

CASE 7119: SHELL OIL COMPANY FOR AP-  
PROVAL OF THE WEST MESA UNIT AREA,  
BERNALILLO AND SANDOVAL COUNTIES, NEW  
MEXICO

CASE NO.

7119

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.

Unit Name WEST MESA UNIT-EXPLORATORY  
Operator SHELL OIL COMPANY  
County BERNALILLO AND SANDOVAL

DATE	OCC CASE NO. 7119	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	AMOUNT-FEE	SEGREGATION CLAUSE	TERM
APPROVED	OCC. ORDER NO. R-6575	DATE	ACREAGE	STATE	FEDERAL	AMOUNT-FEE	SEGREGATION CLAUSE	TERM
Commissioner	Commission	1-30-81	26,555.133	1,518.56	4,788.46	20,248.13	Yes	5 yrs.
1-28-81	1-28-81							

# UNIT AREA

BERNALILLO COUNTY, NEW MEXICO  
TOWNSHIP 10 NORTH, RANGE 1 EAST, NMPM  
Section 1: Lots 1 through 8

SANDOVAL COUNTY, NEW MEXICO  
TOWNSHIP 12 NORTH, RANGE 1 EAST, NMPM  
Sections 35 and 36: All

TOWNSHIP 10 NORTH, RANGE 2 EAST, NMPM  
Section 3: Lots 1 through 6  
Section 4: Lots 1 through 8  
Section 5: Lots 1 through 8  
Section 6: Lots 1 through 8

TOWNSHIP 12 NORTH, RANGE 2 EAST, NMPM  
Sections 31 through 33: All

TOWNSHIP 11 NORTH, RANGE 1 EAST, NMPM  
Sections 1 and 2: All  
Sections 11 through 14: All  
Sections 23 through 25: All  
Section 36: All

TOWNSHIP 11 NORTH, RANGE 2 EAST, NMPM  
Sections 4 through 9: All  
Sections 14 through 23: All  
Sections 25 through 33: All  
Section 34: Lots 1, 4, through 38, and NE/4NW/4  
Section 35: Lots 2, 3, and 4 and W/2NE/4 and NW/4

TERMINATED

APP: 12/16/82  
EFF: 11-15-82  
WILL NOT WELL  
THEIR 2ND WELL  
"VOLUNTARILY TERMINATED"

Unit Name WEST MESA UNIT-EXPLORATORY  
 Operator SHELL OIL COMPANY  
 County BERNALILLO AND SANDOVAL

STATE TRACT NO.	LEASE NO.	INST-TUTION	SEC.	TWP.	RGE.	SUBSECTION	RATIFIED DATE	ACRES	ACREAGE NOT RATIFIED	LESSEE
6	L-6570	C.S.	36	11N	1E	All	1-24-81	640.00		Shell Oil Company
7	L-6571	C.S.	16 32	11N 11N	2E 2E	Lots 1, 2, 3, 4, S/2S/2 All	1-24-81	878.56		Shell Oil Company

TERMINATED  
 APP: 12-16-82  
 AGR: 11-15-82  
 WILL NOT WELL  
 THEIR 2ND WELL  
 "DOWN TRAILY TERMINATED"

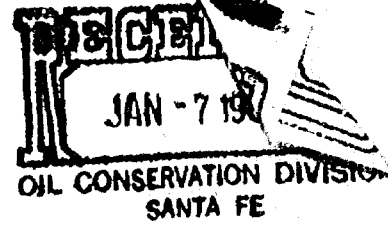


IN REPLY  
REFER TO:

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

505 MARQUETTE AVENUE, N.W., SUITE 815  
ALBUQUERQUE, NEW MEXICO 87102



JAN 05 1983

Case # 7119

Shell Oil Company  
Attention: J. C. Boyd  
P. O. Box 831  
Houston, Texas 77001

Gentlemen:

Termination of the West Mesa Unit Agreement, No. 14-08-0001-18446, Bernalillo and Sandoval Counties, New Mexico, pursuant to section 20 thereof, was approved on this date effective November 15, 1982. Copies of the termination are being distributed to the appropriate Federal offices and you are requested to furnish notice to all interested parties.

Sincerely yours,

(ORIG. SGD.) JAMES W. SHELTON

FOR Gene F. Daniel  
Deputy Minerals Manager  
Oil and Gas

Enclosure

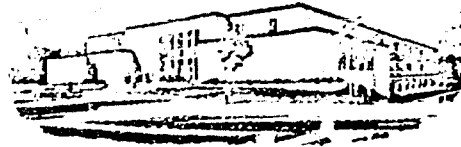
cc:  
BLM, Santa Fe (w/cy)  
NMOCD, Santa Fe  
Comm of Public Lands

Note to BLM: All Federal leases were committed to the unit and should be considered for two year extensions pursuant to 43 CFR 3107.5 as applicable. Lease NM-42374 will no longer be subject to 43 CFR 3100.6-1 when issued.

State of New Mexico



ALEX J. ARMIJO  
COMMISSIONER



Commissioner of Public Lands

December 16, 1982

P. O. BOX 1148  
SANTA FE, N. M. 87504-1148

Shell Oil Company  
P. O. Box 831  
Houston, Texas 77001

# 7119

Re: Voluntary Termination  
West Mesa Unit  
Bernallilo and Sandoval Counties  
New Mexico

ATTENTION: Mr. J. C. Boyd

Gentlemen:

The West Mesa Unit Agreement, Bernallilo and Sandoval Counties, New Mexico, was approved effective as of January 30, 1981. The term of such agreement is contingent upon the unit operator drilling one well at a time, allowing not more than six months time between the completion of one well and the beginning of the next, until a well capable of producing unitized substances in paying quantities is completed.

Our records reflect that the West Mesa Federal Well No. 1-24 was timely commenced and was Plugged and Abandoned on July 2, 1982. Your letter dated November 9, 1982 notifying this office that your evaluations of the initial unit well indicate that a second obligation well is not justified and recommending that said unit be terminated has been received. Inasmuch as you will not be drilling a second well and have requested said unit be terminated the Commissioner of Public Lands has this date terminated the West Mesa Unit as per Section 20 of the Unit Agreement. This action is subject to like approval by the United States Minerals Management Service.

Please notify all interested parties of this action.

Very truly yours,

ALEX J. ARMIJO  
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*  
RAY D. GRAHAM, Director  
Oil and Gas Division  
AC 505/827-5744

AJA/RDG/pm  
encls.  
cc:

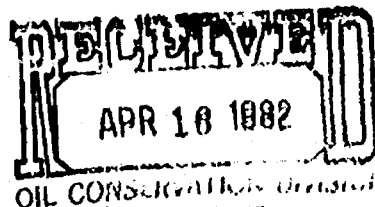
OCD-Santa Fe, New Mexico  
USMMS-Albuquerque, New Mexico  
Administration

Shell Oil Company



P.O. Box 831  
Houston, Texas 77001

April 6, 1982



Oil Conservation Division SANTA FE  
State of New Mexico  
P. O. Box 2088  
Santa Fe, NM 87501

Gentlemen:

WEST MESA UNIT DATED 11/10/80  
SUBSEQUENT RATIFICATION AND JOINDER AGREEMENTS  
BERNALILLO AND SANDOVAL COUNTIES, NEW MEXICO  
CACTUS AREA, POOL FILE 2796

Attached is a list of mineral land owners that have executed and submitted to us Ratification and Joinder Agreements to the West Mesa Unit subsequent to its approval on January 30, 1981. This schedule, when added to Exhibit "B" of the Original West Mesa Unit and the two previous updates furnished to you in March 1981, and June 1981, will bring the Exhibit "B" up to date. Please accept and include these additions with your records of Shell Oil Company's West Mesa Unit. Similar information has been sent to the State of New Mexico Land Office and the Minerals Management Service.

Thank you for your attention to this matter.

Yours very truly,

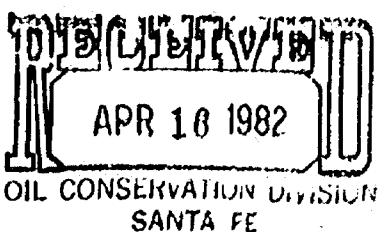
Jack E. Uselton II  
Land Department  
Rocky Mountain Division

JEU:lbh

Attachments

ADDITIONAL SHELL WEST MESA UNIT RATIFICATIONS AND LEASEHOLD INTERESTS ACQUIRED SINCE MAY 1981

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
		T11N-R2E Section 20 Map D-8 Code 1-008-063						
11	NM-8673	Lot 26, Unit 10	3.374 3.374	11/10/85	William H. Roberts	Shell 100%	None	Shell 100%
"	NM-8143	Lot 16, Unit 10	2.881 2.881	11/10/85	Wendell L. Stewart	Shell 100%	None	Shell 100%
"	NM-8665	Lot 31, Unit 10	2.608 2.608	11/10/85	Leona B. McMillan	Shell 100%	None	Shell 100%
"	NM-8145	Lot 2, Blk 5, Unit 11	2.464 2.464	11/10/85	Rachel L. Silva, et al	Shell 100%	None	Shell 100%
Total Additional Committed Acres			11.327 11.327					



TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
14		T11N-R2E Section 5 Map #A-8 Code 1-008-066 Map Access Key #							
(33)	NM-8779	208-440-35	5.0	2.5	11/10/85	Angel Fernandez	Shell 100%	None	Shell 100%
(75)	NM-8669	083-297-63	5.0	2.5	11/10/85	Lillian Koenig, a widow	Shell 100%	None	Shell 100%
(103)	NM-8671	232-165-16	5.0	2.5	11/10/85	Wanda Brylski, et al	Shell 100%	None	Shell 100%
Total Additional Committed Acres			15.0	7.5					

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
15		T11N-R2E Section 4 Map #A-9 Code 1-009-066 Map Access Key # 240-423-13						
(27)	NM-8661		5.0 2.5	4/6/86	Redwood Barker	Shell 100%	None	Shell 100%
Total Additional Committed Acres			5.0 2.5					

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
18		T11N-R2E Section 8 Map #B-8 Code 1-008-065 Map Access Key #						
(17)	NM-8182	181-229-60	5.0 2.5	11/10/85	Miles Frazier, et ux	Shell 100%	None	Shell 100%
Total Additional Committed Acres			5.0 2.5					

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
21		T11N-R2E Section 18 Map #C-7 Code 1-007-064 Map Access Key #							
(24)	NM-8148	408-490-28	5.0	2.5	11/10/85		Charles T. Mewshaw, et ux Shell 100%	None	Shell 100%
(68)	NM-8667	070-360-23	5.0	2.5	11/10/85	Ernest A. Oberer, et ux	Shell 100%	None	Shell 100%
(84)	NM-8655	442-300-7	5.0	2.5	11/10/85	Chatom Realty Trust Thomas H. Ritchie, Jr., (Trustee)	Shell 100%	None	Shell 100%
Total Additional Committed Acres			15.00	7.5					

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
22		T11N-R2E Section 17 Map #C-8 Code 1-008-064 Map Access Key # 080-299-11	5.0	2.5	11/10/85	Nick Demeris, et al	Shell 100%	None	Shell 100%
(31)	NM-8663								
(38)	NM-8193	355-431-14	40.00	10.00	11/10/85	Irene Bedlock	Shell 100%	None	Shell 100%
Total Additional Committed Acres			45.00	12.5					

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
23		T11N-R2E Section 16 Map #C-9 Code 1-009-064 Map Access Key #						
( 3 )	NM-8149	065-269-2	40.00 20.00	11/10/85	Albany Jewish Community Center & Congregation Beth Emeth	Shell 100%	None	Shell 100%
( 4 )	NM-8149	202-268-22	40.00 20.00	11/10/85	Albany Jewish Community Center & Congregation Beth Emeth	Shell 100%	None	Shell 100%
Total Additional Committed Acres			80.00 40.00					

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
24		T11N-R2E Section 15 Map #C-10 Code I-010-064 Map Access Key # 180-426-40							
(37)	NM-8666		5.0	2.5	11/10/85	Margaret A. Lukso	Shell 100%	None	Shell 100%
Total Additional Committed Acres			5.0	2.5					

SANDOVAL COUNTY  
BERNALILLO COUNTY

LN 66

LN 74

LN 69

PROPOSED  
LOCATION

PROPOSED  
UNIT  
OUTLINE

MAX DEPTH  
FOR  
ECONOMIC  
COMPLETION

SHELL OIL  
COMPANY

WESTERN E&P OPERATIONS  
ROCKY MOUNTAIN DIVISION

EXPLORATION  
DEPARTMENT

STRUCTURE CONTOUR MAP  
TOP UPPER CRETACEOUS  
NORTHERN ALBUQUERQUE BASIN  
(CONTOURS IN ONE WAY SEISMIC TIME)  
SCALE: 1"=8000'

Report: Drilling Recommendation

Province/Field: ALBUQUERQUE BASIN

State: NEW MEXICO

County: BERNALILLO & SANDOVAL

Encl.: 2

Author: L.R. RUSSELL

Date: 8/80

File: 1K00171

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
28 January 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Shell Oil Company for  
a unit agreement, Bernalillo and  
Sandoval Counties, New Mexico.

