hall	Expenses and a management of the contract of t	
					그 그 그 그 그 그는 그는 그는 그 그를 그려가 하는 것들이 그리를 하는 것을 하는 것을 하는 것이 없다고 있다.	Producers S Rev. (I Year Leave) 19-57 (ONE YEAR PAIR UP LUASE) OH. AND GAS LEASE April 19-80, tenseca		
						Trus AGREEMENT seed talk 1. E. WESTERVELT, dealing in his sole and separate property,	INDIVIDUAL ACKNOWLEDGMENT	
The second secon		1) The SW/4 SE/4 and the SE/4 SE/4 of Section 6, Township 19 South,				Lassor (whether one or more), whose address is: A Mary Maryico Corporation, Less, WITNESSERIE:	STATE OF NEW MEXICO,	
		1) The SW/4 SE/4 and the SE/4 SE/4 of Section 6, Township 19 35th 17 Range 25 Fast, N.M.P.M. are held by Yates Petroleum Corporation, et al, under numerous fee leases.				1. Lesser in consideration of TEN AND NO/100	The foregoing instrument was acknowledged before me this day of	
the state of the s		en e			그 그 그 사람들은 사람들은 사람들은 사람들은 사람들은 사람들은 사람들은 사람들은	10 00 courset of the regulties berein provided among declines for and promising the and restrictions	19 80 by J. E. WESTERVELT, dealing in his sole and separate property.	A.A.P.L. FORM 610 - 1977
Verter Association (Constitution of the Constitution of the Consti		2) The ownership of the SW/4 SE/4 and the SE/4 SE/4 of Section 6, Township 19 South, Range 25 Fast, N.M.P.M. is as follows:				clusively unto Lessee for the purpose of investigating, exploring, progressing, control and control of Lorent aspects to discovery unto Lessee for the purpose of investigating, explorers thereon and on, over and across lands comed or claimed by Lorent aspects and other structures thereon and on, over and across lands comed or claimed by Lorent aspects and control of the following described land by the control of the following described land by the control of the cont		 MODEL FORM OPERATING AGREEMENT
Posco to the part and part of the part of		Township 19 South, Range 25 East, N.M.P.N. 15 ds 1012		S P. YATES FRESIOERT MARTIN VACES III		Township 19 South, Range 25 East, N.M.P.M. Section 6: S ¹ ₂ SE ¹ ₄ Containing 80.00 acres, more or less.		
		9/288 Nadine Rushing	ATES ATES	MARTIN YATES, III VICE PRESIDENT JOHN A. YATES		Containing 80.00 acres, more or less.	My commission expites , 19 . Notary Public	
2 Variable 1 (1) Company of the property of th		Patricia J. McParrez	ELEPTRATION WINDSHIP TO THE PROPERTY OF THE PR	JOHN A. YATES VICE FRESHENT B. W. HARPER SECTREAS.		2. Without reference to the commencement, prospection or cossation at any time of draining or other payments than the royalines berein provided, and notwithstanting any velopment or cessation at any time of production of oil or gas and without further payments than the royalines berein provided, and notwithstanting any velopment or cessation at any time of production of oil or gas and without further payments than the royalines berein as long thereafter us oil thing one berein contained to the contrary, this lease shall be for a term of Officers that the contrary that shall be said land is provided bereamder.		
Service of Contract of the Service of Contract o		MIN LIOTETICS EXAMPLE	207 SOUTH FOURTH STREET ARTESIA. NEW MEXICO 8E210	SECTREAS		or has is produced from said land or said white while and the said land, the same to be delivered at the wells or said land. 3. The royalties to paid by Lessee are: (a) on oil, 3/10 of that produced and saved from said land, the same to be delivered at the wells on save land land, the same to be delivered at the wells on save land land, the same to be delivered at the wells on save land land, the same to be delivered at the wells on save land land, the same to be delivered at the wells or save land land, the same to be delivered at the wells or save land land, the same to be delivered at the wells or save land land, the same to be delivered at the wells or save land land, the same to be delivered at the wells or save land. 3. The royalties to paid by Lessee are: (a) on oil, 3/10 of that produced and saved from said land, the same to be delivered at the wells or save land. 3. The royalties to paid by Lessee are: (a) on oil, 3/10 of that produced and saved from said land, the same to be delivered at the wells or save land. 3. The royalties to paid by Lessee are: (a) on oil, 3/10 of that produced and saved from said land, the same to be delivered at the wells or save land. 3. The royalties to paid by Lessee are: (a) on oil, 3/10 of that produced and saved from said land, the same to be delivered at the wells of paid land. 3. The royalties to paid by Lessee are: (a) on oil, 3/10 of that produced and saved from said land, the same to be delivered at the wells of paid land. 3. The royalties to paid by Lessee are: (a) on oil, 3/10 of that produced and saved from said land, the same to be delivered at the wells of paid land. 3. The royalties to paid by Lessee are: (a) on oil, 3/10 of that produced and saved from said land, the same to be delivered at the wells of paid land.		
Mess Fit Volks Co. At C		George L. Reese, Ut	TELEPHONE (505) 746.3556			duced from said land, and sold, or used off the premises or for the extraction of gasuline or other product thereform, the market value at the well of 3/16		
6.8 Company (1988) 1. Company (J. W. Abernathy	April 16, 1980			of the was so sold or used, provided that on was sold at the wells the royalty shall be and the man pay or tender as royalty, on or before minety (90) days after well on this lesse or on accesse provided therewith but was is not being sold to used. Lessee may pay or tender as royalty, on or before minety (90) days after well on this lesse or on accesse provided therewith but was not the sum of \$1.60 per acro, and if such payment is made or tendered, this lesse shall well on this lesse or on accesse provided therefore at annual intervals the sum of \$1.60 per acro, and if such payment is made or tendered. This lesse shall well the reafter at annual intervals the sum of \$1.60 per acro, and if such payment is made or tendered, this lesse shall well on this lesse of said shut-in gas royalty may	CORPORATION ACKNOWLEDGMENT	
The second of th		Agnes Burdess	Note that the second se			the date on which rold well is shift, in that was is being predicted from the less in payment in die, less and and the not terminate and it will be considered that was is being predicted to the parties entitled thereto on or before the date said payment is die. Lesses mailed or delivered to the parties entitled thereto on or before the date said payment is die. Lesses mailed or delivered to the parties entitled thereto on or before the date said payment is die. Lesses mailed or delivered to the parties wells, for all operations becauser, and the royalty on eil and was shall be combined to the parties wells, for all operations becauser, and the royalty on eil and was shall be combined to the parties wells, for all operations because of the payment is die.	STATE OF NEW MEXICO ss.	
The state of the s		Robecca Rees Wallen	CERTIFIED MAIL - RETUR	RN RECEIPT REQUESTED		puted after detucting any so used. 4. Lessee, at its option, is hereby given the right and power to peol or combine the acreage covered by this lesse, or any portion discovery indigners. 4. Lessee, at its option, is hereby given the right and power to peol or combine the extent, hereinafter stipulated, when in lessee's indigners and gas, or either of them, with other land, lesse or lesses in the immediate vicinity thereof to the extent, hereinafter stipulated, when it has a pacing rules of and gas, or either of them, with other land, lesse or lesses in the indexed power of the conservation of oil and gas, or either of them, with other land, lesse or lesses in the indexed power of the second power of the conservation of oil and gas, or either of them, with other land, lesse or lesses in the indexed power of the conservation of oil and gas, or either of them, with other land, lesse or lesses in the indexed power of the conservation of oil and gas, or either of them, with other land, lesse or lesses in the immediate vicinity thereof to the extent, hereinafter stipulated, when in lesses is independent of any power of the second power of the conservation of oil and gas, or either of them, with other land, lesse or lesses in the immediate vicinity thereof to the extent, hereinafter attitudes of the conservation of oil and gas, or either of them.	The foregoing instrument was acknowledged before me this day of, 19	
1575 1575 1575 1575 1575 1575 1575 1575		James Richard Res	J F Wastervelt			It is necessary or advisable to Commission, or other inertic authority of the New Mexico Oil Conservation Commission, or other inertic authority of the New Mexico Oil Conservation Commission, or other inertical promises. Units peopled for oil bereader of 10% thereof, provided that should government and gas in and under and that may be produced from said premises. Units people thereof therefore recated may conform autotantially in size and units people for gas becomes shall not substantially exceed in area 24) neres each plus a teleprace or cated may conform autotantially in size and units people for gas becomes shall not substantially exceed in area 24) neres specified, units therefore recated may conform autotantially in size and units people for gas becomes for the produced for gas becomes and units people for gas becomes for the produced for gas because of the produced for gas because of the produced for gas because of the people of the	byPresident	OPERATING AGREEMENT
36 36 36 36 36 36 36 36 36 36 36 36 36 3		(Charles) Loran Vincence. 3/288	c/o Mrs. Monie Cowan P. O. Box 416			al sutherity having jurisdation by governmental regulations. Lesses under the provision of or more strata. The units formed by governmental regulations. Lesses under to gos in any one or more strata. The units formed by governmental regulations. Lesses under to gos in any one or more strata, and cil units most thereof as above provided as to cil in any one or more strata and rate by as a possible or combined as to any other stratum or strata, and cil units most thereof as above provided as to cil in any one or more instances shall not exhaust the rights of the Lesses hereunder to pool this lesse or need not conform in size or were units. The pooling in one or more instances shall not exhaust the rights of the lesses are situated an instrument need not conform in the crystalling of the country in which the lesses are situated an instrument.	corporation	DATED
		Richard Dean Vincence	Blanchard, Oxlahoma 73010			not conform as to area what he can be appropriately as a problem of the appropriate period of the conformation after conformation after units. Lessee shall file for record in the appropriate period of the conformation after the conformation of a well for oil or gas have describing and designating the peoled acceage as a probled unit may include, but it is not required to include, land or lesses upon which a well describing an oil or gas well on the leased premises, and the peoled unit may include, but it is not required to include, land or leases upon which a well for oil or gas have completing an oil or gas well on the leased premises, and the peoled unit may include all or a portion of the completing an oil or gas in paying quantities has theretofore been completed or upon which operations for the peoled unit which includes all or a portion of the	on behalf of said corporation.	
		Steve Lane Vincenc	Townshi	ed Oil and Gas Lease ip 19 South, Range 25 East, NMPM		capable of producting on G. Servations for drilling on or production to the servations for drilling on or production was secured by the rectified been commenced. Operations for drilling were commenced or such production of oil or gas from land covered by land covered by this lease regardless of whether such operations for drilling on or production of oil or gas from land covered by land covered by this lease regardless of whether such operations for drilling on or production of oil or gas from land covered by land covered by this least, and the entire acreage constituting such unit or units, as to oil and gas, of this instrument or the instrument designating the production and each of them, shall be considered as expected by this least, and the entire acreage constituting such unit or units, as if the same	My Commission Expires:	April 29 , 19 80 ,
State of Secretaries 1		1. C. Falcott	Section Eddy Co	n 6: S/2 SE/4 ounty, New Mexico		this lease whether or not can be treated for all purposes to which owners of royalties and payments onto the provided, shall be treated for all purposes of which owners of royalties to which owners of royalties and payments onto the provided in the lease. For the purpose of computing the royalties to which owners included in this lease. For the purpose of computing the royalties to which owners included in this lease. For the purpose of them, from the profess unit after deducting that used for operations on the profess of them. It is not that the profess of the profess of the profess of the purpose of them. It is not that the profess of the pr		OPERATOR YATES PETROLEUM CORPORATION
2 Company of the State of the S			Dear Mr. Westervelt:			Such allocation shall be on an accease basis—that is to say, there said the profiled unit which the number of surface acts torigined on the portion of the allocation shall be consulted on the portion of the portion of the oil and gas, or either of them, produced from the pooled unit. Royalties hereunder shall be computed on the portion of that pro rata portion of the oil and gas, or either of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of the pooled unit bears to the total number of surface acres included in the pooled unit from which it is producing included in the pooled unit from which it is producing the pooled unit from the pooled unit from which it is produced to the considered production from the leave or call producing unit from the pooled unit from the pool		
Cost Cost Cost Cost Cost Cost Cost Cost		Billy J. Walcott	Yates Petroleum Corporation may possib	bly drill a well on or near the cap-		such production, where from anoth land. The production from a cas well will be considered as production from the fright end power from time production were from a cas pooled unit, and production from a cas well will be considered as production from a cas pooled unit, and production from a cas production from an oil pooled unit. In addition to the foregoing, Lesse at its option is briefly given the right end power from and making the production and not from an oil pooled unit. In addition to the foregoing, Lesse at its option is briefly given the right end power from time and position of the case of the production of the case of the pooled unit. In addition to the foregoing the case of the pooled unit and power from time production from the case of the production from the case of the pooled unit. In addition to the foregoing the case of the pooled unit and power from time production from the case of the power from time production from the case of the production from the pr		CONTRACT AREA TOWNSHIP 19 SOUTH, RANGE 25 EAST, N.M.P.M.
The Control of the Co		Petty Klump	tioned acreage if we can lease the in to lease your interests in these lands	nterests to the same. We would like		operation, and to any modifications thereof, which have such and paid on the sais of the United States or the State of New operation, and to any modifications thereoffer the Lessor hereonder shall be computed and which the revealty due the United States or the State of New authority. In such event, the royally payable to Lessor hereonder shall be the same by which the revealty due the United States or the State of New authority. In such event, the royally payable to Lessor hereonder shall be the same by which the revealty due the United States or the State of New authority. In such event, the royally payable to Lessor hereonder shall be the same by which the revealty due the United States or the State of New authority. In such event, the royally payable to Lessor hereonder shall be computed and talk the same than and shall be subject to the terms thereof and said the terms of any such agreement or plan and shall be subject to the terms thereof and said the terms of any such agreement or plan of operation, which basis shall be the same by which the revealty due the United States or the State of New authority.	INDIVIDUAL ACKNOWLEDGMENT	SECTION 6: SUSE
Acres Control of the	보고 있는 것이 되었다. 그는 사람들은 사람들은 사람들이 되었다. 그런 그렇게 되었다. 	Eobby Walcott Gail Scroggins Petty Klump Patsy Whitlock Mickey J. Walcott Monie Cowan Betty Artz J. E. Westervelt 1.33/288 1.34/288 1.34/288 1.34/288 1.2/288 1.2/288	We have taken the liberty of enclosing			Mexico is computed and operation shall be filed with the New Mexico is the negreement of plan of operation and Terreting and Anniested Research of the County in which the leased premises are situated, an instrument describing such agreement of plan of operation and Terreting and Terreting and the leased premises are situated, an instrument describing such agreement of plan of operation and Terreting and T	SYATE OF	a lating 80 no acres, more or reso.
State 1 10 State of the state o		Betty Artz	Oil and Gas Lease, one year term, prov	riding for a 3/16 royalty.		5. If at the expiration of the primary term of it, we completed a dry hole thereon within 50 days prim or the constitution of more than 50 cerm in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 50 days primary than 50 cerm in drilling or reworking of any editional well are projected with an examination posted therewith. If, remain in force us long as operations on said well or for drilling or reworking of any editional well are as a produced from said land, or from land gooled therewith, the production thereof is the result in the production of oil or has 50 long thereafter as all land, or from land gooled therewith, the production thereof	County of	COUNTY OR INVISIOUS COUNTY OF THE MEXICO
			If satisfactory, please execute the Leating of the configuration of the satisfactory o	ase before a Motary Public and return possible.		after the expiration of the primary term of the forest commences eperations for arminis of more than 80 consecutive days, and after the expiration of the primary term of the terminate if Leones commences eperations are proceeded with no constition of more than 80 consecutive days, and should constitute the state of the expiration of t	The foregoing instrument was acknowledged before me this day of	COUNTY OR MARKE OF LANGUAGE COUNTY OR MARKET OF THE COUNTY
			Should we not receive the Lease on o	or before May 15, 1980 , we will have '		if new result in accretance with the terms forew. distincted by france in accretance with the terms forew after the completion of a dry hole or the cressation of private the leave premises, or land peaks in which the breads premises are situated it any time after the completion of and willing the first arms or similar circumstances. In which the breads are situated by the breads in our personnel of the first arms or similar circumstances. In which we have a property of the completion of the property of t	19	
。		Yakes Patroloum Corporation, Gt was the SE/4 SE/4 with the exception of the owners of the SE/4 SE/4 and the SE/4 SE/4 with the exception of the owners and the owners have been offered leases and the	no choice but to institute compulsory	poaling procedure.		thereasing which in higher to have at place if from the believed of all eligations to to the action of the following of the following time excited by the second partial property and finitely there are not higher the control of the following the following time to be the control of the following time to be a second of the following time time time time time time time time	en de la composition	
		Takes Petroleum Corporation, et al., new holds leases from all of the camers of the may/4 SP/4 and the SE/4 SP/4 with the exception of the camers of the camers listed below. These camers have been offered leases and the opportunity to participate in drilling. They have also been advised of the compulsory pooling proceedings.	Should you have any questions, please	e call me collect at (505) 748-1331.		including the right to draw and remove an attention of an east land without Leaders declarated and astern defined within two burdeed feet of any residence or burn only on each to the provisions benefit shall extend to their being successors and assigns defined within two burdeed feet of any residence or burn above as in part, and the provisions benefit shall extend to their being successors and assigns defined within two burdeed feet of any cases of the configurations are distributed by registered as the circumstance of the configuration of the conf	My commission expices	
			Thank you.			but we change or division in countring of the finding on the tending of the first of the countries of the countries of the first of the countries of the countries of the first of the countries of the countries of the first of the countries of the countrie		
		Mes janea Of Pack Mall		Very truly yours,		commits such transh. It six or store parties designating an agent to nerve payment to the contract that have not come a termination or register extended the national attended to the least to the periods of the period of the least to the periods are not at any fine at the period by Least of any elimination or loss that need in what or is partial to prove I have an experience and Least. If		AND REPORT OF THE PARTY OF THE
		.833333 1.041666 special conditions victorial control		Sandy Haddenson		of the editionated benche for the fitteen leaver shall notify house in bridge to the boundines impaced by little of this instruction being conferred in compliance with this base, leaver shall notifie in which to commence the compliance with the conferred to a reasonably readent coordinate in the defent, their base shall be readent. The conferred to a conferred to a terral to be defent, their base shall be suffered by the conferred to a first the conferred to a first the conferred to the conferr		COPYCICITY - 977 - AAAAL NA 610 - 1977 FLYSCO AMERICAN AS OCIANION OF FLOROGLUM LANDAUS AS OTHER OF A AAAAL NA 610 - 1977 FLYSCO
				andy G. Pathorson and Department		fill light when the chiral to be a light of the sense of the two the first of the light of the control of the c		AND THE PROPERTY OF THE PROPER
		g. c. saleott (369494 .00000 .461803 .461803 .461803 .262805 .262805 .262805 .262805 .262805 .262805 .262805 .262805 .262805 .262805 .262805 .262805 .262805 .262805 .262805 .262805 .262805 .265805 .2688005 .2688000	- 보통					
		137222				nor should be to the first of the complete with the week of the first of the first of the complete difference of the complete set of the complete for the complete with the complete for the comp		
			en de la composition de la composition La composition de la			e de destruit de la company de la company En minuta mantière, de la company de la		
					e e e e e e e e e e e e e e e e e e e			

The second secon			The state of the s		AND ATING AGREEMENT 1977		The state of the s	Andrew Company of the			A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT
	AND THE CONCREMENT 1977				A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMUNT 1977				A A P.I. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977		
	A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT 1977		A A D. E. D. M. Ch. and D. M. Markell, Physical Republic Computer		$\Lambda.a.$						
			A.A.U.L. FORM 610 - MODEL FORM OPERATING AGREEMENT 1977		en de la companya de La companya de la co		A.A.P.U. FORM 610 MODEL FORM OPERATING ACRELMENT - 1977				1 B. Subsequent Operations:
					ARTHUE III. ONTERESTS OF PARTES				B. Resignation or Removal of Operator and Scientism of Successor:		2
	TABLE OF CONTENTS				1 (NTERIORS)				· · · · · · · · · · · · · · · · · · ·		3 I. Proposed Operations: Should any party hereto desire to drill any w 4 other than the well provided for in Article VIA., or to rework, deepen or ph
	Yello		OPERATING AGREEMENT		3		1 or operating costs which it may have theretefore paid, but there shall be no monetary listility on it:		3 1. Resignation or Removal of Operator: Operator may resign at any time by giving written notice 4 thereof to Kon-Operators. If Operator terminates its legal existence, no longer owns an interest in the		of the paint expense of all parties or a well jointly owners the straint
	Article		THIS AGREEMENT, entered into by and between YAVES PERSONER CORDER THOU, a		4 A. Oil and Cas Intereses		or operating costs which it may have theretefore pand, but there shall be hadden costs by reason of part to the other parties hereto for drifting, development, operating or other sandler costs by reason of		A second of the control of the second of sorving as Operator, it shall come to be Operate without any		m paying quantities, the party desiring to drill reward decire or the characters.
	1. DEPINITIONS 1		4 New Mexico corporation, 207 S. 4th Street, Artesia, MM , kereinafter designated and		A. Oil and Cas interests: A. Oil and Cas interests: B. A. Oil an		3 such title failure; and	· · · · · · · · · · · · · · · · · · ·	6 action by Non-Operator, except the selection of a successor. Operator may be removed if it fails or refuses to carry out its duties hererander, or becomes insolvent, bankrupt or is placed in receivership.		other parties written notice of the proposed operation, specifying the work to tion, proposed depth, objective formation and the estimated east of the eper
	H. EXHIBITS		5 referred to as "Operator", and the signatory party or parties other than Operator, conclines kereinafter		A. Oil and Gas interests: 15 16 17 If any party owns an unbased oil and gas interest in the Contract A on, that interest small to treated for the purpose of this agreement and during the term hereof as if it were a leased interest treated for the purpose of this agreement and during the term hereof as in the owner shall resulted for the purpose of this agreement and during the term hereof as in interest, the owner shall result under the form of oil and gas lease attacked in the form of oil and gas lease attacked in the form of oil and gas lease attacked in the form of oil and gas lease attacked in the form of oil and gas lease attacked in the second contract relating to leases, the support of the provisions of this agreement relating to leases.		4 (b) There shall be no retrearlive adjustment of expenses naturally a shall be revised on an acres operation of the interest which has been lost, but the interest of the parties shall be revised on an acres operation of the interest which has been lost, but the interest of the parties shall be revised on an acres of the operation of the interest of		The state of the state of the PM or more Non-Operators (while) a majority factor of the owner.	· · · · · · · · · · · · · · · · · · ·	and the sum of the state of the
	III. INTERESTS OF PARTIES		6 referred to individually herein as "Non-Operator", and collectively as "Non-Operators",		treated for the purpose of this day. 8 under the form of oil and gas lease attached in Exhibit in and make least attached before as form of oil and gas least attached in the form of oil and gas least attached before a under the form of oil and gas least attached before a under the form of oil and gas least attached before as prescribed in the form of oil and gas least attached before attached b		operation of the interest which has been lost, but the interest of the parties shall be interest of age basis, as of the time it is determined finally that othe failure has occurred, so that the interest of age basis, as of the time it is determined finally that other failure will thereafter he reduced in the Contract		4 a 1 to the sea while the part of the number of parties remaining after excluding the voting		parties wishing to do the work whether they close to continue to the same
	A. OH. AND GAS INTERESTS B. INTEREST OF PARTIES IN COSTS AND PRODUCTION 2		8 WITNESSETH:		16 "B". Such party shall, however, he such to tessee interest.		7 The party whose leave or interest is arrective by the	and the control of th	interest of Operator. Such resignation or removal shall not become effective until 7:00 o'clock A.M. on the first day of the catendar month following the expiration of ninety (90) days after the giving of		11 If a drilling right is on location, notice of proposal to rework, plug back or d 12 by telephone and the response period shall be limited to forty-eight (48) hor
	$\mathbb{R}_{n,n}$, which is the state of \mathbb{R}_n . The state of \mathbb{R}_n		9 10 WHEREAS, the parties to this agreement are owners of oil and gas leases and/or oil and gas in-	그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그	11 10 Hg Cxxxx	그는 그	Area by the amount of the interest lost; and (e) If the proportionate interest of the other parties hereto in any producing well theretofore drilled whose title has failed shall		A section of projection by Operator or action by the Non-Operators to remove Operator, unless a successor		some summer of 1931 Rolling's, Palling of a repty regarding and the contract of the contract o
	IV. TITLES A. TITLE EXAMINATION		11 terests in the land identified in Exhibit "A", and the parties hereto have reached an agreement to explore		12 13 B. Interest of Parties in Costs and Production: 14 15 Exhibit "A" lists all of the parties and their respective percentage or fractional interests under this incurred in operations under the list and their provisions, all costs and liabilities incurred in operations on the light three changed by other provisions, all costs and material acquired in operations on the light three changes changed by other provisions, all continued and material acquired in operations on the		10 on the Contract Area is increased by Tracea of the three pasts and brudens attributable	1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	Operator has been selected and assumes the duties of Operator at an earlier date. Operator, after effective date of resignation or removal, shall be bound by the terms hereof as a Non-Operator. A change of		shall constitute an election by that party not to participate in the cost of the notice or response given by telephone shall be promptly confirmed in writing.
	B LOSS OF TITLE		and develop these leases and/or oil and gas interests for the production of oil and gas to the extent and	그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그	14 not the parties and the figure of lightly are an the		receive the proceeds attributable to the increase in such inferests. These tools and obtain with such well; thereto) until it has been reimbursed for unrecovered costs paid by it in connection with such well;		15 a comporate name or structure of Operator or transfer of Operator's interest to any single substituting,		10
	1. Pailure of Title		13 as hereinafter provided: 14		13 B. Interest of Parlies in Costs and their respective percentage or fractional interests that the Exhibit "A" lists all of the parties and their respective percentage or fractional interests under the Exhibit "A" lists all of the parties and their respective percentage or fractional interests under the parties all costs and liabilities incurred in operations on the tasteement. Unless changed by other provisions, all costs and liabilities incurred in operations on the tasteement. Unless changed by other provisions, all costs and liabilities incurred in operations on the tasteement. The same shall be borne and paid, and all equipment and material acquired in operations on the tasteement. The same shall be borne and paid, and all equipment of the same manner during the term		13 and 13 to be the owner of any in-	그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그	16 parent or successor corporation shall not be the basis for removal of Operator.		2. Operations by Less than All Parties: If any party receiving such not
	3. Other Losses a service of the ser		NOW, THEREFORE, it is agreed as follows:		in this agreement to the the parties of the countries of		and (d) Should any person not a party to this agreement, who is determined to be the owner of any in- terest in the title which has failed, pay in any manner any part of the cost of operation, development, terest in the title which has failed, pay in any manner any part of the costs of operation, development,		17 18 2. Selection of Successor Operator: Upon the resignation or removal of Operator, a successor Op-		VLB.1: or VLE.1, elects not to participate in the proposed operation, then, in the benefits of this article, the party or parties giving the notice and such et
	V. OPERATOR A. DESIGNATION AND RESPONSIBILITIES OF OPERATOR A. DESIGNATION AND RESPONSIBILITIES OF OPERATOR AND SELECTION OF SUCCESSOR		16 V		Exhibit "A" lists an or the provisions, all Costs and acquired in operation theorem. Unless changed by other provisions, all Costs and material acquired in operation this agreement shall be borne and paid, and all equipment and material acquired in Palallic "A". All product this agreement shall be owned by the parties as their interests are shown in Palallic "A". All product to contract Area shall be owned by the parties in the same manner during the term that of oil and has from the Contract Area, subject to the payment of the same manner during the term of oil and has from the Contract Area, subject to the payment of the same manner during the term that of oil and has from the Contract Area, subject to the payment of easier provided, however, this shall not be also need in resignment or cross-assignment of interests covered the provided, however, this shall not be also need in resignment or cross-assignment of interests.		the pre-component, such amount such by pain to the property of		To the control of the set and the the Derthar The sucressor Operator shall be Selected from the parties owning	그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그	
			ARTICLE I. DEFINITIONS		an in the second of the second shall also be decided in the demand or classic action.		17 edit und		20 on interest in the Contract Area at the time such successor Operator is selected. If the Operator that is removed fails to vote or votes only to succeed itself, the successor Operator shall be selected by the		where the deliling the is on location as the essential tender to the forty
	1 Resignation of Removal of St.		19 20 As word in this consequent the services of the services		21 hereof: pravided, however, missesses		(c) Any liability to account to a third party for prior provided in the day which they shared to reason of the failure shall be borne by the party or parties in the same proportions in which they shared		29 affirmative vate of two (2) or more parties owning a majority interest based on ownership as shown		viviation and complete it with due diligence. Operator shall program and
	2. Selection of Successor Operator		As used in this agreement, the following words and terms shall have the meanings here ascribed to them:		22 ered hereev		20 in such prior production; and		23 on Exhibit "A", and not on the number of parties remaining after excluding the voting interest of the		Consenting Parties; provided, however, if no drilling rig or other equipment it erator is a Non-Consenting Party, the Consenting Parties shall either: (a) req
	C. EMPLOYEES 4		A. The term "oil and gas" shall mean oil, gas, casinghood gas, gas condensate, and all other liquid		23 24		21 (1) No charge shall be made to the joint account for legar tap act, the intention of the parties		24 Operator that was removed.		the west reculted by shop proposed operation for the contract of the
	VI. DESILATE AND DEVELOPMENT.		or gaseous hydrocarbons and other marketable substances produced therewith, unless an intent to limit the inclusiveness of this term is specifically stated.		25		23 hereto that each shall detend this to its interest dual value.		20 C. Employees:		and the (1) of the Consenting Parties as Appealants white me and
	• INTO A CONTROL OF THE CONTROL OF T		25 B. The terms "oit and gus lease", "lease" and "learehoid" shall mean the oil and gus leases cov-		26 27 A. Title Examination: 26 27 Title examination shall be made on the deillsite of any proposed well prior to commencement of 27 28 29 Title examination shall be made on the deillsite of any proposed well prior to commencement of 29 20 Title examination shall be made on the deillsite of any proposed well prior to commencement of 20 Title examination shall be made on the deillsite of any proposed well prior to commencement of 20 Title examination shall be made on the deillsite of any proposed well prior to commencement of 20 Title examination shall be made on the deillsite of any proposed well prior to commencement of 21 Title examination shall be made on the deillsite of any proposed well prior to commencement of 22 Title examination shall be made on the deillsite of any proposed well prior to commencement of		24		27 28 The number of employees used by Operator in conducting operations hereunder, their selection,		conducting operations on the Contract Area pursuant to this Article VLB.2., sh and conditions of this agreement.
	B. SUBSEQUENT OPERATIONS 5 1. Proposed Operations 5		26 ering tracts of land lying within the Contract Area which are owned by the parties to this agreement.		A. Title Examination: 26 27 28 29 Title examination shall be made on the drillsite of any proposed well prior to commensure. 20 20 21 22 29 drilling operations or, if the Drilling Parties so request, title examination shall be made on the loaders well. 30 drilling operations or, if the Drilling Parties so request, title examination shall be made on the loaders well. 31 32 33 drilling operations or, if the Drilling Parties so request, title examination shall be made on the loaders well. 33 drilling operations or, if the Drilling Parties so request, title examination shall be made on the loaders well. 34 35 drilling operations or, if the Drilling Parties so request, title examination shall be made on the loaders well. 35 drilling operations or, if the Drilling Parties so request, title examination shall be made on the loaders well prior to commend to the loaders. 36 drilling operations or, if the Drilling Parties so request, title examination shall be made on the loaders well.		25 2. Less by Non-Payment or Errongous Payment of Argonia Die. At through the paid or is erroneously any rental, shut-in well payment, minimum royalty or royalty payment, is not paid or is erroneously any rental, shut-in well payment, minimum royalty or royalty payment, is not paid or is erroneously any rental, shut-in well payment, minimum royalty or royalty payment, is not paid or is erroneously any rental, shut-in well payment therein terminates, there shall be no monetary hability against		29 and the bours of labor and the compensation for services performed, shall be determined by Operator.		
	to the state of th		C. The term "oil and gas interests" shall mean unleased fee and mineral interests in tracts of land lying within the Contract Area which are owned by parties to this agreement.		29 Title examination of the Drilling Parties so requirements in the Grining that the property of the Drilling Parties so requirements in the Grining that the control of the Drilling Parties so requirements and the Grining that the control of the Drilling Parties so requirements are controlled to be included, in the Grining that the controlled the property of the parties are requirements.		27 paid, and as a result a lease of interest dictent terminately		30 and all such employees shall be the employees of Operator.		If less than all parties approve any proposed operation, the proposing part expiration of the applicable parties region about the proposing parties.
	2. Operations by Less than The Contract of the Contract Area and information 7 D. ACCESS TO CONTRACT AREA AND INFORMATION 7 7		D. The term "Contract Area" shall mean all of the lands, oil and gas leasehold interests and oil		at and or oil one of the second of the period of the second of the secon		28 the party who haled to make such payment. Other than from the discovery of the full-		31 32 D. Dri'ling Contracts:		expiration of the applicable notice period, shall advise the Consenting Parties of the pardes approving such operation, and (b) its recommendation as to who
	D. ACCESS TO CONTRACT THAT E. ABANDONMENT OF WELLS 4 7 7-8		and gas interests intended to be developed and operated for oil and gas purposes under this agreement. Such lands, oil and gas leasehold interests and oil and gas interests are described in Exhibit "A".		The opinion will include the applicable leases. The included in such at an abuse the papers to the drillsite, or to be included in such at an abuse title papers.		30 ure to make proper payment, which additionally the state of toppingtion of the lease in-		So.		ties should proceed with the operation as managed Puck Constitution of
	1 Abandonment of Dr.) Holes		32 E. The term "drilling unit" shall mean the area fixed for the drilling of one well by order or rule		and production of and gas in discourse Status Reports Report of the possession of the tributing leases and or oil and gas in discourse Lease Status Reports Reports of the possession of the pos		31 the parties shall be revised off all derease water.		All wells drilled on the Contract Area shall be drilled on a competitive contract basis at the usual rates prevailing in the area. If it so desires, Operator may employ its own tools and equipment in the		hours (exclusive of Saturday, Sunday or legal holidays) after receipt of such proposing party of its desire to (a) limit participation to such party's interest and the such party is interest.
	2. Abandonment of Wells that have Produced VII. EXPENDITURES AND LIABILITY OF PARTIES 8 8		of any state or federal body having authority. If a drilling unit is not fixed by any such rule or order, a drilling unit shall be the drilling unit as established by the pattern of drilling in the Contract Area		The opinion will include the ownership that applicable leases. At the time a decided in such drilling unit, shall and production gayments under the applicable leases. At the time a decided in such drilling unit, shall and production gayments under the applicable leases. At the time a decided in such drilling unit, shall propers and production gayments under the applicable leases to the drillsite, or to be included in such drilling unit, shall propers tributing leases and or oil and gais interests to the drillsite, or to be included in the possession of or furnish to Operator all abstracts (including Federal Lease Status Reports), title opinions, title papers that information not in the possession of or furnish to Operator all abstracts in the parties, but necessary for the examination of title, shall be obtained and available to Operator by the parties, but necessary for the examination of title, shall be obtained and available to Operator by the parties, but necessary for the examination of title, shall be obtained and available to Operator shall cause title to be examined by attorneys on its staff or by outside attorneys. The cost incurred by Operator in the opinions shall cause title to be each party hereto. The cost incurred by Operator in the opinions shall be furnished to each party hereto.		volved, and the party who failed to make proper payment will no longer by Creaminated. In the event the Contract Area on account of ownership of the lease or interest which has terminated. In the event the Contract Area on account of ownership of the lease or interest which has terminated. In the event		The state of the state of the state of the state of the prevailing rates in the area and the rate		The Market Court and the Drabaritanata control Non-Community in the second
	VII. EXPENDITURES AND MABILITY OF PARTIES 8 A. MABHATY OF PARTIES 8		35 or as fixed by express agreement of the Drilling Parties.		and curative harmonic by the parties, our manned by attorneys on its start of Operator in		34 the party who failed to make the required performance to the fact interest calculated on an		of such charges shall be agreed upon by the parties in writing before drilling operations are commenced, and such work shall be performed by Operator under the same terms and conditions as are	그 그는 그는 사람들이 되었다. 그는 그는 그는 그는 그는 그는 그는 그는 그는 그를 가는 것이 되었다. 그는 그를 가는 그를 가	election, may withdraw such proposal if there is insufficient participation, and all parties of such decision.
	p liens and parameters		F. The term "drillsite" shall mean the oil and gas lease or interest on which a proposed well is to be located.				35 the loss, from the proceeds of the safe of of this gas and the safe on percent of such interest, it		menced, and such work shall be performed by Operator under the same terms and contractors who are doing work of a sin-		40
	O DAVMENTS AND MOOOTH		38 G. The terms "Drilling Party" and "Consenting Party" shall mean a party who agrees to join in		90 CONO O	물론 가장 그는 사람들이 가장	acreage basis, for the development and operating costs theretofore paid by it (but not for its share of the shall be reimbursed for unrecovered actual costs theretofore paid by it (but not for its share of the shall be reimbursed for unrecovered actual costs theretofore paid by it (but not for its share of the		40 ilar nature.		The entire cost and risk of conducting such operations shall be borne by the proportions that have alreaded to be proportions.
	D. LIMITATION OF EXPENDITURES 1. Drill or Deepen 9 9 9		39 and pay its share of the cost of any operation conducted under the provisions of this percement		41 (a) Control of the		38 cost of any dry hole previously diffined of wears provided		41 42 ARTICLE VI.		the proportions they have elected to bear same under the terms of the preceding Parties shall keep the leasehold estates involved in such operations free and
	2. Rework or Pug Data		40 H. The terms "Non-Drilling Party" and "Non-Consenting Party" shall mean a party who elects not to participate in a proposed operation.		Copies of all fitle opinions such the transfer of the state of the program shall be borne as follows: this fitle program shall be borne as follows: the fitle program shall be borne as follows: the fitte		A Company of the state of the s		DRILLING AND DEVELOPMENT		encumerances of every kind erected by or prising from the enconting of the co-
	2. Rework of Plug back 3. Other Operations	n en	#9 *~		48 Proposition of the state of	and the second of the second o	1 Adectal, on an acreage wish tip to the threather the contraction for the first interest we an		**		an operation results in a dry hole, the Consenting Parties shall plus and about cost, risk and expense. If any well drilled, reworked, deepened or plugged by
	E. ROYADITALS, SHUT-IN WHILE PAYLENTS AND MINIMULT ROYALING TO 10		43 Unless the context otherwise clearly indicates, words used in the singular include the plural, the 41 plural includes the singular, and the neuter grader includes the mascaline and the feminine.		An experience of the control of the control of the properties and the special answer and division and divisio	don	(b) Proceeds, less of craffing expenses, thereafter accrete and marketed (excluding production accrete basis, of that portion of all and gas thereafter produced and marketed (excluding production accrete basis, of that portion of all and gas thereafter produced and marketed (excluding production).		45 A. Initial Well:		THE MEANING POSSIBLE IN STREET OF SHIPPING AND AND AND AND A SHIPPING AND A SHIPP
	ROYALTIES, OVERRIDING ROYALTIES AND OTHER PAYMENTS		45		part of the department of the telescopes of the control of the property and firs paid on side attorney at some first part of the south of the telescope of the property of the south of the	esca. HAMI	44 from any well, therefore the armony a series of the common that the common the common of said		On or before the 15th day of May 19.80 Operator shall commonte the drill-		complete and equip the well to produce at their sole cost and risk, and the well to operated by it at the expense and for the account of
	TO A MARKET AND THE CONTRACT OF A MARKET CONTRACT O		ANTENNES DE LA COMPANION DE LA		· · · · · · · · · · · · · · · · · · ·		44 from any wells therefore drilled) which in the absence of Alen a for that should be proceeds of said. 45 to the line anterest on an accessor bullet up to the amount of unrecovered costs, the proceeds of said. 4 to the line of the eligible to be a real and be the allow pasties in properties to their respective in-		In sing of a well fer cil and gas at the following location:		The Open Committee of Green tong and the difference between the city of the committee of the city of the committee of the city
	A CONTROL OF THE CONT		en e		en de la composition de la composition La composition de la		en de la companya de La companya de la co		「Andrew Company」を対する。 Andrew		。
			The following exhibits as included Louw and Loughed hereto, my heorparated in and make a		THE CONTRACT OF THE CONTRACT O		The second of th		Section 6:		50 study by decay is to have relinquistical to Consenting Parties, and the Consenting by another to receive, in proportion to their respective interests, all of such
	C. ACHMAGU ON CAMPACAN METHERS!		60 part fewer : 51 X A. Exidist "A", shall include the sallowing information."		The contraction of the second contraction of the co		49 Liggermas, the lowest will the advise 1914 the figure was the first of the first of the first of the contract of the contract of the first of the		53 and shall thereafter continue the drilling of the well with dre difference to adequately less that		of the word British Well and Share of preduction Documents of the contract
			53 (1) directifie for a band region, to agreement		the control of the companies of the region of the control of the c	e value de la companya de la compan La companya de la co	51		5. Yese forestion at approximately 3103'.		56 Taxes, reveilty, eventiding regular and advantagement of and selection of selections.
	그는 그는 그는 그는 그는 것이 보면 다른 사람들이 되었다. 그는 그는 그는 그는 그는 그는 그를 가는 것이 되었다.		58 (2) Nesiekoliena, H. sary, its relider field (fees, 1975). Gens, 1975 to remark the field of		en e		as — 3, entrope aces. All lesses in sured, eller till a hard on the med the hard by affiguities — 53 - given. It all not by considered course of little and shall not a self-be activities for the constant of		ing the state of the		er of among them by the production them and their spell acception with research to come a
	EX. INTERMAL REVENUE CODE SEECHON		 (ii) Percentages on factional unioneds of parties to this agreement. (ii) Oil and ges bases and, or oil and gas interests subject to this agreement. 		as regretable for the presentation of the form of the sector of the section of the first the period of the presentation of the sector of the s	wardt	54 divers, it offers by considered makes as I'lle sol shall be the result of harvests in the remaining postum of 54 is proportion to their lateralis. Where that he the readjustment of harvests in the remaining postum of		A ST		50 thail equal the total of the following:
			53 (5) Addresses of parties for notice purposes.		그 그는 그는 그는 그는 그는 그들은 이렇게 되는 것들이 하는 것이 되었다. 그는 그는 그는 그는 그는 그는 그는 그를 가는 그를 가는 것을 하는 것이 되었다. 그는 그는 그는 그는 그는 그는 그는	ing setting the control of the contr	St. T. F. Overhold Assets		57 58 unless excrite to other practically imposed table substance as condition in the Lole, which renders 59 Inches or Long imposition. It empositioned as a basic rates in or takes all parties report to verigibles or		th (a) 100% of each such Non-Conversity, Profy's shore of the cast of any
			AF of G. Religiot M. M. Wene (19 one) BB of M. C. Weta M. M. Morre due (10 express)		· The Constant of the Constant in the Print of the Constant in the Constant of the Constant o		EC ANTICON CONTROL OF THE CONTROL AND ANTICON CONTROL OF THE CONTR		ng - Ing has no the propositions to the material as a kindle of the continuous to the continuous of the continuous contin		The Additional Develop the will red immediate Alexandria this in the con-
			the State of the All Control of the				$ ilde{\kappa}_{ij}$		en e		the areaters, summing equipment and phylocity of a story of each such seen Convention of the control of the con
			e Policija (1 decembra 1 decembra 1 decembra 1 decembra 2 decembra 1 decembra				en 1. – M. – Brigge Kanner, enne skilde best fræ hert far alltisket		ex and province the common of the common of the second of the common of the common of the firms. Ax a province of second of the common of the province of the common of t		大大,一直的"我们",这样就是一种智慧的"我们,我们就是这种的",我们就是这个人的"我们",我们就是这样的"我们",我们就是这个人的"我们",我们就是这个人的"
	en de la company de la com La company de la company d		en en la jerre de la comprese de la La comprese de la co			eta miskoaren 1888a - Britania Alexandro de eta eta eta eta eta eta eta eta eta et	····································		Az denden, el se vidata, en abo de de persona de la la la la la constitución de la		。
									and the company of t The company of the company of	en de la composition de la composition La composition de la	the control between the there are no begin than Constantly Deep must be possible to the control of the control
	en de la companya de La companya de la co				and the company of t The company of the co		en de la composition de la composition La composition de la		"我们的我们就是我们的我们就是我们的我们,我们就是我们的,我们就是我们的我们的我们就是我们的我们的。""我们就是我们的我们的我们的我们的我们的我们的我们就是我们 我们的我们的我们就是我们的我们就是我们的我们的我们就是我们的我们的我们的我们的我们的我们的我们的我们的我们的我们就是我们的我们的我们就是我们的我们就是我们的我们		
	en de la composition de la composition La composition de la				en de la composition de la composition La composition de la				on the control of the		· · · · · · · · · · · · · · · · · · ·
							and the control of t The control of the control of		n de la composition de la Composition de la Marchael de Market. La composition de la		en e