CASE  
7119

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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:

Owen Lopez, Esq.  
MONTGOMERY, ANDREWS P. A.  
Paseo de Peralta  
Santa Fe, New Mexico 87501

## I N D E X

## RYAN W. DOUBT

Direct Examination by Mr. Lopez 3

Cross Examination by Mr. Nutter 13

## LEE R. RUSSELL

Direct Examination by Mr. Lopez 14

Cross Examination by Mr. Nutter 22

## E X H I B I T S

Applicant Exhibit One, Plat 5

Applicant Exhibit Two, Unit Agreement 10

Applicant Exhibit Three, Schedule 10

Applicant Exhibit Four, Map 16

1  
2 MR. NUTTER: We'll call next Case Number  
3 7119.

4 MR. LOPEZ: My name is Owen Lopez, Mr.  
5 Examiner, with the law firm of Montgomery and Andrews, Santa  
6 Fe, New Mexico, appearing on behalf of the applicant, Shell  
7 Oil Company, and I have two witnesses to be sworn.

8 MR. PADILLA: And this is the application  
9 of Shell Oil Company for a unit agreement, Bernalillo and  
10 Sandoval Counties, New Mexico.

11 MR. LOPEZ: Sorry I jumped ahead of you.

12  
13 (Witnesses sworn.)

14  
15 RYAN W. DOUBT  
16 being called as a witness and being duly sworn upon his oath,  
17 testified as follows, to-wit:

18  
19 DIRECT EXAMINATION

20 BY MR. LOPEZ:

21 Q Would you please state your name?  
22 A Ryan W. Doubt.  
23 Q And where do you reside?  
24 A Houston, Texas,  
25 Q By whom are you employed and in what

1  
2 capacity?

3 A. I'm a landman for Shell Oil Company.

4 Q. Have you previously testified before the  
5 Commission and had your qualifications accepted?

6 A. No, I have not.

7 Q. Would then you briefly describe your  
8 educational background and work experience?

9 A. All right. Graduated in 1977 out of the  
10 University of Washington, with a business degree there, and  
11 later on in November of '77 I started with Shell Oil Company  
12 as an analyst. One year after that I was promoted to landman  
13 and worked in the field office in Denver for two years, and  
14 now for the last couple of months I was transferred to  
15 Houston and I have been working there.

16 Q. Are you familiar with Case Number 7119  
17 and the application of Shell Oil Company therein?

18 A. Yes, I am.

19 Q. Were you responsible for attempting to  
20 obtain ratification to the unit agreement that is the subject  
21 of this hearing?

22 A. Yes, both ratifications and oil and gas  
23 leases.

24 MR. LOPEZ: Are the witness' qualifica-  
25 tions acceptable?

MR. NUTTER: Yes, they are.

Q Mr. Doubt, would you now refer to Exhibit Number One and please describe it?

A All right. This is our outline of our unit, the West Mesa Unit in Bernalillo and Sandoval Counties, New Mexico. It covers 26,555.133 acres, which contain Federal, State, and Railroad lands, and also patent land.

Q Maybe if you'd go to the exhibit and describe the color coding.

A Surely. Sections included are Sections 35 and 36 of Township 12 North, Range 1 East, and then Townships 11 North, 1 East, we have Sections 1, 2, 11, 12, 13, 14, 23, 24, 25, and 36.

Then south of that in Township 10 North, Range 1 East, we have a portion of Section 1.

Then over in Township 12 North, Range 2 East, we have Sections 33, 32, and 31.

Then south of that in Township 11 North, Range 2 East, we have Sections 4 through 9, 14 through 23, and 26 through 35.

Also in Township 10 North, Range 2 East, we have portions of Sections 3, 4, 5, and 6.

On the north part, color coded in blue, are the lands that are owned by Rio Rancho. Blue over here

1  
2 are the lands that are owned by Albert Black.

3 MR. NUTTER: By over here, you mean in  
4 Township 11 North, 1 East?

5 A. Right, 11 North, 1 East, Sections 2, 11,  
6 14, and also portions of Sections 1, 12, and 13.

7 The green on the map, being Sections 4  
8 through 9, and portions of 14 through 18, Township 11 North,  
9 Range 2 East, have a half mineral interest from the William  
10 Black Estate, and other portions are owned by Horizon and  
11 lots of other individuals that Horizon has sold off the lots  
12 to.

13 Federal lands are in Township 11 North,  
14 1 East, Sections 24, and a portion of Section 14.

15 Other Federal lands are in Township 11  
16 North, 2 East, portions of Section 14 and 23, Section 22, 26,  
17 28, 33, and portion of 34.

18 Also in 10 North, 2 East, portion of  
19 Section 4.

20 Q. And 6, right?

21 A. Right, a portion of Sections 4 and 6.

22 The lands that are owned by the railroad,  
23 Santa Fe, are in Sections 23, Township 11 North, 1 East, and  
24 also a portion of Section 13, and Section 25. Other railroad  
25 lands of Santa Fe are in Township 11 North, Range 2 East, a

1  
2 portion of Sections 15 and 17; Sections 19, 21, and a portion  
3 of 23; Sections 27, 29, and a portion of 35; and then in  
4 Township 10 North, Range 2 East, Railroad lands, a portion  
5 of Section 3 and Section 5.

6 MR. NUTTER: The Railroad lands are  
7 colored pink on the map, right?

8 A. The Railroad are pinkish red, yes.

9 State land, in the orange, are in Township  
10 11 North, Range 2 East, being a portion of Section 16 and  
11 Section 32.

12 Another section that is owned by the  
13 Volcano Cliffs Subdivision, which has sold off some lots, and  
14 are still in the process of selling lots, is in Section 20  
15 of Township 11 North, Range 2 East.

16 Q. And how is that colored?

17 A. That is colored in brown.

18 The location of our well is in Township  
19 11 North, Range 1 East, in the northeast quarter of Section  
20 24.

21 Going to the leasehold ownership that  
22 Shell has in these lands, Shell has 100 percent of the lease-  
23 hold in the blue lands, which are Rio Rancho, that being  
24 Sections 35 --

25 MR. NUTTER: I don't think you -- just

1  
2 refer to them by color code or something like that.

3 A. Sure, it will go a lot faster, then.

4 Q. That's the purple, right?

5 A. That's the purple, right.

6 The blue, we have 100 percent lease,  
7 which are the Albert Black and lessor.

8 In the green lands we have -- we have  
9 half of it leased with Albert Black and a portion, this was  
10 lands that were owned by Horizon, the other half interest,  
11 but Horizon has been selling off these lands and we have about  
12 700 owners, and through the last months of October, November,  
13 and December, we have been mailing out oil and gas leases  
14 along with copies of the unit --

15 MR. NUTTER: Horizon is passing the  
16 mineral rights along with those lands that have been sold?

17 A. Right, their half interest is passed  
18 along.

19 MR. NUTTER: And you got a half interest  
20 from Black under lease?

21 A. Right.

22 MR. NUTTER: Okay.

23 A. And then so far to date we have received  
24 13.85 percent from all this land.

25 Q. The other half interest?

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25

A. The other half interest.

MR. NUTTER: So you've got 63 percent under lease right now?

A. Right, 63 percent.

All right. We have -- with the lands in pink, the Santa Fe Railroad, we have 100 percent leasehold control.

The Federal lands, with the exception of the land in white here, being a portion of Section 18 of 11 North, 2 East, we have all the leases there. This one, we have filed on, a portion of Section 18 we have filed on, and it has not been approved yet.

Then State lands, we have 100 percent of the leasehold.

And the Volcano Cliffs, which we are working on, we have 33 percent of our return from the mail out that we have done to all of the owners, which total 139 different people that we've sent leases to.

Q. Okay.

A. All right, and that gives a total, total leasehold of 88.7 percent out of the total unit.

Q. And Shell is the only working interest owner in the unit area, is that not correct?

A. Right. Everyone has come in as a lessor

1  
2 under that, and that's one of the reasons that we have strictly  
3 a unit agreement and there's no operating agreement, because  
4 we're the only working interest owner.

5 Q Now could you describe what the status  
6 of the well is now, whether it's spudded or not, and the reason  
7 why?

8 A All right. Okay, the well is on Federal  
9 land and the lease was to expire in December 31 of 1980, but  
10 before that time we spudded it and it is being held by oper-  
11 ation.

12 Q What is the expiration date of your other  
13 Federal leases?

14 A All right. The other Federal leases  
15 expire at midnight Saturday, the 31st of this month, and  
16 therefor, it's necessary, if this is to be approved, that it  
17 be done in the next -- by Thursday or the latest, Friday.

18 Q Okay. Now, turning to what has been  
19 marked Exhibit Two, would you please describe it?

20 A All right. This is a unit agreement for  
21 the development and operation of the West Mesa Unit in the  
22 counties of Bernalillo and Sandoval Counties, New Mexico.

23 Q Now turning to what's been marked Exhibit  
24 Three, would you describe what it is?

25 A All right. Our Exhibit Three is a

1  
2 schedule showing all the tracts with the leasehold that Shell  
3 has, and also, which tracts, which owners have been committed  
4 and have signed the ratification and joinders to the -- to  
5 their lands that they own.

6 Q To the unit agreement.

7 A To the unit agreement.

8 Q Right. Now Exhibit Three is actually  
9 Exhibit B to the unit agreement, is that not correct?

10 A Yes, it is.

11 Q And Exhibit One is Exhibit A to the unit  
12 agreement, is that correct?

13 A Right, the unit map.

14 Q Right. Now, could you tell us the status  
15 of the ratifications of the unit agreement?

16 A All right. Going through again, like  
17 I did with the leasehold interest, as far as the ones that  
18 have signed it and have been committed to the unit, we have  
19 100 percent for Rio Rancho in the purple.

20 We have none with Albert Black in the  
21 blue.

22 We have 13.85 percent in the area in  
23 green, and more of those are coming in each day. Matter of  
24 fact, since we had to cut this off last Wednesday, we've had  
25 several more come in; since we had to cut it off we just show

13.85 percent to date.

Federal lands have been committed; those are the ones in yellow.

State lands have been committed; the ones in orange.

In brown, the owners there from the Volcano Cliffs Subdivision, we have 33 percent that have been committed to the unit.

And Santa Fe has signed in, we have 100 percent of theirs.

This gives a total committed to the unit of 67.48 percent, giving us effective control of the unit.

Q Now when you said the State and USGS have committed, that's contingent upon the granting of your application here today, is that not correct?

A. Right, it gives us approval but it depends on the Oil Conservation Division.

Q Were Exhibits One through Three prepared by you or under your supervision?

A. Yes, they were.

MR. LOPEZ: I would introduce Exhibits One through Three.

MR. NUTTER: Shall Exhibits One through Three will be admitted in evidence.

1  
2 MR. LOPEZ: I have no further questions  
3 of this witness.  
4

5 CROSS EXAMINATION

6 BY MR. NUTTER:

7 Q Mr. Doubt, your Exhibit Number One there  
8 totals the acreage up to 26,555, yet the Exhibit A that came  
9 in with the application gave us a lease total of 27 -- 26,722  
10 acres. Why is there that difference?

11 A All right, we have a revision in the --  
12 in the unit acreage that brought it down 166 acres to this  
13 26,555.

14 Q Were there some lands that were omitted  
15 or was it a recalculation of the acres and the lands?

16 A It was a recalculation based on all the  
17 tracts in the -- and the record checks we did on the land in  
18 green. We totaled up the amount that was shown on the deeds  
19 for the records, and this total, by totaling all the individual  
20 700 or so tracts, came out 166 acres short of our first cal-  
21 culation.

22 Q Well, you lose lands when you subdivide  
23 it so small because it takes some space to draw the lines.

24 A The records change from deed to deed  
25 with the acreage. It's hard to keep it consistent.

Q. Okay, but the correct acreage is as on Exhibit One, 26,555?

A. Yes, it is.

Q. Okay.

MR. NUTTER: Are there any other questions of the witness? He may be excused.

MR. LOPEZ: We'll call our next witness.

LEE R. RUSSELL

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

DIRECT EXAMINATION

BY MR. LOPEZ:

Q. Will you please state your name and where you reside?

A. My name is Lee R. Russell. I live in Houston, Texas.

Q. By whom are you employed and in what capacity?

A. I'm a geologist for Shell Oil Company.

Q. Have you previously testified before the Commission and had your qualifications accepted as a matter of record?

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A. No, I have not.

Q. Would you then briefly describe your educational background and work experience?

A. I did my undergraduate work at Ohio Wesleyan University, where I earned a BA degree in geology in 1970. I then went on to Texas Tech University, where I did all my graduate work between 1970 and 1977. I was granted an MS in geology in December of '72, and a PhD in geology in August of '77.