977												
			The state of the s			A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977	the first and the first that the first the first that the first th	Os A COLUMNIT - 1977	The second secon			
and the second of the second o		~ 1977						A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977		A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977		A.A.P.L. FORM 610 - MODEL FORM OPERATING AGRE
en e		A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977	그 그는 그는 그는 그를 가는 사이 생활되었다면서 이렇게 다	A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977		andre de la companya de la companya La companya de la co		A.A.P.L. PORM die 1997				en de Caración de la Caración de Ca La caración de la Caración de Carac
		$\Lambda.\Lambda.v.$. Consider the second contract of t		A.A.U.L. PORAGON STATEMENT OF THE STATEM	. Se	1 value of the formation or formations covered theorby, such have to be on the form attached as Exhaint. 1. Value of the formation or formations covered theorem, such have the building unit? upon which the well in						
						1 value of the formation or formations revered thereby, stati a decreased unit" upon which the well is "B". The avaluations of lenses so limited shall encompare the "drilling unit" upon which the well is "B". The avaluation of lenses so limited shall encompare to the assistance shall be in a ratio based upon				1 of any shut-in well payment shall be borne jointly by the partie, hereto under the provisions of Article		·
H on the Contract Area back a dry hole dodled		1 300 % of that portion of the cost of newly acquired equipment in the well (to and including the well)				2 "B". The accipanents or lesses so limited shall curomput the arrange and that the payments by find the assignments or leases to, the assignment shall be in a ratio based up at located. The payments by find the assignments or leases to the assignment for the description in the Contract Arco to the aggregate of		1 D. Limitation of Expenditures:		1 of any shut-in well payment shan ne norme pounts by the party, because		1 he shared by the parties assignee in the proportions that the inte-
and not then producing		1 300 % of that portion of the cost of newly acquired equipment in the well (to and mensure, the head connections), which would have been chargeable to such Non-Concenting Pari, if it had particle head connections), which would have been chargeable to such Non-Concenting Pari, if it had particle head connections), which would have been chargeable to such Non-Concenting Pari, if it had particle head connections).		1 party taking its share of production in kind shall be required to pay for only its prepartion de characteristics which it uses		tocated. The payments by, and the assignments or leases to, the assignment of the aggregate of the relationship of their respective percentages of participation in the Centreet Area to the aggregate of the relationship of their respective percentages of participation in the Centreet Area to the aggregate of the relationship of their respective percentages of participation in the Centreet Area of all assignees. There shall be no readjustment		D. Limitation of Expenditures: 2 3 1. Drill or Deepen: Without the consent of all parties, no well shall be drilled or deepened, ex-		$\mathcal{B} = 4\lambda .45 \omega$.		2 parties a signate.
uch a well shall give the		$\theta = p_{\rm total}$ $COMMeCinical$		2 of such part of Operator's surface factions which is		A Commence of Probability II to A District Commence		1. Drill or Deepen: Without the consent of all parties, no well shall be drafted or deeper of the provisions of Article VLD2, of this Agreement, it being cept any well drilled or deepered pursuant to the provisions of Article VLD2, of this Agreement, it being the than the consent to the drilling or deepening shall include:		4 G. Taxes:		4 Any as ignment or surrender made under this provision shall
by performed, the loca-		o notal Infills		3		6 of interest in the remaining portion of the Consideration		t cont any wen arms to the content of the content o		Beginning with the first calendar year after the effective date hereof. Operator shall render for ad		5 sucrembeling posties' interest, as it was immediately before the a
tion. The parties receive him which to notify the	a partir de mara prima de la proposició de	Gas production attributable to any Non-Consenting Party's reliminished interest upon active con- Gas production attributable to any Non-Consenting Party's reliminished interest upon active con- Gas production attributable to any Non-Consenting Party's reliminished interest upon active con- Gas production attributable to any Non-Consenting Party's reliminished interest upon active con- Gas production attributable to any Non-Consenting Party's reliminished interest upon active con- Gas production attributable to any Non-Consenting Party's reliminished interest upon active con- Gas production attributable to any Non-Consenting Party's reliminished interest upon active con- Gas production attributable to any Non-Consenting Party's reliminished interest upon active con- Gas production attributable to any Non-Consenting Party's reliminished interest upon active con- Gas production attributable to any Non-Consenting Party's reliminished interest upon active con- Gas production attributable to any Non-Consenting Party's reliminished interest upon active con- Gas production attributable to any Non-Consenting Party's reliminished interest upon active con- Gas production attributable to any Non-Consenting Party's reliminished interest upon active con- Gas production attributable to any Non-Consenting Party shall direct its purchase to remain the proceeds received at the consenting party active con- Gas production attributable to any Non-Consenting Party shall direct its purchase to remain the proceeds received at the consenting party at the consenting		4 Each party shall execute such division orders and contract; as may be a clearly be called 5 interest in production from the Contract Aron, and, except as provided in Article VILE, shall be called 5 interest in production from the Contract Aron, and, except as provided in Article VILE, shall be called 6.		Thereafter, abandoning parties shall have no further responsibility, hability, or interest in the open. Thereafter, abandoning parties shall have no further responsibility, hability, or interest in the open.		5 understood that the consent to the drining of the delling-new-leaps sing testing-completing and 6 6 Cesting Option Novel and Allenges was presented and the languaged of the dellines from the languaged of the dellines.				Area; and the acreage assigned or surrendered, and subsequent
the proposed operation.	그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그	a testion which he some with the control of the con		5 interest in production from the Contract Area, and, except as production. 6 to receive payment direct from the purchaser thereof for its share of all production.		Thereafter, abandoning parties shall have no further be possibility, having a stress than the royalties genetion of or production from the well in the interval or intervals then open other than the royalties genetion of or production from the well in the interval or intervals. Operator shall continue to		6 6 6		valorem taxation all property subject to this agreement than e		7 be subject to the terms and provisions of this agreement.
If deeper may be given	。	n took 5000 1000 5000 at a contract the many the contract	 有效的公司的基础的表示。如此是一个专家的基础的基础的基础的表示。 	7		10 retained in any lease made under the original transfer earlies of the rates and charges con-		11 contribution of the well. When		g taxes, and it shall pay all such taxes assessed thereon active they action as to builders (to include, but not be dition date, each Non-Operator shall furnish Operator information as to builders (to include, but not be		9 B. Renowal or Extension of Leases:
s, exclusive of Saturday,		a such sair union with the city of the cit		8 In the event any party shall fail to make the arrangements necessary to take in kind or reportely 9 dispose of its proportionate share of the oil and gas produced from the Contract Area, Operator shall have		operate the assigned well for the account of the non-abandoning parties at the parties as the result of templated by this agreement, plus any additional cost and charges which may arise as the result of		a stance for the uniting of the stance of the market market in the market in the market in the stance of the stanc		dition date, each Non-Operator shall furnish Operator manufacture and places and cil and gas interests con- limited to, royalties, overriding royalties and production payments) on leaves and cil and gas interests con- tributed by such Non-Operator. If the ascess of valuation of any leasehold estate is reduced by reason of its		- 10
in the period above fixed		9 ered from the fine at the time such gas is available to receive and sell such from		9 dispose of its proportionate share of the or and games to the obligation to nurchase such		12 templated by this agreement, plus any analysis of the assigned well. 13 the separate ownership of the assigned well.		10 [x] Option No. 2: All necessary expenditures and all tests have been completed. Operator shall give the such well has reached its authorized depth, and all tests have been completed. Operator shall give the such well has reached its authorized depth, and all tests have been completed. Operator shall be such well have seen that the completion of the parties and legal holimediate notice to the Non-Operators who have the right to participate in the completion costs. The parties mediate notice to the Non-Operators who have the right to participate in the completion costs. The parties mediate notice to the Non-Operators who have the right to participate in the completion costs. The parties mediate notice to the Non-Operators who have the right to participate in the completion costs. The parties mediate notice to the Non-Operators who have the right to participate in the completion costs. The parties mediate notice to the Non-Operators who have the right to participate in the completion costs. The parties mediate notice to the Non-Operators who have the right to participate in the completion costs. The parties mediate notice to the Non-Operators who have the right to participate in the completion costs.		tributed by such Non-Operator. If the ascess of variation of any Kaserian events the reduction in being subject to outstanding excess royalties, overriding royalties or production payments, the reduction in the being subject to outstanding excess royalties, overriding royalties or production payments, the reduction in		If any party secures a renewal of any oil and gas lease subje
roposed operation. Any		the tion of this is a second of the time of time of the time of time of the time of ti	· 多点点,如何就是这种的一条产品。在这个是一个是一个是一个是一个是一个是一个是一个是一个是一个是一个是一个是一个是一个	the right, subject to the revocation at will by the party owning it, but had the tangent of the non-taking oil and gas or sell it to others at any time and from time to time, for the account of the non-taking oil and gas or sell it to others at any time and from time to time, for the account of the non-taking oil and gas or sell it to others at any time and from time to time, for the account of the non-taking		14		19 mediate notice to the Non-Open and Alexandry (48) hours (exchisive or Shakara) and Shakarara				12 shall be notified promptly, and shall have the right for a period
		to Conconting Party Strait		12 party at the best price obtainable in the area and state production to exercise at any time its		ARTICLE VII. 15 EXPENDITURES AND LIABILITY OF PARTIES		19 receiving such meach shade to the certains of casing and the company of such				of such notice in which to elect to participate in the ownership Hease affects lands within the Contract Area, by paying to the pa
c as provided in Article	The state of the s	and the area of the state of th		13 erator shall be subject always to the fight of the		16 EXPENDITURES AND DIAMETER OF	그는 그	the days of the Willett to the supplementary expension of the supplementary and the days and the supplementary of		15 reduction. Operator shall bill other parties for their proportionate state of an atta factorist		15 proportionate shares of the acquisition cost allocated to that part
order to be entitled to	2. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1.	A 1 - A 1 -		14 right to take in kind, or separately tuspes of, the state of the state of and the shall be only for		17 a. Fioldliss of Parties:	그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그	when made, shall be when made, shall be when the party tankage and or surface tacings. I all the party not to participate in		16 ner provided in Exhibit "C".		16 which shall be in proportion to the interests held at that time by
or parties as shall elect For the notice period of				purchaser. Any purchase or sale by Operator of any other party's share of the industry under the such reasonable periods of time as are consistent with the minimum needs of the industry under the such reasonable periods of time as are consistent with the minimum needs of the industry under the		18 A. Liability of Parties:		to to reply William Particles of the control of the		17 18 H Operator considers any tax assessment improper, Operator may, at its discretion, protest within the operator considers any tax assessment improper, Operator may, at its discretion, protest within the operator considers and the op		
ciclit (48) hour veried				17 per figurer circumstances, that in the Color A. T.		The liability of the parties shall be several, not joint or reflective. Each party shall be responsible. The liability of the parties shall be several, not joint or reflective. Each party shall be responsible.		well, including necessary tankage and of surface an election by that party not to particulate to reply within the period above fixed shall constitute an election by that party not to particulate to reply within the period above fixed shall constitute an election by that party not to particulate attempt. If one or more, but less than all of the perties, close to set pipe and the cost of the completion attempt. If one or more, but less than all of the phrase "reworking, despending or to extempt a completion, the previsions of Acticle VLB.2, shall be decimed to include meany letine") shall apply to plugging back" as contained in Article VLB.2, shall be decimed to include meany letine") shall apply to				18 If some, but less than all, of the parties elect to participate 10 simil be exped by the parties who elected participate therein, L
worlt on the proposed		$\phi_{ij} = \phi_{ij} + \phi$		particular circumstances, but in no event for a period in excess of that (1) year. 13 foregoing, Operator shall not make a cale, including one into intended commerce, of any other party's foregoing, Operator shall not make a cale, including one into intended commerce of such intended share of gas production without first giving such other party thirty (30) days notice of such intended		21 only for its obligations, and shall be hard var.	er 🖟	the taken and the company of the com				20 their respective percentage of participation in the Contract Arc
for the account of the		In the case of any reworking, plugging bary of deep of deep of the equipment in the well, but the own transport of the permitted to use, free of cost, all easing tubing and other equipment of a well after such reworking, be permitted to use, free of cost, all easing tubing and upon abandonment of a well after such reworking, all such equipment shall remain unchanged; and upon abandonment of a well after such reworking. 21 all such equipment shall remain unchanged; and upon abandonment of a well after such reworking.		59 share of gas production without first giving such via a fact vi		32 and operating the Contract Area, Accordingly, as first an another of the portion to create, nor sha	Π	on phoging care as commented that the death all parties.		21 or judicial proceedings, Operator may elect to pay, using process, an adversaringd. On rater shad say		21 of participation in the Contract Area of all parties participating
on location, and if Op- est Operator to perform		be permitted to use, free of cost, all easing through the dependent of a well after such requirement to the all such equipment shall remain unchanged; and upon abandonment of a well after such equipment to the all such equipment shall remain unchanged; and upon abandonment of a well after such equipment to the plugging back or deeper drilling, the Consenting Parties shall account for all such equipment to the plugging back or deeper drilling, the Consenting Parties shall account for all such equipment to the plugging back or deeper drilling, the Consenting Parties shall account for all such equipment to the		20 sale. 21 In the event any party hereto is not at any time taking or marketing its share of gas 22 In the event any party hereto is not at any time taking or marketing its share of gas		given to secure only the debts of each severally. It is not the intention of the parties of the parties of the render the 24 this agreement be construed as creating, a mining or other partnership or association, or to render the		and the same of the parties of the same of the same		The state of the s		22 Any renewal lease in which less than all parties elect to perticipate
g Parties, or (b) desig-		all such equipment shall remain unchanged; and dyship and account for all such equipment to all such equipment		In the event any party hereto is not at any time taking of safetting tell unable to 22 production and Operator is either (1) unwilling to purchase or sell or (ii) unable to 23 production and Operator is either (1) unwilling to purchase or sell such party's share of gas production,		25 parties liable as pariners.	and the second of the second	22 2. Rework or Plug Back: Without the consent of all parties, no well shall be reworked or plugged back pursuant to the provisions of Article VI.B.2, of this agree- 24 back except a well reworked or plugged back pursuant to the provisions of a well shall include 25 ment, it being understood that the consent to the reworking or plugging back of a well shall include 26 ment, it being understood that the consent to the reworking or plugging back of a well shall include 27 ment, it being understood that the consent to the reworking or plugging back of a well shall include 28 ment, it being understood that the consent to the reworking or plugging back of a well shall include 29 ment, it being understood that the consent to the reworking or plugging back of a well shall include 20 ment, it being understood that the consent to the reworking or plugging back of a well shall include 20 ment, it being understood that the consent to the reworking or plugging back of a well shall include 21 ment, it being understood that the consent to the reworking or plugging back of a well shall include 22 ment, it being understood that the consent to the reworking or plugging back of a well shall include 23 ment, it being understood that the consent to the reworking or plugging back of a well shall include 24 ment, it being understood that the consent to the reworking or plugging back of a well shall include		the tax for the joint account, together with any interest and in Exhibit "C". be assessed against the parties, and be paid by them, as provided in Exhibit "C".		23 24 Each party who participates in the purchase of a renewal le
insenting Parties, when		on support thereby, with		23 obtain the prior Wilten content to part its share of gas produced from the Contract		26		back except a well reworked or plugged back parts. back except a well reworked or plugged back parts. back except a well reworked or plugged back of a well said incessor, and completing and equipping of ment, it being understood that the consent to the reworking or plugging back of a well said incessor, and completing and equipping of consent to all incessory expenditures in conducting such operations and completing and equipping of consent to all incessory tankage and/or surface facilities.		25		25 propertionate interest therein by the acquiring party.
H comply with all torms		a_{ij} and a_{ij}		24 or in the event any party has contributed the adversariant is in effect take the		27 B. Liens and Payment Defaults:	·	and the contest of the life to the contest of the c		Each party shall pay or couse to be paid all production, severance, gathering and other taxes in- posed upon or with respect to the production or handling of such party's share of oil land/or gas pro-		26
		salvage. 23 salvage. 25 within sixty (60) days after the completion of any operation under this Article, the party con- 26 Within sixty (60) days after the completion of any operation under this Article, the party con- 27 ducting the operations for the Consenting Parties shall furnish each Non-Consenting Party with an in- 28 ducting the operations for the Consenting Parties shall furnish each Non-Consenting Party with an in- 29 ducting the operations for the Consenting Parties shall furnish each Non-Consenting Party with an in- 20 ducting the operations for the Consenting Parties shall furnish each Non-Consenting Party with an in- 21 ducting the operations for the Consenting Parties shall furnish each Non-Consenting Party with an in- 22 ducting the operations for the Consenting Parties shall furnish each Non-Consenting Party with an in- 23 ducting the operations for the Consenting Parties shall furnish each Non-Consenting Party with an in- 24 ducting the operations for the Consenting Parties shall furnish each Non-Consenting Party with an in- 25 ducting the operations for the Consenting Parties shall furnish each Non-Consenting Parties of the cost of drilling.		Area to a purchaser which does not at any tire with the care party, then in any such event the full share of gas attributable to the interest of such party, then in any such event the terms and conditions of the Gas Balanciag Agreement attached hereto as Exhibit "E" and terms and conditions of the Gas Balanciag Agreement attached hereto as Exhibit "E" and		28 29 Each Non-Operator grants to Operator a lien upon its oil and gas rights in the Contract Area, and 29 Each Non-Operator grants to Operator a lien upon its oil and its interest in all equipment, to seem	andre de la companya de la companya Notae de la companya	consent to all necessary expenditures in conducting state of the same or difference or difference or the same or difference	e Portugalista de la companya de la c	27 posed upon or with respect to the presudent of handling of the 28 duced under the terms of this agreement.		27 The provisions of this Article shall apply to renewal leases
, immediately after the		Within sixty (60) days after the completion of any furnish each Non-Consenting Party with the ducting the operations for the Consenting Parties shall furnish each Non-Consenting Party with the ducting the operations for the Consenting Parties shall furnish each Non-Consenting Party with the cost of drilling, ducting the operation of the cost of drilling, ventory of the equipment in and connected to the well, and an itemized statement of production; or, at its option, deepening, plugging back, testing, completing, and equipping the well for production; or, at its option, deepening, plugging back, testing, completing, and equipping the well for production; or, at its option, the operating party, in lieu of an itemized statement of such costs of operation, may submit a detailed the operating party, in lieu of an itemized statement of such costs of operation, may submit a detailed the operating party, in lieu of an itemized statement of such costs of operation, may submit a detailed the operating party, in lieu of an itemized statement of such costs of operation, may submit a detailed the operating party, in lieu of an itemized statement of such costs of operation, may submit a detailed the operating party, in lieu of an itemized statement of such costs of operation, may submit a detailed the operating party, in lieu of an itemized statement of such costs of operation, may submit a detailed the operating party in lieu of an itemized statement of such costs of operation, may submit a detailed the operation of the op	(1) (1) (1) (1) (1) (1) (1) (1) (1) (1)	terms and conditions of the Gas Baranetag Agreement detection. 27 incorporated herein shall automatically become effective.		30 security interest in its share of our and or gas when the provided in the Accounting		28 Operator shall not undertake any single project reasonably estimated to		28 duced finds, the terms of this distance,		28 covered by the expiring least or cover only a portion of its area of taken before the expiration of its predecessor lease, or taken or co
of (a) the total interest	그는 그들은 물로 그 등을 물로 하는 것이 없는 점점 함께 다른 물로 보고 있다면 되었다.	an matery of the equipment of the equipment of the first				31 payment of its share of expense, obtained and that Operator has a security interest under the		3. Other Operations: Operations: Operations: Operations: Operations of Theory Five THOUSAND		30 H. Insurance:		30 the expiration of the existing lease shall be subject to this provis
ier the Consenting Par-				28 29 D. Access to Contract Area and Information:		4 32 Procedure attached herewas and remode		an expenditure in excess of Ishari I at the drilling, reworking, deepening, completing, recently recently except in connection with a well, the drilling, reworking, deepening, completing, recently provided, how except in connection with a well, the drilling, reworking, deepening, completing, recently provided, how except in connection with a well, the drilling, reworking, deepening, completing, recently provided, how except in connection with a well, the drilling, reworking, deepening, completing, recently provided, how except in connection with a well, the drilling, reworking, deepening, completing, recently provided, how except in connection with a well, the drilling, reworking, deepening, completing, recently provided, how except in connection with a well, the drilling, reworking, deepening, completing, recently provided, how except in connection with a well, the drilling, reworking, deepening, completing, recently provided, how except in connection with a well, the drilling, reworking, deepening, completing, recently provided, how except in connection with a well, the drilling, reworking, deepening, completing, recently provided, how except in connection with a well, the drilling, reworking, deepening, completing, recently provided, how except in connection with a well, the drilling, reworking, deepening, completing, recently provided, how except in connection with a well, the drilling, reworking, deepening, completing, reworking, deepening, reworking, deepening, completing, reworking, deepening, completing, reworking, deepening, reworking, deepening, reworking, deepening, reworking, deepening, reworking, deepening, reworking, reworking, deepening, reworking, reworkin		31 Operator shall comply with the Workman's	그 그 그 그 그 그 그 그는 그는 그는 그는 그는 그를 다 그를 다 그	31 for more than six (6) months after the expiration of an existing
within forty-eight (48) notice, shall advise the		30 the operating fact, while the month thereafter, during the consenting Parties shall that the statement of monthly billings. Each month thereafter, during the operations for the Consenting Parties shall that the statement of monthly billings.		30 it is sole risk to inspect		Uniform Commercial Code of the State, Operator shall be entitled to exercise the highest by Operat of a secured party under the Code. The bringing of a suit and the obtaining of judgment by Operat of a secured party under the Code. The bringing of a suit and the obtaining of judgment by Operat of a secured party under the Code. The bringing of a suit and the obtaining of judgment by Operat of a secured party under the Code.			Lit 7	At all times while operations are conducted neterinary Operate conducted; provided, however, that Op- 33 Compensation Law of the State where the operations are being conducted; provided, however, that Op-		32 lease and shall not be subject to the provisions of this agreemen
shown on Exhibit "A",		90 various at 81 81 81 81 81 81 81 81 81 81 81 81 81		Each party shall have access to the Contract Area at all reasonable times, at the party shall have access at reasonable times to information pertaining to the de- or observe operations, and shall have access at reasonable times to information pertaining to the de-		35 for the secured indebtedness saan not be detricted in the addition, mean default by any No		92 over that in case of the end incur such expenses as a respect the end	r-	Compensation Law of the State where the operations are being conducted, provided the only charge erator may be a self-insurer for liability under said compensation laws in which event the only charge erator may be a self-insurer for liability under said compensation laws in which event the only charge erator may be a self-insurer for liability under said compensation laws in which event the only charge		3334 The provisions in this Article shall apply also and in like
reposing party, at its		99 10h 10h 10h 10h 2000 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		33 velopment or operation thereof, mentions operation to the force or reports filed with govern-		36 rights or security microsi as security for the factor of the factor o	to the state of th	nt waters the district a test (begins to the contract of the c		erator may be a self-insurer for liability under said compensation laws in time to the premium which would have that shall be made to the joint account shall be an amount equivalent to the premium which would have that shall be made to the joint account shall be an amount equivalent to the premium which would have		35 leases. The provisions of this Article VIII-B shall.
shall premptly notify	^	$\bullet : \bullet : $		34 request, shall furnish each of the Grace Parties and repute and		Operator in the payment of its share of expense, Operator shall have the right, which Ver-Operator of the rights or remedies, to collect from the purchaser the proceeds from the sale of such Non-Operator of suit, to collect any delined including reasonable attorney fees in the event of suit, to collect any delined including reasonable attorney fees in the event of suit, to collect any delined including reasonable attorney fees in the event of suit, to collect any delined in share of oil and or gas until the amount owed by such item-Operator, thus interest has been paid. It	r's may,	35 the emergency is such parties. If Operator prepares "Anthorny to the other parties. If Operator prepares "Anthorny to Expenditures" for any single proj		that shall be made to the joint account shall be an amount equivalent to the period insurance for the been paid had such insurance been obtained. Operator shall also carry or provide insurance for the benefit of the joint account of the parties as outlined in Exhibit "D", attached to and made a part hereof benefit of the joint account of the parties as outlined in Exhibit "D", attached to and made a part hereof		36 of leases, located within the Unit Area.
		as arround of proceedings and and and produced are		mental agencies, daily drilling reports, well logs, tank tables, daily gauge out of any cores or cuttings of stock on hand at the first of each month, and shall make available samples of any cores or cuttings of stock on hand at the first of each month, and shall make available samples of any cores or cuttings.		other rights or remedies, is strong fees in the event of sufficient has been paid, to including reasonable attorney fees in the event of sufficient has been paid, to	china di salah salah Marangan	35 gency to the state furnish copies of its Administration Dollars (\$15,000,00		37 benefit of the joint account of the parties as different to be Contract Area to comply with the		37 C. Acreage or Cash Contributions:
e Consenting Parties in		or shall use muusid week a continue of company of company of the continue of t		of stock on hand at the first of each month, and shall make available shapes of all of stock on hand at the first of each month, and shall make available shapes of all of stock on hand at the first of each month, and shall make available shapes of all of stock on hand at the first of each month, and shall make available shapes of all of stock on hand at the first of each month, and shall make available shapes of all of stock on hand at the first of each month, and shall make available shapes of all of the shapes of all of the shapes of the sh		share of oil and or gas until the amount owed by such Kon-Operator, the amount of any of purchaser shall be entitled to rely upon Operator's written statement concerning the amount of any of purchaser shall be entitled to rely upon Operator's written statement concerning the amount of any of purchaser shall be entitled to rely upon Operator's written statement concerning the amount of any of purchaser shall be entitled to rely upon Operator's written statement concerning the amount of any of purchaser shall be entitled to rely upon Operator's written statement concerning the amount of any of purchaser shall be entitled to rely upon Operator's written statement concerning the amount of any of purchaser shall be entitled to rely upon Operator's written statement concerning the amount of any of purchaser shall be entitled to rely upon Operator's written statement concerning the amount of any of purchaser shall be entitled to rely upon Operator's written statement concerning the amount of any of purchaser shall be entitled to rely upon Operator's written statement concerning the amount of any of purchaser shall be entitled to rely upon Operator's written statement concerning the amount of any of purchaser shall be entitled to rely upon Operator's written statement concerning the amount of the Non-Operator's to secure payment of the Non-Operator's t		the emergency to rafeguard life and property but Operator and Authority for Expenditures. for its own a gency to the other parties. If Operator prepares "Authority for Expenditures" for any single project of Operator, upon request, shall furnish copies of its "Authority for Expenditures" for any single project of Operator, upon request, shall furnish copies of its "Authority for Expenditures" for any single project of Operator, upon request, shall furnish copies of its "Authority for Expenditures" for any single project of Operator, upon request, shall furnish copies of its "Authority for Expenditures" for any single project of Operator, upon request, shall furnish copies of its "Authority for Expenditures" for any single project of Operator, upon request, shall furnish copies of its "Authority for Expenditures" for any single project of Operator, upon request, shall furnish copies of its "Authority for Expenditures" for any single project of Operator, upon request, shall furnish copies of its "Authority for Expenditures" for any single project of Operator, upon request, shall furnish copies of its "Authority for Expenditures" for any single project of Operator, upon request, shall furnish copies of its "Authority for Expenditures" for any single project of Operator, upon request of Operator, upon		Operator shall require all contractors engaged in work on e. In the State where the operations are being conducted and to maintain Workmen's Compensation Law of the State where the operations are being conducted and to maintain		38
paragraph. Consenting		00 AMADDI FERRIMON 11/20 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		taken from any well drilled on the Contract Area. The cost of gathering and turnianing investigation to the Non-Operator that requests the Non-Operator, other than that specified above, shall be charged to the Non-Operator that requests the		di foult Operator grants a rice nep and security mis-				49 such other insurance as Operator may require.		While this agreement is in force, if any party contracts for a of a well or any other operation on the Contract Area, such con
clear of all liens and		39 such operation the lotted unreturned costs of the posts about revert to it as above provided.	그 그 그 그 그 그 그 그 아는 그 그 그 그 그 그 그 그 그 그 그	39 information.		42 evator's proportionale share of expense.		40 E. Royalties, Overriding Royalties and Other Layments. 41 42 43 44 45 46 47 48 48 48 49 40 40 41 41 40 41 41 42 43 44 45 46 46 47 48 48 48 48 48 48 48 48 48	of	41 42 In the event Automobile Public Liability Insurance is specified in said Exhibit "D", or subsequenting the said for the event Automobile Public Liability Insurance is specified in said Exhibit "D", or subsequenting the said for the event Automobile Public Liability Insurance is specified in said Exhibit "D", or subsequenting the said Exhibit "D", or subsequentin		41 conducted the drilling or other operation and shall be applied by
senting Parties. If such		40 shall be electron to the interest of such Non-Consenting party.		40		Heavy party falls or is mobile to pay its share of expense within sixty (60) days after rendition		41 12 Pach party shall pay or deliver, or cause to be paid or delivered, all royalties in the entire 1/8 of 8/8tins 1/8 of 8/8tins	ree ja	In the event Automobile Public Liability insurance is specified a section of the parties, no direct change shall be made by Operator for premiums paid for receives the approach of the parties, no direct change shall be made by Operator for premiums paid for		42 other operation. If the contribution be in the form of acreage,
k under the provisions	*	The AND HERE SEE TO THE CONTROL OF T		41 E. Abandonment of Waller		If any party fails or is mobile to pay its share of expense within saxty (a) and default in a statement therefor by Operator, the non-defaulting parties, including Operator, shall, upon request a statement therefor by Operator, the preparties that the interest of each such party boars to the		to 1/6 the second and	:5YC	43 receives the appearance for Operator's fully owned automotive equipmen-		43 made shall promptly leader an assignment of the acreage, with
ensenting Parties shall				42 43 4. Abandonment of Dev Holes: Except for any well drilled pursuant to Article VIB.2., any well 43 43. Abandonment of Dev Holes: Except for any well drilled pursuant to Article VIB.2., any well 43. In Abandonment of Dev Holes: Except for any well drilled pursuant to Article VIB.2., any well		a statement therefor by Operator, the non-defaulting parties, including operator, and of the Operator, pay the unpaid amount is the proportion that the interest of each such party boors to the Operator, pay the unpaid amount is an applied in phase of the applied amount shall, to obtain reimban		from any Hability the clar. If the intervel of production payment, or other charge over the second from any Hability the clark revally, production payment, or other charge over the second for any revally chall assume and about ten all such obligations and shall are the aforestid royally, such party chall assume and about the expension of the ex	kui –	35		44 Parties in the proportions sold Drilling Parties shared the cost of the proportions and account such tender, such acrosses shall be
I shall then be turned		H and when the Constitutes the relinquished interests of such Residual Party shall own the same		at which has been drifted tricks the terms of the property Should Common after differen		Operator, pay the unpaid amount it the proportion that the interest is exclusive that it obtain relimber 47 terest of all such parties. Each party so paying its chare of the suppoid amount shall, to obtain relimber 42 ment thereof. It subregated to the security rights described in the foregoing paragraph.				ARCHUEL NEEL ACQUISITION, MAINTEINANCE ON THANSFER OF ENTERHESE		56 Ly government by the provinces of this egreenment. If here than 2
the Consenting Parties with back of provinces				45 shall not be plugged one notherate that the plugged one for the control of the		42 meet thereof. To subregate an eat sections required to the sections of the section of the secti		46 the aforesold royally, such party climit assume as a few more thought. 47 for or cause to be precounted for, such interest to the express that the same at a section of the such that the same at the same at the such that the same at the same a		ACOLISIARDN' WATER FRANCE OF COSTA ACTUAL OF THE COSTA ACTUAL OF T	ϵ	47 accept up haceder, such correspond to the heaving a part of the
and buck of programs Nove Consuming Physic		the amounts provided for above, the reliableshed Non-Consenting Party Shall do the production there are realizably a vertically and from and after such reversion, such Non-Consenting Party Shall do the production thereof are realizably a vertically avertically appropriate the production of the defilling are interest, in such words with the most provide hove been entitled to had it in the production had be		on offset be unclined collect any instructional and proceed a soliton of the proceed to plug subset. 47 - Coulouve of Solitology Survey with a latter bloody to the process of the proceed at encouncies. At		la de la companya de La companya de la co		,我们就是一个大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大		The Alexander of Recognition		Common after the alternative of all nearly an appropriate for the second property of the se
Parties shall own and		to from as such Man-Consultation For the cold well. Thereafter, two asserts and said well in	•	to adminden sens well sens party fluit stranders from the first language, we stating sed of the rest,		5) L						40 - Augr other symmeton on the Contract Association
en-Consenting Party's		reworking, despenies or pluggion back of the further rests of the operation of the further rests of the operation of the further rests of the operation of the operation of the further rests of the operation of the further part of the further procedure, attached hereto. 51 accordance with the terms of this agreement and the Accounting Procedure, attached hereto.		to age to each wells shall be progress and markets the state of the control of each control of the Any marky who the		51 52 Except on Levela Observing specifically provided, Operator shall promptly pay and divide an exp. 53 Except on Levela Observing specifically provided, Operator shall promptly pay and divide an exp. 54 incorrect in the development and operation of the Contract Area pure on the Expense brais. 55 incorrect in the development and operation of the expense brais.		zer an any other party's again to the language ways, the party care is not in		 58 The Reses common by this provers in the section of the providence areas in the Common Array shapes 		en. 51 - Elisany ethy makingin for beg tree (1800). Geld by distinct to distinct the
10 sale of such shore, deriveding preduction		50 charged vito the terms of this agreement one has two in the terms of this agreement one in the terms of the terms of this agreement one in the terms of this agreement on the terms of the terms of this agreement on the terms of the ter		50 risk and expense of the patients are determined as all the properties well and contact		53 meaned in the development one engaged to the light plant plant plant the expense brake	(CARACITED CONTINUES CONTI	EQ. CATOLIN PROFESSIONS		52 ret le prendered as whole or talprocuries na place i tracció de la		3% per discrete there are text, with the formation for short and the decision of
deduction predoction thereof, payable out of	ϵ	51 Reconstants to military the military to the military to mental		 51 jects to the plugging and abardonal state was subject to the provisions of Article VLD. 52 mather operations in search of oil and for gas subject to the provisions of Article VLD. 		51 charge each of the parties because with their respective tables of the CT. Operator shall keep an acciding to which in the Accordance Proceeding attached bereto as Exhibit of C. Operator shall keep an acciding to which in the Accordance Proceeding attached before a support and conditions of the c	and The state of the state	en e		40 Townson, Should any party desire to surround raise and new towns or in any portion through, of the control of the contro	$m{x}^{m{x}}$. The second of the second	as Argulying This prompton and the isotopolicable x_{ij} by the Contributing Parties Coward the indicat, w
crest until it reverta)		Notwithsteading the provisions of this Article M.D.2., it is agreed that without the mutual con- Notwithsteading the provisions of this Article M.D.2., it is agreed that without the mutual con- Notwithsteading the provisions of this Article M.D.2., it is agreed that without the mutual con- second to supply from which a well of all parties, no wells shall be completed in or produced from a source of supply unless such well conforms to the them existing to be a supply and the parties of the such source of supply.		ge german de de la companya del companya de la companya del companya de la companya del companya de la companya de la companya de la companya del companya de la companya dela companya de la companya de la companya de la companya de la companya del companya de la companya de la companya del compa		55 which in the Awar name Proposition attached hereto be award of the research end of the joint proposed heretoder, showing expenses an aread and the research proposed heretoder, showing expenses an aread and the research proposed in the policy proposed heretoder, showing expenses an aread and the research proposed in the second proposed in t		53 54 F. Rentals, Shut-in Well September and Minimum, Republies: 55 56 Rentals, shut-in well payments and minimum coyalties which may be required under the for 57 58 Rentals, shut-in well payments and minimum coyalties which may be required under the for 59 50 Rentals, shut-in well payments and minimum coyalties which have in this agreement at it on				
		51 of all paraces as a content Arm is producing warrant		53 54 2. Abendesingent of Wells that have Prosepted. Except for any well which has been drilled or re- 55 worked pursuant to Article VID2, hereof for which the Consenting Parties have not been fully relat- 56 worked pursuant to Article VID2, hereof her been completed as a producer shall not be plugged and		57 registral 57		ration of the state of the stat	· Charter - Charter	other parties do not here, or consent inducto, the other was conjugated thereof, and any well, national of conjugated warranty of title, all of its interest in such lease, or parties thereof, and any well, national of conjugate in readuction thereof was recovered, to the part		55 D. Subsequently Created Interest: 56
outly session to		55 Jocated Common of the such source of supply.		as worked pursued to Arise with a second of the property of the plugged and		55 Operator, of its election, shall have the tight from these to these to demand and remove from an operator, of its election, shall have the tight from these to these williams dismount of the expension.		Rentals, shut-in well payments that such is such lease in this agreement of the same lease for any least shell be paid by the party or parties who subjected such lease interests in the same lease for any least shell be paid by the party or parties out one have east. Forest interests in the cross or new parties out one have no make the payments for one or bend of all hard.		57 employed which rapy be lorgical increase and our factor of the financial arrangement of the control of the c		57 Notwith mading the provise at or Article VIR A and VIR.
ewly acquired outline. who trades sequently		55 located one with the source of supply. 56 well spacing pattern for such source of supply. 57 58 to a persistence of this Article that have no application whatever to the drilling of the initial for the persistence of this Article that have no application whatever to the drilling of the initial for the persistence of this Article that have no application whatever to the drilling of the initial for the persistence of the pe		56 burged to the er, provided, and with the well-stated		of Operator of its election, shift have the right in an inter- of the estimated amount of the expension at the protection of the interpretable remarks of the estimated amount of the expension of the protection of the interpretable respective mentions.	er Gregoriaansk fan Stadt de Stadt fan S De Stadt fan Stadt f	any least shell be paid by the peach in the event line of more parties out and have each finish entered in the event line of more parties out and have each partie to make taking your and for one or being the appropriately such parties by the last transfer of all lands to appropriately such parties by the last transfer of all lands to appropriately such parties by the last transfer of all lands to appropriately such as a partie of all lands.	en e	58 pat deriving to restrender it. If the extension of the congress in the decision, to surrender the oil had a		58 to execution of this expression, excepts on on calding royanty, pro
and the second of the second o		55 What Speaker will be the speaker with the desirable of this Article shall have no application whatcoever to the desirable of this Article shall have no application whatcoever to the Leon selected, or (b) the provided of this Article Matter Option Z. Article VILLE, has been selected, or (b) the whole option of the control of the con		67 About and without the concent of all parties. If the parties equations and at the cost, with and expense to the log parties in all about the cost of the cost, with and expense to the log parties in all about the cost of the cost		an after profes property or he selvence of their respective famous in an including the energical of the last terms of the first professional or an incorporation of the selvence of the selven	サンター 東部	53 expense. In the event love of more return, or much parties to make tail gaying his determined at least the approximately such parties may be a make to be taken to a propose a literary of attended to a parties are true approximately and a real content of the	Here is a second of the second	ya — akisala (pasty plant emersika libraria (17 da 2002) in 17 da 2002 jana than after ar ell grad, or j na 17 jan marka – ta 18 da 18 april 19 da 18 april far a tempola san year a mi pa jana than after ar ell grad,		50 ed, which such interests one free inefficient of the story to expense.
GASTI CONT. SARGE TO A		FO with the proof in Arrivin VIA extra Central and a train will Henry Will will be selected in the in- one to the rewarding Contemporary and post from pair of another than a City of the training selected in the contemporary will, after invitable on City of the training of the provention in a Cry table on non-considerable will, after invitable on City of the Cry table on non-considerable will, after invitable on City of the Cry table on non-considerable will, after invitable on City of the Cry table on non-considerable will, after invitable on the considerable will be a City of the Cry table on non-considerable will, after invitable be a City of the Cry table of the Cry table of the City of the Cry table of the City		。				,我们就是一个大大的,我们就是我们的一个大大的,我们就是一个大大的,我们就是我们的一个大大的,我们就会看到了一个大大的一个大大的。""我们就是我们的,我们就是我 "我们就是我们就是我们的我们,我们就是我们的我们就是我们的我们就是我们的我们的我们就是我们的我们的我们就是我们的我们的我们就是我们的我们就是我们的我们就是我们的		"我们的我们的我们,我们就会会会会会会会会会会会会会会会会会会会会会会会会会会会会会会会会会会		ing sa marang mengangkan kenanggalan di kenanggalan di kenanggalan di kenanggalan di kenanggalan di kenanggala Naggalan di Arabah di Kananggalan di Kananggalan di Kananggalan di Kananggalan di Kananggalan di Kananggalan d
of this Article, it Long.		and the rewesting. Comparing and purified their allower for the Carried to the results which in the first and the comparing the second purificulty will, after invitable on Carried to the results which in the comparison of the co		the straightful temperature of the site of the similar many will the establish a modified before the site of the site of the site of the well's satisfied at the site of the section of the well's satisfied at the section of the sect		(b) 2. Strong the control of the control of the angular and by the surface of process of the control of the		C access in the Collection of the Solid particle of the Collection of the Collect	unitaria. Periodo esta de la companya de la c	the state of the section of the first party with the extreme factor of the extra the extra the first that the contract of the extra the first the extra the first party with the extra the first the extra the first party with the extra the e		
tt (Bal interes) schiek Diskon ist		en de la company de la filipa de la company de la comp La company de la company d		April general class transfer to the form the first the position of the lates of the distribution of the contract of the contra		en en en en en anvier en		63 (野食機能・加工され、 Company of the Company		the purpose of the sector of the contract of t		its and the state of the state
	1	and the control of t The control of the control of	•	and the second of the second The second of the second o		and the common term of the common for the common of th The common of the common of				en de la companya de La companya de la co		and the control of th
· ·		en e		。 1917年 - 1918年 -						en e		en de la companya de La companya de la co
maria, anglis sas		· "我们就是我们的一个我们的,我们就是我们的一个,我们就是我们的一个,我们就是我们的一个,我们就会不会一个,我们就会不是我们的。""我们就是我们的,我们就是我 "我们的我们的我们的我们的我们的我们就是我们的我们的我们的我们就是我们的我们的我们的我们的我们的我们的我们的我们的我们的我们的我们的我们的我们就是我们的我们就会		and the control of t The control of the control of								en e
es satte novilladi, sug				。 1987年 - 1987年 -								
	ϵ											
		and the second of the second o		en e								
											p.	

interes contrata a describitos de terras de te			AND COLOR ACROSS AS A SECOND COLOR OF THE SECO	A.A.P.I. FORM 610 - MODEL FORM OFFRATURG AGREEMENT - 1977								
	**************************************		A TOTAL PROPERTY OF THE PROPER		**************************************				A STATE OF THE STA			
₹ Ű - 1977		A.A.P.J. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1927						A.A.P.L., FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977				
and the state of t		A.A.P.I. FORM 610 - MODEL BERKE CHANGE		2- cuch party shall give any notices or take any other action inconsistent with the election made hereby.		A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT = 1977		A.A.P.L., PORMER 10 - MODEL FORM OF INTERIOR				
						A.A.P.L. FORM 610 - Section 188				EXHIBIT IV		
of each bears to the interest of all		2. If the owner of the interest from which the subsequently created interest is derived (1) fails to		3 any future income tax laws of the United States contain provisions sample of the interest of the United States contain provisions sample of the United States contain provision sample of the United States contain pro						A CONTRACT OF THE PROPERTY OF		
Course the the mercal of the		2. If the owner of the interest from which the subsequently created interest is derived (2) and 2 pay, when due, its charge of expenses chargeable hereunder, or (2) elects to abandon a well under pro- 2 pay, when due, its charge of expenses chargeable hereunder a lease under provisions of Article VIII. A payer of the VIII. hereof, or (3) elects to surrender a lease under provisions of all expenses			i de la companya de La companya de la co	1 [] Option No 2: In the event the well described in Article VI.A, or any subsequent well drilled Option No 2: In the event the well described in Article VI.A, or any subsequent well drilled.	A representation of the Company of the pro-	ARTICLE XVL		SOURCHES TO ALL MADE A PART OF OTHER COLUMN CORRECTIONS. AS		5. Termor: Original Jéance:
•		2. If the owner of the interest from Which the surface of (2) elects to abandon a went under provisions of Article VIII.A. pay, when due, its charge of expenses chargeable hereunder, or (2) elects to surrender a lease under provisions of Article VIII.A. visions of Article VIII. hereof, or (3) elects to surrender a lease under provisions of all expenses visions of Article VIII. hereof, or (3) elects to surrender a lease under provisions of all expenses of collecting visions of Article VIII. hereof, or (3) elects to surrender a lease under provisions of Article VIII.				1 [] Option No 2: In the event the well described in Article VI.A, or any subsequent were discovered to the country of this agreement, results in production of oil and or gas in paying quantities, this under any provision of this agreement, results in production of oil and or gas in paying quantities, this under any provision of this agreement, results in production wells produce, or are capable of production of the continue in force so long as any such well or wells production; provided, however,		1 2 MISCELLANEOUS		APPLICATED TO ALD MADE A PART OF THE CONTROL OF THE TOTAL AS A PART OF THE APPLICATION AS THE OPERATOR. AS OPERATOR, AND NATION DRIVERS OF THE APPLICATION AS THE OPERATOR.		Present Presses:
reduce or change the assignor's or		pay, when our terms of Article VLE hereof, or (3) elects to surrender with the pro-rata portion of all expenses		7 the income derived by such party from Operations becomes that he are quarty described the		1 [] Option No 2: In the event the well described of oil and or gas in paying quantum. 2 under any provision of this agreement, results in production of oil and or gas in paying quantum. 3 agreement shall continue in force, so long as any such well or wells produce, or are capable of production; 4 agreement shall continue in force, so long as any such well or wells production; provided, however, 5 agreement shall continue in force of late days from constition of all production; provided, however, 6 agreement shall continue in force of late days from constition of all production; provided in		This agreement shall be binding upon and shall joure to the benefit of the parties hereto and to their this agreement shall be binding upon and shall joure to the benefit of the parties hereto and to their this agreement shall be binding upon and shall joure to the benefit of the parties hereto and to their		OPERATOR, NO VATES DAVISATION		A 1 A 1 A 1 A 1 A 1 A 1 A 1 A 1 A 1 A 1
ment, in the balance of the Contract				8 computation of partnership taxable income.	는 사람들이 되었다. 그는 사람들은 사람들이 되었다면 보고 있는 사람들이 되었다. 그 사람들이 되었다면 보다는 것이다면 보다면 보다면 보다면 보다면 보다면 보다면 보다면 보다면 보다면 보	a management state of the first days from Greation of the continues in		This agreement shall be binding upon and state that to the control of the control				
tions thereon, shall not thereafter		hereunder in the same manner as if such interest who receive assignments as a result of (2) in (2) in (3) in (4) is the same manner as if such interest who receive assignments as a result of (2) in (4) in (4) is such chargeable expenses, the party or parties who receive assignments as a result of (2) in (4) i		9 ARTICLE X.	コー・カード ぶんしょ だっき おおね かったいん かがら スコー・・・ ことして こうしゅう	2 MON AND 1971 - A DECEMBER DON'T - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -		5 respective heirs, devisees, repair representations		· · · · · · · · · · · · · · · · · · ·		Pate of lease:
		c such chargeable expenses, the provisions of Article VILB, hereof against a		10 CLAIMS AND LAWSUITS		t it profess we have some a remainder this process with the continue in the manufacture.		This instrument may be executed in any number of counterparts, each of which shall be considered		I. 1. tanto Subject to Agreement:		Sorial No. of Lease:
		y shaft have the critical account.		11		r drifting Clareston and the results undertained and account to the		o no original for all MUDOSUS.		Programming 19 South, Range 25 Past, Marketter		Description:
Alice Name and Alice No. 12		8 Militer		Operator may settle any single damage claim or suit arising from operations hereunder if the expenditure does not exceed. PIFIEEN THOUSAND————————————————————————————————————		drilling or reworking a well or wells betraken, the street on, this agreement share to an any subsequent well orations have been completed and if production results therefrom, this agreement share very subsequent well force as provided herein. In the event the well described in Article VI.A., or any subsequent well force as provided herein. In the event the well described in Article VI.A., or any subsequent well of drilled hereinder, results in a dry hole, and no other well is producing, or capable of producing oil of drilled hereinder, results in a dry hole, and no other well is producing or reworking operations of the contract Area, this agreement shall terminate unless drilling or reworking operations of the contract Area, this agreement has a strength of said well.		9 10 IN WITNESS WHEREOF, this agreement shall be effective as of 29th day of April		T. 1. Tanto Carles Township 19 South, Tomp 25 Prot, M.M.P.M.		
this Agreement, all other parties thirty (30) days following receipt		10 E. Maintenance of Uniform Interest: 11		14 penditure does not exceed		force as provided herein. In the event the well disproducing, or capable of producing of capable of capabl	Company of the contract of the	10 IN WITNESS WHEREOF, this agreement to 80		Soltion 6: 8/2 88/4 Containing 80.00 acres, more or less. - Eddy County, New Mexico	equivalent in the second secon	•
he renewal lease, insofar as such		11 are of maintaining uniformity of ownership in the on the contrary, no party shall-				10 and 65 Res 11800 to 100 to 1 min the fall Ut did not				- EXPAN Country, man and		6. Lesson:
vho acquired it their several proper		For the purpose of maintaining uniformity of ownership in the oil and gas leasened interest. For the purpose of maintaining uniformity of ownership in the oil and gas leasened interest. For the purpose of maintaining uniformity of ownership in the oil and gas leasened interest. Covered by this agreement, and netwithstanding any other provisions to the contrary, no party shall— covered by this agreement, and netwithstanding any other provisions to the contrary, no party shall— covered by this agreement, and netwithstanding any other provisions to the contrary, no party shall— covered by this agreement, and netwithstanding any other provisions to the contrary, no party shall— covered by this agreement, and netwithstanding any other provisions to the contrary, no party shall— covered by this agreement, and netwithstanding any other provisions to the contrary, no party shall— covered by this agreement, and netwithstanding any other provisions to the contrary, no party shall— covered by this agreement, and netwithstanding any other provisions to the contrary, no party shall— covered by this agreement, and netwithstanding any other provisions to the contrary, no party shall— covered by this agreement, and netwithstanding any other provisions to the contrary, no party shall— covered by this agreement, and netwithstanding any other provisions to the contrary, no party shall— covered by this agreement, and netwithstanding any other provisions to the contrary, no party shall— covered by this agreement, and netwithstanding any other provisions to the contrary, no party shall— covered by this agreement, and netwithstanding any other provisions to the contrary, no party shall— covered by this agreement, and netwithstanding any other provisions to the contrary, no party shall— covered by this agreement, and netwithstanding any other provisions to the contrary, no party shall— covered by this agreement, and netwithstanding any other provisions to the contrary, no party shall be covered by the contrary of th				11 tions are connected as		OPERATOR		2. pepth Mestriction:		Original Lessee:
ch lease within the Contract Area,	그 김 원이는 그리고 하고, 활성을 다고 살다고 그리고 있다.	covered by this distribution make other disposition of its lines.		The state of the s		12 13 It is agreed, however, that the termination of this agree to the date of such termination.		YATES PETROLEUM CORPORATION				Present Lessee:
parties in the Contract Area.		covered by this agreement, and notwithstandors of its interest in the leases embedded in transfer or make other disposition of its interest in the leases embedded in sell, encumber, transfer or make other disposition unless such disposition covers either: 14 tract Area and in wells, equipment and production unless such disposition covers either:		19 of the parties. If a claim is made against any party or it they party is sace on decountering the rights given		14 any napany water the		15		All rights.		
e parchose of a renewal lesse, it				of the parties. It a claim is made against any party of a day party. 20 arising from operations become over which such individual has no control because of the rights given. 21 Operator by this agreement, the party shell immediately notify Operator, and the claim or suit shall.		ARTICLE XIV.		16 All Alle Co		3. Drilling Unit for Firsh Well:		
tie based upon the relationship of				22 by heated as the other claim or suit involving operations hereunder.		15 ARTICLE XIV. 16 COMPLANCE WITH LAWS AND REGULATIONS		By: A/A (-/A)		growation this as established by the T.W. Maxiee CCC.		Pate of Tease:
the aggregate of the percentages		16 17 1. the entire interest of the party in all leases and equipment and production in the Contract Area. 18 2. an equal undivided interest in all leases and equipment and production in the Contract Area. 19 2. an equal undivided interest in all leases and equipment and production in the Contract Area.		93		17		Attorney-In-Fact		proration this as established by the		Serial Ro. of Lease: Description:
e purchase of such renowal lease.		2. an equal undivided interest in all losses and quarters. 20 21 Every such sale, enguinbrance, transfer or other disposition made by any party shall be made experienced. 21 Pressly subject to this agreement, and shall be made without projudice to the right of the other parties. 22 pressly subject to this agreement, and shall be made without projudice to the right of the other parties.		24 25 PORCE MAJEURE		18 19 A. Laws, Regulations and Orders: 20 21 This agreement shall be subject to the conservation laws of the state in which the committed 21 This agreement shall be subject to the conservation laws of the state in which the committed 22 This agreement shall be subject to the conservation laws of the state in which the committed 23 This agreement shall be subject to the conservation laws of the state in which the committed 24 This agreement shall be subject to the conservation laws of the state in which the committed 25 This agreement shall be subject to the conservation laws of the state in which the committed 26 This agreement shall be subject to the conservation laws of the state in which the committed 27 This agreement shall be subject to the conservation laws of the state in which the committed		\mathcal{L}				EASBUR GROECHT
all not be subject to this agreement. without warranty		Every such sale, encumeration, and shall be made without prejudice to the results.		20		on the conservation laws of the state of the state of				11. Percentage Interest of Parties Under Agreement: INPUTAL TEST		
hall be given an assignment/of its				26 27 If any party is rendered unable, wholly or in part, by force majeure to carry out its obligations 28 to any party is rendered unable, wholly or in part, by force majeure to carry out its obligations		This agreement shall be subject to the tender and orders of any duly constituted regulatory page 22 acreage is located, to the valid rules, regulations, and local laws, ordinances, rules, regulations, and 23 said state; and to all other applicable federal, state, and local laws, ordinances, rules, regulations, and		23 NON-OPERATORS		II. ERETOR DE LECTRON DE LE		7
		23 If at any time the interest of any party is an energy to appoint a single trustee of agent with the party's				22 acreage is state; and to all other applicable federal, state, and local large,		24 NON-OPENALORO		SUBSECTION WILLS		7. Tessor: Original Tessee:
tran there are four the entire interest				other parties prompt written notice of the force majeure with reasonably full particulars concerning it; thereupon, the obligations of the party giving the notice, so for as they are affected by the force majeure.		24 orders.		25 MARTIN YATES, III				Present Lessee:
her they are for the entire interest nterest therein. Any renewal lease		If, at any time the interest of any party is divided and appoint a single trustee or agent with the Operator, at its discretion, may require such co-ewners to appoint a single trustee or agent with 50 Operator, at its discretion, may require such co-ewners to appoint a single trustee or agent with 50 operator, at its discretion, may require such co-ewners to appoint a single trustee or agent with 50 operator, at its discretion, may require such co-ewners to appoint a single trustee or agent with 50 operators of such 50 operators, receive billings for and approve and pay such party's cuthority to receive notices, approve expenditures, receive billings for and approve and pay such party's cuthority to receive notices, approve expenditures, receive billings for and approve and pay such party's cuthority to receive notices, approve expenditures, receive billings for and approve and pay such party's cuthority to receive notices, approve expenditures, receive billings for and approve and pay such party's cuthority to receive notices, approve expenditures, receive billings for and approve and pay such party's cuthority to receive notices, approve expenditures, receive billings for and approve and pay such party's cuthority to receive notices, approve expenditures, receive billings for and approve and pay such party's cuthority to receive notices, approve expenditures, receive billings for and approve and pay such party's cuthority to receive notices, approve expenditures, receive billings for and approve and pay such pay such pay such pay such pays and the co-ewners to approve and pay such pay such pay such pays and pay such pay such pays and pay such pay such pays and pay such pay such pay such pays and pay such pays and pay such pay such pays and pay such pay such pays and pay such pay such pays and pay such pay such pays and pay such pays and pay such pays and pay such pay				25		26 YATES DRILLING COMPANY MARFIN TATES, III		NAME 50.00000 55.000000 55.000000 55.0000000 55.00000000		
ted for within six (6) months after		share of the joint expenses, and the operations embraced in the disposition		shall be suspended during, but no longer them, the continuance of the force majeure situation as quickly as practicable. 32 shall use all reasonable diligence to remove the force majeure situation as quickly as practicable.		26 B. Governing taw:		By: 7 1 31 10		YAVES PETROLEM COMPONITION 5000, #2 20,000000 8,333334		
but any lease taken or contracted		28 party's microsis have the right to enter into and execute and they shall have the		33		B. Governing Law: The essential validity of this agreement and all matters pertaining thereto, including, but not lim- The essential validity of this agreement and all matters pertaining thereto, including, but not lim- The essential validity of this agreement and all matters pertaining thereto, including, but not lim- the essential validity of this agreement and all matters pertaining thereto, including, but not lim- the essential validity of this agreement and all matters pertaining thereto, including, but not lim- the essential validity of this agreement and all matters pertaining thereto, including, but not lim- the essential validity of this agreement and all matters pertaining thereto, including, but not lim- the essential validity of this agreement and all matters pertaining thereto, including, but not lim- the essential validity of this agreement and all matters pertaining thereto, including, but not lim- the essential validity of this agreement and all matters pertaining thereto, including, but not lim- the essential validity of this agreement and all matters pertaining thereto, including, but not lim- the essential validity of this agreement and all matters pertaining thereto, including, but not lim- the essential validity of this agreement and all matters pertaining thereto, including, but not lim- the essential validity of this agreement and all matters pertaining thereto, including the essential validity of the essential va		29 By: Attorney-in-Fact Attorney-in-Fact		YATES PRITICIANI COMPANY-ACCI. #2 YATES DRILLING COMPANY-ACCI. #2 6.666667 8.333333 8.333333		Pate of Lease:
se shall not be deemed a renewel		co-owners shart days of the oil and gas produced from the of their respective sharts of the oil and gas produced from the right to receive, separately, payment of the sale proceeds hereof.		The requirement that any force majeure shall be remedied with all reasonable dispatch shall not		The essential validity of this agreement and the state of the state in which the ited to, matters of performance, non-performance, breach, remedies, procedures, rights, duties and the ited to, matters of performance, non-performance, breach, remedies, procedures, rights, duties and the state in which the ited to, matters of performance, non-performance, breach, remedies, procedures, rights, duties and the state in which the ited to, matters of performance, non-performance, breach, remedies, procedures, rights, duties and the ited to, matters of performance, non-performance, breach, remedies, procedures, rights, duties and the ited to, matters of performance, non-performance, breach, remedies, procedures, rights, duties and the ited to, matters of performance, non-performance, breach, remedies, procedures, rights, duties and the ited to, matters of performance, non-performance, breach, remedies, procedures, rights, duties and the ited to, matters of performance, non-performance, breach, remedies, procedures, rights, duties and the ited to, matters of performance, non-performance, breach, remedies, procedures, rights, duties and the ited to, matters of performance, non-performance, breach, remedies, procedures, rights, duties and the item is a second of the item in the item is a second of the item in the item is a second of the it		30 Z Z I				Serial No. of Lease:
		31 right to receive, separately, payment of the		The requirement that any force inapetic shall be reduced who have party involved, contrary to its require the settlement of strikes, lockouts, or other labor difficulty by the party involved, contrary to its wishes; how all such difficulties shall be handled shall be entirely within the discretion of the party		as temperation to the state of		JOHN A. YATES	그 그 그 그 그는 그는 그 그 그를 가고 그를 다 하는 것이 없다.	JOHN A. YATES-ACCT. #2 HARTIN YATES, III-ACCT. #2 80.000000		Description:
ner to extensions of oil and gas				26 wishes; how all such difficulties shall be manufed shall be Charles and the		31 Contract Area is located. If the Contract Area is located shall govern. 32 of the land in the Contract Area is located shall govern.		32 33		$\operatorname{Lichitz}_{\mathbb{R}^{n}} = \mathbb{R}^{n}$		
apply to leases, or portions		32 33 F. Waiver of Right to Partition: 34 35 If permitted by the laws of the state or states in which the property covered hereby is located, each and the permitted by the laws of the state or states in which the property covered hereby is located, each are property covered hereby is locate				32 of the Ring in the San		34 By:				
		If permitted by the laws of the state of States Area waives any and all rights it that the contract Area waives any and all rights it than the contract Area waives any and all rights it than the contract Area waives any and all rights it than the contract Area waives any and all rights it than the contract Area waives any and all rights it than the contract Area waives any and all rights it than the contract Area waives any and all rights it than the contract Area waives any and all rights it than the contract Area waives any and all rights it than the contract Area waives any and all rights it than the contract Area waives any and all rights it than the contract Area waives any and all rights it than the contract Area waives any and all rights it than the contract Area waives any and all rights it than the contract Area waives any and all rights it than the contract Area waives and all rights it the contract Area waives are the contract Area waives area waives are the contract Area waives are the contract Area waiv		The term "force majoure", as here employed, shall mean an act of God, strike, lockout, or other term "force majoure", as here employed, shall mean an act of God, strike, lockout, or other act of God, act of God, strike, lockout, or other act of God, strike, lo		2 of the hole of		35 STATE OF NEW MEXICO)		III. A. Leaschold Interest of Parkies:		8. Lessor:
		33 F. Walvet of Man. 34 35 If permitted by the laws of the state or states in which the property covered hereby is included, each as a party hereto owning an undivided interest in the Contract Area waives any and all rights it may have party hereto owning an undivided interest in the undivided interest therein.		40 industrial disturbance, act of the public enemy, war, blockage, pages need, against, including the	e de la companya del companya de la companya de la companya del companya de la co	OTHER PROVISIONS 35 36A. Substitute Well: If, in the drilling of the Initial Well, Operator loses the hole of the Initial Well, Operator of Operator again, and in any of such events, on or before the property of the Initial Well, Operator of Operator again, and in any of such events, on or before the Initial Well, operator of the Initial Well, Operator of Operator of Such events, on or before the Initial Well, Operator loses the hole of the Initial Well, Operator loses the Initial Well, Operator loses the hole of the Initial Well, Operator loses t				Armaration		Original Lessee: Present Lessee:
ribution of eash toward the drilling		37 to partition and the		42 and any other cause, whether of the kind specifically enumerated above of venerally and		- $ -$		37 38 COUNTY OF EDDY The foregoing instrument was acknowledged before me this 201 day The foregoing instrument was acknowledged before me this 201 VATES PRIROLEUM				FEUSCHE HUSSEC.
tion shall be paid to the party who		38 And Printed State Sweet history and the state of the s		43 reasonably within the control of the party claiming suspension.				The foregoing instrument was acknowledged before me this		Date of Lease: February B. 1272 Pee Page 25 Fast, N.M.P.M.		
gainst the cost of such drilling or				44 45 ARTICLE XV.				of May 1980, by White Corporation, on behalf of said corporation.		Serial Mo. of Lease: Thomship 19 South, Faire Thomship 19		Daka of Yanga
early to whom the contribution is varrenty of tiffe, to the Drilling		40 chystal assessed by decimal and believe per service written notice to the other parties, which much as interests in the Control Area, it said promptly give written notice to the other parties, which shall include the name and rearranged at prospective pursuant or matter concerning its proposed sale, which shall include the name and rearranged, and all other terms of matter concerning its proposed sale, which shall include the name and rearranged, and all other terms of the reset that the reset willing and able to purchase), the purchase of ten (10) days after the parties of the concerning the reset willing and able to purchase).		45 ARTICLE AD. NOTICES				41 CORFORATION, a New Hexaco Composition	والمنطقة والمنافر والمسترين والمنافر والمنافر والمنافرة	Serial 40. Of Base Township 12 Serial 5/2 SE/4 Description: Section 6: 8/2 SE/4 Containing 80.00 acros, more or less.	and the second s	Date of Tease: Serial No. of Lease:
ling the well. If all parties hereto		42 interests in the same of sale, which shall include the first service, and all other terms of		74		actine actual of the Unit Area, and prospering the Objective Depth. For all purnates of the giselection on the Unit Area, and prospering the Objective Depth. For all purnates of the giselection on the Unit Area of the Substitute Well shall be considered as the drilling of the		My Commission Expires:				Description:
e a part of the Congract Area and		interests in the sequence sale, which small mands. 43 engine concerning its proposed sale, which small mands. 44 engine concerning its proposed sale, which small mands. 45 engine concerning its proposed sale, which to purchase), the purchase-sale ten (19) days after 46 engine (who must be ready, willing and able to purchase). For a period of ten (19) days after 47 the select the editor purchase and the same large and localities the lateral which the other is all 48 the select the concerning its proposed sale, which shall the purchase the lateral which the other is all 49 the select the concerning its proposed sale, which shall mands.		47 48 All notices antherized or required between the parties, and required by any of the procisions of		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		Notaly Publy:		Coorge L. Resse, Gr.		
this teneto are Dvilling Cartes may	and the second s	er the effect that the best to be a few body and the first of the first that the larger where the first the first to be a few body.		。		ithe Initial Cali.		45 HE STATE OF NEW MEXICO)		2. Industrial Makes Witholets Confidence and		
Act Avelo Birdy porty shall prompte Analysis and a survival and sensitive		43 mailton contentions 24 chastr (who must be ready, willing and able to DUCCOMY) for a period of ten (49) and some the CV and chastr (who must be ready shell then be seen an optional photology that I decent which the other is CV and the select which the other is CV and the select of the notice, as produced as the search length the provincing period disk there the DUCCOMY and the select of the notice of the notice of the select of the provincing period of the prochasing and the select of the notice of the select of the period of the select of the prochasing and the select of the notice of the select of the period of the select of the prochasing and the select of th		Western Union to seven, pasta is or charges proposed in the original constitution diversities given under \$27		45. A service of the first of the service of the service of the open of connecting an lead of the service of th		45 STATE UI ACCUMENT A CONTRACT A		A. 1996 Agreed: Whole 34, 1977 All all all arrests and a second		9. Tempora
ger Naria de le de part en auge weit en		,一直一点,一点,一点,一点一点,一点,一点,一点,一点,一点,一点,一点,一点,一点		on a modeline near of all he committee a crip when nearly dily the party in what such radio is discoved.		The School of the as a control that the Merit and the Unit Area The Option (3) May 1		The County of Rody (1) And the County of South County (1) and the County of South County (2) and the County of South County (3) and the County of South County (3) and the County (3) an		sete di 1961). Seviel Ros Gillines II — "Appending Grands, Ingels Millian, Ingels and Seviel Rose (1976).		Orland Lancor:
		and the second of the property of the first of the property of the second of the secon		。		Agramment, of the Addition of the Initial Medit and, if drills the Initial Medit and, if drills to the Initial Medit and, if drills to the Initial Medit and the Initial Medit and "Option of commencing an "Option of the Initial Medit and I have the I have the Initial Medit and		27 The second of the present and solution of the form of the Conference of the Confe		tectural for the first state of		Premark Scoters:
of white proxy is shape of an internet		and the first of account the second second to the first of the first o		,一个一个大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大				ニュー・ス・コード という 大道 れいしょう 二重動態 にいます がきるなど はっさんれき アプラン・コード・コード		Control of the Contro		
ar Matther (n. 1900) englinsed (fir. 1917) Tiban kemban Herib kemilik menganyangan		기가 되었다. 그런 사람들이 되었다. 그는 그는 그는 사람들이 함께 하고 있다면 되었다. 그는 그는 그는 그는 그는 그는 그는 그를 보고 있다. 그는 그들은 사람들이 되었다. 그는		8. By for the Solid Constitution of the Lindson Tried oph Crinquing, with persons or charges provided the Solid Constitution of the Solid Constit		de ^{ter} l'illimité de la company de la compa		to the confidence of the section competes that the behavior of the employees the section of the confidence of the section competes the section of the sectio		teny finantiana amin'ny faritr'i European Bondard ao amin'ny faritr'i Amerikana.		
Curde, on Cyllifon then World !				and the control of the second process of the second of the control		그 그는 그리면 한 점점이 가는 나는 이번 그는 것이 되었다.		16 v. Chestosipa Explicas: 10 v. V. Albert Maller Miller VIII (1900) (1900) (1900) (1900) (1900) (1900) (1900)		大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大		Parc of comps
		53 ANY JOHN SOME FORCEON 54 REVENUE CODE FORCEON 54 REVENUE CODE FORCEON				SZellusek ette ett OSCACA (CLIC)		Section 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2		\sim 10 mag		Serial Lo. of Toade: Description:
				ARTICLE MIL. 51 RG OV AGRESSIENT				ችች ፡		Barial No. of Leace: Fee gowing 19 South, Dayle 25 Dect, N.M. P. J		Mathier Barrania
rang paris bersto sheli, kultur paris manganang karang sanggalang bas		54 55 56 57 This proceed is not intended to create, more first year in constance to examinate more into the constance of the period in the point of the period intended to create, more anomaly the period intended to replication, or that this is the period in the pe				if the iteration and other provisions admitted, plugged back, sidebracked, or terms of the interest of the second		en en sample for mar semeco) en		Bernal Ger vir Million Be all the distriction of Figure 1 and 1 an		
on payor mi, or nei proportis inter- nei Sei n. Secci V., ando puir concentija		to the property of the profit of the profession of the period to create the period to create the period to create the period to		61 42 Telly argument that remain in this force and offert as to the oil and gas leason and/or oil and gas in-		authors and eather operation that have authored area or any portion thereof in the second after aimstrate.		We construct that the construction of the cons		Containing 19,00 and 20		
		"我们,我把我们还有一种,我们就有一个人的。" "我们,我们就是一个人的,我们就是一个人的,我们就是一个人的,我们就是一个人的,我们就是一个人的,我们就是一个人的,我们				THE PARTY OF THE PARTY OF TAXABLE OF THE PARTY OF THE PAR		그는 사람들은 사람들이 가장 살아보고 있다면 그는 사람들이 되었다면 하는 것이 되었다면 하는 것이 되었다면 살아보다면		,我们就是一个大型,我们就是一个大型,我们就是一个大型,我们就是一个大型,我们就是一个大型,我们就是一个大型,我们就是一个大型,我们就是一个大型,我们就是一个大 第一个大型,我们就是一个大型,我们就是一个大型,我们就是一个大型,我们就是一个大型,我们就是一个大型,我们就是一个大型,我们就是一个大型,我们就是一个大型,我们		SOLO CONTROLS
		en de la composition de la composition La composition de la		and the control of th		。		The foregoing and amount of the foregoing and an amount of the foregoing and the for		i_{i} , i_{i}		Optique Commence
	•	是一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个		the confidence of the proof of executions and the characteristic control of the c		· · · · · · · · · · · · · · · · · · ·		and the state of t		z, Megazzi. A vega nie		Water steady Type state in the
						는 사람들은 사람들이 되었다. 그는 사람들이 되는 사람들이 하면 되었다. 그는 사람들은 사람들은 사람들은 사람들이 사용하는 것이다. 						
										en de la companya de La companya de la co		
	64			en de la companya de La companya de la co								
						en trope de la companya de la companya de la companya de la companya de la companya La companya de la co						
	No. of the control of											