Since that time I have been employed by Shell Oil Company in Houston, initially for all of the four years I have been with Shell. I have been a research geologist at the BelAir Research Center in Houston, with my primary area of research being the structural development of the Albuquerque Basin in central New Mexico. And for the last year I've been working very closely with the exploration staff in the Rocky Mountain Division, of Shell Oil Company.

Q. And I take it you are fairly familiar with the application in Case Number 7119.

A. Very much so.

MR. LOPEZ: Are the witness' qualifications acceptable?

MR. NUTTER: Yes, they are.

Q. Mr. Russell, I'd refer you to Exhibit --

1  
2 Shell's Exhibit Number Four, and ask you to describe this  
3 and explain why Shell proposes to drill this well and why  
4 you believe the unit area is a correct one.

5 A. Okay. This map is a structure/contour  
6 map on the top of the Upper Cretaceous interval in the  
7 northern Albuquerque Basin, and as you can see, the map in  
8 seismic time, one-way seismic time, and as you can see, there  
9 is no -- no real structure that we're drawing unit boundaries  
10 on the basis of.

11 So I feel that I really need to go into  
12 a little bit more background as to why we feel this portion  
13 of the basin, the deep central part of the Albuquerque Basin,  
14 of the northern Albuquerque Basin, is a good exploration ob-  
15 jective for us.

16 Basically, our play in the northern  
17 Albuquerque Basin is based on our belief that we have an  
18 analog here for the Blanco Field in the central portion of San  
19 Juan Basin in New Mexico, immediately to the northwest of the  
20 Albuquerque Basin.

21 As you're, I'm sure, aware, the Blanco  
22 Field is a gas field with Upper Cretaceous sandstone reser-  
23 voirs beneath the producing interval.

24 In the basin we have Upper Cretaceous  
25 coals and marine shales as source rocks and the trap at Blanco

1  
2 is not dependent on structure at all. It's a stratigraphic  
3 trap with the gas confined to the deep, the deep, central  
4 portion of the basin.

5               Seismic surveys in Blanco show no up dip  
6 pinchouts or truncations of the reservoir sandstones with  
7 the up dip limit of production, and the trapping mechanism  
8 there has for many years been somewhat enigmatic and not  
9 understood fully. We've done many studies on Blanco in the  
10 recent past, and the key seems to be the relationship between  
11 the up dip limit of production and the level of thermal  
12 maturity of the source rocks in the basin.

13               Our studies at Blanco show basically the  
14 up dip limit of gas production in the basin follows very  
15 closely the level of source rock maturity levels that we're  
16 indexing as levels ten and eleven. Those maturity limits  
17 and the up dip limit of production in the basin correlate  
18 very closely, a one-to-one relationship.

19               Further studies that we have done have  
20 shown that at these -- at maturity levels ten and eleven, the  
21 clay minerals in the reservoir sandstones undergo crystal  
22 changes, changes in their crystal structure that in effect  
23 result in the plugging of the sandstone porosity and perme-  
24 ability. So in effect what happens is that this clay plugging  
25 related to these transformations at maturity levels ten and

1  
2 eleven are producing the trap at Blanco.

3 It's not structurally related. It's not  
4 related to stratigraphic pinchout as I mentioned before.

5 MR. NUTTER: It's a thermal related  
6 pinchout of permeability.

7 A. Right, it's related to diagenetic changes  
8 within the reservoir sandstone.

9 Okay. And over the last ten years,  
10 Shell has been intermittently very active in the Albuquerque  
11 Basin, and so far we've drilled six deep wells on our own in  
12 the basin, all of which are commercially dry, and we drilled  
13 a seventh well jointly, or in a farmout agreement, with  
14 TransOcean Oil Company, which is also dry.

15 This drilling history, plus our extensive  
16 regional seismic data base, has given us a structural and  
17 stratigraphic and thermal data base that suggests to us that  
18 the same mechanism could in fact be operating in the northern  
19 Albuquerque Basin that operates in Blanco.

20 We have the same reservoir sandstones  
21 in the Albuquerque Basin. They're on depositional strike  
22 with the same intervals in the San Juan Basin. So we have  
23 not observed any substantial variations in character of the  
24 reservoir rock.

25 We also have the source rocks present

1  
2 in the Albuquerque Basin as we have in the Blanco Field.

3 So the drilling that we've done to date  
4 has calibrated this portion of the basin in terms of the  
5 maturity versus depth relationship in the basin so that we  
6 feel that we know fairly accurately where the up dip trap  
7 exists in the Albuquerque Basin.

8 Now, on the map that you have in front  
9 of you, at the very northern edge of the map there's a line  
10 indexed in blue. That's the level of organic maturity. It's  
11 level eleven -- level ten, excuse me. The orange line, in-  
12 dexed in orange, is level eleven of organic maturity of the  
13 source rocks, and this is again based on our control we de-  
14 rived from our other wells in the area.

15 So in essence, if we drill a well any-  
16 where down dip of those -- of that level ten or level eleven,  
17 we should in theory, if our mechanism is operating, should  
18 have gas in the deep central portion of the basin. So also  
19 shown is our proposed location. We've sited it at that  
20 location primarily because it's on a good regional seismic  
21 line so we can tie the results of the well to the seismic  
22 survey, but in theory we could have drilled that well at any  
23 spot within the unit boundary that we've shown. The location  
24 doesn't depend on structure. It's purely its relationship  
25 to the up dip -- the up dip porosity plugging that we in

1  
2 theory think --

3 MR. NUTTER: What does the yellow line  
4 represent? Is that your seismic line?

5 A. That is -- that is one of our north/south  
6 regional seismic lines, correct. It shows the relationship  
7 between our location and our seismic control.

8 So the northern boundary of our unit is  
9 basically defined by the -- the up dip limit of porous or  
10 producable sands. The western boundary of our unit is defined  
11 by the major normal fault, which is the -- shown in horizontal  
12 lines is the fault gap on top of the Upper Cretaceous, offset  
13 by a major normal fault.

14 The eastern boundary of our unit is con-  
15 trolled in two ways; is defined in two ways. The red line  
16 roughly corresponding to the eastern boundary of the unit is  
17 related to the maximum depth for economic completion of a  
18 well in this area. Our production department feels that at  
19 a depth greater than 20,000 feet we could not really complete  
20 a well economically in this area with the technology that we  
21 have right now.

22 The very northeastern corner of the unit  
23 is defined basically by the deterioration of our seismic  
24 data. We feel that we have less of an understanding of the  
25 detail structure, structural configuration of the basin in

1  
2 that area, and that level of confidence is shown by the  
3 dashed lines, which show that we really do not totally under-  
4 stand it.

5 The southern boundary of the unit is  
6 basically defined in a similar way in that below that -- south  
7 of that boundary our seismic data has deteriorated to the  
8 point that we don't fully understand relationships as well as  
9 we do in the rest of the unit.

10 So we're confining our unit to that area  
11 which we can most fully document and understand seismically.

12 The well that we're going to drill is  
13 projected to total depth of 19,700 feet. We'd expect to  
14 drill through 15,500 feet of tertiary basin fill; then go  
15 into Upper Cretaceous rocks, and drill through Upper Creta-  
16 ceous from 15,500 to 19,500.

17 At 19,500 feet we are anticipating en-  
18 counterering the Jurassic section, probably in the Morrison,  
19 Jurassic section in the Morrison formation. We'll drill a  
20 little into the Jurassic and TD at approximately 19,700  
21 feet.

22 The total projected completed well cost  
23 will be \$7.2-million.

24 Q. Is it your opinion that the granting of  
25 this application will be in the interest of the prevention

1

2

of waste and the protection of correlative rights?

3

A. Yes.

4

Q. Was Exhibit Number Four prepared by you or under your supervision?

6

A. Yes, it was.

7

MR. LOPEZ: I would tender Shell's Exhibit Number Four.

9

MR. NUTTER: Shell Exhibit Four will be admitted in evidence.

11

12

CROSS EXAMINATION

13

BY MR. NUTTER:

14

Q. Mr. Russell, is there direct correlation between these one way seismic time contours on your Exhibit Four and depth?

17

A. Yes. The well, as you can see, at our proposed location we've projecting the top of the Cretaceous at 15,500 feet, and so you might in effect multiply the contour value by 1000 to get -- to get depth; 1.6 would become 16,000 feet; 1.5 would become 15,000 feet, in effect.

22

Q. But that's where the top of the Cretaceous --

24

A. Top of the Cretaceous, correct.

25

Q. So you would have to drill into that --

1

2

A. Yes.

3

Q. -- 10,000 feet or --

4

A. Yes.

5

Q. -- some number of 1000 feet.

6

A. Right, approximately 4000 feet.

7

Q. What is your maximum depth for economic

8

completion out here past 18,000?

9

A. It's actually at 20,000 feet. Our time/

10

depth relationship --

11

Q. That would be the top of the Cretaceous.

12

A. Anything below 20,000 feet, anywhere

13

within the Cretaceous, not necessarily the top, but anywhere

14

within the Cretaceous deeper than 20,000 feet, our production

15

department feels would be difficult to complete economically.

16

Q. I see.

17

A. It would take a massive hydraulic frac

18

completion.

19

Q. You'd just have to have too many reserves

20

to pay out.

21

A. Right. It would be economically diffi-

22

cult.

23

Q. This is, then, a continuation of this

24

program that Shell has been going through for several years

25

down in that area?

1  
2 A. Yes.

3 MR. NUTTER: Are there any further  
4 questions of Mr. Russell? He may be excused.

5 Do you have anything further, Mr. Lopez?

6 MR. LOPEZ: No, Mr. Nutter.

7 MR. NUTTER: Does anyone have anything  
8 they wish to offer in Case Number 7119?

9 We'll take the case under advisement.

10  
11 (Hearing concluded.)  
12  
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C E R T I F I C A T E

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.

Sally W. Boyd C.S.R.

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 7119,  
heard by me on 1/28 1981.

[Signature], Examiner  
Oil Conservation Division

SALLY W. BOYD, C.S.R.  
Rt. 1 Box 191-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7409

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STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
28 January 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Shell Oil Company for  
a unit agreement, Bernalillo and  
Sandoval Counties, New Mexico.

CASE  
7119

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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:

Owen Lopez, Esq.  
MONTGOMERY, ANDREWS P. A.  
Paseo de Peralta  
Santa Fe, New Mexico 87501

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I N D E X

RYAN W. DOUBT

Direct Examination by Mr. Lopez 3

Cross Examination by Mr. Nutter 13

LEE R. RUSSELL

Direct Examination by Mr. Lopez 14

Cross Examination by Mr. Nutter 22

E X H I B I T S

Applicant Exhibit One, Plat 5

Applicant Exhibit Two, Unit Agreement 10

Applicant Exhibit Three, Schedule 10

Applicant Exhibit Four, Map 16

MR. NUTTER: We'll call next Case Number 7119.

MR. LOPEZ: My name is Owen Lopez, Mr. Examiner, with the law firm of Montgomery and Andrews, Santa Fe, New Mexico, appearing on behalf of the applicant, Shell Oil Company and I have two witnesses to be sworn.

MR. PADILLA: And this is the application of Shell Oil Company for a unit agreement, Bernalillo and Sandoval Counties, New Mexico.

MR. LOPEZ: Sorry I jumped ahead of you.

(Witnesses sworn.)

RYAN W. DOUBT

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

DIRECT EXAMINATION

BY MR. LOPEZ:

Q	Would you please state your name?
A	Ryan W. Doubt.
Q	And where do you reside?
A	Houston, Texas.
Q	By whom are you employed and in what

1  
2 capacity?

3 A. I'm a landman for Shell Oil Company.

4 Q Have you previously testified before the  
5 Commission and had your qualifications accepted?

6 A. No, I have not.

7 Q Would then you briefly describe your  
8 educational background and work experience?

9 A. All right. Graduated in 1977 out of the  
10 University of Washington, with a business degree there, and  
11 later on in November of '77 I started with Shell Oil Company  
12 as an analyst. One year after that I was promoted to landman  
13 and worked in the field office in Denver for two years, and  
14 now for the last couple of months I was transferred to  
15 Houston and I have been working there.

16 Q Are you familiar with Case Number 7119  
17 and the application of Shell Oil Company therein?

18 A. Yes, I am.

19 Q Were you responsible for attempting to  
20 obtain ratification to the unit agreement that is the subject  
21 of this hearing?

22 A. Yes, both ratifications and oil and gas  
23 leases.

24 MR. LOPEZ: Are the witness' qualifica-  
25 tions acceptable?

1  
2 MR. NUTTER: Yes, they are.

3 Q Mr. Doubt, would you now refer to Exhibit  
4 Number One and please describe it?

5 A All right. This is our outline of our  
6 unit, the West Mesa Unit in Bernalillo and Sandoval Counties,  
7 New Mexico. It covers 26,555.133 acres, which contain Federal,  
8 State, and Railroad lands, and also patent land.