					Form 601, have rate (MMC).				
Potent Humon, et al Arotona Corporation Strolona Comporation - 1/2	1). Termon: Original Lemmer: Proceeds to amount	Florence VanValkerburg Yates Petroleum Corporation Vates Petroleum Corporation - 1/2 Yates Drilling Convey - 1/6 - 1/6		2at Shi Vincent	ATTACHED TO AND MADE A PARK-OF OPERATION		Departer shall sharps the Soint Account with the fellowing items:	To Taxes	B. Overhead - Percentage Pasis (1) Operator shall charge the Joint Acc
Petrofold Colphacton - 1/2 Orilling Company - 1/6 . Yates - 1/6 . Yates, fit - 1/6 9, 1967	nute of lease: goald to. of lease: Popeription:	John A. Yates Fractin Yates, 111 - 1/6 July 31, 1967 Wee Township 19 South, Parge 25 Fast, H.M.P.H.	lessee: tate of lease: Sarial No. of lease:	June 22, 1972 Free Township 19 South, Range 25 East, U.M.P.H.	AGREEMENT PATED APRIL 79, 1980, BEGGEN YATES PETROLIGH CORPOPATION, "OPERATOR", and YATES DECLLING COLPANY, ET AL, "NON- OPERATORS", COVERING S'ASE'S SEC. 6, 19-25.		1. Rentals and Royalties Lease rentals and royalties paid by Operator for the Joint Operations. 2. Labor A. (1) Salaries and wages of Operator's field employees directly employed on the Joint Property in the conduct	All taxes of every kind and nature assessed or levied upon or in connection with the Joint Property, the operation thereof, or the production therefrom, and which taxes have been paid by the Operator for the benefit of the Parties. 11. Insurance	(a) Development Percent (* % provided under Paragraph 9 o (b) Operating
hip to South, Dange 25 Jansts N.H.P.M. on 6: S72 SE/4 ining 80.00 acros, more or less.		Section 6: S/2 SE/4 Containing 80.00 acres, more or less.	Waca, by roan	Containing 80.00 acres, more or less. Unboy Wilcott Water Patroleus Corporation			of Joint Operations. (2) Salmies of First Level Supervisors in the field. (3) Salmies and wages of Technical Employées directly employed on the Joint Property if such charges are excluded from the Overhead rates. B. Operator's cost of holiday, vacation, sickness and disability benefits and other customary allowances paid to	Net plendings paid for insurance required to be carried for the Joint Operations for the protection of the Parties. In the event Joint Operations are conducted in a state in which Operator may act as self-insurer for Worksties. In the event Joint Operations are conducted in a state in which Operator may act as self-insurer for Worksties. In the event Joint Operator state's laws, Operator may, at its election, men's Compensation and for Employers Liability under the respective state's laws, Operator may, at its election, include the risk under its self-insurance program and in that event. Operator shall include a charge at Operator's cost not to exceed manual rates.	Percent (9) under Paragraphs I and 9 of Se for secondary recovery and old t eral interest in and to the Join (2) Application of Overhead - Percents
Abernathy Petroleum Corporation Petroleum Corporation - 1/2 Drilling Company - 1/6 A. Yates - 1/6	12. Lessor: Original Lessoe: Present Lessoe:	Yates Petroleum Corporation Yates Petroleum Corporation - 1/2 Yates Deilling Corpony - 1/6 John A. Yates - 1/6 Martin Yates - 1/6	fessee: Date of Lease: Serial No. of Lease:	January 8, 1975 Fee as week, N.M.P.M.	I. GENERAL PROVISIONS 1. Definitions "Joint Property" shall mean the real and personal property subject to the agreement to which this Accounting Procedure is attached.		employees whose salaries and wages are chargeable to the Joint Account under Paragraph 2A of this Section II. Such costs under this Paragraph 2B may be charged on a "when and as paid basis" or by "percentage assessment" on the amount of salaries and wages chargeable to the Joint Account under Paragraph 2A of this Section II. If percentage assessment is used, the rate shall be based on the Operator's cost experience. C. Propolitores or contributions made pursuant to assessments imposed by governmental authority which are	12. Other Expenditures Any other expenditure not covered or dealt with in the foregoing provisions of this Section II, or in Section III, and which is incurred by the Operator in the necessary and proper conduct of the Joint Operations.	Por the purpose of defermining char velopment shall include all costs in tions on any or all wells involving to necessary in preparation for drilling pleted as a producer, and original cossets and any other project clearly
n Matos, (*) 1/6 18, 1967 Inip 19 South, Runge 25 Fast, M.H.P.M. on 6: 8/2 Sc/4	Date of lease: Serial ha. of hore: Denoraption:	Spring 1967 Programming 19 South, Renge 25 Heat, L.M.P.M. Section 6: 8/2 Sh/d Containing 80.00 nerss, more or less.	20. lessor: lesses:	Charles Forem Vincent Yakes Februare Cooperation June 22, 1973	"Joint Operations" shall mean all operations necessary or proper for the development, operation, protection and mointenance of the Joint Property. "Joint Account" shall mean the account showing the charges paid and credits received in the conduct of the Joint Operations and which are to be shared by the Parties. "Operator" shall mean the party designated to conduct the Joint Operations.		applicable to Operator's costs chargeable to the count Account dutter ratagraphs are gue no of the second under tion II. D. Personal Expenses of these coupleyers whose subales and wages are thougastle to the doin' Account under Paragraph 2A of this Section U.	1. Overhead - Deilling and Producing Operations i. At compensation for administrative, supervision, office services and werehousing costs, Operator shall charge	assets and any other project that Paragraph 2 of this Section III. All December - Major Construction The compensate Operator for everhead cost pansion of fixed assets, and any other projects of the Laint Property Operator's
ining 80.00 acres, more or less. Or Rees Exsheth Petroleum Corporation Petroleum Corporation - 1/2	13. lesson: Lessec: Date of lease:	Potty Autz Yates Potroleum Corporation June 22, 1972	Serial Mo. Of Lease. Description:	Containing 80.00 acres, more or less.	"Non-Operators" shall mean the parties to this agreement other than the Operator. "Parties" shall mean Operator and Non-Operators. "First Level Supervisors" shall mean these employees whose primary function in Joint Operations is the direct supervision of other employees and/or contract labor directly employed on the Joint Property in a field operating capacity.		Operator's current costs of established plans for employees' group life insurance, hospitalization, pension, retirement, steek purchase, thrift, bonus, and other benefit plans of a like nature, applicable to Operator's labor cost chargeable to the John Account under Paragraphs 2A and 2B of this Section II shall be Operator's actual cost not to exceed wenty per cent (20%), or percentage most recently recommended by COPAS.	(XX) Fixed Rate Basis, Paragraph 1A, or () Percentage Basis, Paragraph 1B. Unless otherwise agreed to by the Parties, such charge shall be in lieu of costs and expenses of all offices Unless otherwise agreed to by the Parties, such charge shall be in lieu of costs and expenses of all offices	operation of the Joint Property, Operator's charge the Joint Account for Overhoud has of \$ 25,000.00. A 5 0 of total costs if such costs in excess of the Joint Property, Operator's section of the Joint Property of the J
Petrotega Componer - 1/2 Drilling Company - 1/6 A. Yates - 1/6 m Yates, III - 1/6 18, 1967	Sorial Mr. of Lease: Posoription:	Pee Township 19 South, Pange 25 Fist, N.H.P.M. Section 6: 5/2 88/4 Containing 80.00 stres, more or less. Monie Vincent Cowan	21. lessor: Lessee: Pate of lease: Serial No. of Lease:	Yates Petroleum Ospania June 22, 1972 For Township 19 South, Rauso 25 Hast, A.M.P.N.	"Technical Employees" shall mean those employees having special and specific engineering, geological or other professional skills, and whose primary function in Join! Operations is the handling of specific operating conditions and problems for the banefit of the Joint Property. "Personal Expenses" shall mean travel and other reasonable reimbursable expenses of Operator's employees. "Material" shall mean personal property, equipment or supplies acquired or held for use on the Joint Property.		Material purchased or furnished by Operator for use on the Joint Property as provided under Section IV. Only such Material shall be purchased for or transferred to the Joint Property as may be required for immediate use and is reasonably practical and consistent with efficient and economical operations. The accumulation of surplus stocks shall be avoided.	and salaries or wages plus applicants betweens and expanses of an expanse of rervices, from outside sources in connection with under Paragraph 2A. Section H. The cost and expanse of rervices, from outside sources in connection with under Paragraph 2A. Section H. The cost and expanse of texation, traffic, accounting or matters before or involving governmental agencies shall be considered as included in the Overhead rates provided for in the above selected Paragraph of this Section HI unless such cost and expanse are agreed to by the Farties as a direct charge to the Joint Account. The salaries, wages and Personal Expanses of Technical Employees and/or the cost of professional consultant services and contract services of technical personnel directly employed on the Joint Property shall () shall services and contract services of technical personnel directly employed on the Joint Property shall () shall	C. 2 to of total costs in excess Total cost shall mean the gross cost of a of a single project shall not be treated set 3. Amendment of Rates The Overhead rates provided for in this 5
hip 19 South, Range 25 East, N.M.P.H. on 6: S/2 SE/4 dining 80.00 acres, more or less.	Date of Lease: Serial No. of Lease: Description:	Yates Petroleum Corporation August 4, 1972 Mee Township 19 South, Renge 25 Dist, M.M.P.M.	22. Lesson:	Rotty Klumo Yates Petrolem Corporation	"Controllable Material" shall mean Material which at the time is so classified in the Material Classification Manual as most recently recommended by the Council of Petroleum Accountants Societies of North America. 2. Statement and Billings 2. Statement and Billings		5. Transportation Transportation of employees and Material necessary for the Joint Operations but subject to the Allowing limitations: A Material is moved to the Joint Property from the Operator's warehouse as other properties, no charge shall be made to the Foint Account for a distance greater than the distance from the nearest reliable supply store, recognized barge terminal, or railway receiving point where like material is normally available, unless agreed	services and contract services of technical personner directly characters. not (X) be covered by the Overhead rates. A. Overhead - Fixed Rate Basis (1) Operator shell charge the Joint Account at the fellowing rates per well per month:	between the Parties hereto ii, in practic IV. PETCING OF JOINE ACCOUNT Operator is recupsible for Joint Account Ma
Patroleum Corporation Petroleum Corporation - 1/2 Drilling Company - 1/6 A. Yates - 1/6 In Yates, III - 1/6	15. Lesson:	Containing 80.00 acres, more or ress. Elaine McCodos Vincent Yates Petroleus Corporation	gorial No. Of Pers.	Section 6: 8/2 85/4: Containing 80.00 acres, more or less.	Joint Account for the preceding month. Such bills will be accompanied by statements which identify the advisorable for expenditure, lease or facility, and all charges and credits, summarized by appropriate classifications of investment and expense except that items of Controllable Material and unusual charges and credits shall be separately identified and fully described in detail.		B. If surplus Material is moved to Operator's warehouse or other storage point, no charge shall be made to the Joint Account for a distance greater than the distance to the nearest reliable supply store, recognized barge terminal, or railway receiving point unless agreed to by the Parties. No charge shall be made to the Joint Actorial, or railway receiving point unless agreed to by the Parties.	Producing Well Rate \$ 200.00 (2) Application of Overhead - Fixed Rate Basis shall be as follows: (a) Drilling Well Rate (b) Application of Overhead - Fixed Rate Basis shall be as follows:	terial movements affecting the Joint Proper terial movements affecting the Joint Proper ever, at Operator's option, such Material may of idle and/or surplus Material, such disposition, or sale to outsiders. Operator may put tors in surplus condition A or B Material, tor shall be agreed to by the Parties.
hip 19 South, Range 25 East, N.M.P.M. on 6: S/2 SE/4 tining 80.00 acres, abus or less.	Lessoe: Ente of Lesse: Sarial No. of Lesso: Description:	August 7, 1972 Pee Township 19 South, Harrie 25 Fact, N.M.P.M. Satisfon 6: 5/2 SU/4 Containing 80.00 mercs, more on less.	23. Unleased minusals:	Steve Lane Vincent J. C. Whicott Charles O. Walcott Billy J. Walcott Cril Scropping	Unless otherwise provided for in the agreement, the Operator may require the Non-Operators to advance their share of estimated each outlay for the succeeding month's operator. Operator shall adjust each monthly billing to reflect advances received from the Non-Operators. Pach Non-Operator shall pay its proportion of all bills within fifteen (15) days after receipt. If payment is not made within such than, the unput believe shall have interest manifely at the rate of twolve payment (12%) are made within such than, the unput believe shall have interest manifely at the rate of twolve payment (12%) are		Count for moving statement to time interaction of above, there shall be no equalization of actual gross trucking cost of \$200 or less excluding occussorial energies. 6. Services The cost of contract services, equipment and utilities provided by quiside sources, event services excluded by the cost of contract services, equipment and utilities provided by quiside sources, event services excluded by	the date the drifting or completion tig is remained, (15) or more consecutive days be made during suspension of drifting operations for filling or completion equipment. [2] Charges for offshore drilling wells shall begin on the date when drilling or completion equipment news off location we have medicated and legislate on the date the drilling or completion equipment moves off location when the drifting or completion equipment moves off location when the drifting or completion equipment moves off locations and legislated and the drifting or completion equipment.	1. Purchases Material purchased shall be charged at of Material found to be defective or re Account when adjustment has been re
promption of the section of the sect	is. Fuerie: Prisse: Ris of testi: Sector of Feesa:	se vega di Bona. Minderski mojor i novim i na novim je met i da dujeve i 17 novim 18973		Charles Survey and Charles Surve	principles the newlecture, is a parallel by the applied between himself in which in which the drift property is builting, who research and become also accomed between a single difference in commence with the collection of the control of the control of the collection of the control of the co		The graph for decide it and from the section of the land through a first reach companies are excluded from the concept orders of evaluated principal decides a concept of the land through a first reached and excluded principal decides and the land through a first tendent of the land	Her are in a compared by the latter (a) or more was confine days sign of defiling or antique for Hittern (a) or more was confine days for Go, the latter of the latter type of a chaver or recompleted for a confident five (b) con got time they are seen out the process of this type that the process of a confidence to the confidence of a confidence of the process of the process of the confidence of the confidence to the confidence of the conf	7. Entertors and Observations the test of Careford to the Admit Prope O, which has been a constant to constant to constant to the Admit Prope equation (Constitution 6)
1000 000 000 000 000 000 000 000 000 00	abus trilija (1900)	Edit (164) is a light for the second constant of the second constant	Bacching 1971		grafia de la completa del completa de la completa de la completa del completa de la completa del completa de la completa del completa de la completa de la completa del completa del completa de la completa de la completa del completa de la completa del comple		6. The plane. Which is the second of the Varieties. 7. One of the control of the control of the restriction of a configuration of the control of t	A transport of the first of the	(2) The Plan (3) The Plan (4) The Plan (5) The Plan (6) The Plan (7) The Plan (8) The Plan (8) The Plan (9) The Plan (9
\$444 19 South, Parre 25 East, 434.844. On 6: 8/2 Sty4 daving 80.00 acres, none on Teat.	iv. immor: immora pada of Immor immiri Kalof Lrans imporistion:	Yatos Matrolora Companyaron Argast 7, 1967			5. 26 2. Steen with the permanent of the delice According to the properties, deall lower the first terminal to the permanent of the permanent		of the John Property. 2. In the of earth a fortunarph TA above, the righer may elect to the average concernial rate, prevailing in the interface of the fortunarph TA above, the rights are discountly by states are elect in the rights and the fortunary fortunary of the resolution. 2. In tages and I take to that Property.	hate it if it is constituint and the provide by well as infinite all products to take the product of the product of a product of the product	(a) Movement of test Gran Williams of test Gran Williams of the Standard of th
Finance Common territoria. The definition of the common territoria.					Applied that the state of another contributed of the first leading to the contributed of the first the first the first terms of	€*	A Looking two of mean copyrish the perconding ement of active Proposition of the State of Armed Anne (Anne Anne Anne Anne Anne Anne Ann	Septical Control of the second process of the second of th	que pase en la terministrali à carder supplimateur an finde radione national
							en e		

ip with the constant of the state of the sta		and the construction of the state of the sta		nere de la completa del completa de la completa de la completa del completa de la completa del la completa del la completa de la completa de la completa del la completa de la completa de la completa del la completa de	
	as determined by Paragraph 2A of this Section				
	(b) at sixty-five percent (65%) of current new price, as determined by Paragraph 2A of this Section (b) at sixty-five percent (65%) of current new price, (c) A sixty-five percent was originally charged to the Joint Account in good used Material at seventy-five per (d) A sixty-five percent new price.			ATTACHED TO AND DADE A PART OF CHEATURE AGREEMENT DATED APRIL 29, 1900, SECRETE YATER PROPOSED CORPORATION, "OPERATOR",	
t at the following rate::	The cost of reconditioning C and D)	EXHIBAT "D"		end YACES BEHLLIED COMPANY, IN AL, "MOUNDED OPERATORS", COMERANG STORE, SEC. 6, 19-25.	
f the cost of Development of the Joint Property exclusive of costs ction II and all salvage credits.	C. Other Wall man by the extension of a second new price as determined by			EXIIBIT "E"	After notice to the Opera delivering to its purchaser its fu
and the filet December evolutive of costs provided		ATTACHED TO AND MADE A PART OF OPERATING AGREEMENT DATED APRIL 29, 1980, BETWEEN YATES PETROLEUM CORPORATION, "OPERATOR",			unit under which it has yes in addition
ion II, all ralvage credits, the value of injerved sibstances purchased es and accessments which are levied, assessed and paid upon the min-		and YATES DRILLING COMPANY, ET AL, "RON- OPERATORS", COVERING SINES SEC. 6, 19-25.		GAS BALARCING AGREENEST	tor, until it has recovered to
Basis shall be as follows: Basis shall be as follows: es on a percentage basis under Paragraph 1B of this Section III, de-					gas determined by Enterprising the gas production of the party or page gas production is the interest
nnection with drilling, recurring, despecting to the manual section with drilling crew and equipment; also, preciminary expenditures tuse of drilling crew and equipment; also, preciminary expenditures	proces of Condition D Material				in place and the denominator of proration unit of all parties with
and expenditures medities in analogous and assets, the expansion of fixed discernible as a fixed asset, except Major Construction as derived in other costs shall be considered as Operating.	priced on a basis comparation of Material under procedures of Condition D Material under procedures. Description of Non-Operators. Display the Material of Non-Operators. Display the Material of Material under procedures of the condition and for value of such Material of Non-Operators. Material which is serviceable and usable for its original function but condition and for value of such Material by Material which is serviceable and usable for its original function but condition and for value of such Material by Material under procedures as provided above may be specially priced as agreed as agreed with the value of the corvice constant of the provided price of the corvice constant of the provided price of the corvice constant of the price of the p	ADDITIONAL INSURANCE PROVISIONS		The parties to the Operating Agreement to which this agreement is attached own the working interest in the gas rights underlying the Unit Area	a purchaser.
Commission of the commission o	the Parties. Such Price from the filter cents (196) yet agend by such Minterial.			covered by such agreement in accordance with the percentages of participation as set forth in Exhibit "A" to the Operating Agreement.	Each party producing a shall pay and all production
metered in the constitue of the discoursed for the development and belearly discountible as a fixed asset required for the development and H either negotiate a rate prior to the beginning of construction or shall don the following rates for any slajer Construction project in excess.	Material is ant equivalent to that which is should result in the John 17 to Parties. Such price should result in the John 17 to Parties. Such price should result in the John Account at the rate of filmen cents (15g) per dered by such Material. 1. Pricing Conditions (1) Loading and unloading costs may be charged to the John Account at the rate of filmen cents (15g) per dered by such Material. (1) Loading and unloading costs may be charged to the John Account and unloading costs of Section it. (1) Loading and unloading costs may be charged to lieu of loading and unloading costs of Section it. (2) Material involving exection costs shall be charged at applicable percentage of national emergencies, strikes price of new Material.	Operator, during the term of this agreement, shall carry insurance for the		In accordance with the terms of the Operating Agreement, each party	Hothing herein shall be
pro more than \$ _25,000.00 but less than \$ 1,00,000.00 plus	actual handlag cest of salar costs shall be charged as the	benefit and at the expense of the parries hereto, as follows:		there'to has the right to take its share of gas produced from the Unit Area and market the same. In the event any of the parties hereto is not at any time	to time, to produce and take un
\$ 100,000.00 but less than \$1,000,000; ptus	2. Promium Prices proposed by the published or listen s. Operator may charge the suitable let see			taking or marketing its share of gas or has contracted to sell its share of gas produced from the Unit Area to a purchaser which does not at any time while this agreement is in effect take the full share of gas attributable to the interest	purchaser, provided that said to exceed 72 hours.
one project. For the purpose of this paragraph, the component paris ately and the cost of drilling and workover wells shall be excluded.	price of new Material. price of new Material. Premium Prices Whenever Material is not readily obtainable at published or listed prices because of national control for the Whenever Material is not readily obtainable at published or listed prices because of national causes over which the Operator has no control, the Operator may charge the Joint Account for use, Whenever Material is not readily obtainable at published or listed prices because of national is suitable for use, which the Operator has no control, the Operator and to Non-Operators of the proposed or other unusual causes over which the Operator incurred in providing such Material. Such Non-Operator shall have the right, by so electing and required Material at the Operator's provided notice in writing is furnished in kind all or part of his share required Material. The Operator is furnished in kind all or part of his share	(A) Workmen's Compensation Insurance as contemplated by the state in which permations will be conducted, and Employer's Liability		of such party, the terms of this agreement shall automatically become effective.	chand production of (
tion III may be amended from time to time only by mutual agreement the rates are found to be insufficient or excessive.	and in moving h to the Couracters for short receiving notice from Operator.	Incurance with limits of not less than \$160,000.00 per employee.		During the period or periods when any party hereto has no market for its share of gas produced from any proration unit within the Unit Area, or its	tinued before the gas account to
AMERICAL PHROBASES TRANSFERS AND DISPOSITIONS	charge prior to filling Non-Constants notifying Operator within ten days after receiving notics notifying Operator within ten days after receiving notics of such Material suitable for use and acceptable to Operator of such Material Furnished by Operator Warranty of Material Furnished by Operator Operator does not warrant the Material furnished. In case of defective Material, credit shall not be passed to the Operator of Material Furnished by Operator Operator does not warrant the Material furnished. In case of defective Material, credit shall not be passed to the Operator of Material Furnished by Operator Operator does not warrant the Material furnished. In case of defective Material, credit shall not be passed to the Operator of Material Furnished by Operator Operator does not warrant the Material furnished. In case of defective Material, credit shall not be passed to the Operator does not warrant the Material furnished. In case of defective Material, credit shall not be passed to the Operator does not warrant the Material furnished. In case of defective Material, credit shall not be passed to the Operator does not warrant the Material furnished. In case of defective Material, credit shall not be passed to the			purchaser does not take its full share of gas produced from such proration unit, the other parties shall be entitled to produce each month one hundred percent	duced party or parties with the over
int and shall make proper and timely charges and credits for all ma-	Operator does not warrant the Material Control of the Account that been received by Operator to the Account that adjusting the been received by Operator to the Account that adjusting the Account that adjusting the Account that the Account the Account that the Account that the Account the Account the Account that the Account the Acc	(B) Public Mashility Insurance:		(100%) of the allowable gas production assigned to such promation unit by the State regulatory body having jurisdiction and shall be entitled to take and deliver to its or their purchaser all of such gas production; however, no party	the delivery of a volume of gas
supplied by the Non-Operator. Operator shall make (Mass) supported in sing made either through sale to Operator or Non-Operator, division in the mode either through sale to Operator or Non-Operator.	a smalable Material.	Bodily lajury \$500,000.00 each occurrence.		shall be entitled to take or deliver to a purchaser cas production in excess of 300% of its current share of the volumes capable of being delivered or its	sale of the gas, for ges some
se, but shall be under no congains to partness, something the Opera- i disposal of surplus Controllable Material not purchased by the Opera-	The Operator shall maintain detailed records of Conirollable Material. The Operator shall maintain detailed records of Conirollable Material. The Operator shall maintain detailed records of Conirollable Material. The Operator shall maintain detailed records of Conirollable Material. The Operator shall maintain detailed records of Conirollable Material. The Operator shall maintain detailed records of Conirollable Material. The Operator shall maintain detailed records of Conirollable Material. The Operator shall maintain detailed records of Conirollable Materials. The Operator shall maintain detailed records of Conirollable Material. The Operator shall maintain detailed records of Conirollable Material. The Operator shall maintain detailed records of Conirollable Material. The Operator shall maintain detailed records of Conirollable Material. The Operator shall maintain detailed records of Conirollable Material. The Operator shall maintain detailed records of Conirollable Material. The Operator shall maintain detailed records of Conirollable Material. The Operator shall maintain detailed records of Conirollable Material. The Operator shall maintain detailed records of Conirollable Material. The Operator shall maintain detailed records of Conirollable Materials. The Operator shall maintain detailed records of Conirollable Materials. The Operator shall maintain detailed records of Conirollable Materials. The Operator shall maintain detailed records of Conirollable Materials. The Operator shall maintain detailed records of Conirollable Materials. The Operator shall maintain detailed records of Conirollable Materials. The Operator shall maintain detailed records of Conirollable Materials. The Operator shall maintain detailed records of Conirollable Materials. The Operator shall maintain detailed records of Conirollable Materials. The Operator shall maintain detailed records of Conirollable Materials. The Operator shall maintain detailed records of Conirollable Materials. The Operator shall	(C) Automobile Public Liability Insurance:		current share of allowable gas production if regulated thereto by State regulatory body having jurisdiction, unless that party has gas in place. All parties hereto	as provided by the reach at re
price puld by Operator piner deduction of all discounts received. In case ed to vendor for any other reason, credit shall be pessed to the Joint	The Operator shall maintain detailed records of Continues. 1. Periodic Inventories, Motice and Representation 1. Periodic Inventories, Motice and Representation At reasonable intervals, Inventories shall be taken by Operator at least thirty (30) days before any inventors. At reasonable intervals, Inventories shall be given by Operator at least thirty (30) days before any inventors. Written nature of Non-Operators shall be given by Operator at least thirty (30) days before any inventors in taken. Failure of Non-Operators with the given by Operator at least thirty (30) days before any inventors with the inventory in taking the following shall be determined as an inventory shall bind Non-Operators to accept the inventory and shall be inventory and the transfer of the inventory. Inventory and the transfer of the inventory and the days are the daily decorated by Operator shall be	bodaly Injury - \$250,000.00 each person.		shall share in and own the liquid hydrocarbons recovered from such gas by lease equipment in accordance with their respective interests and subject to the Operating Agreement to which this agreement is attached, but the party or parties	which is not ditimately be accompled abount to be accompanied about thereto.
of the Operator.	Written notice of this Non-Operation may be represented to accept the inverse and shortages tory is to be included at an inventory chall bind Non-Operative to accept the inventory and to be represented at an inventory chall be done Account that he made, with a list of overages and shortages to be represented at an inventory chall be done Account that he made, with a list of overages and shortages with the done Account that he made, with a list of overages and shortages with the made and the inventory of the inventory and the constitution of the inventory of the Operator shall be necessarily in the operator of the Non-Operators with the point Account for everages and the operator of the Operator shall be necessarily in the operator of the operator of the Operator shall be necessarily and the operator of the Operator shall be necessarily and the operator of the Operator shall be necessarily and the operator of the operator of the Operator shall be necessarily and the operator of the Operator shall be necessarily and the operator of the Operator shall be necessarily and the operator of the Operator shall be necessarily and the operator of the Operator shall be necessarily and the operator of the Operator shall be necessarily and the operator of the Operator shall be necessarily and the operator of the Operator shall be necessarily and the operator of the Operator shall be necessarily and the operator of the Operator shall be necessarily and the operator of the Operator shall be necessarily and the operator of th	ş560,660.00 ench eccurrence.		taking such gas shall own all of the gas delivered to its or their purchaser.	name of the bounds shall
and Testeric' in astronoid from the John Property of States of the Special States of Section 1997.	tory is to begin so that the foresters shall bind each to be represented at an inventory shall bind each the beginning and Adjustment of Javenteries. 2. Propositionis of a physical inventor's with the doing Account them to inventors for the inventors shall be the exceptioning of a physical inventor's within six mention absorbed tool the country, but Operator shall be the exceptioning of the the Non-Cross within the mint Account the exception and the country.	Property Outside - (jimb, Other) outlands econverse.		On a commitative lessing contractory cost (Ating or numbering its full)	National Garage State to the personalization share of B to the transfer in a least to the CO
	Handaland did the factor of the state of the			laene of the graph on the bille be abelied his per to this tell in the life to the fill of the fill of the common state of the state of graphs of the state of th	
English servered of the community service prior size of the off services of the out of t	en en en grande (NASSA) de la la la la respectación de la laction de la laction de la laction de la laction de La laction de la laction d La laction de la laction de	g pages in the lagge confidence for the first of the first of the first of the confidence of the first of the confidence		in the field of the electricase of the Constant will make the common transpose of the Action for a control of the electrical algorithm in the control of the profit of the control of the control of	The Commonweal Common Alberta Common Common Commo Common Common
		e Province de la company d La company de la company d		ecount in the community of the first ender the community of the community of the community of the community of the community and the community of the community	en e
paint, shall be priced at the correct new price, in effect at tide of the cold of the lapty where such Material is not the definition only where such Material is not the cold of the cold	4. Expense of Construction for the Arcentect of the State	indicate (or by instrance required by this agreement in the captical for the newly and he also expense of the parties have to) obtain a decreal or			1.55 \$ \$ 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5
e season altrill for mickel under provident of tubular positionals product in the season. A				At all binds vail gas is produced from decide Assa, each parcy bission of the wife and parcy bission of the wife with the cash and task the respective regular makes. In which they are task as a few more task of the cash and the cash are task of the cash of t	
to concentrate of the land marginder throwers at the line the marginal with a some property who as not the end form undig				engeneralisken, group en dit deske blistel valle verke der betet eine kan die kritiske de die dit tre partro, dard lass klube ombyt, och de bereigt bestelet de kort en beliede bliste die bliste ombig haneliske drom kan den dit och han kom boyrikk grødet at enterlied by fysikky oweres	
			·		

delivering to its purchaser its full share of the gas produced from a proration unit under which it has gas in place less such party's share of gas used in operations, vented or lost. In addition to such share, each party, including the Operator, until it has recovered its gas in place and balanced the gas account as to its interest, shall be entitled to take or deliver to its purchaser a share of gas determined by smiliplying fifty percent (50%) of the interest in the current gas production of the party or parties without gas in place by a fraction, the numerator of which is the interest in the proration unit of such party with ges in place and the denominator of which is the total percentage interest in such proration unit of all parties with gas in place currently taking or delivering to a purchaser. Each party producing and taking or delivering gas to its purchaser shall pay any and all production taxes due on such ges.

Nothing herein shall be construed to deny any party the right, from time

After notice to the Operator, any party at any time may begin taking or

to time, to produce and take or deliver to its purchaser its full share of the allowable gas production to meet the deliverablility tests required by its purchaser, provided that said test should be resonable length, normally not to exceed 72 hours. Should production of gas from a proration unit be permanently discon-

tinued before the gas account is balanced, settlement will be made between the underproduced and overproduced parties. In making such settlement, the underproduced party or parties will be paid a sum of money by the overproduced party or parties attributable to the overproduction which said overproduced party received, less applicable taxes theretofore paid, at the applicable price defined below for the delivery of a volume of gas equal to that for which settlement is made. For gas sold in intrastate commence, the price basis shall be the price received for sale of the gas. For ges sold in interstate commerce, the price basis shall be the rate collected, from time to time, which is not subject to possible refund, as provided by the Federal Power Cosmission pursuant to final order or settlement applicable to the gas sold from such well, plus any additional collected amount which is not ultimately required by said Commission to be refunded, such additional collected amount to be accounted for at such time as final determination is

made with respect thereto. hathing begans shall change or affect each party's obligation to pay Sis permentioning share of all cost, and limbilities induced, as its

(4) The Operator will comply with all provisions of Executive Order 11246 of the Secretary of Labor.

ATTACHED TO AMO HADE A PAGE OF OPERATING

ACRESTEER DATED APRIL 29, 1980, BEHALER

YATES PETROLEMA CORPORATION, "OPERATOR", and YATES DRIBLING COMPARY, ET AL, "NOW

OPERATORS", COVERING Systic SEC. 6, 19-25.

ENHIBTT "F"

MOUNT EMPLOYMENT OPPORTUNITY PROVISION

During the performance of this contract, the Operator agrees as follows:

(1) The Operator will not discriminate against any employee or applicant

for employment because of race, color, religion, national origin or

Control of the Contro

of September 24, 1965, and of the fules, regulations, and relevent orders (5) The Operator will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders

of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the contracting agency and the Secretary

(C) In the event of the Coordior's con-respliance with the near-discrimination classes of this comment on white the entant relat, regulations, or entant . This contract may be or well by foundaried or suspended in the le or in part. da propriorio de la proprio de la proprio de la contrata de la discontrata de la contrata de la contrata de la

sex. The Operator will take affirmative action to ensure that applicauts are employed, and that employees are treated during employeemt, without regard to their race, color, religion, national origin or sex. Such action shall include, but not be limited to the following: Employ-

English parallel Market Market

, and the experience of the control of the control

ment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operator agrees to post in conspicuous places, available to employees and applicants for employment notices to be provided for the contracting officer setting forth the provisions of this non-discrimination

(2) The Operator will, in all solicitations or advertisements for employees placed by or on behalf of the Operator, state that all qualified applicours will receive consideration for employment without regard to race,

color, religion, national origin or sôx. (3) The Operator will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting

officer, advising the labor union or workers' representative of the Operator's consistnesses under Soction 202 of Exhautive Order 12246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

of Labor for purposes of investigation to ascertain compliance with such xules, regulations, and orders.

Capterin. 1 24, 1965, her medicather narrathers may be imposed incommedia: Theory of the providing in the rubbar Outer India of Scheenier 26, 2008, or by City that Indian of the State I is the company of I larry whose officeral a per-

(7) The Operator will

- (7) in every subsc

megulations, or or

- Section 204 of Exe - stSh provinjens wi

The Cheroteep will

or purchase order

- enforcing such pys

in, or is threater

as a result of suc

may request the Ur

tect the interest:

Operator acknowled

(EEO-1) promulgated joi

- Equal Employment Opport

porting Committee, Fedr

days of the date of cor

— as may be required undo

gulations adopted there

affirmative action com

approved by the Secret:

supply Non-Operators wi

Openator further a

Operator assi

maintain or provid

– of its establishme

- employees to perfo

where segregated i

understood that th

Which are in fact

- national origin, h

further understood

- facilities for it:

services at any lo

Provided, however.

Makes which is a second of the	tombler in the desire the second second control of the second second second second second second second second				Charles of the second s	
		and the second seco	The state of the s			
		مان المستقدين . المان المستقدين المان الم	요			
	AUTHORITY FOR EXPEDIBLIURE					
		AFE # 120-042-0		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		
		Revision #				1) The SW/4 SE/4 and the SE/4 SE/4 of Section 6, Township 19 South,
		Date 3-10 80				Range 25 East, N.M.P.M. are held by Yates Petroleum Corporation, et al,
		25 VISCO 4-30 (89)				under numerous fee leases.
	and the contract of the contra	tion 339/8 7650/6, The Gall Dalos				
	County half State Faw Mentee fiel Meriton Years Est. (.D. 3100) Est.	Spud Date				
		ling Contractor Chether Devillagico.		And the state of t		2) The expership of the SM/4 SE/4 and the SE/4 SE/4 of Section 6,
	prompt prompt to the second se	And the state of t		Market State of the State of th		Township 19 South, Range 25 Fast, M.M.P.M. is as follows:
	o Primary Objective: 💢 Oil Gas	Oil and/or Gas	VVANOTE DE LA CONTRACTOR DE LA CONTRACTO	Marketon Farest to the age of the first the same of		
	Purpose : X Drilling-New Recompletion	L.1 Other (Supplement AFE, etc.)		The second secon		
	Type Well : Development X Exploratory					Nadine Rushing
	INTARGIBLE COSTS:	Dry Hole Completion		Section 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		Patricia J. Milarcez
	•			Street St		Mary Florence Bennett
	9210 Staking Permit & Legal Fees	\$ _ \$ 200 \$ _ \$ 2,800	The second of the second second	to toplay a service State State State of State Long of Sta		Roy T. Mobley
	9211 Location, Right-of-Way 9212 Drilling, Footage	\$ 2,000		Manufaction William Control of the C		Coorge L. Reese, Jr
	9212 Urilling, Footage 9213 Drilling, Daywork II days 0 \$3750 /day	\$ I \$ 41,300		100 100		Carmex, Inc
	9212/9213 Moving in, Rigging up, Rigging down	\$ ~ \$ 1/1,500		GUY ANNO BY AND BY ANNO BY AND BY A		J. W. Abernathy
	9224 Bits, Tools & Sumplies	\$ \in \{\sigma} \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \		100 27 1 20 1 20 1 20 1 20 1 20 1 20 1 2		Florence VanValkenburg
	9214 Orilling Water	\$ = \$ 500 \$ = \$ = \$ 3,300		This is the transfer to the tr		Mleanor Rees Hesketh
	9215 Drilling Mud & Additives 9 9216 Mud Logging Unit	\$ _ \$ 1,100				Rebacca Roes Wallen
	9217 Coment, Tools & Services, Temp. Surveys	\$ 14,000		3 [19] 1 [15] (M.)		tols LaVerne Rees
	9218 - Drill Stee Testing	\$ ~ \$				James Richard Roes
	9219 Electric Logs	\$ \$ 4,100 \$ - \$ 1,800		1872 (1975) (197		(Charles) Ioran Vincent
	9220 Tool & Equip. Rental, Trucking, Welding	\$ 2,200		36 36 36 36 36 36 36 36 36 36 36 36 36 3		Elaina McCoabs Vincent . , , , , , . , , , , , , 3/288
	9221 Supervision & Overhead 9223 Coring, Tools & Services	\$ · · · · · · · · · · · · · · · · · · ·			of the state of th	Richard Down Vincent
	9241 . Completion Unit 3 days 0 \$1000 /day	\$ - \$ 3,000		2		Morris Edgar Vincent
	9247 Stimulation	\$ 25,300				Steve Lane Vincent
	.9222 Contingency	\$ - \$ 13,500		는 사람들이 하는 사람들이 되었다. 그는 사람들이 되었다면 하는 것이 되었다면 하는 것이 되었다. 그런 사람들이 살려가 되었다는 것이 되었다는 것이 것이다. 그런 것이 없는 것이 없는 것이다. 		J. C. Valcott
	TOTAL INTARCIBLES	\$ \$ 133,000	e e e e e e e e e e e e e e e e e e e			Fary E. Brown
						Charles C. Halcott
	WELL EQUIPMENT COSTS:			The first of the second		Billy J. Walcott
	9301 Christmas Tree and Well Head	\$ - \$ 3,500 \$ - \$ 9,700		1 1 2 1 2 1 2 1 2 2 2 2 2 2 2 2 2 2 2 2		Gail Scroggins
	9302 Casing: 7" 23" J-55, 1050'	3,300		The state of the s		Betty Klump
	9302 9302 9302	\$ \$				Paksy Whitlook
	9303 Tubing: 12 778 16.5% 3-55, 2000	\$ \$ 8,900			[1] [1] [1] [1] [1] [1] [1] [1] [1] [1]	Mickey J. Walcott
	9304 Packer & Special Equipment	\$ 5,400			1 Page 12 Conference C	Retty Artz
	9350 Contingency	\$ 3,300				J. E. Westervelt
and the second of the second o	TARSE LICEN PARTONISM TO THE PARTONISM T	\$ 15,000			All was part	
		• Section of the Control of the Cont				
	LEAST A DATTERY EQUIPMENT DOSTS:					
	9461 Pumping Equipment (10 order public) point (20	ver \$ 4 \$ 30,000		그 그 그는 그 환화생이 되는 것이 없어서 회원 상원에 들어 가장 하는 그는 내는 물리를 하는데 가입을 받을 때로 가는 모습니다.		Yours Points out Corporation, of all now holds leases from all of the "
	9492 Stopenie Grand Daviden betreit de hijk van Hije.			그 그는 이 이 이 이 불답으면 취임이 하는 사람이 아니라 사람들이 아니다 하는 사람이 되었다.		expans of the SI/A SP/G and the SP/A SP/C with the expection ϵ) the
	n de la filipa de la companya de la companya de la filipa de la companya de la filipa de la companya de la fil A companya de la companya de la filipa de la f			그는 그는 그는 그는 그들은 그는 것이 없는 어린 사람들은 그렇게 함께 얼마를 보냈다. 이 나는 이렇게 되었다.		security Historic cuses. The companies became little political larger and the companies of
					장의 일본 (1985년)	of the output postage proceedings.
	TOTAL CARL SERVICE TO A SERVICE					en en de la grande de la grande de lage de la desta en a gras .
		1				

Paro w<mark>ene W</mark>issons -

Mekey J. Wilcom

.8633333 3.041667

.372222 .465278

include the provisions of Paragraphs (1) through

ntruck or purchase order unless excepted by rules, does not the Secretary of laker issued purcuant to queive order 11246 of Cepterber 24, 1968, so that It be binding upon each subscattractor or ventur.

take such action with respect to any quisconstact

that in the event the Operator because involved ed with, litigation with a subcontractor or vendor -

as the contracting agency may direct as a means of visions including sanctions for non-compliance:

h direction by the contracting agency, the Operator ited states to enter into such litigation to proof the United States.

ges that it may be required to file Standard Form 100

ntly by the Office of Pederal Contract Compliance, the

unity Cormission and Plans for Progress with Joint Per-

cal Pepot, Jeffersonville, Indiana, within thirty (30)

trant award if such report has not been filed for the size on my with or file such other compliance report. or Executive Order 11246, as arended and Rules and Run

cknowledges that he may be required to develop a written

diance program as required by the Rules and Regulations

ny of Lebor under authority of Executive Order 11245 and

res Non-Operators that it does not and will not a for its employees any segregated facilities at any

rm their services at any location, under its control, acilities are maintained. For this purpose, it is

e phrase "segregated facilities" includes facilities segregated on a basis of race, color, religion, or ecause of habit; local custom or otherwise. It is and agreed that maintaining or providing segregated

employees or parmitting its employees to perform their

r den dag din Malaj - Era e kultura da radi diteba marida (1900)

untion under its control whose purrequied facilities a violation of the equal opportunity classe regulard

NARAS DE Selverber A4, 2008.

nts, and that it does not and will not permit its

th a copy of such program if they so request.

PREPARED OF NOW-SECTED PACIFIES

,		Danie i	80-042-0 on # 3-25-80	•			
		e pate REVISEI	1-4-30-60		Service Control of the Control of th		
Lease Ham	Kapiti in the second se	REVISEI ation 2007: 165075, Sa	e. Calling Ma				4
County	Mily State www. wigh	. Spud Date Hing Contractor Co.	QUETTERNING CO.		e construction de la constructio	-	
	Objective: $\frac{X}{X}$ Oil Recompletion Recompletion	Oil and/or Gas Other (Supplem	ent AFE, etc.)		And the control of th		S. P. YAYES FRESIDENT
	E COSTS:	Dry Role	Completion		Tomburgues to	William State Stat	MARTIN YATES, III Vice Freedomy JOHN A. YATES
9210	Staking Permit & Legal Fees	Ş	\$ 200 \$ 2,800				Vice Passingur
. 9211	Location, Right-of-Hay	\$ <u>-</u> \$ <u>-</u>	\$		경기 경기 경기	207 SOUTH FOURTH STREET	8 W. HARPER SEC Yacas
9212 9213	Drilling, Footage Drilling, Daywork 11 days 0 \$3750 /day 3 Moving in, Rigging up, Rigging down	\$	\$ 41,300 \$ 14,500			ARTESIA, NEW MEXICO 88210	
9212/921	3 Moving in, Rigging up, Rigging down Rits, Tools & Supplies	\$ -	\$ 3,500			TSLEPHONE (805) 746-3559	
9224 9214	Prilling Mater		\$ 4,500 \$ 3,300			1	
9215 9216	Drilling Mud & Additives Mud Logging Unit	\$ ·	\$ 1,100 \$ 14,000			April 16, 1930	
9217	Cement, Toels & Services, Temp. Surveys	\$ 30	\$			PENTITION NATION D	COLUMN NUMBER
9218 9219	Orill Sten Testing Electric Logs	\$ - 6 _	\$ 4,100 \$ 1,800			CERTIFIED MAYE - RETURN R	EGETAL REGUESTED
9220	Tool & Equip. Pental, Trucking, Welding Supervision & Overhead		\$ 2,200			J. E. Westervelt	
9221 9223	Coming Tools & Sprvices	\$ - \$ -	\$ 3,000		e de la companya del companya de la companya del companya de la co	c/o Mrs. Monie Lowan	
9241	Completion Unit 3 days 0 \$1000 /day Stimulation	<u> </u>	\$ 25,300 \$ 13,500			P. O. Box 416 Blanchard, Oklahoma 73010	
9247 - 9222	Contingency	3	\$ 335,000				
	TOTAL INTANGEBLES	employed a representation of the restrict	4 - 4027 3 5 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7		- (4) - (4) - (4)		il and Gas Lease 9 South, Range 25 East, NMPM
MELL EÒ	ULPHENT COSTS:				1	Section 6	9 South, Range 25 East, NAPM : S/2 SE/4 y, New Mexico
9301	Tree and Woll Hood	\$ -	\$ 3,500 \$ 9,700		() : 경 		y, Rew Mexico
9302	Casing: 7" 23# J-55, 1050'	- \$	§ 13,200			Dear Mr. Westervelt:	
9302 9302	2007	- \$ ·· - \$ -	\$ 8 , 900 .			Yates Petroleum Corporation may possibly	drill a well on or near the cap-
9303 9304	Tubing: 2 778m 6.57 J-55, 2600* Packer & Special Equipment	- } _	\$ 6,400 \$ 3,300			tioned acreage if we can lease the interest to lease your interests in these lands.	ests to the same. We would like
9350	Contingency	. 3	water water management and the second		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		
-	TOTAL WELL EQUIPMENT	4	\$ 45,000			He have taken the liberty of enclosing an Oil and Gas Lease, one year term, providing	g for a 3/16 royalty.
LEASE	BATTERY EQUIPMENT COSTS:		§ 10,500			If satisfactory, please execute the Lease	before a Matery Public and return
9601	Pumping Equipment 80 units v/C to protect	ipadyetti Şilini ali Silini	\$ 7,700			the original to this office as soon as nos	sible,
94.02 94.03	Stephen CARRIED WEREARANDED TO TRANSPORT		1			Should we not receive the Lease on or be	rione Kay 15. 1980, we will have
9404	Geadking & Constanting on 50% as	· · · · · · · · · · · · · · · · · · ·	31.22 11.23 3 galasa			no choice but to institute computably pool	ing procedere.
	TOTAL LEASE & EXCELLATION		• • • • • • • • • • • • • • • • • • • •			Shorted you have any questions, please of	Home callect at (SeG) 750-1331.
	10145	\$	\$ 034,004 Section 8			in the drops of the second of	
		under die der der der der der der der der der de					
18747 - 1 -	napagasi kadi siinna (tip productin productina Sap Juresi'n s , esp jaram jiri, shasii allead oo tib asaba i oo siis s oon openii lod, diedhor morea oo lood yisha basella s	ga e Meded on Y. A	ga acquestado Visita				ory sawy years,
of this		n um en da oakke ke. Na oak					Andrik Albania
- 0,754.d	the block of the form of the second of the s				1. ** ** ** ** ** ** ** ** ** ** ** ** **		the contract of the contract o

TOS PETROLEURI CORPORATION

AUTHORITY TOR EXPENDITUAL

production of the second secon

Producers, 83 Rev. (1 Yes

THIS AGREEM IT

andy G. Patterson End Dopartment

e) 10-57 CNE YEAR PAID UP LEASE) Records Stor Mexico			Harting Artist Control of the Contro			Balled . That i have a substant and the substant and the substant and the substant is a substant of the substant and the substant is a substant of the substant and the substant is a substant of the substant and the substant is a substant of the substant and the substant is a substant of the substant is a substant is a substant in the substant in the substant is a substant in the substant in the substant is a substant in the substant in th		LE TOUR AND AND AND AND THE STATE OF THE STA	keur den andere en
OIL AND GAS TEASE				A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977				A.A.P.L. FORM 610 - MODEL FORM OPERATING ACROSSMENT OF 1977	
lealing in his sole and separate property,	INDIVIDUAL, ACKNOWLEDGMENT					A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977			
The contract of the contract o	STATE OF NEW MEXICO,			TABLE OF CONTENTS				ARTICLE III. 1 INTERESTS OF PARTIES	
M CORPORATION, a New Mexico corporation, Lessee, WITHEESETH: M CORPORATION, a New Mexico corporation, Dellars Of TEN AND NO/100	County of ss.			Title				2	
of TEN AND MOTION and of the agreements of Leave ben'in contained, hereby rights, bears and builting oid, of the royalties berein provided and of the agreements of Leave ben'in containing bits and producing oil and producing bits and producing ben's large builting on the contraction of the contrac	The foregoing instrument was asknowledged before me this day of		A.A.P.L. FORM 610 - 1977	Attitle Control of the Control of th		OPERATING AGREEMENT		4 A. Oil and Gas Interests:	
oid, of the royalties herein provided and of the agreements of and producing of and ray, typing by the first provided and continued of investigating, exploring, properties, trilling and mining for and producing the first provided and continued by Lover adjacent and continued alophous lines and other attritures thereof and on, over and stress hads a wind or charact by Lover adjacent and continued alophous lines and other attritures thereof and on, over and stress hads a wind or charact by Lover adjacent and continued alophous lines and other attritures thereof and on, over and stress hads a wind or character by Lover adjacent and continued	19 80 by J. E. WESTERVERT, dealing in his sole and separate property.		MODEL FORM OPERATING AGREEMENT	1. DEPENDENCES :		THIS ACREEMENT, entered into by and between ANTES PETROLEUM CORLORATION, a		4. Oil and Gas Interests: 5. 6. Heavy party owns an unleased oil and gas interest in the Central Area, that interest shall be treated for the purpose of this agreement and during the term hereof as if it were a leased increase that re-	$oldsymbol{3}$. The second of the second
Conty. Now MONATO	and separate property.			III. INTERESTS OF PARTIES		the Mark of composition, 201 b. fittle district, by the flow Operator, innertimes hereinafter.		The treated for the purpose of the content of the Exhibit "II". As to show that	
19 South, Range 25 East, N.M.P.M. 5: State ng 80.00 acres, more or less.				A. OUL AND CAS INTERESTS B. INTEREST OF PARTIES IN COSTS AND PRODUCTION		6 referred to in "Operation", and the signature party of		p cerve reverse do not be subject to all of the provisions of different subjects to the provision of the pro	
ng 80.00 acres, more or less.	My commission expires	그 그는 물이 이 등을 하고 있는 것을 만든 것이 없다.		W. TITLES 2		WITNESSETTE WITNESSETTE		10 "B". Such party shall, however, to the first it owns the lessee interest. 11 to the extent that it owns the lessee interest.	
he commencement, presecution or crestation at any time of drilling or either development operations and/or to the discovery, de- form of production of oil or gas and without further payments than the regulates herein provided, and activitationing any-	Notary Public			A. TITLE I XAMINATION B. LOSS OF TITLE		WHERMAS, the parties to this agreement are expers of oil and gas leases and or oil and gas in-		12 Production:	\mathbf{r}
the contrary, this lease shall be for a term of Oilteear from the contrary, this lease shall be for a term of Oilteear from the and or land with which half land is posled hereunder, and or land with which half land is posled hereunder, and saved from said land, the same to be delivered at the wells or to the 3/16 of their produced and saved from said land, the same to be delivered at the wells or to the				1. Failure of Title		10 WHERMAS, the parties to this agreement are conversed to the parties hereto have reached an agreement to explore 11 terests in the land identified in Exhibit "A", and the parties hereto have reached an agreement to explore 12 and develop these leases and or oil and gas interests for the production of oil and gas to the extent and		14 properties and their respective percentage or tractally appendion, under	
by Lissee are: (a) on oil,		- 1985년 - 1985 - 1985년 - 1985		2. Less by Non-Payment or Euroneous 1 a) metric of Parish 5 3. Other Lesses		13 as hereinafter provided:		16 agreement, Ones, change and afficentification and natural and particular at marchine	and the control of the
g for the field where produced on the unit of partial of casoline or other product therefrom, the market value at the well of 3/16, or used off the premises or for the extraction of casoline or other product therefrom, the market value at the well of 3/16.				V. OPERATOR		14 15 NOW, THEREFORE, it is agreed as follows:		To this agreement shall be a postion as their interests site of the postion of th	and the control of t
wided that on gas sold at the wells the royalty shall be 3/10 of the amount realized from such sais; when the following sold or used. Lessee may pay or tender as regality on our before ninety [50] days after use posted therewith but case is not being sold or used. Lessee may pay or tender as regality or being sold or used. Lessee may pay or tender as made or tendered, this leave shall use posted the second of the secon	CORPORATION ACKNOWLEDGMONY			V. OPERATOR A. DUSIGNATION AND RESPONSIBILITIES OF OPERATOR. B. RUSIGNATION OR REMOVAL OF OPERATOR AND SELECTION OF SUCCESSOR. 1		TO ANTICLE 1.		Contract Area shall be owned by the first the payment of lessor's regalities design the term tion of oil and gas from the Contract Area, subject to the payment of lessor's regalities that the term for lessor's lead to lessor's head also be owned by the parties in the same manner during the term for lessor's lead to lessor's head also be owned by the parties in the same manner during the term for lessor's leading to the lessor's regalities of interests covering the leading to the le	
shift in Ant thereases being produced from this lease in union quantities, taken and payment is due, leases shift have the manifestal that gas is being produced to the parties entitled thereto on a before the duty said payment is due, leases shift have the follower to the produced to the from Leasen's wells, for all operations Leteonder, and the royalty on oil and gas chall be compared to the from Leasen's wells, for all operations Leteonder, and the royalty on oil and gas chall be compared to the from Leasen's wells, for all operations Leteonder, and the royalty on oil and gas chall be compared to the from Leasen's wells, for all operations leteonder, and the royalty on oil and gas chall be compared to the following the	STATUOF NEW MEXICO			1. Resignation or Removal of Opewier		DEFINITIONS OFFINITIONS		21 hereof: provided, nowe ex-	
tied. is hereby given the right and power to good er combine the accepts covered by this least, or any portion thereof as to oil is hereby given the right and power to good er combine the accepts covered by this least, or any portion in leaster's judgment is hereby given the right and power to good er combine the acceptance with the specime rules of	County of sa.		OPERATING AGREEMENT	C. EGPLOYEES - Land of the restriction of the first of th		20 As used in this agreement, the following words and terms shall have the meanings here ascribed		22 ered hereby. 23 ANDTOLU IV	
the ever land, least of the property of the land operate and language product of laster, provided the construction of oil of do so in order property of application to the second of the construction of oil of the construction of other lands from the construction of other lands from the product for oil becomes and the a tolerance of 10% thereof, provided that should government the product from a "d premised, Units pooled for oil becomes of 10% thereof, provided that should government the product from a "d product from a "d premised, Units pooled for oil becomes only the a tolerance of 10% thereof, provided that should government.	The foregoing instrument was acknowledged before me this day of, 19		Olithan indi	D. PRILLING CONTRACTS		21 to them:		24 TTUES	
the first the first saturantially exceed in area as acts and a specified, units their after exected may contain a supermitted to the contains and the contains a specified or results of units leaved and the second of the contains a specified or co	by		DATED	A. Mina. William and the second of the control of t		23 or gesous hydrocarbons and other marketable substances processed and the first fi		26	
to all in any one of from the which the late of it profed or combined as to any which the wind the base of the late of the lat	ofPresident			B. SUESECHER'S OPERATIONS of the second of t				77 A. Thie Examination: 23 29 Title examination shall be made on the defiliate of law property will prior to corminates and of the leasus 29 Title examination shall be made on the defiliate of law property will prior to corminates with leasus 29 Title examination shall be made on the defiliate of law property will prior to the leasus.	
reproduct screens as a profession fiesces may at its described by the second screens as a profession for the second screens as a profession for the second screens as a profession for the second screens as a second screen screen screen screens as a second screen	of on behalf of said corporation.		April 29 , 19 80 ,	2. Operations by Loss then All Parties . 6-7		25 B. The terms well and gas leave, lets, and standard by the parties to this accountment. 26 oring tracts of land lying within the Contract Aven which are owned by the parties to this accountment. 27 C. The term "oil and gas interests" shall mean unleased fee and mineral interests in them of		Title examination shall be made on the defilisite of any property will provide an de on the loases drilling operations or, if the Defiling Parties so request, title examination shall be made on the loases drilling operations or, if the Defiling Parties so request, title examination shall be made on the loases and or oil and gas interests included, or planned to as included, in the drilling unit around such well, and or oil and gas interests included, or planned to as included, in the drilling unit, shall and production payments under the applicable loases. At the time a well is proposed, each party con-	
Operations for drilling on a content of drilling were commenced or such promoted has recorded by cardies of which reach a cations for drilling were commenced by production of oil or gas from land covered by cardies of which reach a pool of unit, shall be considered as operations for drilling on or production of oil or gas from land size, comment designating the pool of unit, shall be considered as operations for drilling on or production from the product unit, as if the same well or wells be located to the precises except the payment of royalties on production from the production and each of them, shall provide the product of the production of production and each of them, shall be considered to the production of production and each of them, shall be considered to the production of the producti	My Commission Expires:		OPERATOR YATES PETROLEUM CORPORATION	D. ACCESS TO CONSUMACE AREA AND INFORMATION TO ABANDONMENT OF WELLS		25 land lying within the Contract Area which are owned by parties to this approximately and oil		31 and or the gas with the same problem interest, insures the same problem	
The first of the related for all purposes, except the pulsation results and paytones out of production and each of them from the report of the which contains of regular and paytones of the last covers for this large and included in For the purpose of contains the regular and the pulsation of the pulsation of the payton of	Note by Public			s a transformer of the 1958 and a second of the second of		and see interests intended to be developed and operator for the general section of the property of the second	· · · · · · · · · · · · · · · · · · ·	10 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	•
of the cil and that or early there shall be attreated to the arrows covered by the covered by this lease and an across basis—that is to say, there shall be entread from the pooled unit which the number of arrived entre constituted from the pooled unit. Regains breunder shall be computed on the pooled of the probability of the probabil			CONTRACT AREA TOWNSHIP 19 SOUTH, BANCE 25 EAST, N.M.P.N.	2. Abandanment of Wells that care crossed a second of the				35 furnish to Operator all abstracts (including December 1 hants States) and in the procession of or	
bears to the control of the control of the fand covered of the lease of elthooled unit from which it is producing be oil and gas, or either on activated will be considered production from the lease of elthooled unit from special unit from the lease of elthooled gas, or either of the same of the same of the control of the control of the control of the production from the lease of				AH EXICATOR OF DARRES	- Control of the Co	32 F. The form fariling that said inear the area may be the contract rule or order. 33 of any state or federal body having authority. If a densing unit is not fixed by any such rule or order, 34 a drilling unit shall be the drilling unit as established by the pattern of drilling; in the Contract Area		26 and current make the property but necessary for the Caraman transfer of property.	
het from an oil pooled und administrative covered hereby to any cooperative or limit hyperative to the lawful povernmental for any part or termation or other lawful povernmental for any part or termation or other have been approved by the New Merico Oil Conservation Commission or other lawful povernmental for any part of the first have been approved by the New Merico Oil Conservation Commission or other lawful povernmental first have been approved by the New Merico Oil Conservation of the oil or has allocated to see I and of the oil			SECTION 6: SESSIE	B. LIENS AND PAYMENT THE ACCOUNTING		or as fixed by express agreement of the Drilling Parties. 35. F. The term "Grillsite" shall mean the oil and gas lease or interest on which a proposed well is to		38 by Operator. Operators about he furnished to each party herew.	
the royally plan of operating which had a shall be the same by which the shall be subject to the terms thereof and and second in second in 13. This lease shall not a size during the life of such accountance, or other lawful authority, and Lawre shall record in 13. This lease shall not a lawre shall record in a size of the lawful authority and Lawre shall record in the commitment thereto.	INDIVIDUAL ACKNOWLEDGMENT		Containing 80.00 acres, more or less.	D. LIMITATION OF EXPENDITURES		37 be located.		4) The tip Popon was a second of the control of the	
essel premises are situated, an instrument destina- ided either before or after the completion of wells. The polyager term of the completion of wells. The polyager term of the case is not being profused on said land, or from land profed therewith, but there is then customed.	STATE OF		CHAPT OF NEW MEXICO	2. Rework or Plug Back 9		The state of the state of the control of the contro	그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그	41 Company of the Asset of Asset of the Asse	
n of the present of shall love temploted a dry hale bearen thanks and far presented with no constitute of our of the low bearing of any additional well are presented with no constitute that point therefore as oil or gas is produced from said bank or from bud point therefore as oil or gas is produced from said bank or from bud production through the production of the presentation of the control	County of ss.		COUNTY OR 学科製芸芸 OF EDDY STATE, OF NEW MEXICO	3. Other Operations		and pay its share of the cost of any operation to an action that the first mean a party who elects 10 If. The terms "Non-Drilling Party" and "Non-Consenting Party" shall mean a party who elects 11 hot to praticipate in a proported operation.		And the profession of the second of the seco	
eared received to after the completion of wells. In of the primary term, there was is not being produced on said had, or from land profed therewith, but Louise is that expressed and the primary term, the land shall be seemed and the primary term, the land shall be received and therefore within 60 days prior to the end of the primary term of some than 63 constructions on said well or for deliling or reversions of any additional well are presented with no constitute for deliling or reversions of the control of the control of the control of the primary term of this leafer the control of the terms become and the terms because of all the control of the control of the terms because of a disclosed by Louise by finite out the control of the terms because of the control of the terms because of a disclosed by Louise by finite out the control of the control of the control of the terms because of a disclosed by Louise by finite out the control of t	The foregoing instrument was neknowledged before me this			P. BERTAES, SHUTCH WELL PAYERES AND BENERHAL ROYALTES 10 G. TANUS 10		42		大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大	
Ad the state of the second of	19 by .			m - PNASPARA - Landa - Santa -		A CONTROL OF THE CONT		to the problem of the second of the second of the procuring abstracts and firs will consider attenuity of the the procuring abstracts and firs will consider attenuity of the two and the procuring abstracts and first positions and division to the first procuring and the procuring and the first of contact for the first position of the first procuring and the first procuring abstracts and the first procuring abstracts and the first procuring abstract and the first procuring abstract and the first procuring and the first procuring and the first procuring abstract and the first procuring and the first pr	
An extract the offer held of the residence of the second of the second of the colored between the colored and the colored of t				THE ACCRESSION IN ADMINISTRATION OF THE ACCRESS OF ACCRESS OF THE TRANSPORT OF THE CONTRACT OF		AND CONTROL OF THE CO		to the Option No. 12 folds about the following supplication of the first and a folding the fill of the following of the fill of the following folding the following the folding the folding the folding the folding the following the folding the fold	
The first section of the comment of the section of the comment of				The second section of the second section section of the second section				n de la company de la comp La company de la company d	
	All Communications of the communication of the comm					of the state of th		一种,一种有关的。 含: 一种基础的特殊的,是一种人们是是一种工作的。 	
영화가 함께 남을 통하는 사람들 발생님은 함께 가게 하는 것으로 보고 되었다. 그는 것이 되었다는 것이 되었다. 그는 것이 되었다는 것이 되었다. 그는 사람들이 할 것이 있는 사람들에 생각하는 것이 되었다. 그는 것이 하는 것이 되었다.				로 보고 있는 사람들이 되었다. 한국에 가장 마음에 가장 하는 것이 되었다. 그런 것이 되었다. 그는 것이 되었다. 그는 것이 함께 되었다. 그런 그는 것이 되었다. 그는 것이 되었다. 그는 것이 				현실 보고 있는 사람들은 사람들이 되었다. 그는 사람들이 가장 현실 수 있는 것이 되었다. 그는 사람들이 되었다. 그는 사람들이 가장 하는 것이 되었다. 2018년 - 전화를 보고 있는 것이 되었다. 그는 사람들이 되었다.	
으로 보고 있는데 보고 있는데 보고 있다. 전에 그는 문화를 보고 있는데 보고 말이 보고 있는데						en de la composition de la composition La composition de la		en en en en en en en entre en en entre en	
에 보고 있는 것이 있는 것이 없는 것이 없는 것이 없다면 하게 되었다. 그는 것이 없는 것이 없는 것이 없는 것이 없는 것이 없는 것이 없는 것이다. 15. 사람들은 15. 15. 15. 15. 15. 15. 15. 15. 15. 15.			AND CALLED AND AND AND AND AND AND AND AND AND AN			。 1987年 - 1987年 - 1987年 - 1987年 - 1988年 - 1987年			
obere liefer for met for Billy in 1900 Marchen en troch for en en troch in the comment of the comment of the c The matter comment with the form of the comment of the comme			AND THE STATE OF T	and the Market of the Mark Market of the Market of the		All (1) Administration of the first of the second of the s		alice to the second of the sec	
실하는 보면 보다 한 경험에 살아왔다. 그는 사람들은 사람들은 사람들은 사람들은 사람들은 사람들은 사람들은 사람들은						the figure Allesting Committee of the Addition		and the state of the first of the state of t	
and the property of the Control of t The Control of the Control of				market in the first of the common of the		grander, the tall of the same of the factor of the same of the sam		and the state of the second section in the second second second second second second second second second seco The second s	
· 첫 병통 현대 14명 전 15명 기업 기업 12명				and the companies of the control of The control of the control of		ABOUT AND AMBRES OF A COMMENT OF A SHARE THE STORY OF A SHARE THE ABOUT A SHARE AND A SHARE AS A SHARE AND A SHARE A S			
en et Montes, de la Maria de Maria de la companya de la companya de la companya de la companya de la companya Natural de la companya de la company Natural de la companya						en e		en de la composition de la composition de la composition de la financia de la composition de la composition de La composition de la	
						en de la companya de la figura de la companya de la figura de la figura de la companya de la companya de la co La companya de la co	į.		

5 a.10 .	MODEL	FORM	OPERATING	AGREEMENT	1977
TOIN	,,,,				

the control of the same of the control of the contr

operating rests which it may have theretofore paid, but there shall be no monetary liability on its et to the other parties hereto for drilling, development, operating or other similar costs by reason of

(b) There shall be no retreastive adjustment of expenses incurred or revenues received from the neration of the interest which has been lost, but the interests of the profiles shall be revised on an acres to buils, or of the time it is determined finally that title failure has eccurred, so that the interest of he party whose tease or interest is affected by the title failture will thereafter by reduced to the Contract (c) If the proportionate interest of the other parties hereto in any producing well thereto are drilled

on the Contract Area is increased by reason of the title failure, the party whose title has failed shall receive the proceeds attributable to the increase in such interests. Cass costs and burdens attributable thereto) until it has been reimbursed for unrecovered costs paid by it he connection with such well; (d) Should any person not a party to this agreement, who is determined to be the owner of any in-

terest in the fittle which has failed, pay in any manner any part of the cost of operation, development, or equipment, such amount shall be paid to the party or parties who have the costs which are so refund-(e) Any liability to account to a third purty for prior production of oil and gas which arises by come of this failure than be beene by the party or parties in the same proportions in which they chared

(f) No charge shall be made to the joint necount for legal expenses, fees or salaries, in connection. with the defense of the interest claimed by one party hereto, it boing the intention of the parties hereto that each shall defend title to its interest and I sar all expenses in connection therewith.

2. Less by Non-Payment of Erraneous Payment of Amount Muc; M. through mistake or oversight. any nontral, Shute in well preprient, minimum royalty or copalty payment or a paid or in createously paid, and to a result a lease or interest therein terminates. They ear the party who failed to make such payment. Unless the party who felled to an . The require life secures a new lease covering the same interest within hinety (10) days from the discovery of the failure to make proper payment, which acquisition will not be subject to Article VILIB, the interests of the parties shall be revised on an acreage basis, effective as of the date of termination of the lease invelved, and the party who failed to make proper pryment will no longer be credited with an interest m the Contract Acce on account of ownership of the base or interest which one terminated. In the event the party who fulled to make the required payout a full of there been fully estimated, to the time of the less, from the proceeds of the sale of oil and her the less, from the proceeds of the sale of oil and her the less, from the proceeds of the sale of oil and her the less, from the proceeds of the sale of oil and her the less, from the proceeds of the sale of oil and her the less, from the proceeds of the sale of oil and her the less, from the proceeds of the sale of oil and her the less, from the proceeds of the sale of oil and her the less, from the proceeds of the sale of oil and her the less, from the proceeds of the sale of oil and her the less, from the proceeds of the sale of oil and her the less, from the proceeds of the sale of oil and her the less, from the proceeds of the sale of oil and her the less, from the proceeds of the sale of oil and her the less, from the proceeds of the sale of oil and her the less, from the proceeds of the sale of oil and her the less, from the proceeds of the sale of oil and her the less, from the less of the less, from the less of t acreage basis, for the development and eporation costs respectible point on resource of such hardest, in shall be reimbursed for unreceived actual rosts the civilore paid by it (but not be its shore of the

3 cost of any dry hole previously drilled or wells provided by chandered) from so which of the following (a) Preceds of oil and gas, less operating expenses, thereto, are account to the result of the lost interest, on an acreage basis, up to the amount of unrecovered costs;

(b) Proceeds, less operating expenses, thereofter acreuel attributable to the lost interest on an

3 acreege basis, of that portion of old and ges demonstra produced and to thetee (excluding production to from any wells thereafter drilled) which, in the obsence of each acker termination, we as no class to the feet interess so an owner go basis, up to the uncount of the energy of the fire process of the feet interess as an owner go basis, up to the uncount nomina d'ille ell qui ses la le cantilleres le the affire parties la magnetica te their respective inthe distribution of the main by they party who is, or

A CORNEL OF THE SECOND STATE OF THE SECOND STA

a proper days for the first become the li

30 said all such employees shall be the employees of Operator.

for the character of the contract of the contr

24 Operator that was removed.

1 B. Resignation or Removal of Operator and Scheetion of Successor:

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977

1. Resignation or Removal of Operator Operator may resign at any time by giving written notice

1. Residuation of Removal of Operator. Operator may resum at any time by giving written notice.

4. Thereof to Non Operators. If Operator terminates its legal existence, no longer owns an interest in the Contract Area, or is no longer capable of serving as Operator, it shall come to be Operator without any matter the Star Operator resource of a summand. Operator may be summand to be contracted as a contract to the operator of a summand.

a Compact view, or in his minger capaign or seaving as Operator, it shall exact prince Operator womant and it halfs or it defined by Non Operator, except the selection of a successor. Operator may be removed if it fails or

neman by their experience, excess the american of a successful experience may be removed in it times to be removed to the conference of th

Forther to early our his course notember, or account insurvey, maintage or is placed by inverters of the firmative vote of two (2) or more Non-Operators owning a majority interest based on owner.

samp as shown on extense the color and not on the number of parties remaining after excluding the volume.

10 interest of Operator. Such resignation or removal shall not become effective until 7:00 o'clock A.M.

11 on the first dear of the color for mostly following the accounting of history (60) days of the color for mostly following the accounting of history (60) days of the color for mostly following the accounting of history (60) days of the color for mostly following the accounting of history (60) days of the color for mostly following the accounting of history (60) days of the color for mostly following the accounting of history (60) days of the color for mostly following the accounting of history (60) days of the color for mostly following the accounting of history (60) days of the color for mostly following the accounting of history (60) days of the color for mostly following the accounting of history (60) days of the color for mostly following the accounting of history (60) days of the color for mostly following the accounting of history (60) days of the color for mostly following the accounting of history (60) days of the color for mostly following the accounting of history (60) days of the color for mostly following the accounting of history (60) days of the color following the color following

meeting of Operator, other resignation of removal shan not occome unecesse until the relief of of the first day of the calendar month following the expiration of ninety (60) days-after the giving of the relief of

Operator has open science and assumes the auties of Operator at an earner date. Operator, after effects
ive date of resignation or removal, shall be bound by the terms hereof as a Non-Operator. A change of
the agreement name of structure of Operator on Inspector of Operator's interest to operator.

ive une or resignation or removal, sada or countries increas nervel as a new-operator. A change of a corporate name or structure of Operator or transfer of Operator's interest to any single subsidiary,

2. Selection of Successor Operator: Upon the resignation or removal of Operator, a successor Operator of the Parties of the Successor Operator shall be selected from the parties owning erator shall be selected by the Parties. The successor Operator is selected. If the Operator that an interest in the Centract Arca at the time such successor Operator is selected. The Operator that the first successor operator is selected.

an interest in the Centract Area at the time such successor Operator is selected. If the Operator that

21 is removed frile to vote or votes only to succeed itself, the successor Operator shall be selected by the

22 Constant to 2 man assessed

22 Affirmative vote of two (2) or more parties owning a majority interest based on ownership as shown
23 on burder has and not an the number of most a constitute often analysis the matter states at an in-

The number of employees used by Operator in conducting operations becomined by Operator.

28 and the hours of labor and the compensation for services performed, shall be determined by Operator.

2. Selection of Successor Operator: Upon the resignation or removal of Operator, a successor Op-

on the first day of the calendar month following the expiration of ninety (no) days-after the giving of
the first day of the calendar month following the expiration of ninety (no) days-after the giving of
notice of resignation by Operator of action by the Non-Operators to remove Operator, inless a successor
notice of resignation by Operator of action of Operator at an earlier date. Operator, after effects
Operator has been selected and assumes the duties of Operator at an earlier date. Operator is a cleaner of

16 a Corpocate name or structure of Operator or transfer of Operator.