9 Q Maybe if you'd go to the exhibit and  
10 describe the color coding.

11 A Surely. Sections included are Sections  
12 35 and 36 of Township 12 North, Range 1 East, and then Town-  
13 ships 11 North, 1 East, we have Sections 1, 2, 11, 12, 13, 14,  
14 23, 24, 25, and 36.

15 Then south of that in Township 10 North,  
16 Range 1 East, we have a portion of Section 1.

17 Then over in Township 12 North, Range 2  
18 East, we have Sections 33, 32, and 31.

19 Then south of that in Township 11 North,  
20 Range 2 East, we have Sections 4 through 9, 14 through 23,  
21 and 26 through 35.

22 Also in Township 10 North, Range 2 East,  
23 we have portions of Sections 3, 4, 5, and 6.

24 On the north part, color coded in blue,  
25 are the lands that are owned by Rio Rancho. Blue over here

1  
2 are the lands that are owned by Albert Black.

3 MR. NUTTER: By over here, you mean in  
4 Township 11 North, 1 East?

5 A. Right, 11 North, 1 East, Sections 2, 11,  
6 14, and also portions of Sections 1, 12, and 13.

7 The green on the map, being Sections 4  
8 through 9, and portions of 14 through 18, Township 11 North,  
9 Range 2 East, have a half mineral interest from the William  
10 Black Estate, and other portions are owned by Horizon and  
11 lots of other individuals that Horizon has sold off the lots  
12 to.

13 Federal lands are in Township 11 North,  
14 1 East, Sections 24, and a portion of Section 14.

15 Other Federal lands are in Township 11  
16 North, 2 East, portions of Section 14 and 23, Section 22, 26,  
17 28, 33, and portion of 34.

18 Also in 10 North, 2 East, portion of  
19 Section 4.

20 Q And 6, right?

21 A. Right, a portion of Sections 4 and 6.

22 The lands that are owned by the railroad,  
23 Santa Fe, are in Sections 23, Township 11 North, 1 East, and  
24 also a portion of Section 13, and Section 25. Other railroad  
25 lands of Santa Fe are in Township 11 North, Range 2 East, a

1  
2 portion of Sections 15 and 17; Sections 19, 21, and a portion  
3 of 23; Sections 27, 29, and a portion of 35; and then in  
4 Township 10 North, Range 2 East, Railroad lands, a portion  
5 of Section 3 and Section 5.

6 MR. NUTTER: The Railroad lands are  
7 colored pink on the map, right?

8 A. The Railroad are pinkish red, yes.

9 State land, in the orange, are in Township  
10 11 North, Range 2 East, being a portion of Section 16 and  
11 Section 32.

12 Another section that is owned by the  
13 Volcano Cliffs Subdivision, which has sold off some lots, and  
14 are still in the process of selling lots, is in Section 20  
15 of Township 11 North, Range 2 East.

16 Q And how is that colored?

17 A. That is colored in brown.

18 The location of our well is in Township  
19 11 North, Range 1 East, in the northeast quarter of Section  
20 24.

21 Going to the leasehold ownership that  
22 Shell has in these lands, Shell has 100 percent of the lease-  
23 hold in the blue lands, which are Rio Rancho, that being  
24 Sections 35 --

25 MR. NUTTER: I don't think you -- just

1  
2 refer to them by color code or something like that.

3 A Sure, it will go a lot faster, then.

4 Q That's the purple, right?

5 A That's the purple, right.

6 The blue, we have 100 percent lease,  
7 which are the Albert Black and lessor.

8 In the green lands we have -- we have  
9 half of it leased with Albert Black and a portion, this was  
10 lands that were owned by Horizon, the other half interest,  
11 but Horizon has been selling off these lands and we have about  
12 700 owners, and through the last months of October, November,  
13 and December, we have been mailing out oil and gas leases  
14 along with copies of the unit --

15 MR. NUTTER: Horizon is passing the  
16 mineral rights along with those lands that have been sold?

17 A Right, their half interest is passed  
18 along.

19 MR. NUTTER: And you got a half interest  
20 from Black under lease?

21 A Right.

22 MR. NUTTER: Okay.

23 A And then so far to date we have received  
24 13.85 percent from all this land.

25 Q The other half interest?

1  
2 A The other half interest.

3 MR. NUTTER: So you've got 63 percent  
4 under lease right now?

5 A Right, 63 percent.

6 All right. We have --- with the lands  
7 in pink, the Santa Fe Railroad, we have 100 percent leasehold  
8 control.

9 The Federal lands, with the exception of  
10 the land in white here, being a portion of Section 19 of 11  
11 North, 2 East, we have all the leases there. This one, we  
12 have filed on, a portion of Section 18 we have filed on, and  
13 it has not been approved yet.

14 Then State lands, we have 100 percent of  
15 the leasehold.

16 And the Volcano Cliffs, which we are  
17 working on, we have 33 percent of our return from the mail  
18 out that we have done to all of the owners, which total 139  
19 different people that we've sent leases to.

20 Q Okay.

21 A All right, and that gives a total, total  
22 leasehold of 88.7 percent out of the total unit.

23 Q And Shell is the only working interest  
24 owner in the unit area, is that not correct?

25 A Right. Everyone has come in as a lessor

1  
2 under that, and that's one of the reasons that we have strictly  
3 a unit agreement and there's no operating agreement, because  
4 we're the only working interest owner.

5 Q Now could you describe what the status  
6 of the well is now, whether it's spudded or not, and the reason  
7 why?

8 A All right. Okay, the well is on Federal  
9 land and the lease was to expire in December 31 of 1980, but  
10 before that time we spudded it and it is being held by oper-  
11 ation.

12 Q What is the expiration date of your other  
13 Federal leases?

14 A All right. The other Federal leases  
15 expire at midnight Saturday, the 31st of this month, and  
16 therefor, it's necessary, if this is to be approved, that it  
17 be done in the next -- by Thursday or the latest, Friday.

18 Q Okay. Now, turning to what has been  
19 marked Exhibit Two, would you please describe it?

20 A All right. This is a unit agreement for  
21 the development and operation of the West Mesa Unit in the  
22 counties of Bernalillo and Sandoval Counties, New Mexico.

23 Q Now turning to what's been marked Exhibit  
24 Three, would you describe what it is?

25 A All right. Our Exhibit Three is a

1  
2 schedule showing all the tracts with the leasehold that Shell  
3 has, and also, which tracts, which owners have been committed  
4 and have signed the ratification and joinders to the -- to  
5 their lands that they own.

6 Q To the unit agreement.

7 A To the unit agreement.

8 Q Right. Now Exhibit Three is actually  
9 Exhibit B to the unit agreement, is that not correct?

10 A Yes, it is.

11 Q And Exhibit One is Exhibit A to the unit  
12 agreement, is that correct?

13 A Right, the unit map.

14 Q Right. Now, could you tell us the status  
15 of the ratifications of the unit agreement?

16 A All right. Going through again, like  
17 I did with the leasehold interest, as far as the ones that  
18 have signed it and have been committed to the unit, we have  
19 100 percent for Rio Rancho in the purple.

20 We have none with Albert Black in the  
21 blue.

22 We have 13.85 percent in the area in  
23 green, and more of those are coming in each day. Matter of  
24 fact, since we had to cut this off last Wednesday, we've had  
25 several more come in; since we had to cut it off we just show

13.65 percent to date.

Federal lands have been committed; those are the ones in yellow.

State lands have been committed; the ones in orange.

In brown, the owners there from the Volcano Cliffs Subdivision, we have 33 percent that have been committed to the unit.

And Santa Fe has signed in, we have 100 percent of theirs.

This gives a total committed to the unit of 67.48 percent, giving us effective control of the unit.

Q Now when you said the State and USGS have committed, that's contingent upon the granting of your application here today, is that not correct?

A Right, it gives us approval but it depends on the Oil Conservation Division.

Q Were Exhibits One through Three prepared by you or under your supervision?

A Yes, they were.

MR. LOPEZ: I would introduce Exhibits One through Three.

MR. NUTTER: Shall Exhibits One through Three will be admitted in evidence.

1  
2 MR. LOPEZ: I have no further questions  
3 of this witness.  
4

5 CROSS EXAMINATION

6 BY MR. NUTTER:

7 Q Mr. Doubt, your Exhibit Number One there  
8 totals the acreage up to 26,555, yet the Exhibit A that came  
9 in with the application gave us a lease total of 27 -- 26,722  
10 acres. Why is there that difference?

11 A All right, we have a revision in the --  
12 in the unit acreage that brought it down 166 acres to this  
13 26,555.

14 Q Were there some lands that were omitted  
15 or was it a recalculation of the acres and the lands?

16 A It was a recalculation based on all the  
17 tracts in the -- and the record checks we did on the land in  
18 green. We totaled up the amount that was shown on the deeds  
19 for the records, and this total, by totaling all the individual  
20 700 or so tracts, came out 166 acres short of our first cal-  
21 culation.

22 Q Well, you lose lands when you subdivide  
23 it so small because it takes some space to draw the lines.

24 A The records change from deed to deed  
25 with the acreage. It's hard to keep it consistent.

Q Okay, but the correct acreage is as on Exhibit One, 26,555?

A Yes, it is.

Q Okay.

MR. NUTTER: Are there any other questions of the witness? He may be excused.

MR. LOPEZ: We'll call our next witness.

LEE R. RUSSELL

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

DIRECT EXAMINATION

BY MR. LOPEZ:

Q Will you please state your name and where you reside?

A My name is Lee R. Russell. I live in Houston, Texas.

Q By whom are you employed and in what capacity?

A I'm a geologist for Shell Oil Company.

Q Have you previously testified before the Commission and had your qualifications accepted as a matter of record?

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A. No, I have not.

Q. Would you then briefly describe your educational background and work experience?

A. I did my undergraduate work at Ohio Wesleyan University, where I earned a BA degree in geology in 1970. I then went on to Texas Tech University, where I did all my graduate work between 1970 and 1977. I was granted an MS in geology in December of '72, and a PhD in geology in August of '77.

Since that time I have been employed by Shell Oil Company in Houston, initially for all of the four years I have been with Shell, I have been a research geologist at the BelAir Research Center in Houston, with my primary area of research being the structural development of the Albuquerque Basin in central New Mexico. And for the last year I've been working very closely with the exploration staff in the Rocky Mountain Division, of Shell Oil Company.

Q. And I take it you are fairly familiar with the application in Case Number 7119.

A. Very much so.

MR. LOPEZ: Are the witness' qualifications acceptable?

MR. NUTTER: Yes, they are.

Q. Mr. Russell, I'd refer you to Exhibit --

1  
2 Shell's Exhibit Number Four, and ask you to describe this  
3 and explain why Shell proposes to drill this well and why  
4 you believe the unit area is a correct one.

5 A. Okay. This map is a structure/contour  
6 map on the top of the Upper Cretaceous interval in the  
7 northern Albuquerque Basin, and as you can see, the map in  
8 seismic time, one-way seismic time, and as you can see, there  
9 is no -- no real structure that we're drawing unit boundaries  
10 on the basis of.

11 So I feel that I really need to go into  
12 a little bit more background as to why we feel this portion  
13 of the basin, the deep central part of the Albuquerque Basin,  
14 of the northern Albuquerque Basin, is a good exploration ob-  
15 jective for us.

16 Basically, our play in the northern  
17 Albuquerque Basin is based on our belief that we have an  
18 analog here for the Blanco Field in the central portion of San  
19 Juan Basin in New Mexico, immediately to the northwest of the  
20 Albuquerque Basin.

21 As you're, I'm sure, aware, the Blanco  
22 Field is a gas field with Upper Cretaceous sandstone reser-  
23 voirs beneath the producing interval.

24 In the basin we have Upper Cretaceous  
25 coals and marine shales as source rocks and the trap at Blanco

1  
2 is not dependent on structure at all. It's a stratigraphic  
3 trap with the gas confined to the deep, the deep, central  
4 portion of the basin.

5           Seismic surveys in Blanco show no up dip  
6 pinchouts or truncations of the reservoir sandstones with  
7 the up dip limit of production, and the trapping mechanism  
8 there has for many years been somewhat enigmatic and not  
9 understood fully. We've done many studies on Blanco in the  
10 recent past, and the key seems to be the relationship between  
11 the up dip limit of production and the level of thermal  
12 maturity of the source rocks in the basin.

13           Our studies at Blanco show basically the  
14 up dip limit of gas production in the basin follows very  
15 closely the level of source rock maturity levels that we're  
16 indexing as levels ten and eleven. Those maturity limits  
17 and the up dip limit of production in the basin correlate  
18 very closely, a one-to-one relationship.

19           Further studies that we have done have  
20 shown that at these -- at maturity levels ten and eleven, the  
21 clay minerals in the reservoir sandstones undergo crystal  
22 changes, changes in their crystal structure that in effect  
23 result in the plugging of the sandstone porosity and perme-  
24 ability. So in effect what happens is that this clay plugging  
25 related to these transformations at maturity levels ten and

1  
2 eleven are producing the trap at Blanco.

3 It's not structurally related. It's not  
4 related to stratigraphic pinchout as I mentioned before.

5 MR. NUTTER: It's a thermal related  
6 pinchout of permeability.

7 A. Right, it's related to diagenetic changes  
8 within the reservoir sandstone.

9 Okay. And over the last ten years,  
10 Shell has been intermittently very active in the Albuquerque  
11 Basin, and so far we've drilled six deep wells on our own in  
12 the basin, all of which are commercially dry, and we drilled  
13 a seventh well jointly, or in a farmout agreement, with  
14 TransOcean Oil Company, which is also dry.

15 This drilling history, plus our extensive  
16 regional seismic data base, has given us a structural and  
17 stratigraphic and thermal data base that suggests to us that  
18 the same mechanism could in fact be operating in the northern  
19 Albuquerque Basin that operates in Blanco.

20 We have the same reservoir sandstones  
21 in the Albuquerque Basin. They're on depositional strike  
22 with the same intervals in the San Juan Basin. So we have  
23 not observed any substantial variations in character of the  
24 reservoir rock.

25 We also have the source rocks present

1  
2 in the Albuquerque Basin as we have in the Blanco Field.

3 So the drilling that we've done to date  
4 has calibrated this portion of the basin in terms of the  
5 maturity versus depth relationship in the basin so that we  
6 feel that we know fairly accurately where the up dip trap  
7 exists in the Albuquerque Basin.

8 Now, on the map that you have in front  
9 of you, at the very northern edge of the map there's a line  
10 indexed in blue. That's the level of organic maturity. It's  
11 level eleven -- level ten, excuse me. The orange line, in-  
12 dexed in orange, is level eleven of organic maturity of the  
13 source rocks, and this is again based on our control we de-  
14 rived from our other wells in the area.

15 So in essence, if we drill a well any-  
16 where down dip of those -- of that level ten or level eleven,  
17 we should in theory, if our mechanism is operating, should  
18 have gas in the deep central portion of the basin. So also  
19 shown is our proposed location. We've sited it at that  
20 location primarily because it's on a good regional seismic  
21 line so we can tie the results of the well to the seismic  
22 survey, but in theory we could have drilled that well at any  
23 spot within the unit boundary that we've shown. The location  
24 doesn't depend on structure. It's purely its relationship  
25 to the up dip -- the up dip porosity plugging that we in

theory think --

MR. NUTTER: What does the yellow line represent? Is that your seismic line?

A. That is -- that is one of our north/south regional seismic lines, correct. It shows the relationship between our location and our seismic control.

So the northern boundary of our unit is basically defined by the -- the up dip limit of porous or producible sands. The western boundary of our unit is defined by the major normal fault, which is the -- shown in horizontal lines is the fault gap on top of the Upper Cretaceous, offset by a major normal fault.

The eastern boundary of our unit is controlled in two ways; is defined in two ways. The red line roughly corresponding to the eastern boundary of the unit is related to the maximum depth for economic completion of a well in this area. Our production department feels that at a depth greater than 20,000 feet we could not really complete a well economically in this area with the technology that we have right now.

The very northeastern corner of the unit is defined basically by the deterioration of our seismic data. We feel that we have less of an understanding of the detail structure, structural configuration of the basin in

1  
2 that area, and that level of confidence is shown by the  
3 dashed lines, which show that we really do not totally under-  
4 stand it.

5 The southern boundary of the unit is  
6 basically defined in a similar way in that below that -- south  
7 of that boundary our seismic data has deteriorated to the  
8 point that we don't fully understand relationships as well as  
9 we do in the rest of the unit.

10 So we're confining our unit to that area  
11 which we can most fully document and understand seismically.

12 The well that we're going to drill is  
13 projected to total depth of 19,700 feet. We'd expect to  
14 drill through 15,500 feet of tertiary basin fill; then go  
15 into Upper Cretaceous rocks, and drill through Upper Creta-  
16 ceous from 15,500 to 19,500.

17 At 19,500 feet we are anticipating en-  
18 counteracting the Jurassic section, probably in the Morrison,  
19 Jurassic section in the Morrison formation. We'll drill a  
20 little into the Jurassic and TD at approximately 19,700  
21 feet.

22 The total projected completed well cost  
23 will be \$7.2-million.

24 Q Is it your opinion that the granting of  
25 this application will be in the interest of the prevention

1  
2 of waste and the protection of correlative rights?

3 A. Yes.

4 Q. Was Exhibit Number Four prepared by you  
5 or under your supervision?

6 A. Yes, it was.

7 MR. LOPEZ: I would tender Shell's Exhibit  
8 Number Four.

9 MR. NUTTER: Shell Exhibit Four will be  
10 admitted in evidence.

11  
12 CROSS EXAMINATION

13 BY MR. NUTTER:

14 Q. Mr. Russell, is there direct correlation  
15 between these one way seismic time contours on your Exhibit  
16 Four and depth?

17 A. Yes. The well, as you can see, at our  
18 proposed location we've projecting the top of the Cretaceous  
19 at 15,500 feet, and so you might in effect multiply the con-  
20 tour value by 1000 to get -- to get depth; 1.6 would become  
21 16,000 feet; 1.5 would become 15,000 feet, in effect.

22 Q. But that's where the top of the Creta-  
23 ceous --

24 A. Top of the Cretaceous, correct.

25 Q. So you would have to drill into that --

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A. Yes.

Q. --- 10,000 feet or ---

A. Yes.

Q. --- some number of 1000 feet.

A. Right, approximately 4000 feet.

Q. What is your maximum depth for economic completion out here past 18,000?

A. It's actually at 20,000 feet. Our time/depth relationship --

Q. That would be the top of the Cretaceous.

A. Anything below 20,000 feet, anywhere within the Cretaceous, not necessarily the top, but anywhere within the Cretaceous deeper than 20,000 feet, our production department feels would be difficult to complete economically.

Q. I see.

A. It would take a massive hydraulic frac completion.

Q. You'd just have to have too many reserves to pay out.

A. Right. It would be economically difficult.

Q. This is, then, a continuation of this program that Shell has been going through for several years down in that area?

1  
2 A. Yes.

3 MR. NUTTER: Are there any further  
4 questions of Mr. Russell? He may be excused.

5 Do you have anything further, Mr. Lopez?

6 MR. LOPEZ: No, Mr. Nutter.

7 MR. NUTTER: Does anyone have anything  
8 they wish to offer in Case Number 7119?

9 We'll take the case under advisement.

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11 (Hearing concluded.)  
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## C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY 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.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7409

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7119 heard by me on 1/28 1981.

[Signature], Examiner  
Oil Conservation Division

Shell Oil Company



P.O. Box 831  
Houston, Texas 77001

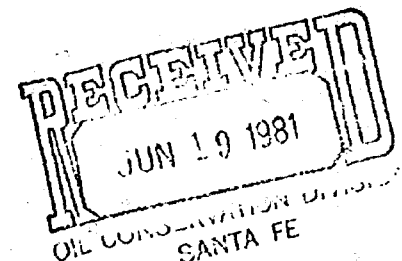
June 11, 1981

7119

Oil Conservation Division  
State of New Mexico  
P. O. Box 2088  
Santa Fe, NM 87501

Gentlemen:

WEST MESA UNIT DATED 11/10/80  
SUNSEQUENT RATIFICATION AND JOINDER AGREEMENTS  
BERNALILLO AND SANDOVAL COUNTIES, NEW MEXICO  
CACTUS AREA, POOL FILE 2796



Attached is a list of mineral land owners that have executed and submitted to us Ratification and Joinder Agreements to the West Mesa Unit subsequent to its approval on January 30, 1981. This schedule, when added to Exhibit 'B' of the Original West Mesa Unit, will update the Exhibit through the month of May 1981. Please accept and include these additions with your records of Shell Oil Company's West Mesa Unit. Similar information has been sent to the State of New Mexico Land Office and the Office of the USGS.

Thank you for your attention to this matter.

Yours very truly,

*R.W. Doubt*

R. W. Doubt  
Land Department  
Rocky Mountain Division

RWD:lbh

Attachments

EXHIBIT B

Additional Shell West Mesa Unit Ratifications and Leasehold Interests for the Months of March, April, and May, 1981.

<u>TRACT NO.</u>	<u>SHELL LEASE NO.</u>	<u>DESCRIPTION OF LANDS</u>	<u>ACRES</u>	<u>SERIAL NO. EXP. DATE</u>	<u>BASIC ROYALTY AND PERCENTAGE</u>	<u>LESSEE OF RECORD AND PERCENTAGE</u>	<u>OVERRIDING ROYALTY AND PERCENTAGE</u>	<u>WORKING INTEREST AND PERCENTAGE</u>
11		T11N, R2E, Section 20 Map #D-8 Code 1-008-063 Lot, Block, Unit						
11		Lot 6, Unit 9	9.554		George A. Dugas, et ux., 100%	Shell 100%	None	Shell 100%
11		Lot 13A, Unit 9	3.332		Edward W. Christensen, 100%	Shell 100%	None	Shell 100%
11		Lot 17B, Unit 9	3.611		Lorraine E. Telap, et al., 100%	Shell 100%	None	Shell 100%
11		Lot 18B, Unit 9	2.1125		Arthur Tik Tokaz, 100%	Shell 100%	None	Shell 100%
11		Lot 3, Unit 10	3.265		Eugene L. Brissey, et ux., 100%	Shell 100%	None	Shell 100%
11		Lot 5A & C, Unit 10	1.818		J. S. Coladarcí, Jr., et ux., 100%	Shell 100%	None	Shell 100%
11		Lot 10, Unit 10	5.388		Henry I. Libby, 100%	Shell 100%	None	Shell 100%
11		Lot 29, Unit 10	3.370		Carr C. Whitener, et ux., 100%	Shell 100%	None	Shell 100%
11		Lot 5A, Blk 2, Unit 11	2.874		Gregory J. Xilas, 100%	Shell 100%	None	Shell 100%
11		Lot 10, Unit 15	7.178		C. A. Christensen, 100%	Shell 100%	None	Shell 100%
11		Lot 11, Unit 15	61.439		Volcano Cliffo, Inc., 100%	Shell 100%	None	Shell 100%
TOTAL ADDITIONAL COMMITTED ACRES			103.94					

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
12		TIJN, RLE Section 1 Map A-6 Code 1-006-066 Map Access Key #						
(51)		361-235-4	5.0 2.5		Fred H. Lowe, Jr., et ux., 100%	Shell 100%	None	Shell 100%
TOTAL ADDITIONAL COMMITTED ACRES			5.0 2.5					

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
13		T11N, R2E Section 6 Map A-7 Code 1-077-066 Map Access Key #						
(26)		215-428-23	5.0 2.5		Theodore Karandreas, et ux., 100%	Shell 100%	None	Shell 100%
(45)		410-363-12	5.0 2.5		Gonzalo T. Chua, et ux., 100%	Shell 100%	None	Shell 100%
(48)		513-363-9	5.0 2.5		Bruce W. Dunlap	Shell 100%	None	Shell 100%
Total additional committed acres			15.0 7.5					

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
14		T11N, R2E Section 5 Map A-8 Code 1-028-066 Map Access Key #							
(108)		399-255-52	3.0	1.5		Robert D. Mickelson, et ux., 100%	Shel1 100%	None	Shel1 100
(34)		237-436-86	5.0	2.5		Helen Kohn, et al., 100%	Shel1 100%	None	Shel1 100
(65)		018-428-80	5.0	2.5		Michael D. Daniel, et al., 100%	Shel1 100%	None	Shel1 100
(76)		116-297-60	5.0	2.5		Thaddeus J. Siemion, et ux., 100%	Shel1 100%	None	Shel1 100
TOTAL ADDITIONAL COMMITTED ACRES			18.0	9.0					

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
15		T11N, R2E Section 4 Map A-9 Code 1-009-006 Map Access Key #							
(148)		424-478-14	2.5	1.25		Joseph L. Bufalino, et ux., 100%	Shell 100%	None	Shell 100%
(38)		101-347-17	5.0	2.5		Richard W. W. Miller, et ux., 100%	Shell 100%	None	Shell 100%
(42)		199-347-5	3.0	1.5		Ruth S. Danker, Executor, 100%	Shell 100%	None	Shell 100%
(50)		452-346-23	6.0	3.0		Nathalie Roach, et al., 100%	Shell 100%	None	Shell 100%
(56)		278-285-55	2.5	1.25		Vincent E. Walsh, et ux., 100%	Shell 100%	None	Shell 100%
(67)		171-164-29	5.0	2.5		Denton A. Dickey, et ux., 100%	Shell 100%	None	Shell 100%
(73)		018-165-31	5.0	2.5		Paul Jonas, et ux., 100%	Shell 100%	None	Shell 100%
(76)		105-109-7	5.0	2.5		William Kozlowski, 100%	Shell 100%	None	Shell 100%
TOTAL ADDITIONAL COMMITTED ACRES			34.0	17.0					