16 purent or successor corporation shall not be the basis for removal of Operator.

of the aminimizer vote of two (2) or more con-operators owning a majority interest of sea on owner of the second o

All wells drilled on the Contract Area shall be drilled on a competitive contract basis at the usual All wells dulied on the Contract Area shall be dulied in a compensive contract basis at the usual rates provailing in the area. If it so desires, Operator may employ its own fields and conjunct in the rate drilling of wells, but its charges therefor shall not exceed the prevailing rates in the area and the rate of drilling of wells, but its charges therefor shall not exceed the prevailing rates in the area one contract the contract to the contract to the providing rates and the contract the contract to the contract to the contract the contract to the c or name in wens, but its energies therefor shall not exceed the preventing rates in the arch and the rate of the rate of such charges shall be agreed upon by the parties in writing before drilling operations are comor saca charges show we agree open by the parties in writing octobe armong operations as are menced, and such work shall be performed by Operator under the same terms and conditions as are

meners, and shen work shall be performed by Operator under the same werts and conditions as are easily evidence, and shell in the trea in contracts of independent contractors who are doing work of a sime of the first policy.

The restorations

Committee of the commit

31 If less than all parties approve any proposed operation, the proposing party, immediately also, the of these than an parties approve any profused operation, the proposing party, manualizing miser the explicable notice period, shall advise the Consenting Parties of (a) the total interest experience of the applicable notice period, shall advise the Consenting Parties of (a) the total interest. of the period approving such operation, and (b) its recommendation as to whether the Consenting Parties approving such operation, and (b) its recommendation as to whether the Consenting Parties are the period approving such operation, and (c) its recommendation as to whether the Consenting Parties are the period of the per o. the persue apprecias show recruised and the restriction as proposed. Each Consenting Party, within forty-eight (40)

34 ties should proposed with the operation as proposed. Each Consenting Party, within forty-eight (40)

25 beautiful proposed with the operation as proposed. Each Consenting Party, within forty-eight (40) ties should proceed with the operation as proposer, many consensing early, whom inter-eight (19).

35 hours (exclusive of Saturday, Sunday of logal balidays) after receipt of such notice, shall advise the hours (exclusive of Saturday, Sunday or logal malidays) after receipt of such notice, shall advise the proposing party of its desire to (a) finit participation to such party's interest are shown on Exhibit "A", or (b) carry its proportionate part of Non-Consenting Partice' interest. The proposing party, at its or (b) carry its proportionate part of Non-Consenting Partice' interest. The proposing party, at its or (b) carry its proportionate part of Non-Consenting Partice' interest.

or (b) carry as proportionate part of ison-Consenting Factor interest, the proposal party, at its election, may withdraw such proposal if there is instifficient participation, and shall premptly notify The entire cost and risk of conducting such operations shall be borne by the Consenting Parties in 39 all parties of such decision. the entry cost and risk or conducting seen operations must be some up the consenuing ruries in

the proportions they have elected to bear some under the terms of the preceding paragraph. Consenting

the proportions they have elected to bear some under the terms of the preceding paragraph. the proportions they have elected to near same under the terms of the preceding paragraph. Consending

Burths' shell keep the lessenal relates involved in such operations from and clear of all liess and

Consending the proportions they have been been such as the proportion of the p Parties shall keep the lessenoid styles inversed in such operations true and clear of all liess and committees of twenty kind created by or arising from the operations of the Consenting Parties. If such encumbrances of every kind created by or arising Parties shall plug and abandon the well at turic sold an operation results in a dry baie, the Consenting Parties shall plug and abandon the well at turic sold an operation results in a dry baie, the Consenting Parties shall plug and abandon the well at turic sold.

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 19.7

1 B. Subsequent Operations:

1. Proposed Operations: Should any party hereto desire to drill any well on the Contract Area

1. Proposed expansions: Should any party hereto desire to drill any well on the Contract Area other than the well provided for in Article VI.A., or to rework, deepen or plug back a dry hole drilled other than the well provided for in Article VI.A., or to rework, deepen or plug back a dry hole drilled other than the well jointly owned by all the parties and not then producing at the joint expense of all parties or a well jointly owned by all the parties and not then producing the account of the producing the parties are a second of the parties are a well jointly owned by all the parties and not then producing the parties of the parties of the parties of the parties of the parties and parties are a well-jointly owned by all the parties and not then producing the parties are a well-jointly owned by all the parties and not then producing the parties are a well-jointly owned by all the parties and not then producing the parties are a well-jointly owned by all the parties and not the producing the parties of the parties of the parties of the parties are a well-jointly owned by all the parties and not the producing the parties of the p

a are some expense or an privace or a went juntify award by an are parties and its, time promising in providing quantities, the party desiring to drill, nework, deepen or plug back such a well shall give the and a providing to drill, asserting to the most of the party desiring to drill, asserting to the most of the party desiring to drill, asserting to the most of the party desiring to drill, asserting to the most of the m

tion, proposed depth, objective formation and the estimated cost of the operation. The parties received to the proposed depth, objective formation and the estimated cost of the operation.

to fing such a notice shall have thirty (36) days after receipt of the notice within which to notify the

o mg such a neuce share have there they does not receipe to an index whom makes in mercy the last participal in the cost of the proposed operation.

parties wishing to on the work whether they effect to participals in the cost of the proposed specialism.

If a drilling fig is on location, notice of proposal to rework, plug back or drill deeper may be given.

11 It a armon top is on tocation, course of proposal to rework, plan back of them aceper may be given 12 by telephone and the response period shall be limited to forty-eight (48) hours, exclusive of Seturday,

by receptione and the response period shall be armad to nonly-eight (46) hours, exclusive of both days.

Sunday or legal holidays. Pallure of a party receiving such notice to reply within the period above fixed

15 notice or response given by telephone shall be promptly confirmed in writing.

summay or regar mornings, rainting or a party receiving, such notice to reply whealt the pertoa agree rised shall constitute an election by that party not to participate in the cost of the proposed operation. Any

Z. Operations by 1.688 than An Parties: it any party receiving such notice as province in Arthere VIBAL or VIBAL elects not to participate in the proposed operation, then, in order to be entitled to the benefits of this article, the parties giving the notice and such other parties as shall elect the benefits of this article, the parties giving the notice and such other parties as shall elect the benefits in the assertion, but subtant that from decreasing the assistance of the notice and the parties are the parties.

to participate in the operation shall, within sixty (80) days after the expiration of the notice period of

to participate in the operation shall, within strip (60) days after the expiration of the notice period
thirty (3n) days (at as promptly as possible after the expiration of the forty-eight (48) hour period
thirty (3n) days (at as promptly as possible after the expiration of the forty-eight (48) hour period
where the drilling rights on location, as the case may be) actually commence work on the account of the
operation and complete it with due diligence. Operator shall perform all work for the account of the
operation provided becomes if no delicine right or other positionent is on together and if Op-

Operation and complete it with the imagence. Operator shall personn on work for the account of the part of the Consenting Parties; provided, however, if no drilling rig or other equipment is on location, and if Operator is a New Consenting Provided provided by the Consenting Provided provid

Consenting Parties; provided, however, if no drilling rig or other equipment is on location, and if Op
Consenting Parties; provided, however, if no drilling rig or other equipment is on location, and if Op
provided and Consenting Parties; provided however, if no drilling rig or other (a) request Operator to perform

orator is a Non-Consenting Party, the Consenting Parties shall either: (a) request Operator to perform

the work required by such proposed operation for the account of the Consenting Parties, or (b) designate work required by such proposed operation as Operator to perform such work. Consenting Parties, which

and on the Consenting Parties as Operator to perform such work. Consenting Parties, or (b) designation of the Consenting Parties and perform such work. Consenting Parties, or (b) designation of the work required by such proposed operation for the perform such work. Consenting Parties, or (b) designation of the consenting Parties and perform such work. Consenting Parties, or (b) designation of the work required by such proposed operation for the perform such work. Consenting Parties, or (b) designation of the work required by such proposed operation for the performance of the consenting Parties and performance of the performanc

2. Operations by Less than All Parties: If any party receiving such notice as provided in Article

or making quartimes, me party meaning to unit, reword, orepen or ping pack and a wen some give me.

7 other parties written notice of the proposed operation, specifying the work to be performed, the location of the proposed operation, specifying the work to be performed.

not the large were more one came note, acceptable on processes are common that provided a property quantities. The Consenting Parties shall be provided by providing provided as all such or plan in provide quantities.

kulten series kalta aliinenis tikke 50

15 (1.3) (1.3) (1.3) (1.3) (1.3) (1.3) (1.3) (1.3) (1.3) (1.3) (1.3) (1.3) (1.3) (1.3) (1.3) (1.3) (1.3) (1.3)

45 the microunts provided includes, the estimately belonds of such Non Concepting Party shall auto-46 matically revert to it, and, from and after such reversion, such Non-Consenting Party shall own the same 47 interest in such well, the material and equipment in or perioding thereto, and the production therein from as such New-Consenting Party would have been entitled to had it participated in the drilling, * pearwiding despening or physing lock of said well. Therefor, such Non-Conventing Party shad? and a recording to the regiment of the apprehiance still will. Complete the common efficiency of this include the following production without the parish common

B C. D. M. B. Weit, Portletting in Mis.

1 300 % of that portion of the cost of many acquired equipment in the well (to and including the well -

Gas production attributable to any Ron - Consenting Party's relinquished interest upon such l'arty's 6 election, shall be rold to its purchaser, if available, under the terms of its existing gas sales con-7 tract. Such Non - Consenting Party shall direct its purchaser to remit the proceeds receivable from 8 such sale direct to the Consenting Parties until the amounts provided for in this Article are recov12 Conventing Party's share of gas as hereinabove provided during the recomponent period. During the period of time Consenting Parties are entitled to receive Non-Consenting Party's share 15 of production, or the proceeds therefrom, Consenting Parties shall be responsible for the payment of 16 all production, severance, gathering and other taxes, and all royalty, overriding royalty and other 17 bardens applicable to Non-Consenting Pariy's share of production.

2 head connections), which would have been chargeable to such Non-Consenting Party if it had partici-

9 ered from the Non-Consenting Party's relicquirbed interest. It such Non-Consenting Party has not

10 contracted for rule of its gas at the time such got is available for delivery, or has not made the elec-

11 tien as provided above, the Concenting Parties shall own and be entitled to receive and sell such Ren-

NUMBEL FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977

3 pated therein.

In the case of any reworking, plugging back or deeper drilling operation, the Consenting Parties shall 20 he permitted to use, free of cost, all easing, tubing and other equipment in the well, but the ownership of 21 all such equipment shall remain unchanged; and upon abundonment of a well after such reworking, 22 plugging back or deeper drilling, the Consenting Parties shall account for all such equipment to the 23 ewhers thereof, with each party receiving its proportionate part in kind or in value, less cost of 34 salvage.

Within sixty (80) days after the completion of any operation under this Article, the party con-27 ducting the operations for the Consenting Parties shall furnish each Non-Consenting Party with an in-. It wenters of the equipment in and connected to the well, and maitemized statement of the cost of drilling. 29 deepening, playing look, resting, completing, and equipping the well for production; or, at its option, 30 the operating party, in lieu of an itemized statement of such costs of operation, may submit a detailed 31 statement of monthly billings. Each month thereafter, during the time the Consenting Parties are being 32 reimburged as provided above, the Party conducting the operations for the Consenting Parties shall from-33 ish the Non-Consenting Parties with an itemized statement of all costs and liabilities incurred in the 34 operation of the well, together with a statement of the quantity of all and gas produced from it and the 35 concent of proceeds realized from the sale of the well's working interest production during the proceeding 36 mouth. In determining the quantity of ell and gas produced during any menth. Conventing Portio 37 shall use industry accepted methods such as, but not limited to, metering or periodic well tests. Any 38 cmount realized from the sale or other disposition of equipment newly acquired in connection with any 39 such operation which would have been owned by a Non-Consenting Party had it participated therein 40 shall be credited against the total unreturned costs of the work done and of the equipment purchased, 41 in determining when the interest of such Non-Consenting Party shall revert to it as above provided;

42 and if there is a credit belonce, it shall be paid to such Non-Consenting party. 44 If and when the Consenting Parties recover from a Non-Consenting Party's relinquished interest

or to be one of hadron many manufactive the choice of the conductor of the depth of which

1 party taking its share of production in kind shall be required to pay for only its proportionate share

garant frank frank

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977

2 of such part of Operator's surface facilities which it uses.

Each party shall execute such division orders and contracts as may be necessary for the sale of its 5 interest in production from the Contract Area, and, except serprovides in Article VILB., shall be entitled 6 to receive progressit direct from the purchaser thereof for its share of all production 8 In the event any party shall fail to make the arrangements necessary to take in kind or separately

9 dispuse of its proportionate share of the oil and gas produced from the Contract Area, Operator shall have 10 the right, subject to the revocation at will by the party owning it, but not the obligation, to purchase such II oil and gas or self it to others at any time and from time to time, for the account of the non-taking 12 party at the best price obtainable in the area for such production. Any such purchase or sale by Op-13 erater shall be subject always to the right of the owner of the production to exercise at any line its 14 right to take in kind, or separately dispose of, its share of all oil and gas not previously delivered to a 15 purchaser. Any purchase or sale by Operator of any other party's share of oil and gas shall be only for 16 such reasonable periods of time as are consistent with the minimum needs of the industry under the 17 particular circumstances, but in no event for a period in excess of one (1) year. Notwithstanding the 18 foregoing. Operator shall not make a sale, including one into investate commerce, of any other party's 19 share or gas production without first giving such other party thirty (39) days notice at such intended 20 sele.

In the event any party herete is not at any time taking or marketing its share of gas production and Operator is wither (1) unwilling to purchase or sell or (11) unable to obtain the prior written consent to purchase or sell such party's chare of gas production, optain the prior written consent to partness of seri such party.

24 or in the event may party has contracted to sell its share of gas produced from the Contract

25 Atom to a purchaser which does not at any time while this agreement is in effect take the

26 full share of gas attributable to the introst of such party, then in any such event the

27 terms and conditions of the Cas Belancing Agreement artached hereto as Exhibit "D" and incorporated herein shall accoratically become effective. v D. Access to Contract Area and Information: 31 Each party shall have necess to the Contract Area at all reasonable times, at its sole risk to inspect 32 or observe operations, and shall have access of reasonable times to information pertaining to the de-88 velopment or operation thereof, including Operator's books and records relating thereto. Operator upo i

34 request, shall famish each of the other porties with copies of all forms or reports filed with govern-35 mental agencies, doily drilling reports, well logs, tank tables, daily gauge and run tickets and reports 38 of stock on hand at the first of each month, and shall make available samples of any cores or cultings 37 taken from any well drilled on the Contract Area. The cost of gathering and furnishing information to 38 Non-Operator, other than that specified above, shall be charged to the Non-Operator that requests the 29 information. 21 R Ahandonment of Wells: 43 1. Abandonment of Dry Holes: Except for any well deliked pursuant to Article VLD.2., as y well

48 which has been deliked under the series of this percement and is proposed to be completed as a dry hele 45 shall ast be plunged and abordered without the consent of all parties. Should Oppender, after difficult 48 - electric between the commentary party, or sensitionly purely fail to reply within for two ight (64) hours

the water of the energy that the area coronaute with replicable regulations and all the are

61 ceresco limit of the tolerable the entry certical broadquartements appropriate writes of the well's cover

9 eration of or production from the well in the interval or intervals then open other than the royalties In retained in any lease made under the terms of this Article. Upon request, Operator shall continue to 1) operate the assigned well for the account of the non-abundaning parties at the rates and charges contemplated by this agreement, plus any additional cost and charges which may arise as the result of 13 the separate ownership of the assigned well

EXPENDITURES AND LIABILITY OF PARTIES

The Hability of the parties shall be several, not joint or collective. Each party shall be responsible 21 Only for its obligations, and shall be liable only for its proportion to slave of the costs of developing.

The state of the s

and operating the Contract Area. Accordingly, the Bons granted among the parties in Article VILB, are 23 given to secure only the debts of each severally. It is not the intention of the parties to create, nor shall 24 this agreement be construct as creating, a mining or other partnership or association, or to read in the 27 B. Liens and Payment Defaults:

29 Buch Non-Operator greats to Operator a lien upon its oil and gas rights in the Centraet Area, and a

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977

6 of interest in the remaining portion or the Contract Area.

18 A. Liability of Parties:

25 parties liable as partners.

I vals of the formation or formations covered thereby, such leave to be on the form attached as Exhibit

2 'B'. The assignments or leaves so limited shall encompast the "drilling unit" upon which the well is

3 located. The physicants by, and the assignments or lesses to, the assignces shall be in a ratio based upon

4 the relationship of their respective percentages of participation in the Centract Area to the agree gate of

5 the percentages of participation in the Contract Area of all assistences. There shall be no readjustment

Thereofer, abandoning parties shall have no further responsibility, liability, or interest in the op-

ARTICLE YIL

30 security interest in its share of oil and or gas when extracted and its interest in all equipment to secure 3) payment of its share of expense, together with interest theorem at the rate provided in the Accounting 32 Procedure attached hereto as Exhibit Co. To the automitted Operator less a security interest under the 33 Uniform Commercial Code of the State, Opendor shall be onlished to exercise the rights and readedies 34 of a secured party under the Code. The bringing of a suit and the ebislicing of judgment by Operator 35 for the secured indebtedness shall not be deemed an election of remadies or otherwise affect the lien 36 rights or security interest as security for the payment thereof. In addition, upon default by any Non-37 Operator in the payment of its share of expense, Operator shall have the right, without projudice to 38 other tights or remailes, to collect from the purchases the proceeds from the sale of such Non-Orienter's factoring and the collect any Collect and Collect any Collect and 40 purchaser shall be entitled to roly upon Operator's written statement concerning the amount of any de-

the Land. Operator grants to the Hon and expandly interest to the Non-Operators to secure physical of the 42 on ter's proportionate share of expense. the strange posity below or is not the pay its some of the contain sixty (86) days ofter confeil now. The regardence of the Authorities are in the majorities Copyright, at the upon the upon

expensive by the election, single have the sight seem the east discre-

and the second second		, FORM OPERATING AGREEMENT .	
A ARAL FORM 610	MOLEON.	, I Chan	
1 * *			

1. Dull or Despair Without the consent of all parties, no well shall be drilled or deepened, exwhere the contract to the provinces of Article VLDS, of this Agreement, it being

5 understood that the resent to the distinct of deepening shall include:

such were a resemble its authorized depin, and the best have been compacted, up there can take the state of the Non-Operators who have the trail the participate in the completion costs. The parties state notice to the Non-Operators who have the trail the participate in the completion costs. The parties state notice to the Non-Operators who have the trail to the section of the se enten to energia participate in the setting of costagrant the completing and equipping of such both but include consent to all necessary expenditures for the completing and equipping of such vell, meaning necessary tunnage and ex surpace recurring sometime of any party not to participate in only within the period above fixed shall constitute an election by that party not to participate in the contemp, a composition in provincial section claims acres (the planes are among, are provided to plugging back" as contaid a in Article VIII about the decided to include "completing") shall apply to

back except a with rewarded or physical to the reworking or planting back of a well shall technic

except in connection with a west the artificial tower the dependent to this agreement; previded, however, ging back of which has been previously authorized by or purchast to this agreement; previded, however, and the provided of the previously authorized by the purchast to this agreement; previded has been previously authorized by the purchast to this agreement; previded has been previously authorized by the purchast to this agreement; and the previously authorized by the purchast to the agreement. the emergency to state with except and mean state expenses as in its eparton are required to deal with the emergency to state and respect but Operator, as promptly as possible, shall report the emergency to state of the end producty but Operator property. For Expenditure, for the edge with the expenses of the end of the edge of the end of the edge of t

E. Repulties, Overriding Royalties and Other Payments:

than pay or dense, or cause as on pass, or derivered, his regarded to the extent of the only share of production and shall hold the other parties free the interest of any party in may off and star least covered by this agree

se hence in the same parties, is operator prepares. Ambourty for Expenditures, for its own to greater, and continued the family copies of its "Authority for Expenditures," for our lingue project, and costing in excess of Figure 74008880 minutes and animal and animal animal project (\$12,090.00.....). nery shall puy or deliver, or cause to be poid or delivered, all revulties to the extent of

24 be assessed against the parties, and be paid by them, as provided in Pahibit "C". Pack party shall pay or egose to be poid all production, severance, pathering and other taxes inposed upon or with respect to the production or handling of such party's share of all had/or gas pro-Super under the terms of this agreement

A.A.P.L. FORM 610 MODEL FORM OPERATING ACREEMENT - 1977

2 IV.B.3.

4 G. Taxes:

16 ner provided in Exhibit "C".

1 of any shut-in well payment shall be borne jointly by the parties hereto under the provision; of Article

Reginality with the first calendar year after the effective date hereof, Operator shall render for ad-

is taxes, and it shall pay all such taxes acrossed therean better they become delinquent. Print to the rea-

9 dition date, each Neu-Meredor Shall found to Operator information as to burdens (a include, but for he

He tributed by such Non-Operator. It the assessed valuation of any herehold estate is reduced by remon of its

by limited to, regulties, everylling sognities and production payments) on leaves and oil and gar interests cole-

12 Using subject to outstanding excess regotties, overriding regulties or production payments, the reduction in

13 ad valerem taxes resulting therefrom shall inure to the benefit of the owner or owners of such be whold

estate, and Operator shall adjust the charge to such owner or owners so us to reflect the benefit of such

15 reduction. Operator shall will other parties for their preportionate share of all tax payments in the man-

19 The time and manner prescribed by law, and protecute the protest to a final determination, unless all

26 parties agree to change, the protest prior to final determination. During the pendency of administrative

21 or judicial proceedings. Operator may elect to pay, under product, all such taxes and any interest and

22 penalty. When any such protested assessment shall have been finally determined, Operator shall pay

73 the tex for the joint account, together with any interest and penalty account, and the tetal cost shall then

H Open for considers any tax assessment improper, Operator may, at its discretion, protest within

i value is tain then all preparty subject to this agreement which by law should be rendered for such

.

At all flates while operations are conducted herounder. Operator shall comply will, the Warlamen's Compensation Law of the State where the operations are being conducted; provided, however, that Op-

octor may be a self-insure; for liability under said compensation laws in which event the only thurse as that shall be trade to the jet a present shall be an amount equivalent to the premium which would have 36 been paid lead such manning - been obtained. Greenter shall also carry or provide insurance for the

to be well of the print secount of the print is confined in Exhibit "D", excelled to the residuation therein 38 Operator shall require all contractors engaged in worlt on or for the Contract Area, to compay with the 39 Workmen's Compensation Law of the State where the operations are being conducted and to registed 40 such other insurance as Operator may require.

4% receives the approval of the parties, no direct the second by Character for twentiums paid for el surà insertati for Oraestre's fally owned hat ractive equitan-

In the event Automobile Public Heldilly Caserance is specified in said Famoit "D", or subsequently

27 The provisions of this Article shall upply to renewed leases whether they are for the entire interest covered by the expiring lease or cover only a partience is used for an interest therein. Any renewed lease taken before the expiration of its predecessor lease, or taken or contracted (or within six (6) months after

The second state of the second state of the second second

7 be subject to the terms and provisions of this agreement.

25 proportionate interest Carrein by the acquiring party.

parties assignee.

9 B. Renewal or Extension of Leases:

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977

1 be shared by the parties assignee in the proportions that the interest of each hears to the interest of all

Any assignment or succender made under this provision shall not reduce or change the assignor's er

5 surrendering parties' interest, as it was immediately before the assignment, in the behave of the Contract

6 Area; and the sereage assigned or surressired, and subsequent operations thereon shall not the cafter

If any party secures a renewal of any oil and gas lease subject to this Agreement, all other parties

12 shall be notified promptly, and shall have the right for a period of thirty (30) days following receipt

13 of such notice in which to elect to participate in the ownership of the renewal lease, insofar as such

14 lease affects lands within the Contract Area, by paying to the party who acquired it their several proper

to proportionate shares of the acquisition cost affocaled to that part of such lease within the Contract Area,

If some, but less than all, of the parties elect to participate in the purchase of a renewal lease, it

to shall be owned by the parties who elect to participate thosem, in a note based upon the relationship of

20 their respective percentage of participation in the Centract Area to the aggregate of the percentages

21 of participation in the Contract Area of all parties participating in the purchase of such renewal lease.

22 Any renewal lease in which less than all parties elect to participate shall not be subject to this agreement.

24 Each party who participates in the purchase of a renewal lease shall be given an assignment of its

16 which shall be in proportion to the interests held at that time by the parties in the Contract Area.

30 the expiration of the existing lease shall be subject to this provision; but one lease taken or contracted 31 for more than six (6) months after the expiration of an existing lease chall not be deemed a renewal 32 lease and shall not be subject to the provisions of this agreement. The previsions on this Article shall apply the and in like manner to extensions of oil and gas 33 lesser The provisions of this Article VIXX-V shell only apply to lesses, or persions 36 of leases, located within the Unit Area. 37 C. Acreage or Cash Contributions:

While this agreement is in force, if any party contracts for a contribution of cash toward the drilling 40 of a well or any other operation on the Contract Area such contribution shall be paid to the party who 61 conducted the drilling or other operation and shall be applied by it against the cost of such drilling or

42 other operation. If the contribution be in the form of accease, the party to whom the contribution is 43 made shall promptly teeder on assiss of an arrangement, without warranty of title to the Drilling M. Parties in the proportions sale below (Parties stared the cost of drilling the well. If all parties hereto 45 are Drilling Parties and succept such tember, such persegn shall become a part of the Compact Area and the provinced by the provisions of this agree area. If her them all positive herete are Drilling Plattics and naveral such that but such active that had been an part of the Confiner Arca. Hock early that prompt-

31 right to execute, supremely, payment of the sale proceeds beneat. 33 U. Waiver of hight to Partition: 37 to partition and have set aside to it in severally its undivided interest therein. 42 interests in the Contract Arcs, it shall presently give written ratios to the our superfits, with a culture

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977

19 E. Maintenance of Uniform Interest:

Every such sale, encumbrance, transfer or other disposition made by any party shall be made ex-27 pressly subject to this agreement, and shall be made without prejudice to the right of the other parties. H, at any time the interest of any party is divided among and owned by four or more co-owners, 25 Operator, et its discretion, may require such co-owners to appoint a single trustee or agent with full 23 authority to receive natices, approximate, receive billings for and appreve and pay such party's share of the joint expenses, and to deal generally with, and with power to bind, the co-dwners of such 28 party's interests within the scope of the operations embraced in this agreement; however, all such 29 contracts small have the right to enter into and execute all contracts or appreaments for the disposition 30 of their respective shares of the oil and gas produced from the Contract Area and they shall have the If permitted by the laws of the state or states in which the property covered hereby is located, each 36 party herete owning an undivided interest in the Contract Area waives any and all rights it may have

2. If the owner of the interest from which the subsequently created interest is derived (1) fails to

2 pay, when due, its there of expenses chargeable hereunder, or (?) elects to abandon a well under pro-

3 visions of Article VI.E. brosed, or (3) elects to sucrender a lease under provisions of Article VIII.A.

4 hereof, the subsequently creeted interest shall be chargeable with the pro-rate portion of all expenses

5 becoming in the same matter to if such inferest were a working interest. For purposes of collecting

12 For the purpose of include initial initial parties of the control of the contr

13 covered by this agreement, and notwithstanding any other provisions to the contrary, no party shall

14 sell, encumber, transfer or make other disposition of its interest in the leases embraced within the Con-

2. an equal undivided interest in all leases and equipment and production in the Contract Area.

43 instant Concerning its from the which shall include the name and chimes attend we specify pur-

to the engine and he will entitle to the solid to must see him purchase a first of all other terms

15 tract Arca and in wells, equipment and production unless such disposition covers either:

1. the entire interest of the party in all leases and equipment and production; or

7 shall have the right to enforce all provisions of Article VILB, hereof against such subsequently created

6 Such chargedde expenses, the party or parties who receive assignments as a result of (2) or (3) above

A DIG MODEL FORM OPERATING AGREEMENT - 1977

1 such party shall give any notices or take any other section inconsistent with the election made hereby.

any future income tax laws of the Unifed States contain provisions similar to those in Subchapter "K",

and party shall give any nonces in this may bluer oction in the first and the Contract Area is neglected or.

If any present or future income tax laws of the state or states in which the Contract Area is neglected or.

any surgre meanine tax news or the country states contain provisions states to more in successive a final decision of the first and the country of the country of

4 Chapter 1, culture 18, or the internal revenue Code of 1,52, under which an election annual to that
5 provided by Section 761 of the Code is permitted, each party hereby affected shall make such election as

6 may be permitted or required by such laws. In making the foregoing election, each such party states that

e computation of partnership toxable messace.

The income derived by such party from Operations hereunder can be adequately determined without the

CLAIMS AND LAMBERS

15 (8.15,000.00) and if the payment is in complete sofflement of such claim or suit. If the amount

required for seit/cment exceeds the above amount, the parties hereto shall assume and take over the

17 further handling of the claim or suit, nuless such authority is delegated to Operator. All costs and ex-

18 pense of handling, settling, or otherwise discharging such claim or suit shall be at the joint expense

19 of the parties. If a claim is enade against any party or it any party is sued on account of may reafter

20 prising from operations hereunder over which each individual has no control because of the rights given

ARTICLE XL

28 under this agreement, other than the oldigation to make money payments, that party shall give to all

29 other parties prompt written notice of the force majorite with reasonably full particulars removed in the

thereupon, the obligations of the party giving the notice, re tar as they are affected by the lotter majoure.

thereupon, the obligations of the party giving the notice, re tar as they are affected by the lotter majoure.

shall be an pendud during, but no longer than, the confinance of the force-majoure. The affected party

shall be an pendud during, but no longer than these modeline elteration as another as one (longer).

shall by bulleting our no longer than the communities of the function as quickly as practicable.

32 shall use all reasonable diligence to remove the funce majoure situation as quickly as practicable.

FORCE MAJETRE

If any party is repleved unable, witelly or in part, by torce majoure to carry out its obligations

Operator by this agreement, the party shall immediately notify Operator, and the claim or sult shall

be treated as any other claim or suit involving operations becomider.

48 reasonably within the control of the party Calining suspensions

42 and any other cause, whether of the bind specifically enumerated above or etherwise, which is not

The term "ferre majeure", as here employed, shall mean an act of Cad, strike, lockage or often industrial disturbance, act of the public enemy, war, blostade, public riot, lightning. The, sterm, ilead, understat essentialization, des or the parameterists, war, oncerent, parameter, appropriate the section, increased, described action, governmental delay, restraint or insciton, unavailability of equipment, to

The requirement that any force majoure shall be remedied with all reasonable dispatch shall not as require the southernest of strikes, lockouts, or other labor difficulty by the party involved, contrary to its require the southernest of strikes, lockouts, or other labor difficulty by the party involved, contrary to its require the southernest of strikes, lockouts, or other labor difficulty by the party within the discretion of Par party within the discretion of Par party concerned.

นี้ที่เกิดสมาเลา ได้เกิดของเราสิต เดองเกิดเลืองกับและ คลัดเกิดเกิด เป็นสัตว์ของ เลาสิติเลืองการ

84 offices

on B. Governing Laws

The second secon

The establish validity of this agreement and all metters pertaining thereto, including, but usi lim-29 Hed to, inciters of performance, non-performance, breach, remedies producer, rights, duties and in-30 terportation or construction, shall be poverned and determined by the law of the state in which the Contract Area is located. If the Contract Area is in two or more states, the law of the state where most 32 of the land in the Contract Area is located shall govern.

The state of the second section of the section of the second section of the section of the

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977

1 [] Option No. 2: In the event the well described in Article VLA., or any subsequent well drilled

2 under any provisien of this agreement, results in production of oil and/or gas in paying quantities, this

3 agreement shall continue in force, so long as any such well or wells produce, or are capable of preduc-

4 tion, and for an additional period of 180 days from cessation of all production; provided, however,

5 if, prior to the expiration of such additional period, one or more of the parties hereto are engaged in

6 deilling or reworking a well or wells hereunder, this tyre ment shall continue in force until ruch op-

To entions have been completed and it production would therefrom, this assessment shall continue in

8 force as provided herein. In the event the well described in Article VLA, or any subsequent well

It is agreed, however, that the termination of this agreement shall not relieve any party hereto from

COMPLIANCE WITH LAWS AND REGULATIONS

This agreement shall by subject to the conservation have of the state in which the commetted

22 - acreage is located to the valid rules, regulations, and orders of any duly constituted regulatory hody or

23 said state; and to all other applicable lederal, state, and local laws, ordinances, rules, regulations, and

9 drilled hereunder, results in a dry hole, and no other well r producing, or rapid to of preducing will

10 and er gas from the Centract Area, this agreement shall terminate unless drilling or reworking specia-

tions are commenced within 120 days from the date of abandonment of sold well.

14 any hability which has accrued or attached prior to the date of such termination

19 A. Laws, Regulations and Orders:

36A. Substitute Well: If, in the drilling of the Initial Mell, Operator loses the tolk agencounters mechanical difficulties readering it impracticable, in the opinion of Operator asto drill the well to the Objective depth, then and in any of such events, on or befor 3030 days after completion of the Initial Well, Operator shall have the option to commone 40the actual deilling of another well ("Substitute Well") at a lawful location of Operator describes on the Unit Area, and prosecute the drilling of said well with due diligence

Ascreening on the one of the processes and various or said our architecture of the said and surpasses of this spand in a good and workscantike manner to the Objective Depth. For all purposes of this spand in a good and workscantike manner to the Objective Depth. For all purposes of this spand in a good and spilling of agency and the Arithmetic Scholishte Soll shall be considered as the Arithmetic of agency and the Scholishte Soll shall be considered as the Arithmetic spilling of the Arithmetic Soll shall be considered as the Arithmetic Gartier Intig - Mitche 90 dans offen tip og fjelten af til Little beil and, if griffs er net er statt i 1900. Der hate vill viger (1900 - 1901) Berste i Er santifer av Gibbergen.