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
16		T11N, R1E Section 12 Map B-6 Code 1-006-065 Map Access Key #							
(53)		429-297-5	5.0	2.5		Robert B. Swain, 100%	Shel1 100%	None	Shel1 100%
(84)		492-033-2	5.0	2.5		Gal dys H. Reese, 100%	Shel1 100%	None	Shel1 100%
TOTAL ADDITIONAL COMMITTED ACRES			10.0	5.0					

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
17		T11N, R2E Section 7 Map B-7 Code 1-007-065 Map Access Key #							
(9)		280-491-1	5.0	2.5		Mary Kimball Haker, 100%	Shell 100%	None	Shell 100%
(29)		170-400-14	5.0	2.5		Bill Grabber, et ux., 100%	Shell 100%	None	Shell 100%
(33)		289-398-14	5.1	2.55		Esper R. Guanco, 100%	Shell 100%	None	Shell 100%
(46)		068-336-27	5.0	2.5		Robert L. Keel, et ux., 100%	Shell 100%	None	Shell 100%
TOTAL ADDITIONAL COMMITTED ACRES			20.10	10.05					

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
18		TLIN, R2E Section 8 Map B-8 Code 1-008-065 Map Access Key #						
(8)		198-328-20	40.0 20.0		Julia Guglisi, et al., 100%	Shell 100%	None	Shell 100%
(9)		115-492-5	5.0 2.5		Phillip O'Neill, et ux., 100%	Shell 100%	None	Shell 100%
(22)		173-164-17	2.5 1.25		Michael Howard Reggio, et al., 100%	Shell 100%	None	Shell 100%
(23)		190-164-18	2.5 1.25		Roy H. Pack, et al., 100%	Shell 100%	None	Shell 100%
(33)		246-032-8	5.0 2.5		Irwin Zelgiewicz, et al., 100%	Shell 100%	None	Shell 100%
TOTAL ADDITIONAL COMMITTED ACRES			55.0 27.50					

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
	20	T11N, R1E Section 13 Map C-6 Code 1-006-064 Map Access Key #						
(4)		257-495-50	5.0 2.5		Howard C. Pratt, 100%	Shel1 100%	None	Shel1 100%
TOTAL ADDITIONAL COMMITTED ACRES			5.0 2.5					

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
21		T11N, R2E Section 18 Map C-7 Code 1-007-064 Map Access Key #							
(33)		340-426-16	5.0	2.5		Claude P. Urbain, 100%	Shell 100%	None	Shell 100%
(82)		510-300-1	5.0	2.5		Frank J. Maurer, et ux., 100%	Shell 100%	None	Shell 100%
(92)		170-300-6	5.0	2.5		Lillian S. Greer, Trustee, 100%	Shell 100%	None	Shell 100%
TOTAL ADDITIONAL COMMITTED ACRES			15.0	7.5					

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
24		T11N, R2E Section 15 Map C-10 Code 1-010-064 Map Access Key #						
(35)		247-426-25	5.0 2.5		Lark J. Roe, et al., 100%	Shell 100%	None	Shell 100%
(38)		149-425-21	5.0 2.5		Andrey M. Bramblett, et al., 100%	Shell 100%	None	Shell 100%
(85)		014-229-6	5.0 2.5		Regina C. Weiss, 100%	Shell 100%	None	Shell 100%
TOTAL ADDITIONAL COMMITTED ACRES			20.0 10.0					

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
25		T11N, R2E Section 14 Map C-11 Code 1-011-054 Map Access Key #						
(4)		485-441-15	10.0 5.0		Albuquerque Boys Club, Incorporated, 100%	Shell 100%	None	Shell 100%
(8,9,&10)		495-385-7, 475-335-6, 386-360-18	45.72 22.86		Board of Trustees of the Sandia School, 100%	Shell 100%	None	Shell 100%
(12)		203-333-17	4.85 2.425		St. George Greek Orthodox Church of New Mexico, 100%	Shell 100%	None	Shell 100%
(13)		264-333-16	4.0 2.0		The Greater Miami Jewish Federation, 100%	Shell 100%	None	Shell 100%
(16)		280-273-19	20.0 10.0		Guy Brungardt, et ux., 100%	Shell 100%	None	Shell 100%
(29A)		050-442-26	2.5 1.25		Charles L. Kleckner, et ux., 100%	Shell 100%	None	Shell 100%
TOTAL ADDITIONAL COMMITTED ACRES			87.07 43.54					

Unit Name WEST MESA UNIT-EXPLORATORY  
Operator SHELL OIL COMPANY  
County BERNALILLO AND SANDOVAL

cell.

DATE	OCC CASE NO. 7119	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	MINIMUM-FEE	SEGREGATION CLAUSE	TERM
APPROVED	OCC ORDER NO. R-6575	DATE	ACREAGE	STATE	FEDERAL	MINIMUM-FEE	SEGREGATION CLAUSE	TERM
Commissioner	Commission	1-30-81	26,555.133	1,518.56	4,783.46	20,248.13	Yes	5 yrs.
1-28-81	1-28-81							

UNIT AREA

BERNALILLO COUNTY, NEW MEXICO  
TOWNSHIP 10 NORTH, RANGE 1 EAST, NMPM  
Section 1: Lots 1 through 8

SANDOVAL COUNTY, NEW MEXICO  
TOWNSHIP 12 NORTH, RANGE 1 EAST, NMPM  
Sections 35 and 36: All

TOWNSHIP 10 NORTH, RANGE 2 EAST, NMPM  
Section 3: Lots 1 through 6  
Section 4: Lots 1 through 8  
Section 5: Lots 1 through 8  
Section 6: Lots 1 through 8

TOWNSHIP 12 NORTH, RANGE 2 EAST, NMPM  
Sections 31 through 33: All

TOWNSHIP 11 NORTH, RANGE 1 EAST, NMPM  
Sections 1 and 2: All  
Sections 11 through 14: All  
Sections 23 through 25: All  
Section 36: All  
TOWNSHIP 11 NORTH, RANGE 2 EAST, NMPM  
Sections 4 through 9: All  
Sections 14 through 23: All  
Sections 25 through 33: All  
Section 34: Lots 1, 4, through 38,  
and NE/4NW/4  
Section 35: Lots 2, 3, and 4 and  
W/2NE/4 and NW/4

Unit Name WEST MESA UNIT-EXPLORATORY  
 Operator SHELL OIL COMPANY  
 County BERNALILLO AND SANDOVAL

STATE TRACT NO.	LEASE NO.	INSTI- TUTION	SEC.	TWP.	RGE.	SUBSECTION	RATIFIED		ACREAGE NOT RATIFIED	LESSEE
							DATE	ACRES		
6	L-6570	C.S.	36	11N	1E	All	1-24-81	640.00		Shell Oil Company
7	L-6571	C.S.	16 32	11N 11N	2E 2E	Lots 1, 2, 3, 4, S/2S/2 All	1-24-81	878.56		Shell Oil Company



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

BRUCE KING  
GOVERNOR  
LARRY KEHOE  
SECRETARY

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

August 20, 1981

Shell Oil Company  
P. O. Box 831  
Houston, Texas 77001

Attention: Mr. G. M. Jobe

Re: Directional Drilling  
West Mesa Unit Well No. 1-24  
Bernalillo County, New Mexico

Gentlemen:

Reference is made to your letter dated August 18, 1981, outlining your plan to plug the Subject well back to approximately 15,900 feet and directionally drill the same some 900 feet north of the surface location to a proposed total depth of 18,875 feet.

Inasmuch as the well is a rank wildcat located within a large unitized area, and no issue of waste or violation of correlative rights should ensue, we will forego the necessity of a hearing for the directional drilling at this time.

However Shell should survey the bottom hole location and be prepared to come in for hearing on the matter if production is obtained.

Very truly yours,

JOE D. RAMEY  
Director

JDR/DSN/fd

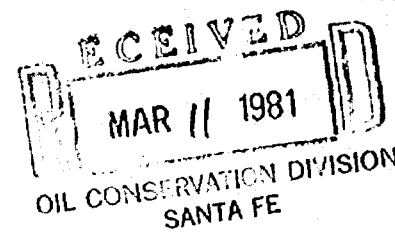
cc: Well file  
✓ West Mesa Unit File (Case <sup>7119</sup>~~6575~~)  
Carl Ulvog

Shell Oil Company



1200 Milam Street  
P.O. Box 576  
Houston, Texas 77001

March 6, 1981



Oil Conservation Division  
State of New Mexico  
ATTN Dan Nutter  
P.O. Box 2088  
Santa Fe, NM 87501

Dear Mr. Nutter:

ADDITION TO EXHIBIT B OF WEST MESA UNIT  
DATED 11/10/80, APPROVED 1/30/81  
BERNALILLO AND SANDOVAL COUNTIES, NEW MEXICO  
CACTUS AREA, POOL 2796

Attached is a schedule of Ratification and Joinder of Unit Agreements that have been executed and submitted to us subsequent to the approval of the West Mesa Unit on January 30, 1981. This schedule when added to Exhibit B will revise and update the exhibit through the month of February 1981. Please accept and include these additions with the West Mesa Unit.

Pursuant to our telephone conversation in early February concerning Section 34 of Township 11 North, Range 2 East, please note that only a portion of the Section has Federally owned minerals. In the 331.83 acres in Section 34 that is fee acreage, 227.77 acres are tied up in litigation where it appears the City of Albuquerque is being forced to purchase this acreage from Stanley Marsh 3 at a high price. This leaves 104.06 acres that is open to lease and we are presently attempting to lease the land and obtain Ratification and Joinder of Unit Agreements. When we have further results and more complete information on this we will submit to your office, the State Land Office and the U.S.G.S. our results and revisions on Section 34.

Yours very truly,

*R.W. Doubt*

R. W. Doubt  
Land Department  
Rocky Mountain Division

RWD:DLE

Attachments

## EXHIBIT B

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
11		T11N-R2E Sec: 20 Map D8 Code: 1-008-063						
<u>LOT, BLOCK &amp; UNIT #</u>								
11		Lot 4, Unit 9	3.239	11-10-85	Warren A. Fackenhall	Shel1 100%	none	Shel1 100%
11		Lot 11B & 11C, Unit 9	4.771	11-10-85	Elizabeth A. Barker	Shel1 100%	none	Shel1 100%
11		Lot 15, Unit 10	2.881	11-10-85	Laurence S. Melzer	Shel1 100%	none	Shel1 100%
11		Lot 28A, Unit 10	1.687	11-10-85	William H. Puckett Jr.	Shel1 100%	none	Shel1 100%
11		Lot 21B & 21D, Unit 10	2.879	11-10-85	Henry Clay Jr.	Shel1 100%	none	Shel1 100%
11		Lot 8 AM 1/2, Unit 10	1.6445	11-10-85	George B. DeBlanc	Shel1 100%	none	Shel1 100%
11		Lot 11, 12, 13, 14, BL3, 15, BL7, Unit 11	21.547	11-10-85	Charles B. Seaverns	Shel1 100%	none	Shel1 100%
11		Lot 2, 16, 17 & B2, Unit 11	10.544	11-10-85	Matia Daskalos	Shel1 100%	none	Shel1 100%
11		Lot 9, Unit 15	7.264	11-10-85	Audie Brown	Shel1 100%	none	Shel1 100%
11		Lot 5B, Block 2 Unit 11	1.674	11-10-85	James Wong et ux 100%	Shel1 100%	none	Shel1 100%
11		Lot 1 & 3, Block 3, Unit 11	7.914	11-10-85	Mamohan S. Dhalival et ux 100%	Shel1 100%	none	Shel1 100%

<u>TRACT NO.</u>	<u>SHELL LEASE NO.</u>	<u>DESCRIPTION OF LANDS</u>	<u>ACRES</u>	<u>SERIAL NO. EXP. DATE</u>	<u>BASIC ROYALTY AND PERCENTAGE</u>	<u>LESSEE OF RECORD AND PERCENTAGE</u>	<u>OVERRIDING ROYALTY AND PERCENTAGE</u>	<u>WORKING INTEREST AND PERCENTAGE</u>
11		T11N-R2E Sec: 20 Map D8						
		<u>LOT, BLOCK &amp; UNIT #</u>						
11		Lot 12, Unit 10	1.231	11-10-85	Ernest Lujan 100%	Shell 100%	none	Shell 100%
11		Lot 13B, 23A, 23C, Unit 10	3.867	11-10-85	Roger P. O'Mahen 100%	Shell 100%	none	Shell 100%
11		Lot 8, Unit 15	7.728	11-10-85	Sterling Welch 100%	Shell 100%	none	Shell 100%

Total Additional Committed Acreage 78.87

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
12		T11N-R1E Section 1 Map A-6 Code 1-006-066							
		MAP ACCESS KEY #							
(12)		497-427-17	5.0	2.5	11-10-85	Dan O. Teague et ux 100%	Shel1 100%	none	Shel1 100%
Total Additional Committed Acres			5.0	2.5					

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
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13

T11N-R2E  
Section 6  
Map A-7  
Code 1-077-066

## MAP ACCESS KEY #

(8)		248-495-26	5.0	2.5	11-10-85	Gerald W. Hauser et ux 100%	Shell 100%	none	Shell 100%
(28)		149-428-21	5.0	2.5	11-10-85	Lilla D. Xidas 100% et al	Shell 100%	none	Shell 100%
(33)		016-363-16	5.0	2.5	11-10-85	John E. Flech Jr. 100% et ux	Shell 100%	none	Shell 100%
(78)		447-230-27	5.0	2.5	11-10-85	Capeway Poultry Co. (Arthur Farrar Trustee) 100%	Shell 100%	none	Shell 100%
(113)		513-033-1	5.0	2.5	11-10-85	Henry R. Folgate et ux 100%	Shell 100%	none	Shell 100%
(96)		004-164-18	5.0	2.5	11-10-85	George E. Murphy et ux 100%	Shell 100%	none	Shell 100%
(121)		244-033-1	5.0	2.5	11-10-85	George R. Wilkins et ux 100%	Shell 100%	none	Shell 100%
(104)		241-099-17	5.0	2.5	11-10-85	Gustavo A. Mellander 100%	Shell 100%	none	Shell 100%
Total Additional Committed Acres			5.0	2.5					

T11N-R2E  
Section 5  
Map A-8  
Code 1-088-066

MAP ACCESS KEY #

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	GROSS ACRES	NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
14									
(35)		380-443-5	5.0	2.5	11-10-85	Calvin E. Yutzzy et ux 100%	Shell 100%	none	Shell 100%
(37)		360-443-32	5.0	2.5	11-10-85	Donald A. Simpson et ux 100%	Shell 100%	none	Shell 100%
(46)		360-495-31	5.0	2.5	11-10-85	Kerry Lee Wagaman 100%	Shell 100%	none	Shell 100%
(95)		242-025-4	5.0	2.5	11-10-85	Clyde C. Mullen et ux 100%	Shell 100%	none	Shell 100%
(94)		155-025-2	5.0	2.5	11-10-85	Helen Kozlowski 100%	Shell 100%	none	Shell 100%
(77)		115-232-27	5.0	2.5	11-10-85	Thomas R. Courtney et ux 100%	Shell 100%	none	Shell 100%
(27)		431-380-22	5.0	1.25	11-10-85	Letha A. Grahman et vir 100%	Shell 100%	none	Shell 100%
(53)		329-025-6	5.0	2.5	11-10-85	Paul F. Muller	Shell 100%	none	Shell 100%
(5)		463-074-13	5.0	2.5	11-10-85	Henry N. Kahalas et ux 100%	Shell 100%	none	Shell 100%

Total Additional Committed Acres 45.0 22.50

T11N-R2E  
Section 4  
Map A-9  
Code 1-009-066

MAP ACCESS KEY #

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	GROSS ACRES	NET ACRES	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
15									
(33)		055-423-31	5.0	2.5	11-10-85	John D. Boebinger et ux 100%	Shell 100%	none	Shell 100%
(76)		105-109-7	7.5	3.75	11-10-85	William Kozlowski Jr. 100%	Shell 100%	none	Shell 100%
(85)		222-033-20	3.0	1.5	11-10-85	Janice A. Kozlowski 100%	Shell 100%	none	Shell 100%
(41)		183-347-6	2.5	1.25	11-10-85	Bernice B. Brown 100%	Shell 100%	none	Shell 100%
(97)		332-105-30	10.00	5.00	11-10-85	Albuquerque Northwest Lions Club 100%	Shell 100%	none	Shell 100%
(98 & 99)		332-105-32 & 332-040-5	27.00	13.50	11-10-85	New Mex. School for Deaf 100%	Shell 100%	none	Shell 100%
(70)		077-165-25	3.0	1.5	11-10-85	Gerald C. Winter 100%	Shell 100%	none	Shell 100%
(Quad 4)		387-172-40	108.0	59.0	11-10-85	Congregation Albert, Inc., 100%	Shell 100%	none	Shell 100%
(34 S/2 B)		018-401-7	3.0	1.5	11-10-85	David L. C. Hunt et ux 100%	Shell 100%	none	Shell 100%

Total Additional Committed Acres 164 82

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
16		T11N-R1E Section 12 Map B-6 Code 1-006-065							
(25)		429-494-41	5.0	2.5	11-10-85	Lee Kus Cheung 100%	Shell 100%	none	Shell 100%
(55)		495-233-31	5.0	2.5	11-10-85	Capeway Poultry Co., Inc., 100% Profit Sharing Trust	Shell 100%	none	Shell 100%
(78)		304-047-5	7.3	3.65	11-10-85	Morris K. Belnap	Shell 100%	none	Shell 100%
Total Additional Committed Acreage			17.30	8.65					

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
17		T11N-R2E Section 7 Map B-7 Code 1-007-065							

MAP ACCESS KEY #

(19 & 20)	413-450-10 & 350-448-11	10.33	5.17	11-10-85	Arthur L. Farrar 100%	Shell 100%	none	Shell 100%
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Total Additional Committed Acreage 10.33      5.17

T11N-R2E  
Section 8  
Map B-8  
Code 1-008-065

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
18									
(20)		248-229-13	5.0	2.5	11-10-85	Bernadine Siebert et ux 100%	Shel1 100%	none	Shel1 100%
(15)		048-164-19	5.0	2.5	11-10-85	James E. Ferrigno 100%	Shel1 100%	none	Shel1 100%

Total Additional Committed Acreage 10.0 5.0

MAP ACCESS KEY #

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDE ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
21		T11N-R2E Section 18 Map C-7 Code 1-007-064							

MAP ACCESS KEY #

(28)		510-426-25	5.0	2.5	11-10-85	Heinz O. Noeska et ux 100%	Shell 100%	none	Shell 100%
(66)		001-360-27	5.0	2.5	11-10-85	Dorothy L. Quinan et al 100%	Shell 100%	none	Shell 100%
(80)		479-360-32	5.0	2.5	11-10-85	Lee Casarico 100%	Shell 100%	none	Shell 100%
(88)		308-300-5	5.0	2.5	11-10-85	Ralph D. Brown & Rose M. Brown 100%	Shell 100%	none	Shell 100%

Total Additional Committed Acreage 20.00 10.00

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
22		T11N-R2E Section 17 Map C-8 Code 1-008-064							
		MAP ACCESS KEY #							
(6)		198-453-2	5.0	2.5	11-10-85	Virgil Leppke 100%	Shell 100%	none	Shell 100%
(8)		287-453-21	5.0	2.5	11-10-85	Stewart Wu 100%	Shell 100%	none	Shell 100%
(24)		115-426-60	5.0	2.5	11-10-85	Frank J. Kaiser et ux 100%	Shell 100%	none	Shell 100%
Total Additional Committed Acreage			15.0	7.5					

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
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24  
T11N-R2E  
Section 15  
Map C-10  
Code 1-010-064

MAP ACCESS KEY #

(3)		083-492-23	5.0	2.5	11-10-85	Richard E. Penny et ux 100%	Shell 100%	none	Shell 100%
(33)		315-426-3	5.0	2.5	11-10-85	Stuart T. Meridan et ux 100%	Shell 100%	none	Shell 100%
(48)		180-358-42	5.0	2.5	11-10-85	Anthony Bubbico et al 100%	Shell 100%	none	Shell 100%
(56)		446-358-11	5.0	2.5	11-10-85	Saiatore Amou et ux 100%	Shell 100%	none	Shell 100%
(43 & 44) (83 & 84)		015-358-50 050-358-53 050-293-52 015-293-51	20.00	10.00	11-10-85	Arthur Farrar 100% (Trustee for Capeway)	Shell 100%	none	Shell 100%
(49 & 78)		214-293-7	5.0	2.5	11-10-85	John W. Hauser et ux 100%	Shell 100%	none	Shell 100%
(50)		247-365-4	5.0	2.5	11-10-85	Roland R. Caron et ux 100%	Shell 100%	none	Shell 100%
(77)		247-365-4	5.0	2.5	11-10-85	Roland R. Caron et ux 100%	Shell 100%	none	Shell 100%

Total Additional Committed Acreage 55.00 27.50

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
25		T11N-R2E Section 14 Map C-11 Code 1-011-054							
		MAP ACCESS KEY #							
(34a)		116-376-10	2.5	1.25	11-10-85	Francis C. Woodmanse 100%	Shell 100%	none	Shell 100%
Total Additional Committed Acres			2.5	1.25					

Unit Name PERRO GRANDE UNIT- EXPLORATORY  
Operator AMOCO PRODUCTION COMPANY  
County LEA

DATE	OCC CASE NO. 7146	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	INDIAN-FEE	SEGREGATION CLAUSE	TERM
APPROVED	OCC ORDER NO R-6597	3-26-81	3,524.40	640.00	2,884.40	-0-	Yes	5 yrs.

Commissioner: 3-26-81  
Commission 2-23-81

UNIT AREA

TOWNSHIP 25 SOUTH, RANGE 35 EAST, NMPM  
Section 31: S/2  
Section 32: A11  
TOWNSHIP 26 SOUTH, RANGE 35 EAST, NMPM  
Sections 5 through 8: A11

Unit Name PERRO GRANDE UNIT-EXPLORATORY  
Operator AMOCO PRODUCTION COMPANY  
County LEA

STATE TRACT NO.	LEASE NO.	INSTI- TUTION	SEC.	TWP.	RGE.	SUBSECTION	RATIFIED DATE	ACRES	ACREAGE NOT RATIFIED	LESSEE
1	L-5378-1	C.S.	32	25S	35E	ALL	3-10-81	640.00		Amoco Production Co.

State of New Mexico



ALEX J. ARMIJO  
COMMISSIONER



7146

Commissioner of Public Lands

March 26, 1981

P. O. BOX 1148  
SANTA FE, NEW MEXICO 87501

Amoco Production Company  
P. O. Box 3092  
Houston, Texas 77001

Re: Perro Grande Unit  
Lea County, New Mexico

ATTENTION: Mr. Mike Burkhardt

Gentlemen:

The Commissioner of Public Lands has this date approved the unit agreement for the Perro Grande, Lea County, New Mexico. Our approval being subject to like approval by the United States Geological Survey.

Enclosed are Five (5) Certificates of Approval.

The filing fee in the amount of Sixty (\$60.00) Dollars has been received.

Very truly yours,

ALEX J. ARMIJO  
COMMISSIONER OF PUBLIC LANDS

BY:

RAY D. GRAHAM, Director  
Oil and Gas Division  
AC 505-827-2748

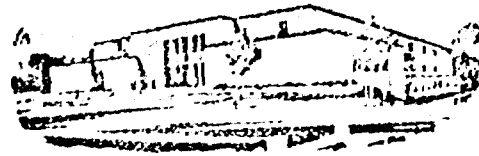
AJA/RDC/s  
encls.  
cc:

OCD-Santa Fe, New Mexico  
USGS-Albuquerque, New Mexico  
USGS-Roswell, New Mexico

State of New Mexico



ALEX J. ARMIJO  
COMMISSIONER



Commissioner of Public Lands

March 25, 1981

7151  
P. O. BOX 1148  
SANTA FE, NEW MEXICO 87501

Randolph M. Richardson, III  
Attorney-At-Law  
P. O. Box 819  
Roswell, New Mexico 88201

Re: Campbell Station Unit  
Chaves County, New Mexico

Dear Mr. Richardson:

The Commissioner of Public Lands has this date given final approval to the Campbell Station Unit, Chaves County, New Mexico, which you submitted on behalf of Carl A. Schellinger. The effective date being the same date as approved.

Enclosed are Five (5) Certificates of Approval.

The filing fee was enclosed with your letter of February 9, 1981.

Very truly yours,

ALEX J. ARMIJO  
COMMISSIONER OF PUBLIC LANDS

BY:  
RAY D. GRAHAM, Director  
Oil and Gas Division  
AC 505-827-2748

AJA/RDG/s  
encls.  
cc:

OCD-Santa Fe, New Mexico

RANDOLPH M. RICHARDSON

OIL AND GAS LAND AND UNIT CONSULTANT

FEDERAL - STATE - FEE

P. O. BOX 819

ROSWELL, NEW MEXICO 88201

March 31, 1981

RECEIVED

APR 03 1981

OIL CONSERVATION DIVISION  
SANTA FE

OFFICE 505 622-8801  
HOME 505 622-7985

In Re: Campbell Station Unit  
T-8-9-S, R-27-E  
Chaves County, New Mexico

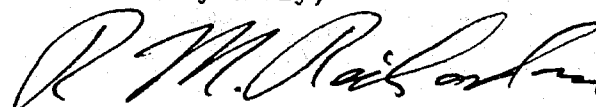
Oil Conservation Division  
Department of Energy and Minerals  
Post Office Box 2088  
Santa Fe, New Mexico 87501

Gentlemen:

Pursuant to Order #R-6606 entered in Case #7157, I am enclosing one copy of Unit Agreement containing all necessary signatures together with copy of letter from the Commissioner's office and Certification Page executed by the Commissioner.