The state of the s

			and de la latera de latera de la latera della latera dell	e destruita de la cada en la destruita de la destruita de la destruita de la companya de la destruita de la de	nak pana kanangan kanangan mengangan beberapa kanangan dinangan dinangan kanangan dan sebagai salah sebagai sa	the constitution and a second	Contract of the Contract of th	in the sale of	for a constant 1 to the	Carlo Ca
	EXMINIT "A"							en en elektronistik (1 m. 1992). En	Invitable CO1, 10.58 74101 Consult of Lectures of Accountants Sections of Orth America	2+10 ×
A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977		andre de la companya de la companya La companya de la co								
A STANCE WAS A STANCE OF THE S	MPERCOND TO WED HOME A PART OF THAT OPERATED ACRESTATE DATED AUGUS 29, 1980, DEFENEL TWIFT PERCONDUCTION, ES OPERADOR, WED YATES DRILLING COPPANY, ET AL., AS NOW OPERATURES.	Tillian Potcet Humers, et al							EXHIBIT "C"	
	OPERADOR, AND YATUS DRILLARG COMPANY, OF MILE.	Original Lessee: Yates Petroleum Corporation 1/2		11. tessor:	Florence VanValkenlama				ATTACHED TO AND MADE A PART OF OPERATING	類 特殊の対象的の対象
ARTICLE XVI. BHSCELLANEOUS		Present Lessee: Wates Petrolean Company - 1/6 John A. Yates - 1/6		Original Lessee: Present George:	Yates Petroleum Componition Yates Petroleum Componition - 1/2		18. lessor:	Pat Shi Vincent	AGREEMENT DATED APRIL 29, 1980, BETWEEN YATES PEUROLEUM CORPORATION, "OPERATOR",	
	T. J. Tanke Subject to Agreement:	Martin Vates, ITI - 1/6			Yatos Deitling Comyany - 1/6 Sohn A. Yatos - 1/6		Lessee: Date of lease:	Yates Petroleum Omporation June 22, 1972	and YATES DRULLING COMPANY, ET AL, "NON-OPERATORS", COVERING STEEL SEC. 6, 19-25.	
This agreement shall be hinding upon and shall imme to the benefit of the parties hereto and to their respective hoirs, devisees, legal representatives, successors and assigns.	managini in panth, Poppi 25 North, R.M.P.M. governor to 16 1872 1874	Serial No. of Lease: Peo Wormship 19 South, Resp 25 Dat, U.M.F.		Date of Lease:	July 31, 4967		Serial No. of Leace: Description:	Rosenship 19 South, Pange 25 Fast, M.M.P.H.	ACCOUNTING PROCEDURE	
This instrument may be excuted in any number of counterparts, each of which shall be considered	god (St. 16; 1972) have by town. (contains the property for the property	Democription: See For Co.		Grial No. of Leade: Description:	Associate 19 Bouth, Remon M. Past, H.M.P.M.		TAINED TYPE to A to	Section 6: 8/2 8/4 Containin: 80.00 acres, acres or less.	JOINT OPERATIONS	
g					Section of May Sold and the section of the section			E.bby Kalcott	I. GENERAL PROVISIONS	
10 IN WITNESS WHEREOF, this agreement shall be effective as of 29th day of April 19 18 80	2. Tupth Mescription:	6. Lessor: Original lesses: U. W. Abernathy Yates Petrolem Corporation Original Lesses:			Containing 80.00 acres, wore or less.		19. lesson: Lessee:	Yates Petroleum Corporation January 8, 1973	1. Definitious	
12 13 OPWRATOR	All rights.	Present Persect Yates Dr. Wing Company - 1/6		12. lesson: Original Lessue:	Jois laVerne Rees		Date of Lease: - Semial No. of Lease:	Foe Standing 19 South, Range 25 Pant, N.H.P.N.	"Joint Property" shall mean the real and personal property subject to the agreement to which this Accounting Procedure is attached.	
YATES PERCOLICA CORPORACION	3. Drilling Unit for Firet Well: Providion Unit as established by the West Mexico CCC.	+ John A. Yolos - 1/6 Martin Yales, 111 - 1/6 July 18, 1957		Present Lessee:	Yates Petroleum Corporation Yates Petroleum Corporation — 1/2		Descripcion:	Section 6: $S/2/SS/4$	"Joint Operations" shall mean all operations necessary or proper for the development, operation, protection and a maintenance of the Joint Property.	
16 17		Into the factor is a Pea			Yabos Drilling Company $-1/6$ John A. Yabas $-1/6$			Containing 80.00 acres, more or loss.	"Joint Account" shall mean the account showing the charges paid and credits received in the conduct of the Joint Operations and which are to be shared by the Parties.	
18 19	U. Dercentage Interest of Parties Under Appearant:	Pescription: Section 6: S/2 Si/4		Date of lease: Sorial No. of lease:	Sartin Yabas, 711 - 1/6 July 25, 1967		20. Lesser: Lessee: Date of Lease:	Charles Invention	"Optrator" shall mean the party designated to conduct the Joint Operations. "Non-Operators" shall mean the parties to this agreement other than the Operator.	
At the ruley - In-Fact	WOLL BOOK AND	Containing 80.00 acres, more or less.		Posociption:	Fee "Comming 19 South, Range 25 Past, N.M.P.M.		Date of lease: Serial No. of Lease:	June 22, 1973 Poe	"Parties" shall mean Operator and Non-Operators,	
72 22	ACTV3	7. Lessor: Original Lasso:			Section 6: 172 SE/4 Containing 80.00 nords, more or less.		Description:	Township 19 South, Range 25 East, N.M.P.M. Section 6: 8/2 SE/4	"First Level Supervisors" shall mean those comployees whose primary function in Joint Operations is the direct" supervision of other employees and/or contract labor directly employed on the Joint Property in a field operat-	
24 NON-OPERATORS	40.000000 25.000000 25.000000 25.000000 25.000000 25.000000 25.000000 25.000000 25.000000 25.0000000 25.0000000 25.0000000 25.0000000 25.0000000 25.0000000 25.0000000 25.0000000000	Prosent Tesson: "Yates Petroleus Componation - 1/8 Yates Prilling Compony - 1/6		13. lesson:	Dobby Arts			Containing 80.00 acres, note of less.	ing capacity. "Technical Employees" shall mean those employees having special and specific engineering, geological or other	
26 YATES DROLLING COSTANY MARTIN VATES, 111	7 April 200 Campaga 100 Campag	John A. Yares $-1/\delta$. Markin Yares, LIT $-1/\delta$		Louise: Date of Tense:	Yaids Totiolet's Comporation		21. Tessor: Lessoo:	Migan Moneis Viewens Yates Petrolema Corporation	professional skills, and whose primary function in Joint Operations is the handling of specific exercting counti- tions and problems for the banefit of the Joint Property.	
	######################################	Dube of Lemmas duly 18, 1067		Serial No. of Lease: Description:	Poe Poenskip 19 South, Ranco 23 Past, H.H.P.M. Skierni za 1885 277		Tate of Yease:	June 22, 1972 Fee	"Personal Expenses" shall mean travel and other reasonable reimbursuole expenses of Operator's employees, "Material" shall mean personal property, equipment or supplies acquired or held for use on the John Property.	
By: The Actorney-in-Encl. By: The Actorney-in-Encl. By: The Actorney-in-Fnct.		Serial Mo. of Lease: Pescription: Township 19 South, Name 25 Dast, N.N.P.N. Shotton 6: S/N SE/A			Township 19 South, Rance 20 Past, H.M.P.M. Section 3: 8/2 55/4 Containing 80.00 acres, nome or loss.		Seria) No. of Leure: Descriptions	Township 19 South, Pappe 25 Vist, R.H.P.M. Section 6: 8/2 SU/4	"Controllable Material" shall mean Material which at the time is so classified in the Material Classification Manual as most recently recommended by the Council of Petroleum Accountants Societies of North America	
31 32 JOHN A. YATES	TIL A Leaselvold Taicreat of Parties:	Containing GO.GO acres, more on less.		14. Lesson:	Monie Vincent Owan			Containing 80.00 acres, hore or less.	2. Statement and Billings	
		G. takeor: Salahard Moss Salahard Moss Salahard Moss		14. Lesson: Lesson: Lesson: Lesson: Serial No. of feaso: Deposiption:	Vales Bulberiod: Comparedian Algust 4, 1877		22. tameov: Posseo:	Natty Klump Mate: Patableus Componatios	Operator shall bill Non-Operators on or before the last day of each month for their proportionate share of the Joint Account for the preceding month. Such birls will be accompanied by statements which identify the author-	
36 STATE OF MEN MENICO)	$\sim 10^{-10}$	Original Losson Present Jesson Yates Principle Company 1/6 Yates Drilling Company		Serial No. of Teaso: Description:	Pec		Seto of Lease:	Free 18, 1990	tip for es, es firme, levre or facility, and sh charges part eradits, summarized by at propertie chastile that so in- vertical and expense except that flows of Controllable historial and unusual charges and credits shall be rep- arately identified and fully described in detail.	
37 : §	Tousen: Date of Lease: Sanial Mo. of Jose: Description: Year Tolked Mo. 1672 Pobles y 8, 1672 Per Poly of Lease Webster y 8, 1672 Per Mountain 19 South, Rungo 25 Mast, N.H. Tescription: Section 6: 8/2 Sight Section on no nores, more or less.	John A. Vabes - 1/6			Weship 19 South, Research Past, N.M.P.M. Section 6: 5/2 SE/4 Containing 80.80 acres, more or less:		Serial No. of Lease: Description:	Township 19 South, Range 25 Past, N.M.P.M. Section 6: S/2 SE/4	3. Advances and Payments by Non-Operators	
	Lescription: Section 6: 8/2 Signature of less. Containing 80.00 acres, more of less.	John A. Vates - 1/6 Martin Yates, III - 1/6 August 3, 1967		15. Lessoy:	Staine McCobs Vincent			Containing 80.00 acres, more or less.	Unless otherwise provided for in the agreement, the Operator may require the Non-Operators to advence their share of estimated cash outlay for the succeeding month's operation. Operator shall adjust each monthly billing	
39 The Coregoing Instructions acknowledged before as this of the day 46 of Mast, 1980, by Molecula, Actornos-in-Faur tol VATES PERCELLS 47 Coldressive, a New Maxima corporation, on School of anti-corporation.	one de la company de la compan	Serial No. of lease: The Agestin 19 South, Pusp 25 Part, N.M.C.M.	is a second of the second of t	Jesaca: Data ok lease:	Yabas Patroleum Conservition Awarot 7, 1972	A the second of the second	23. Unleased Minerals:	Steve Lane Vincent J. C. Waltesta	to reflect advances received from the Non-Operators. Each Non-Operator shall pay its proportion of all bills within fifteen (15) days after receipt. If payment is not	ing and the second seco
		SANTANIA SA Marangana santani sant		Martia i May la Silymaer Dartati palina;	i-a j			Charles C. Valcott Billy J. Wassit	made within such dime, the unpaid balance shall been interest monthly at the rate of (welve percent (1256) per minum or the residence confuct rate permits if by the applie ble year, lows in the state in which the doing the Property is located, whichever is the lesser plus attorney's fees, court costs, and other countertion with	3
and the control of t The control of the control of	으로 보고 있는 것이 되었다. 그는 사람들은 사람들은 사람들은 사람들은 사람들은 사람들은 사람들은 사람들은	9. Treposit			America (1) ese (2) terros (2) republicados. Recursos (3) esperantes (2) republicados (2) esperantes (2) espera			Get it Starting tas the section Country	da, redestiva et unquid ampunta.	
n de la companya de La companya de la co	,我们就是一个人的人,我们就是一个人的人,我们就是一个人的人的人,我们就是一个人的人的人的人,我们就是一个人的人的人的人,也不是一个人的人的人,也不是一个人的人 第二章 "我们就是一个人的人,我们就是一个人的人的人的人,我们就是一个人的人的人的人的人的人的人的人的人的人的人的人的人的人的人的人的人的人的人的	사는 사람들이 보다 보다 보다. 		\$ko. ∮rijorak:	Commeinting 86,00 cartes, printered gards.			a Marking a Commission of the	d. Adjustments Beginnes espectively exhibition of each display the track of the plant of an excite the process.	
and the first of the state of the	en de la companya de La companya de la co	· Maryon Die Community (1995)		Actual Communication of the Co	render og klader og starteg. Medistriker og med politiker greker grekker.			g. i Warenzell Wangida di Ordin, Lund 23 hada 2 ¹¹	ness through provided because, and he is had a followed a randomed for Nove-Operators by Operator challeng pag epigeniae year shall count dively be presented in his those that convers often twenty-tekn (24) mentles inhowing the country of a random decrease, throw willow the later twenty-boar (24) mentle in his New Operator times	
	,我们就是一个大型的,我们就是一个大型的,我们就是一个大型的,我们就是一个大型的,我们就是一个大型的,我们就是一个大型的。 第一个大型的,我们就是一个大型的,我们就是一个大型的,我们就是一个大型的,我们就是一个大型的,我们就是一个大型的,我们就是一个大型的,我们就是一个大型的,我们就	en de la composition de la composition La composition de la		Andrew Communication (Communication Communication Communic	i grande de la companya de la compa La companya de la co		1.1.114 表现 1.20 等3表 1.1.114 表现 1.20 等3表	A SAMATAN A BANGAN AN A	o journal, digre tenging a total and design out to a folgene work and following liking to be accepted the Open The control of the control of	
and the state of the The state of the state	en de la composition de la composition La composition de la							en de la companya de La companya de la co	o Britania (P. Maria a setting by Schille Berletterg and Gerbertrakk Missandan provincial for the Richard Miss The control of the Schille Maria (P. Maria and Maria Maria Maria Angelow) (1976) the Richard Missandan (1977)	
		and the second of the second o		and Yahana	in the second of the first of the control of the co				. At the Specifier, greater designarities, in Conseins and Hostoneise a Lympton, shottlesse the Loth regard). Open	
					en e				 Applied to the second of the se	
and state of the control of the cont	en de la composition de la composition La composition de la								en e	
anderson in the second of the first of the second of the first of the second of the se	en de la companya de La companya de la co								gal, a geologica de la como del como en escribir de la como de la c La como de la como de l	
· · · · · · · · · · · · · · · · · · ·					e mit die Erich III der Kinder bewerk von deutsche Gerichten der State der Geschliche der Geschl				C. Applicate the Web-Openidan	
									en de la composition de la composition de la composition de la composition de la Courte de la composition de l La composition de la composition de la La composition de la	
		and the control of the state of the control of the The control of the control of	· · · · · · · · · · · · · · · · · · ·						en e	

A STATE OF THE STA

	Later of the contract of the c		The later of the contract of t	Section and the second section is a second section of the second section of the second section is a second section of the second section secti			Sit and because the same and the same as a second s	The second secon	English Control of the Control of th		
											ATTACHED TO AND MADE A PART OF OPTIMITING
							PONC.				AGREEMENT DATED APRIL 29, 1980, BETWEEN YATES PETROLEUM CORPORATION, "OPERATOR",
	00000				Monna de la companya						and YATES DRILLING COMPANY, ET AL, "NOW- "TO THE
					B. Overhead - Percentage Basis		the Paragraph 2A of this Section		EXHIBET "D"		OPERATORS", COVERING Stasts, SEC. 6, 19-25.
	GO: HO	The second secon	UII IIU		(1) Operator shall charge the Joint Account at the following rates:		of current new price, as determined by faint at seventy-five per-	Commence of the second		1000 m	
	H. DIRECT CHARGES				(a) Development	를 가장 되었다고 한 경험을 수 있다면 유명 등 하루 하는 것 같다. 한 경임 사회 전략 사용적으로 한 사회를 통해를 보고 있다고 있다.	(b) at sixty-five percent (65%) of current new price, as determined by Paragraph 2A of this Section IV, if State and was originally charged to the Joint Account as good used attached at seventy-five percent (75%) of current new price.				EXIDEIL "E"
	Operator shall charge the Joint Account with the following items:		All taxes of every kind and nature assessed or levied upon or in connection with the Joint Property, the opera-		provided under Paragraph 9 of Section II and all salvage credits		IV, if Statetist was original processor (75%) of current new prices cent (75%) of current new prices. The cost of reconditioning, if any, shall be absorbed by the transferring property.				
	1. Rentals and Royalties Lease rentals and royalties paid by Operator for the Joint Operations.		All taxes of every kind and nature assessed or levied upon or in connection with the sum Property, the lion thereof, or the production therefrom, and which taxes have been paid by the Operator for the benefit of the		provided under Paragraph 9 of Section II and all salvage credits. (b) Operating	The state of the s	C. Other Used Material (Condition C and D) C. Other Used Material (Condition C and D)		ATTACHED TO AND MADE A PART OF OPERATING AGREEMENT DATED APRIL 29, 1980, BETWEEN		
	2.) . have		Parties.				C. Other Used Materiar Communication and not suitable for its original function data		vates petrochum corporation, "Operator",		WAS TALAREING AGREETHENT
	A. (1) Salaries and wages of Operator's field employees directly employed on the Joint Property in the conduct		11. Insurance Not premiums paid for insurance required to be carried for the Joint Operations for the protection of the Par- Not premiums paid for insurance required to be carried for the Joint Operations for the protection of the Par- Not premiums paid for insurance required to be carried for the Joint Operations for the protection of the Par- Not premiums paid for insurance required to be carried for the Joint Operations for the protection of the Par- Not premiums paid for insurance required to be carried for the Joint Operations for the protection of the Par- Not premiums paid for insurance required to be carried for the Joint Operations for the protection of the Par- Not premiums paid for insurance required to be carried for the Joint Operations for the protection of the Par- Not premiums paid for insurance required to be carried for the Joint Operations for the protection of the Par- Not premiums paid for insurance required to be carried for the Joint Operation for the Par- Not premium paid for insurance required to be carried for the Joint Operation for the Par- Not premium paid for insurance required to be carried for the Joint Operation for the Par- Not premium paid for insurance required to be carried for the Joint Operation for the Par- Not premium paid for insurance required to be carried for the Joint Operation for the Par- Not premium paid for insurance required to be carried for the Joint Operation for the Par- Not premium paid for insurance required to be carried for the Joint Operation for the Par- Not premium paid for the		under Paragraphs I and 9 of Section II, all salvage credits, the value of injected substances purchased for secondary recovery and all taxes and as essmeats which are fevicit, assessed and paid upon the mineral interest in and to the Joint Property.		C. Other Used Material (Condition C and D) (1) Condition C Material which is not in sound and serviceable condition and not suitable for its original function until Material which is not in sound and serviceable condition and not suitable for its original function until Material which is not in sound and serviceable condition and not suitable for its original function until Material which is not in sound and serviceable condition and not suitable for its original function until Material which is not in sound and serviceable condition and not suitable for its original function until Material which is not in sound and serviceable condition and not suitable for its original function until Material which is not in sound and serviceable condition and not suitable for its original function until Material which is not in sound and serviceable condition and not suitable for its original function until Material which is not in sound and serviceable condition and not suitable for its original function until Material which is not in sound and serviceable condition and not suitable for its original function until Material which is not in sound and serviceable condition and not suitable for its original function until Material which is not in sound and serviceable condition and not suitable for its original function until Material which is not in sound and serviceable condition and not suitable for its original function until Material which is not in sound and serviceable condition and not suitable for its original function until Material which is not in sound and serviceable condition and not suitable for its original function Material which is not in sound and serviceable condition and not suitable for its original function Material which is not in sound and serviceable condition and not suitable for its original function Material which is not in sound and serviceable condition and not suitable for its original function Material which is not in sound and serviceable condition and not suitable for its o		and vates reguling company. Et AL, "NON-		
	of Joint Operations. (2) Salaries of Pirst Level Supervisors in the field.		Not promiums paid for insurance required to be carried for the Joint Operations for the protection of the Parkies. In the event Joint Operations are conducted in a state in which Operator may act as relf-insurer for Worksties. In the event Joint Operations are conducted in a state in which Operator may act as relf-insurer for Worksties. In the event Joint Operator Schalliffy under the respective state's laws. Operator may, at its election, means Compensation and/or Employees Limbility under the respective state's laws. Operator shall include a charge at Operator's include the risk under its self-insurance program and in that event, Operator shall include a charge at Operator's include the risk under its self-insurance program and in that event, Operator shall include a charge at Operator's		eral interest in and to the Joint Property.		Material which is not in the priced at fifty percent the charged to the recently of the reconditioning that he priced at fifty percent the charged to the recently of the reconditioning does not exceed Condition R value. The cost of reconditioning does not exceed Condition R value. Vided Condition C value plus cost of reconditioning does not exceed condition with its use or at prevailing vided Condition C value plus cost of reconditioning does not exceed the prevailing vided Condition C value plus cost of reconditioning does not exceed the prevailing vided Condition C value plus cost of reconditioning does not exceed the prevailing vided Condition C value plus cost of reconditioning does not exceed the prevailing vided Condition C value plus cost of reconditioning does not exceed the prevailing vided Condition C value plus cost of reconditioning does not exceed Condition R value.		OPERATORS", COVERENCE SUSEM SEC. 6, 19-25.		
	(2) Saturdes of First Level supervisors in the Tourist (3) Saturdes and wages of Technical Employees directly employed on the Joint Property if such charges are		mosts Compensation and/or temployers manner and in that event, Operator shall include a circuge at Operator shall be a circum at Ope		(2) Apply then at Openhala is a second of the control of the contr		vided Condition C value plus cost of rectand				
	a da la la farma cha Charella nd 19968		Cost that to exercise transit		For the purpose of determining charges on a physical partial trader Datagraph IB of this Section III, development shall include all costs in connection with drilling, redrilling, degraning or any remedial operations on any or all wells involving the use of drilling crew and equipment; also, preliminary expenditures increased in algorithm and expenditures increased in algorithm.		vided Condition C value plus Cost of vided at a value commenciate with its use or at prevailing (2) Condition D All other Material, including hall, shall be prieed at a value commenciate with its use or at prevailing of the All other Material, including hall, shall be prieed for same other purpose. Operator may disputes. Material no longer sailable for its original purpose for such other purpose. Operator may disputed on a basis comparable with that of items normally utilized by the Operator without prior approval pose of Condition D Material under procedures normally utilized by the Operator.				
	P. Operator's cost of holiday, vacation, siekness and disability benefits and other customary allowances paid to employees whose salaries and wages are chargeable to the Joint Account under Paragraph 2A of this Section employees whose salaries and wages are chargeable to the Joint Account under Paragraph 2A of this Section employees whose salaries and wages are chargeable to the Joint Account under Paragraph 2A of this Section	는 사람들이 되는 것이 되었다. 그런 사람들이 되는 것이 되었다. 그리고 말을 받는 것이 되었다. 그런	12. Other Expenditures Any other expenditure not covered or dealt with in the foregoing provisions of this Section II, or in Section III, Any other expenditure not covered or dealt with in the foregoing provisions of this Section II, or in Section III, and which is incurred by the Operator in the necessary and proper conduct of the Joint Operations.		necessary in preparation for dealling and comment and equipment; also, preliminary expenditures		All other Material, including the for its original purpose for such other purpose. Operating the satisfaction of the satisfact	- 1985년 - 1985 - 1985년 - 1985			The parties to the Operating Agreement to which this agreement is attached own the working interest in the gas rights underlying the Unit Area
는 하는 하는 물로가 되면 보를 받는다. 이 사는 현실 보이지 않게 불			Any other expenditure not covered or deatt with in the last of the Joint Operations.		Districts a producer and salaries		priced on a basis comparable with that or priced on a basis comparable with that or priced on a basis comparable with that or procedures normally utilized by		ADDITIONAL INSURANCE PROVISIONS		covered by such agreement in accordance with the percentages of participation as
	sessing at on the amount of rularies and wiles that game to the operator's cost experience. Section II if negrecular assessment is used, the rate shall be based on the Operator's cost experience.	이 그렇게 하는데 바퀴를 하다.	and which is made		assets and any other project clearly discernible as a fixed asset, except Major Construction as do not in Paragraph 2 of this Section III. All other costs shall be considered as Operating.		of Non-Operators. Standard to the condition and/or value of such Material to the condition and/or value of such Material to the principal as agreed to by			보는 사람들이 되었다. 그 사람들이 되었다면 보고 있는 것이 되었다. 그 사람들이 되었다면 되었다면 되었다. 그 사람들이 되었다면 되었다면 되었다면 되었다면 되었다. 그 사람들이 되었다면 되었다면 되었다면 되었다면 되었다면 되었다면 되었다면 되었다면	set forth in Exhibit "A" to the Operating Agreement.
	i i i i i i i i i i i i i i i i i i i		Hr. Overhead		a contract a major Court betton		D. Obsolete Material D. Obsolete Material D. Obsolete Material				
	applicable to Operator's costs chargeanse to the some recount taker ratagraphs				To compensate the superfice opening a set of the set of		D. Obsolete Material Material which is serviceable and usable for its original function but contains the specialty priced as agreed to the Material which is serviceable and usable for its original above may be specialty priced as agreed to the service tentiles and equivalent to that which would justify a price as inevided above may be specialty priced as agreed to the service tentiles and equivalent to that which would justify a price as inevided above may be specialty priced as agreed to the service tentiles and equivalent to that which would justify a price as inevided above may be specialty priced as agreed to the service tentiles. Such price should result in the Joint Account being charged with the value of the service tentiles.				In accordance with the terms of the Operating Agreement, each party
	P. Personal Expenses of those employees where ralaries and wages are chargeable to the Joint Account under		1. Overhead - Drilling and Producing Operations		pansion of fixed assets, and any other project clearly discornible as a fixed exist regained for the development and operation of the Joint Property. Operator shall either neportate are presented for the development and		and the control of the first the first of the first that the first of the control		abolt carry incorance for the		therete has the right to take its share of gas produced from the Unit Area and market the same. In the event any of the parties hereto is not at any time
	Paragraph 2A of this Section 4.		and the state of the administrative, supervision, other strategy and		operation of the Joint Property. Operator shall either negotiate crute prior to the beginning of construction, or shall of \$ 25,000.00		dored by such Material.		Operator, during the term of this agreement, shall carry insurance for the		taking or marketing its share of gas or has contracted to sell its share or gas
	3. Diaployee Benefits		AVV V Nived Page Basis, Paragraph 1A, or		A. 5 Goldotal costs if such costs are more than a 25 000 00		E. Pricing Conditions The Pricing Conditions and unleading costs may be charged to the John Action and unleading costs suggested in the John Action of Paragraph 5 of Section II.		benefit and at the expense of the parties hereto, as follows:		produced from the Unit Area to a nurchaser which does not at any time While this
9 	Operator's current costs of established plans for employees' group life insurance, hospitalization, pension, ventirement, stock purchase thrift, boars, and other benefit plans of a like nature, applicable to Operator's Labor threment, stock purchase thrift, boars, and other benefit plans of a like nature, applicable to Operator's Labor tost chargeable to the Joint Account under Paragraphs 2A and 2B of this Section. If shall be Operator's actual cost not to exceed twenty per cent (20%), or percentage most recently recommended by COPAS.		() Percentage Basis, Paragraph 1B. () Percentage Basis, Paragraph 1B.		A COUNTY OF THE CONTROL OF CONTROL OF THE CONTROL O		the Paries. Such Material. dered by such Material. E. Pricing Conditions (1) Loading and unleading costs may be charged to the Joint Account at the rate of fifteen cents (15¢) per leading and unleading costs sustained, when hundred weight on all tubular goods movements, in lieu of loading and unleading cests sustained, when hundred weight on all tubular goods movements, in lieu of loading and unleading cests of Section II. hundred weight on all tubular goods me equalized under provisions of Paragraph 5 of Section II. (2) Material involving creation costs shall be charged at applicable percentage of the current knocked-down section of new Material.				agreement is in effect take the full share of gas atttributable to the interest of such party, the terms of this agreement shall automatically become effective.
	cost chargeable to the Joint Account under Paragraphs 2A and 2B of this Section II shah be obtained a detail		Unless otherwise agreed to by the Parties, such charge shall be in field of costs and one directly chargeable				actual handing cost of such shall be charged at applicant per shall be charged at a per shall be charged a				of such party, one deliver at sure agreement.
			Unless otherwise agreed to by the Parties, such charge shall be in lieu of costs and expenses of all offices. Unless otherwise agreed to by the Parties, such charge shall be in lieu of costs and expenses of all offices and salaries or wages plus applicable burdens and expenses of all personnel, except those directly chargeable and salaries or wages plus applicable burdens and expenses of services from outside sources in connection with under Paragraph 27, Section II. The cost and expense of involving pavernmental agencies shall be considered partiers of taxation, traffic, accounting or matters before or involving pavernmental agencies shall be considered partiers of taxation, traffic, accounting or matters before or involving pavernmental agencies shall be considered as included in the Overhead rates provided for in the above selected Paragraph of this Section III unless such as included in the Overhead rates provided for in the above selected Paragraph of this Section III unless such as included in the Overhead rates provided for in the above selected Paragraph of this Section III unless such as included in the Overhead rates provided for in the above selected Paragraph of this Section III unless such as included in the Overhead rates provided for in the above selected Paragraph of this Section III unless such as included in the Overhead rates provided for in the above selected Paragraph of this Section III unless such as included in the Overhead rates provided for in the above selected Paragraph of this Section III unless such as included in the Overhead rates provided for in the above selected Paragraph of this Section III unless such as included in the Overhead rates provided for in the above selected Paragraph of this Section III unless such as included in the Overhead rates and selected Paragraph of this Section III unless such as included in the Overhead rates and selected Paragraph of the Section III unless the paragraph of the Overhead rates and overhead rates are paragraph.		Total cost shall mean the gross cost of any one project. For the purpose of this peragraph, the component parts of a single project shall not be breaked acparately and the cost of drilling and workever wells shall be excluded.		price of new Maieria.		(A) Workmen's Compensation Insurance as contemplated by the state in		During the period of periods when any party hereto has no market for
	Property as provided under Section IV. Only		matters of the after, traffic, accounting or matters serior to the Paragraph of this Section III unless such		6 Amendagat of Alles		1		which operations will be conducted, and Deployer's Highlity		its share of eas produced from any propation unit within the Unit Area, or its
	Statewall purchased or invasion of Operator to the Joint Property as may be required for immediate use such Material shall be purchased for or transferred to the Joint Property as may be required for immediate use and is reasonably provided and consistent with efficient and economical operations. The accumulation of surant is reasonably provided and consistent with efficient and economical operations.		cost and expense are agreed to by the Parties as a direct charge to the sons. Account		The Overhead rates provided for in this Section III may be amended from time to time only by mutual agreement between the Posties heads it, in practice, the mission found to be in a first provided the provided of the practice.		3. Premium Prices Whenever Material is not readily obtainable at published or listed fraction may charge the Joint Attache for use. Whenever Material is not readily obtainable at published or listed fraction may charge the Joint Attache for use. Whenever Material is not readily obtainable at published or listed fraction. Material in reaking it suitable for use, Whenever Material is not readily obtainable at published or listed fraction. Material in reaking it suitable for use, Whenever Material is not readily obtainable at published or listed fraction may charge the Joint Attached for use, Whenever Material is not readily obtainable at published or listed fraction may charge the Joint Attached for use, Whenever Material is not readily obtainable at published or listed fraction. Whenever we would be a suitable for use, Whenever we would be a suitable for use and the suitable for use, Whenever we would be a suitable for use and the suitable for use, Whenever we would be a suitable for use and the suitable for use and th		Insurance with Units of not less than \$100,000,000 per employee.		purchaser does not take its full share of gas produced from such proration unit, the other barties shall be enhitted to produce each wonth one hundred percent
	plus stories shell be avoided.		as inclined in the O.e. and to by the Parties as a direct charge to the Joint Account. cost and expense are agreed to by the Parties as a direct charge to the Joint Account. ii. The sclaries, wages and Personal Expenses of Rechnical Employees and/or the cost of professional consultant services and contract services of technical personnel directly chapleyed on the Joint Property shall () shall services and contract services of technical personnel directly chapleyed on the Joint Property shall () shall services and contract services of technical personnel directly chapleyed on the Joint Property shall () shall services and contract services of technical personnel directly chapleyed on the Joint Property shall () shall services and contract services of technical personnel directly chapleyed on the Joint Property shall () shall services and contract services of technical personnel directly chapleyed on the Joint Property shall () shall services and contract services of technical personnel directly chapleyed on the Joint Property shall () shall services and contract services of technical personnel directly chapleyed on the Joint Property shall () shall services and contract services of technical personnel directly chapleyed on the Joint Property shall () shall services and contract services of technical personnel directly chapleyed on the Joint Property shall () shall be serviced by the Overhead rates.		to the first the force of the precipies, the roles are found to be insufficient or excessive.		Whenever Material is not feating on the Operator has no consistent Material. In Material in Material in proposed or other transmal causes over which the Operator's actual cost incorrect in providing in furnished to New-Operators of the proposed required laterial at the Operator's actual cost incorrect in writing in furnished to New-Operators of the proposed and in moving it to the Joint Property; provided notice in Won-Operator slattly be seeded in an in moving it to the Joint Property; provided notice in Non-Operator slattly operator of his slatter in the Joint Property; provided notice from Operator, to furnish in kind all or part of his slatter notifying Operator within ten days after receiving notice from Operator, to furnish in kind all or part of his slatter notifying Operator within ten days after receiving notice from Operator, to furnish in kind all or part of his slatter notifying Operator within ten days after receiving notice from Operator, to furnish in kind all or part of his slatter notifying Operator within ten days after receiving notice from Operator, to furnish in kind all or part of his slatter notifying Operator within ten days after receiving notice from Operator, to furnish in kind all or part of his slatter notifying Operator within ten days after receiving notice from Operator, to furnish in kind all or part of his slatter notice from Operator. **Material** Supplies to the property of the				Transfar the attempted and production assigned to such craration unit by the
	5. Transportation		not (X) be covered by the Overhead rates.	ϵ	IV. PRICING OF JOINT ACCOUNT MATERIAL PURCHASES, TRANSPERS AND DISPOSITIONS		and in moving it to the Joint For such Materia. Factor Operator, to furnish in June de la company to billing Nov. Operators for such Materials from Operator, to furnish in June de la company to billing Nov. Operators for such Materials.				State regulatory body having impisdiction and shall be entitled to take and
	5. Transportation Transportation of employees and Material necessary for the Joint Operations but subject to the following limits-						notifying Operator within ten days often receiptable to Operator.		(B) Public Liability Insurance:		deliver to its or their purchaser all of such gas production; however, no party shall be entitled to take or deliver to a purchaser gas production in excess of
	A. If Material is moved to the Joint Property from the Operator's worthouse or other properties, no charge shall		A = A + A + A + A + A + A + A + A + A +		terial movements affecting the Joint Property. Operator shall make proper and theoly charges and credits for all masever, it Operators option, such Material may be supplied by the Non-Operator (Operator at the Joint Property; how-		of such Material suitable for use and acceptable to Operator of such Material suitable for use and acceptable to Operator 4. Warranty of Material Furnished by Operator Operator does not warrand the Material furnished. In case of defective Material, credit shall not be passed to the Operator does not warrand the Material furnished. In case of defective Material, credit shall not be passed to the Operator does not warrand the Material furnished by Operator from the manufacturers or their agents.		Bodily Injury - \$500,000.00 cach occurrence.		and as the amount there of the religion cappille of BARRS BOLLVEYOR DY INS
	A. If Blaterial is moved to the Joint Property from the Operators of the nearest reliable supply store, by made to the Joint Account for a distance greater then the distance from the nearest reliable supply store, by made to the Joint Account for a distance greater then the distance from the nearest reliable supply store, by made in the property of point where the nearest reliable supply store, by made in the nearest reliable supply		Operator shall charge the loss Actions as the Drilling West Pate \$ 2,000.00 Producing West Pate \$ 200.00				4. Warranty of Material Furnished by Operator Operator does not warrant the Material furnished. In case of defective Material, credit shall not be planted. Operator does not warrant the Material furnished by Operator from the reasonable or their agents. Found Account until adjustment has been reactived by Operator from the reasonable or their agents.		Buttery integrals		engages storm of allowable one anaduction is nonulated thereto by State requisiony
4			Producing Well Rate S - as we want to be followed:		lind, or sale to misid as. Operator may purchase but shall be under no obligation to purchase, interest of Nen-Operator (ivision in tors in strobts condition A or U. Linterial. The disposal of surplus Controllable Material not purchased by the Operator shall be agreed to by the Parties.						body having jurisdiction, unless that party has gas in place. All parties hereto shall share to and one tay liquid hydrocarbons recovered from such gas by these
	B. If surplus Material is moved to Operator's warehouse or other storage point, no charge shall be made to the		(2) Application of Overhead - Cived Rate Basis shall be us follows:		for shall be agreed to by the Porties.						positional in accordance with their respective interests and subject to the
	Joint Account for a distance greater than the distance to the nearest retiable stipply store, recognized started for a distance greater than the distance to the nearest retiable stipply store, recognized started for the point Actorinal, or railway receiving point unless agreed to by the Parties.		(a) Drilling Well Rate [1] Charges for anshore drilling wells shall begin on the date the well is spudded and terminate on [1] Charges for anshore drilling wells shall begin on the date the well is spudded and terminate on [1] Charges for anshore drilling wells shall begin on the date the well is spudded and terminate on [1] Charges for anshore drilling wells shall begin on the date the well is spudded and terminate on [1] Charges for anshore drilling wells shall begin on the date the well is spudded and terminate on [1] Charges for anshore drilling wells shall begin on the date the well is spudded and terminate on [1] Charges for anshore drilling wells shall begin on the date the well is spudded and terminate on [1] Charges for anshore drilling wells shall begin on the date the well is spudded and terminate on [1] Charges for anshore drilling wells shall begin on the date the well is spudded and terminate on [1] Charges for anshore drilling wells shall begin on the date the well is spudded and terminate on [1] Charges for anshore drilling wells shall begin on the date the well is spudded and terminate on [1] Charges for anshore drilling wells shall begin on the date the well is spudded and terminate on [1] Charges for anshore drilling wells shall begin on the date the well is spudded and terminate on [1] Charges for anshore drilling wells shall begin on the date the well is spudded and terminate on [1] Charges for anshore drilling wells shall begin on the date the well is spudded and terminate on [1] Charges for anshore drilling wells shall begin on the date the well is spudded and terminate on [1] Charges for anshore drilling wells shall begin on the date the well is spudded and terminate on [1] Charges for anshore drilling wells shall begin on the date the well is spudded and terminate on [1] Charges for any charge		1. Puvehnees		The Operator shall maintain detailed records of Controllable Meterial. The Operator shall maintain detailed records of Controllable Meterial.		(C) Automobile Public Liability Insurance:		Operating Agreement to which this agreement is attached, but the party or parties taking such gas shall own all of the gas delivered to its or their purchaser.
N. marine James St.	terminal, or railway receiving point timess agreed to by the Varios. A count for moving Material to other properties belonging to Operator, unless agreed to by the Parties. C. In the application of Subport graphs A and B above, there shall be no equalization of actual gross trucking cost.				Material purchased shall be charged at the price paid by Operator after deduction of all discounts received. In case of Material found to be defective or returned to vender for any other reason, credit shall be passed to the Joint		The Operator shall maintain the same Representation and Representation of the Joint Account Controllable interest.		Bodily Injury - \$250,000.00 each person.		taking such gas shall own all of the gas active to to the person as the
and the second s	C. In the application of Subparagraphs A and p active, there such the following the application of Subparagraphs A and p active, there such the following the application of the application of the application of Subparagraphs A and p active, there such the application of Subparagraphs A and p active, there such the application of Subparagraphs A and p active, there such the application of Subparagraphs A and p active, there such the application of Subparagraphs A and p active, there such the application of Subparagraphs A and p active, there such the application of Subparagraphs A and p active, there is a such that the application of Subparagraphs A and p active, there is a such that the application of the a	i Villa villa vil	[1] Charges for anshore drilling wells shall begin on the date the well is spudeed and terminate of the date the drilling or completion rig is released, whichever is later, except that no charge shall the date the drilling or completion rig is released, whichever is later, except that no charge shall the date the drilling or completion equipment by made during suspension of drilling operations for fifteen (15) or more consecutive days. [2] Charges for offshore deliling webs simil begin we the date when drilling or completion equipment never all forms and terminate on the date the drilling or completion equipment in the context of the date when drilling or completion equipment.	en de la companya de La companya de la co		e Kristopa (1994) – Kristopa (1994) – Maria (1994)	The Operator shall maintain detailed records of Controllable of Controllable Material. 1. Periodic Inventories, Notice and Representation At reason the inici vals, towersories shall be taken by Operator of the Joint Account Controllable Material. At reason the inici vals, towersories shall be taken by Operator at least thirty (30) days before any inventor. At reason the inici vals, towersory shall be given by Operator at least thirty (30) days before any inventors.		\$500,000.00 each accurrence.	and the second of the second o	A second of the
			[2] Charges for offshore delling webs shall begin on the date when delling or completion equipment moves on tenders and terminate on the date the delling or completion equipment moves on tending and terminate on the date the delling or charge shall be made during suspension or all is released, which ever excess first, except that no charge shall be made during suspension or all the relative for the control of the control o		7. Caustias and Disnostrone		Wellien notice of lightenian, is take invented when represented when my lighten by Operan .				On a completive basis, each party not terred or markering its full share of the cas produced shall be gradited with pas in place equal to its full
	The rest of compared services, estimated and within provided by a distile source, except sources out force to		tion or the is released, which even events this, except that the following is released, which events the fill of the second that the following of the fill of the second that the property of the fill of the second that the following of the fill of the second that the following of the fill of the second that the second tha		We write the first in the Admit the periods I Material implacement from the John Chicagony or Storesol of the the Green from the second to be a subject to the control of the second to		the state of the s		finaparts finage - gift, 960.00 packs becausines		utions of the error mendered refor this convergent, less 115 State C: 418 USCG ID
	The District of the Continuous Andrews Andrews Andrews and the Andrews Andrews Andrews Andrews Andrews Andrews		sign of shifting operations for Eq. on 100) in into the sense operation for a particle of time (a) con- [2] Charles for well a undergoing only office drifting well rule. Show that its replacible of the drift of the short increasing in the drifting well rule. Show that of the design of the		econic for the first the two twitters and be prized and to fallering the service for each eight of		2. Reconstitution and Adjustment of Carrellades 2. Reconstitution and Adjustment of Carrellades the Joint Action in the Latine of the Inventory Several Control of the Carrellades and Carrel				Trust apply tions, visited of lest, and lest whit porking buck proxy took of Celivaron to It, purchaser. The Sparsion will printing a common account of day
	fined services of included personnel precisit endaper the antiference of the first person and not discuss the control product of the first person and not discuss the first person and not discuss the first person and not discuss the first person and the first person and the first person are the first person and the first person and the first person are the first person are the first person and the first person are the first pe				w New Conditions at		2. Reconstitution and Africa III. A reconstitution of the province internations who are defined as a reconstruction of the inventory. But Operate which is a reconstruction of the province o				。
	· · · · · · · · · · · · · · · · · · ·		High shall be a cut of tempers for the first of the control of the latter that or control of the latter of the first of th		TO THE POST OF THE SECOND SECTION OF THE SECOND SECURITY OF A SECOND SECOND SECOND SECOND SECTION OF THE SECOND SE		Chart to the William Live Condition with the William Analysis to the State of the S				carried the from a manufact of the management, the continuous of the local operations.
	s, particular and rediffer translated by Opticalor		265.8-		problemed only fair extreme members of the supervisor of the super		The state of the only on the section of the section		Except to decaption by this district for, the coper shell met take any charge to		vented of term, the terms of delity of the hydronomical recovered characters, and a
	and the state of the second of the second The second of the second of		(b) the first the Well Bill of the control of the state of the control of the con						nozement (1995) The Defendance of the Control of t		Control of the Control of the second second of the Control of the
			on the first of th							• · · · · · · · · · · · · · · · · · · ·	grading the state of
	en de la compara de la com La compara de la compara d		는 사람들이 되었다. 그는 사람들이 되었는데 보고 있는데 그는 사람들이 되었다. 그는 사람들이 되었다. 		。""我们就是一个人,我们就是一个人,我们就是一个人,我们就是一个人,我们就是一个人,我们就是一个人,我们就是一个人,我们就是一个人。""我们,我们就是一个人, 第二章 我们就是一个人,我们就是一个人,我们就是一个人,我们就是一个人,我们就是一个人,我们就是一个人,我们就是一个人,我们就是一个人,我们就是一个人,我们就是				en en la compartir de la compa Esta de la compartir de la comp		i de la companya de La companya de la co
	grander 1970 - 1970 - 1970 - 1970 de volument de la completa de la completa de la completa de la completa de l Esta de la completa		(2) A Section of the Control of the Contr				There is the line of the control of		parties of the state of the sta		Albah kebelah Merikat dan perdambah keberapat berawa dan bermula da pendiban dalah b
22	·····································		A CARLO DE MARIO DE MARIO DE TRABACIONE DE LA COMPANSA DE LA COMPANSA DE LA COMPANSA DE LA COMPANSA DE LA COMP LA CARLO DE LA		。 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1						。 1987年 - "我们就是一个人,我们就是一个人的,我们就是一个人的,我们就是一个人的,我们就是一个人的,我们就是一个人的,我们就是一个人的,我们就是一个人的
	en de la companya de La companya de la co		en de la companya de La companya de la co		。						rrandruk bilandari dan di membenangkan di kabupatèn dan di mendilah di di bilandari di di di bilandari di dibe Sengah mendilah permenungan permenungan kembangan bermangan bermangan bermangan bermangan bermangan bermangan
			en de la composition de la composition La composition de la								
	and the second of the second o		The production of the companies of the companies of the companies will be companied by the first of the companies of the comp								
	en a lands and the first that the first of the first and the first of		The control of the co		The Company of the Co						

in all of the second second

After notice to the Operator, any party at any time may begin taking or delivering to its purchaser its full share of the gas produced from a proration unit under which it has gas in place less such party's share of gas used in operations, vented or lost. In addition to such share, each party, including the Operator, until it has recovered its gas in place and balanced the gas account as to its interest, shall be entitled to take or deliver to its purchaser a share of gas determined by wultiplying fifty percent (50%) of the interest in the current gas production of the party or parties without gas in place by a fraction, the numerator of which is the interest in the provation unit of such party with gas in place and the denominator of which is the total percentage interest in such proration unit of all parties with gas in place currently taking or delivering to a purchaser.

in the second se

shall pay any and all production taxes due on such gas. Nothing herein shall be construed to deny any party the right, from time

Each party producing and taking or delivering gas to its purchaser

to time, to produce and take or deliver to its purchaser its full share of the allowable gas production to meet the deliverablility tests required by its purchasor, provided that said test should be resonable length, normally not to exceed 72 hours.

Should production of gos from a promotion unit be permanently discontirued before the gas account is balanced, settlement will be made between the underproduced and overproduced parties. In making such settle cet, the enderproduced party or parties will be paid a sum of money by the everproduced party or parties attributable to the overproduction which said overproduced party received, less applicable taxes theretofore paid, at the applicable price defined below for the delivery of a volume of gas equal to that for which settlement is made. For gas sold in intrastate cornerce, the price basis shall be the price received for sale of the gas. For gas sold in interstate concerne, the price basis shall be the rate collected, from that to the , which is out subject to possible refund. as provided by the foderal Power Commission pursuant to limit order or sattlement applicable to the gas sold from such well, plus any additional collected ascuul which is not ultimately required by said Commission to be refunded, such additional collected amount to be accounted for at such time as final determination is made with respect thereto.

Bothing breath shall change or affect each parcy's obligation to pagiso proportional, share of the cost, and treathered incorred, as its obtain

This agreement shall constitute a separate acreement as to each other.

A CONTRACTOR OF THE PARTY OF TH

EXHIBIT "F"

EQUAL EMPLOYMENT OPPORTUNITY PROVISION

During the performance of this contract, the Operator agrees as follows:

(1) The Operator will not discriminate against any employee or applicant for employment because of race, color, religion, national origin or sex. The Operator will take affirmative action to ensure that applicable. canto are employed, and that employees are treated during employment, cance are employed, and that employees are contained origin or next.
without regard to their rade, color, religion, national origin or next.
Such action shall include, but not be limited to the following: haployment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of conpensation; and selection for training, including apprenticeship. The Operator agrees to post in conspicuous places, available to employees and implicants for employment notices to be provided for the contracting officer notting forth the provisions of this non-discrimination

(2) The Operator will, in all solicitations or advertisements for employees placed by or on behalf of the Operator, state that all qualified applican'ts will receive consideration for employment without regard to race, color, religion, national origin or sex. (3) The Operator will send to each labor union or representative of workers

with which it has a collective barvaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the Operator's cormitments under Section 202 of Executive Order 11246 di September 24, 1985, and shall post copies of the notice in conspicaces places available to employees and applicants for employment. (4) The Operator will comply with all provisions of Executive Order 11266 of Saptember 24, 1965, and of the rules, regulations, and relevant orders

of the Secretary of Labor. (6) The Openatur will formish all information and reports required by Executive

Onder 11246 by September 20, 1909, and by the indee, mentalines, and orders order 11200 of Seprender &., Auto, and by the tubes, from absorts, and orders of the Secretary of Labor, or pursuant thereto, and will primit across to its books, records, and accounts by the continuating agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such college translations. roles, regulations, and orders.

the Operator's post-compliance with the non-discripingsion

YATES PETROLEUM CORPORATION, "OPERATOR",

OPERATORS", COVERING STREET SEC. 6, 19-25.

and YATES DRILLING COMPANY, ET AL, "NON-

APPACHMENT DATED APRIL 29, 1980, BETWEEN

The Strike Strike Strike

一点。2011年**(新型原理**學系

(7) The Operator will include the provisions of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Operator will take such action with respect to any subcontract

or purchase order as the contracting agency buy direct as a means of enforcing such provisions including sanctions for non-compliance: Provided, however, that in the event the Operator becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the Operator may request the United States to enter into such litigation to protect the interests of the United States.

Operator acknowledges that it may be required to file Standard Form 100 (EEO-1) promutgated jointly by the Office of Pederal Contract Compliance, the Equal Employment Opportunity Commission and Plans for Progress with Joint Perposting Committee, Enderal Depos, Jeffersonville, Indiana, withir thirty (30) days of the date of contract award if such report has not been filed for the current year and otherwise comply with or file such other compliance reports as may be required under Executive Order 13.246, as amended and Rules and Requlations adopted thereunder.

Operator further acknowledges that he may be required to develop a written affirmative oction compliance program as required by the Rules and Regulations approved by the Socretary of Labor under authority of Executive Order 19046 and supply Non-Operators with a copy of such program in they so request.

CRECEFFICATEDE OF NOM-SEGREETED PACTLITIES .

Operator assures Mos-Operators that it does not and will not maintain or provide for its employed any segregated facilities at one of its establishmends, and that it does not and will not permit its employees to perform their services at any location, under its control, whome segregated facilities are maintained. For this purpose, it is understood that the phrase "segregated facilities" includes facilities which are in fact corregated on a basis of race, color, religion, or national origin, because of habit; legal crater or etherwise. It is Englisher anderstood and agreed while related when or servicing appropria - Each Milities. For the earlier was on neverthing the exployees to perfore their

Operation Instruction of Legislation and appears that a branch of the

DYAMINER HEARING IN THE MATTER OF:

STATE OF MEN MEXICO

EMERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

STATE LAND OFFICE BLDG.

SAMPA FE, NEW MEXICO

9 April 1990

position for two compulsory poolings.) CASE Eddy County, New Mexico.) 6843

Application of Vates Petrolsum Cor-

BEFORE: Daniel S. Nutter

Page . ..

PRIMARE TOT OF THE WHO

APPEARANCES

MR. HUPPER: WATER COLUMN

4 ation for two compulsory poolings, Eddy County, New Moxico.

has requested the case be continued to the May, Who hearing

gontimed to the Examine Hearing scheduled to be held at

(Wearing concluded.)

in this same place at 9:00 o'clock a. m. May 7th, 1980.

MR. PARILLA: Application of Yales Corports

Mr. Examiner, the applicant is this case

MR. NUTTER: Case Number 6943 will be

REPORTER'S CORPUTICATE

5 g the foregoing Transcript of Hearing ballove the Cil Conserva-

tion Division was reported by me; that the said transcript

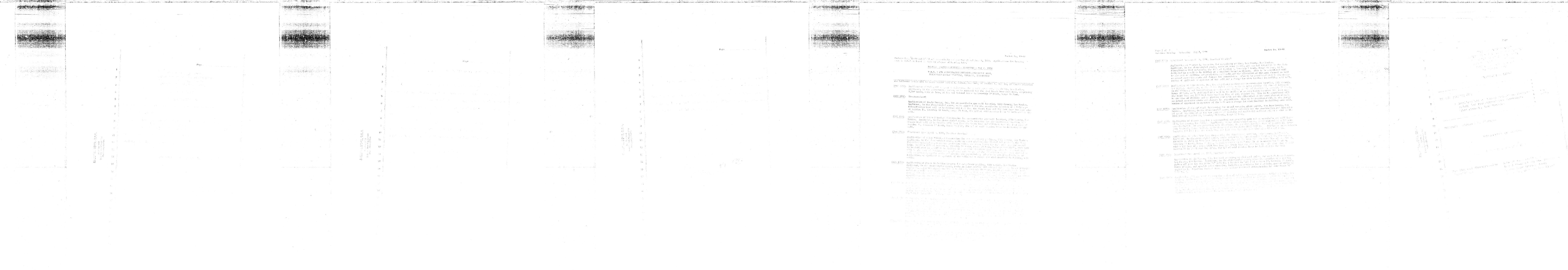
a . by me to the best of my ability.

7 is a full, true, and correct record of the hearing, prepared

I, SAULY W. BOYD, C. S. R., DO HEREBY CERTIFY that

The state of the s

TO THE PERSON OF THE PERSON OF



	The Art State of the Commission of the Commissio		The Manual Control of the Control of	and the second s		The same and the second and an analysis of the same and t	The state of the s	
esti eneme esterir delici.				entition of the second of the	the state of the s			
								7
							bs00	
								Pocket So them
्रिक्ष प्रशासन्ति । प्रशासन्ति स्वति । प्रशासन्ति । प्रशासनिक स्वति । प्रशासनिक ।	Page III	Pagy .		보다 보고 있는 것이 되었다. 그 사람들은 사람들이 되었다. 그 사람들이				Dockets Nos. 12-80 and 13-80 are tentitively set in April 23 and May 7, 1980. Applications for her fixely at least 22 days in an ance of hearing days.
	1							- APSH 9, 1980
	MR. SPAMETS: We'll call next Case 6843.	REPORTER'S CERTIFICATE						STATE LAND OFFICE BUILDING SAMA FE, NEW WOMEN
	MR. PADILDA: Application of Vates Petro-	Z CONTRACT CONTRACTOR						The following cases will be heard before Prairie S. Variables
	loum Corporation for two compulsory poolings, Addy County.	E SALTE DE BOND LE CIDE DO MEDITO LA COMPLETA LA CIDE				en de la composition de la composition La composition de la		Just a real to desiring delicit by the del them exacts a district
	Hew Mextico.	1, SALLY E. BOYD, C.S.R., DO HERRESV CHROLITY Each	$oldsymbol{s}$					of Section 32, Texaship 25 coath, Newly I East, Dona Ana County, should not be stored
	MR. STAMETS: Applicant has requested	the foregoing Transcript of Hearing before the Oil Conserva-						CASE 6851: In the patter of the heating called by the Oil Conservation Division on its own motion to as promigated by Division order No. 8-5875 and amended by M-5875-A. The project answer of SPECIAL MIES conform to 9080 Oiler No. 63 which promigates final regulations. Case 1852: 18 252 and amended by M-5875-A. The project answer conting filing requirements of the Natural Case Policy Act of 1978.
	that this case be continued to the April 9th Examiner Hearing.	tion Division was reported by me; that the said transcript						as promulgated by Division order No. R-5875 and amended by D-5878-A. The proposed amended the said SPECIAL MILES conform to SPEC Older No. 6) which proming filling requirements of the State of No. 6) which proming find requirements of the State of the
	and it will be.	y is a full true, and correct record of the heafing, prepared						CASE 1952: In the rutter of the learning called b. the full Conservation Division on its eva nation to in the FERC interior rules and procedures for the designation of "right forestions" a, "right sands" as
		s by me to the best of my ability.						in the FERG interior releasion to require the designation of "tight forestions" a, "tight sands" a the Natural Cas relies and 1970.
	(Hearing concluded,)		androne de la companya de la compan La companya de la co					CASE 6053: Application of Caribon Page Corn is, Loc. (is carried above proling, Sea Juan County, New Mo-
		and the first of the second of						control Proclumeration the W. Proclume to Social proclumerate interprets in the cased to a notice by destion of the landers because the control of the following the considered of the control of the con
		- 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1						Registring deats and observes for supervision. Also to be considered will be the designant applicant as operator of the well and a charge for risk involved in drilling said suits.
		· · · · · · · · · · · · · · · · · · ·			마음 사용			CASE 6854: Application of Jork A. Colo for an unrethodor gas well located, als Arrib. Country, best Applicate, for the observational cause, seeks approved on the opening an artible country.
								Township of Porth, Rouge 3 West, Palland-Pictured Office Pool, the NY's of said Section 17
		to here a complete would of the encoding to					16 A 17 A 18	The Unit Concinued from March 26, 1000, Distriction Tracting)
		and the control of t						Application of CIG Existolation, two. For two approximates of was provided builty, Edin Graphy to the provided builty, Edin Graphy to its in Theorem to the provided builty and the provided builty to the pro
								(c) According to an including the control of the
		보고 있는 사람들이 되었다. 그는 사람들이 되었다. 그는 사람들이 하는 사람들이 되었다. 그는 사람들이 						- The Control of Control of Manager (1995) - And
					en de la companya de La companya de la co			THE MARKET HAS THE SECOND SECTION OF THE SECOND SECTION OF THE MARKET SECTION OF THE SECOND SECOND SECTION OF THE SECOND SECOND SEC
		en de la companya de La companya de la co						First Committee
								en en en estado en la compansión de la com La finition de la seconda de la compansión
								and the second of the second o
							;	

	en de la composition de la composition La composition de la				
			Page 3 of 3 Examiner Hearing - Wednesday - Antil 9, 1980 Docket No. 9-80		
	Bos ket 35, 9-88				Docket No. 8-80
	e de la constant de l		CASE (\$846) (Amended)		Bookers Sos. 9-80 and 10-80 are tentatively set for April 9 and 23, 1980. Applications for hearing bust be filed at least 22 days in advance of hearing date.
	Page 1 of 3 Executive Hearing - Medinesday - April 9, 1980		In the matter of Case No. 6846 being amended to reflect that the location for the uncerthodox		DOCKET: EXAMINES SEARING - WEDNESTAY - MASCH 76, 1980
	the political in the second se		asset true of Section 11, fewnship 21 South, Some the last transfer the and 1919 feet from the		9 A.M OIL CONSERVATION DIVISION CONFERENCE ROOM,
	Cast 1841: (Continued Traces Petroleum Corporation for an order pooling all little Soft, Shife and the cash unit		Care thuse: (Continued from March 25, 1986, Examiner Bearing)		STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO.
	株型の大型 1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1		Application of Boyle Bartman for two compulsory poolings, two non-standard gas provation units, and two unorthwise well locations, her County, New Mexico. Applicant, in the above-scolar courts, seeks an order pooling all universit interests to the humant too tool and a decided and a county.		The following cases will be heard before Richard L. Stanets, Examiner, or Boniel S. Notter, Alternate Examiner:
	Applicant, to the formal-screeps of the model of South, Song the rest the rost the rost the formation underlying the Solid of Section 6, househip to a randard location the allocation of the rost thereof with the Solid Solid of Section 6, househip and religious and the allocation of the considered will be the units to be delicated to be delicated to be exploiting and respectively. The delicated to a feeting and respective and approximation, when the feeting the feeting the section of the vells and a charge the light provided in drifting well as actual operating roses at the rosts and a charge the feeting the grant of derivation of applicant as operator of the vells and a charge to grant the provided the feeting 3) and be added to the vells.		Starferd are a series in several interests to the humant has first and the land of the lan		come and a standard of the County, March Cou
	will be the cost of course of the volta and a section		North line and run a series to a well to be frilled at an unorthodox large laws of		Revice. Applicant, in the above styled cause, seeks the rendered of that the first the sections of the Patasheal Area by the inclusion of certain lands in Sections 11, 12, and 13,
	Application of all the control of th		from the North Line and the deficient to a well to be drilled at an amorthesis than the first the		Towaship 19 South, Range 30 East, and Sections 7 and 18, Towaship 19 South, Range 31 East.
	the Land Storm, Jr. for the such authority to the K and For tof 5, Cal 9		well as actual operating and completing said wells and the allocation of the considered		CASE 6839: Application of Kimbell Oil Company for downhole commingling, his Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Otero-Chacra
	CASE 6858: Applicant, in the above ten (ederal wells located and L of Section), Range 37 East. Applicant, in the above ten (ederal wells located and L of Section), Range 37 East. Applicant, incomplete medication from ten (ederal wells and L of Section), Range 37 East. Applicant, in the above ten (ederal wells and L) in township 8 South, Range 37 East. Applicant, in the above ten (ederal wells to and L of Section), Range 37 East. Applicant, in the above ten (ederal wells to and L of Section).		designation of applicant as operator of the wells and a charge for risk involved in drilling said		and South Blanco-Pictured Cliffs production in the wellbore of its Salazar Well No. 4-26 to be located in Unit D of Section 26, Township 25 North, Range 6 West.
	of B4, Toroship / South, well in D of W. Allocation to Allocation of assoline of all figures one for any factor and conference production of another assoline of the first and the first and allocation of assoline of the first and allocation of assoline of the first and allocation of assoline of the first and allocation of the first allocation of the first and allocation of the first alloc		CASE #355: Application of Court of a		CASE 6840: Application of Union femas Petrolem for downhole verningling, San Juan County, New Mexico.
	could separate and producte all polity is wellheld totter that content at each		Applicant, in the above-styled cause, sucks to reopen tase No. 5508, Lea County, New Mexico. establishment of usximum efficient rates of withdrawal from the Gozna Ridge-Walfoump Gas Pool.		Applicant, in the above-styled cause, seeks approval for the downhole comminging of Fruitiend and Pictured Cliffs production in the wellbore of its Johnston Federal Well No. 117 located in Unit N
	and not for and one for the gas and contensate the gastine of the second separate and notes the gastine of and proper readings and affection of second separate and notes all wells into a centle of notes readings and affection of a centle stream and committee all wells as wellled notes readings and affection. San Juan County, New sore to each well would be on the basis of gas production and say content at each month of a production would be on the basis of gas production and say to the unorthodox location of a production of it is guilling tempony for an month of a approval to: the unorthodox location of a production of it is guilling tempony for a month of approval to: the unorthodox location as to be dedicated that the hard to the showeastyled cause, seeks approval to: the unorthodox location as to be dedicated that the hard to the feat the North line and 1830 feet than the hard line of said section is to be dedicated to be defined to be defined to the feat the North line and the Mark of said section is to be dedicated to be defined to be defined to the feat the North line and the Mark of said section is to be dedicated to be defined to be defined to the feat the North line and the Mark of said section is to be dedicated to be added to the feat the North line and the Mark of said section is to be dedicated to be added to the feat the North line and the Mark of said section is the North line and the Mark of said section is the North line and the North l		The Street A Followship Case Feet.		of Section 7. Township 31 North, Range 9 West.
	he described course, some approximation for the perfect of		在在在上面的在一点一点,有点上面的一点在在上,就有点点,是有多数是不是自己的自己的在自己的自己的,但是是有一点的自己的自己的自己的自己的自己的自己的自己的自己的自己的自己的是有关的自己的自己的自己的自己的自己的自己的自己的自己的自己的自己的自己的自己的自己的		CAS: 6841: Application of GRG Experiation, Inc. for use mean-standard gas proceeding unit; Eddy County, Geo Mexico. Applicant, in the above-styled cause, seeks approval of two non-standard gas proceeding units in Township 16 South, Range 28 East, the first being 219,6 acres comprising form the
	the first to be defined there is the first that foot, the continued the first to be defined there is the first test from the first to be defined there is the first test.				units to loweship to south, hange 20 2 of, the file being that i thru d of Section 1, for the of Section 1 to the second being \$19.21 acres comprising that I thru d of Section 2, for the Sollower, Pennsylvanian, and Mississippian formations, each unit to be dedicated to 1 well to be
	plent preduction would be prediction would be a marriaged of the unpresent to the unpresent that the unpresent to the unpresent time of section 25, application of the Shore-styled chase, being approval to the last line of section 25, applicant, in the above-styled chase, being the first two last line of sold section 25 to be dedicated that the health of the section 15 to the North line and 1830 feet than Section 25 to be dedicated that the health of the section 15 to the sect		BOXINET: EVANINGS DEARLING OF WISHESDAY - ASSIL 11, 1980		deilled at a standard location thereon.
	그는 그		STATE LAND OFFICE SUPLIFIES, SANTA FE, WILLESKO		CASE 93/0: Application of AMCO Oil and Cas Cornary for an unorthodox was well location, simultaneous dedica- rios, and approved of infill drilling, Les County, Ser Mexico. Applicant, in the above-sayles
	Application of placementary (led out); Nexton. Applicant, in the shorement led out); Nexton. Applicant, in the shorement led out of place of rates, and an MAPA determination, disposal of produced bring tate an unlimed section, special pool rates, and an MAPA determination, doubt, name 31 feet. Pooling and fine packets, for pool crassion, special pool rates, the creation of a new Sant pooling and fine packets, for the shorementyled cause, sand, the creation of a new Sant pooling and the fine packets of the first packets of the sand special rates therefore, including a previous date. Applicant for the sands therefore restricts date. Next pool to the packets of the sands the manner of the first packets. Next pool to the packets of the sands the manner of the first packets. Next pool to the packets of the first packets of the first packets of the first packets. Next pool to the packets of the first packets of the first packets of the first packets. Next packets of the first pa				cruce, seeks approval for the unorthodus lucation of its 5, 5, acted by the set of the set of the set from the first line of Section 21, township 20 South, Hange 37 hast,
	touch, dampe of heart fire part creation, special and the creation the control of		The Collowing cases will be heard befor Richard L. Stracts, Expriner, or madel 5. Norter, A fernete Exemperate Management (1) force december of the state of the		Emport Gas Pool, to be simultaneously dedicated with its W. C. Woden sets 50. I the water of the terminate of the second sets of the proposed wall is accessary to effect.
	CASE SAST: Application of the Application, Application of the provider of the provider of the sand scott of the case of the ca		AMERICAN (II) Core Machine of the ellowable prefuction of No. for May, 1980, from Aliteca produced to also		tively and efficiently drain that person of the providing unit which express by so drained by the existing unit well.
	Andres of tost, and special rules that their cachers from		(2) Consideration of the attends.		The state of the state of the state of the compulsory modlings. Blay County, New Mexico.
an an ann an Aireann an Turk an an Aireann a Aireann an Aireann an	mail No. 1. Annual Control of the state of t	and the second of the second o	·	en e	Appricant, in the above-seying course, such an exact period the SE/A SE/A and the second
	10,000 to 1. The Mark 16, 1000, Shardown Hearing) 10,000 to 10 to		多数的数据 (1975年) 1975年 (1975年) 1975年 (1975年) 1975年 (1975年) 1975年 (1975年) 1976年 (1975年) 1		leing the SWA 50/4 or Section 6. Township is Smith, Range in rust, ferrising that it will be the control of the
	,我就是我们的一个大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大				edil to the common of initials and strainging and tolk and the interation of the design of the second of the common of the commo
		2 a 148 7 7 m			This is with a fighter on the first of the first of the first of the first on the infection of the first of t
		ABOLAL Y			ense programme and according to the secretary for the substitution of the secretary of the
			A HAR HAR HEADE BOTTENDER KAN KELIKATUR.		 Control of the section of the control of the section of the section
	는 사람들이 되었다. 그는 사람들이 되었다. 		and the second of the second o		。
	en de la composition de la composition La composition de la				and the second of the control of the
		Cr. Control	e terre de la fille de la companya de la companya En la fille de la companya de la co		e Nobel de la companya de la company La companya de la co
		and the state of t			entropies applicates d'arrette plus, a la fre despuisie, que ell a tres, digues e estimités. La communité de la compansage
					Al find the control of the find the control of the The control of the control of
		41411° 41847°			
		(6 ¹¹			
		1 1			

A TO THE PROPERTY OF THE PARTY OF THE PARTY

The state of the s

Bocket No. 8-80 Examiner Hearing - Wednesday - Harch 26, 1980

CASE 6846: Application of Doyle Hartman for two compulsery poslings, two non-stanlard gas provation units, and two unorthodox well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Emmont Cas Pool underlying two 80-acre non-standard gas provation units, the first being the 8/2 NE/4 of Section 13. Fourth, Range 36 East, to be dedicated to a well to be drilled at an unorthodox location 1550 feet from the Borth line and 2310 feet from the Fast line of said Section 13, and the second being the N/2 NE/4 of said Section 13 to be dedicated to a well to be drilled at an unorthodox location 1330 feet from the Rorch line and 2310 feet from the East line of said Section 13. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designifien of applicant as operator of the wells and a charge for risk involved in drilling said wells.

CASE 6834: (Continued and Readvertised) Application of Conces Inc. for a dual completion and unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its SEMU Burger Well No. 107 at an unorthodox location 2015 feet from the South and last lines of Section 19, Township 20 South, Range 38 East, to produce oil from the Blinebry Oil and Gos and Decisted Pools

Drinkard Pools. CASE 6837: (Continued from March 12, 1980, Examiner Hearing)

Application of Certis Little for compulsory pooling, Rio arriba County, New Mexico, Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the above formation underlying the W/2 of Section 7, Township 25 North, Runge 3 Nost, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the rost of drilling and completing said well and the allocation of the rost thereof as well as actual operating costs and charges for supervision. Also to be Loneidered will be the resignation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5837: Application of Tennero Gil Congrue for dorl completions and Josephole carriagling. San Juan County, New Mexico. Applicant, in the above-style Jausse, seeks enthogical to deally complete, in such a manner as to produce gas from the Dakota formation and correlated theory and desired production through parallel strings of tubing, ten proposed wells to be located as follows: in Township 20 Earth. Sunge 10 Mest: Unit C. Section 19; Unit N. Section 19; Unit A. Section 30; and Unit D. Section 30; in Township 20 Carth. Hange II Mest: Unit G. Section 24, Unit O. Section 25; Unit A. Section 25; Unit B. Section 25; Uni

CASE 6818: (Continued from March 12, 1980, Examiner Hearing)

Application of Tenneco Oil Caspany for an auth decorateation, 5229 Scanty, Now Mexico Applicant, in the above-styled cause, seeks a new onshore reservoir decoration for its State Whill Mell No. 1 located in Unit Not Section II, Township 19 South, Rance 29 Years. Ser search of this is the same of the sense of the special property and the second task the control of

contract, results for the Spect Line and 660 Cost for the West time of good Service 15

OAVID BLYANDIVER

300 AMERICAN HOME BUILDING ARTESIA, NEW MEXICO 88210

Pébruary 20, 1980

LAW OFFICES

LOSEE, CARSON & DICKERSON, P. A.

Mr. Joe D. Ramey, Director inergy and Minerals Department Oil Conservation Division F. O. Cox 2088 Santa Se, New Mexico 87501

Dear Ht. Sager-Enviosed for filling, please line there reples each of two Applications of Yates vetroloum Corporation Em computancy pooring in Sudy County, bet wexten.

We ask that these cases be set for hearing become an examinar and that you furnish up with a nocket of said bearing

Thank vot.

· Gincushiy young,

and the state of t

-108Es, Carolica distributo, p.e.

F12.2 学行。 [基础] [

LLIORE THE OLD COESTINATION INVESTOR

OF fact wower or her mexico

i da min administration de la companiera de la companiera

TYPES PROPORTED CONTRACTOR FOR :

AAN HUKICO

CONSUMED MOTION, HOLY COUNTY. . . CAN BE

Collet Now Tables Labraciana Comparation, in

hogs, and in support hercet, respectfully states:

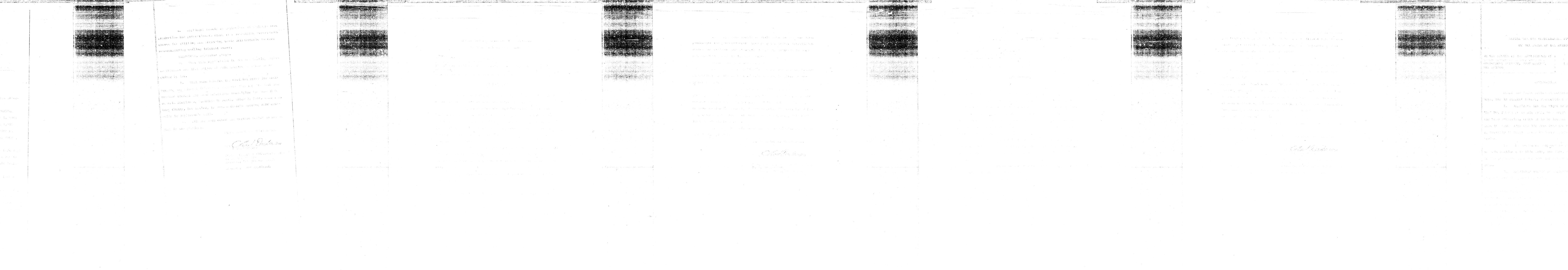
Applicant our the vicht to oriO mits

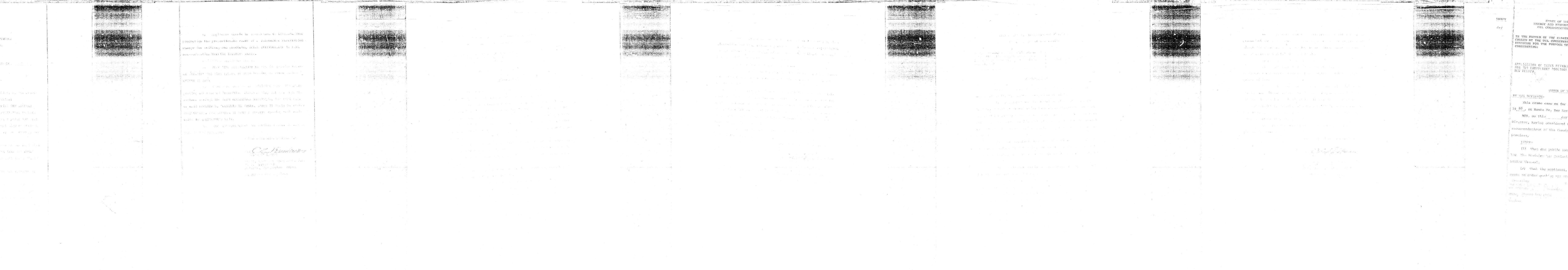
of the cost constion, thick to be received at a year

The same of the contractive and RSC Acet of the Grant

"Ma" be. I bely it as oil well, to a gratic relators

ladisen ay landalah di werang direga 25 yang lasay lasayi





			rando per la del como de la como			Daniel Branch and Bran			
		and the second s		en e					
W MEXICO		-2-							
W MEXICO LS DEPARTMENT N DIVISION		Case No. Running Case N			and the second of the second of the second			S	
		(3) That the applicant has the right to drill and proposes						Case No. R-Order No. R-	
NG PION		to drill a well at a standard location on each units.						above shall pay to the operator his pro rata share of the amount	
		to drill a well at a standard localization (4) That there are interest owners in the proposed proration						and l costs exceed estimated well costs and	
CASE NO. 6843		units who have not agreed to pool their interests.		(11) That \$ 2000.00 per month while drilling and				that reasonable well costs and receive from the operator his pro rata share of the amount that	
Order No. R-		units who have not agreed to produce units who h		\$ 700.00 per month while producing should be fixed as reason-			도 보고 있는 것이 되었습니다. 이 심장이 한 번째 현재에 가격하는 것이다. 	and a costs exceed reasonable well costs.	
EUM CORPORATION . FOOY COUNTY.		protect correlative rights, and to afford to the owner of each		able charges for supervision (combined fixed rates) A that the				estimated well costs of the force charles force charles (7) That the operator is hereby authorized to withhold	
A COUNTY,		interest in said unit the opportunity to recover or receive		operator should be authorized to withhold from production the		IT IS THEREFORE ORDERED:		callering costs and charges from production:	
		without unnecessary expense his just and fair share of the gas		proportionate share of such supervision charges attributable to		(1) That all mineral:		(a) who pro rata share of reasonable well out a	
		in said pool, the subject application should be approved by		each non-consenting working interest, and in addition thereto,		in the Yeso		aggributable to each non-consenting working	
THE DIVISION () TO THE DIVISION		pooling all mineral interests, whatever the may be, within said		the operator should be authorized to withhold from production the		for an ones, the first balance formation and only		interest owner who has not paid his share of	
		pooling all mineral and		proportionate share of actual expenditures required for operating		Township 19 South Range 25 East the SW/4 SE/A Range 25 East		ostimated well costs within 30 days from the	
hearing at 9 a.m. on May 7		unity. (6) That the applicant should be designated the operator		the subject wells, not in excess of what are reasonable, attributable		are hereby pooled to form a standard 10 acre gas spacing		date the schedule of estimated well costs is	
cico, before Examiner Daniel S. Mutter		of the subject walls and units.		to each non-consenting working interest.	and the second s	and proration . Cook acre acre acre		furnished to him.	
of May , 1980 , the Division		and propagation working interest owner and the		(12) That all proceeds from production from the subject		to be drilled		the vick involved in the	
the testimony, the record, and the		I are a little conventionity to pay his share of estimated		wells which are not disbursed for any reason should be placed		PROVIDED HOWEVER, that the operator of cole when the commence the said way of the cole when the commence the said when the commence the said way of the cole w		arilland of the well, 200 percent of	
ner, and being fully advised in the		costs to the operator in lieu of paying his share of reasonable		in escrow to be paid to the true owner thereof upon demand and				share of reasonable well costs averabutable	
		well costs out of production.		proof of ownership.		of said well with due diligence to a depth energy		to each non-consenting working interest	
		(8) That any non-consenting working interest owner who		(13) That upon the failure of the operator of maid wolled		of said well with due diling		owner who has not paid his share of estimated &	
lice having been given as required by		(8) That any how constituted well costs should have		whit to commence drilling of the well to which said anish is the saying the		PROVIDED PURTURE where		could could within 30 days from the date the	
etion of this cause and the subject		withheld from production his share of the reasonable well costs withheld from production his share of the reasonable well costs.		of radios for decidanted on before Angles 1920 the order		PROVIDED PURTHER WAS .	· V	schedule of estimated well costs is furnished	
Vatos Dormalan o	and the second of the second o	plus an additional 200 percent thereof as a reaconable charge	e de la companya de La companya de la co	moding suld units should become null and void and of no eliech		Commence the drilling of said well on or before the Grand day of		; 11 ÷-C, 13 • 11 .	
Yates Petroleum Corporation		the drilling of the well.				1980 on or before the first cav of		(3) That the operator small distribute said costs and	
traces internates in Alexander Ferral Services and the Se		for the resk taken of the constant interest twist theute had (c) state any non-constantial interest twist theute had				and vota and on no officer objects.		(2) That the operator state the production to the profiles who sevenors	
		the control of the co				and wold and on no officer who troopers, unless with the mail to mail to the first the mail to mail the mail to the first the mail to the first th			
The State of the Control of the State of the		that actual walk costs should be adopted as the reasonable walk -				in liet such with troadie die division for good cause show.		Fig. 1 year length SE WWW.255 per month a Miles Miles Committee	
end while Eddy has country, are:		The state of the s						The company of the co	
		n de la companya de La companya de la companya del companya de la companya de la companya del companya de la companya del la companya del la companya de la				;			
		The state of the second control of the state of the second that the second seco						The state of the second such and the second second such as the second se	
		and and and and and an and an							
		,一个大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大						。 1987年 - 1987年 -	
		in the second of						and the second of the second o	
	; '.	en de la composition de la composition La composition de la							
								n (1) La companya di mangangan di mang	

(10) That any unsevered mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order. | wells which are not disbursed for any reason shall immediately be placed in escrow in Eddy County, Rew Mexico, to be paid to the true cwner thereof upon demand and proof of ownership; that the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent. (13) That jurisdiction of this cause is retained for the entry of such further orders as the Division may does necessary. DONE at Santa Fe, New Moxico, on the day and year hereinabove designated.

(11) That any well costs or charges which are to be paid out of production shall be withheld only from the working interests share of production, and no costs or charges shall be withheld from production attributable to royalty interests. (12) That all proceeds from production from the subject