Please advise if you need anything additional at this time.

Yours very truly,



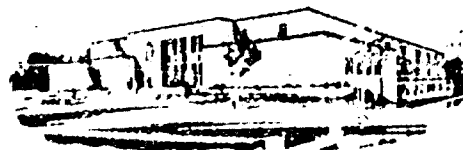
R. M. Richardson

RMR/sr  
Enclosures



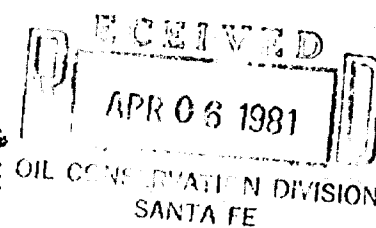
ALEX J. ARMIJO  
COMMISSIONER

State of New Mexico



Commissioner of Public Lands

March 25, 1981



P. O. BOX 1148  
SANTA FE, NEW MEXICO 87501

Randolph M. Richardson, III  
Attorney-At-Law  
P. O. Box 819  
Roswell, New Mexico 88201

Re: Campbell Station Unit  
Chaves County, New Mexico

Dear Mr. Richardson:

The Commissioner of Public Lands has this date given final approval to the Campbell Station Unit, Chaves County, New Mexico, which you submitted on behalf of Carl A. Schellinger. The effective date being the same date as approved.

Enclosed are Five (5) Certificates of Approval.

The filing fee was enclosed with your letter of February 9, 1981.

Very truly yours,

ALEX J. ARMIJO  
COMMISSIONER OF PUBLIC LANDS

BY: \_\_\_\_\_  
RAY D. GRAHAM, Director  
Oil and Gas Division  
AC 505-827-2748

AJA/RDG/s  
encls.  
cc:

OCD-Santa Fe, New Mexico



# NEW MEXICO STATE LAND OFFICE

## CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

CAMPBELL STATION UNIT

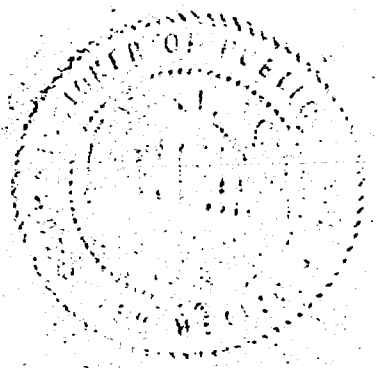
CHAVES COUNTY, NEW MEXICO

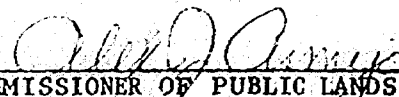
There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, the attached Agreement for the development and operation of acreage which is described within the attached Agreement, dated January 26, 1981, which said Agreement has been executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

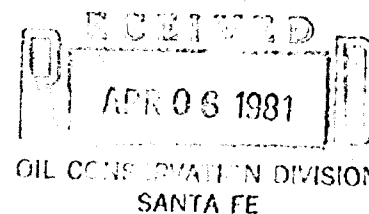
- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the state, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, do hereby consent to and approve the said Agreement, however, such consent and approval being limited and restricted to such lands within the Unit Area, which are effectively committed to the Unit Agreement as of this date, and, further, that leases insofar as the lands covered thereby committed to this Unit Agreement shall be and the same are hereby amended to conform with the terms of such Unit Agreement, and said leases shall remain in full force and effect in accordance with the terms and conditions of said Agreement. This approval is subject to all of the provisions and requirements of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 25th day of March, 19 81.



  
COMMISSIONER OF PUBLIC LANDS  
of the State of New Mexico



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. 7157  
Order No. R-6606

APPLICATION OF CARL A. SCHELLINGER  
FOR APPROVAL OF THE CAMPBELL STATION  
UNIT AGREEMENT, CHAVES COUNTY, NEW  
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 25, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 21st day of March, 1981, 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, Carl A. Schellinger, seeks approval of the Campbell Station Unit Agreement covering 3,840.98 acres, more or less, of State lands described as follows:

CHAVES COUNTY, NEW MEXICO

TOWNSHIP 8 SOUTH, RANGE 27 EAST, NMPM

Section 32: E/2

Sections 33 and 34: All

TOWNSHIP 9 SOUTH, RANGE 27 EAST, NMPM

Sections 3 and 4: All

Section 5: E/2

Section 9: N/2

Section 10: N/2

-2-

Case No. 7157  
Order No. R-6606

(3) That all plans of development and operation and creations, expansions, or contractions of participating areas or expansions or contractions of the unit area, should be submitted to the Director of the Division for approval.

(4) That approval of the proposed unit agreement should promote the prevention of waste and the protection of correlative rights within the unit area.

IT IS THEREFORE ORDERED:

(1) That the Campbell Station Unit Agreement is hereby approved.

(2) That the plan contained in said unit agreement for the development and operation of the unit area is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Division to supervise and control operations for the exploration and development of any lands committed to the unit and production of oil or gas therefrom.

(3) That the unit operator shall file with the Division an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; that in the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Division within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(4) That all plans of development and operation, all unit participating areas and expansions and contractions thereof, and all expansions or contractions of the unit area, shall be submitted to the Director of the Oil Conservation Division for approval.

(5) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico; that this order shall terminate ipso facto upon the termination of said unit agreement; and that the last unit operator shall notify the Division immediately in writing of such termination.

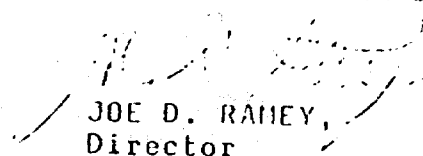
-3-

Case No. 7157  
Order No. R-6606

(6) 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. RANEY,  
Director

S E A L

dr/

UNIT AGREEMENT  
FOR THE DEVELOPMENT AND OPERATION  
OF THE

<u>CAMPBELL STATION</u>	<u>UNIT AREA</u>
<u>CHAVES</u>	<u>COUNTY, NEW MEXICO</u>

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

THIS AGREEMENT, entered into as of the 26th day of January  
19 81 by and between the parties subscribing, ratifying or consenting hereto, and  
herein referred to as the "parties hereto";

WITNESSETH:

WHEREAS, the parties hereto are the owners of working, royalty, or other  
oil or gas interests in the unit area subject to this agreement; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is  
authorized by an Act of the Legislature (Sec. 3, Chap. 88, Laws 1943) as amended  
by Dec. 1 of Chapter 162, Laws of 1951, (Chap. 19, Art. 10, Sec. 45, N. M. Statutes  
1978 Annot.), to consent to and approve the development or operation of State Lands  
under agreements made by lessees of State Land jointly or severally with other lessees  
where such agreements provide for the unit operation or development of part of or all  
of any oil or gas pool, field, or area; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is  
authorized by and Act of the Legislature (Sec. 1, Chap. 162), (Laws of 1951, Chap.  
19, Art. 10, Sec. 47, N. M. Statutes 1978 Annotated) to amend with the approval of  
lessee, evidenced by the lessee's execution of such agreement or otherwise, any oil  
and gas lease embracing State Lands so that the length of the term of said lease may  
coincide with the term of such agreements for the unit operation and development of  
part or all of any oil or gas pool, field, or area; and

WHEREAS, the Oil Conservation Division of the Energy and Minerals Depart-  
ment of the State of New Mexico (hereinafter referred to as the "Division"), is  
authorized by an Act of the Legislature (Chap. 72, Laws 1935, as amended, being  
Section 70-2-1 et seq. New Mexico Statutes Annotated, 1978 Compilation) to approve  
this agreement and the conservation provisions hereof; and

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

WHEREAS, it is the purpose of the parties hereto to conserve natural resources, prevent waste and secure other benefits obtainable through development and operation of the area subject to this agreement under the terms, conditions and limitations herein set forth;

NOW, THEREFORE, in consideration of the premises and the promises herein contained, the parties hereto commit to this agreement their respective interests in the below defined unit area, and agree severally among themselves as follows:

1. UNIT AREA: The following described land is hereby designated and recognized as constituting the unit area:

T-8-S, R-27-E, NMPM  
Sec. 32; E $\frac{1}{2}$   
Secs. 33, 34; All

T-9-S, R-27-E, NMPM  
Secs. 3, 4; All  
Sec. 5; E $\frac{1}{2}$   
Sec. 9; N $\frac{1}{2}$   
Sec. 10; N $\frac{1}{2}$

Containing 3,840.96 acres,  
Chaves County, New Mexico

Exhibit A attached hereto is a map showing the unit area and the boundaries and identity of tracts and leases in said area to the extent known to the unit operator. Exhibit B attached hereto is a schedule showing to the extent known to the unit operator the acreage, percentage and kind of ownership of oil and gas interests in all lands in the unit area. However, nothing herein or in said schedule or map shall be construed as a representation by any party hereto as to the ownership of any interest other than such interest or interests as are shown on said map or schedule as owned by such party. Exhibits A and B shall be revised by the unit operator whenever changes in ownership in the unit area render such revisions necessary or when requested by the Commissioner of Public Lands, hereinafter referred to as "Commissioner" or the Oil Conservation Division, hereinafter referred to as the "Division".

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

2. UNITIZED SUBSTANCES: All oil, gas, natural gasoline, and associated fluid hydrocarbons in any and all formations of the unitized land are unitized under the terms of this agreement and herein are called "unitized substances".

3. UNIT OPERATOR: Carl A. Schellinger, whose address is P. O. Box 447, Roswell, New Mexico 88201 is hereby designated as unit operator and by signature hereto commits to this agreement all interest in unitized substances vested in it as set forth in Exhibit B, and agrees and consents to accept the duties and obligations of unit operator for the discovery, development and production of unitized substances as herein provided. Whenever reference is made herein to the unit operator,

such reference means the unit operator acting in that capacity and not as an owner of interests in unitized substances, and the term "working interest owner" when used herein shall include or refer to unit operator as the owner of a working interest when such an interest is owned by it.

4. RESIGNATION OR REMOVAL OF UNIT OPERATOR: Unit operator shall have the right to resign at any time but such resignation shall not become effective until a successor unit operator has been selected and approved in the manner provided for in Section 5 of this agreement. The resignation of the unit operator shall not release the unit operator from any liability or any default by it hereunder occurring prior to the effective date of its resignation.

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

The resignation or removal of the unit operator under this agreement shall not terminate his right, title or interest as the owner of a working interest or other interest in unitized substances, but upon the resignation or removal of unit operator becoming effective, such unit operator shall deliver possession of all equipment, materials, and appurtenances used in conducting the unit operations and owned by the working interest owners to the new duly qualified successor unit operator, or to the owners thereof if no such new unit operator is elected, to be used for the purpose of conducting unit operations hereunder. Nothing herein shall be construed as authorizing removal of any material, equipment and appurtenances needed for the preservation of wells.

5. SUCCESSOR UNIT OPERATOR: Whenever the unit operator shall resign as unit operator or shall be removed as hereinabove provided, the owners of the working interests according to their respective acreage interests in all unitized land shall by a majority vote select a successor unit operator; provided that, if a majority but less than seventy-five percent (75%) of the working interests qualified to vote is owned by one party to this agreement, a concurring vote of sufficient additional parties, so as to constitute in the aggregate not less than seventy-five percent (75%) of the total working interests, shall be required to select a new operator. Such selection shall not become effective until (a) a unit operator so selected shall accept in writing the duties and responsibilities of unit operator, and (b) the selection shall

have been approved by the Commissioner. If no successor unit operator is selected and qualified as herein provided, the Commissioner at his election, with notice to the Division, may declare this unit agreement terminated.

6. ACCOUNTING PROVISIONS: The unit operator shall pay in the first instance all costs and expenses incurred in conducting unit operations hereunder, and such costs and expenses and the working interest benefits accruing hereunder shall be apportioned, among the owners of the unitized working interests in accordance with an operating agreement entered into by and between the unit operator and the owners of such interests, whether one or more, separately or collectively. Any agreement or agreements entered into between the working interest owners and the unit operator as provided in this section, whether one or more, are herein referred to as the "Operating Agreement". No such agreement shall be deemed either to modify any of the terms and conditions of this unit agreement or to relieve the unit operator of any right or obligation established under this unit agreement and in case of any inconsistencies or conflict between this unit agreement and the operating agreement, this unit agreement shall prevail.

7. RIGHTS AND OBLIGATIONS OF UNIT OPERATOR: Except as otherwise specifically provided herein, the exclusive right, privilege and duty of exercising any and all rights of the parties hereto which are necessary or convenient for prospecting for, producing, storing, allocating and distributing the unitized substances are hereby delegated to and shall be exercised by the unit operator as herein provided. Acceptable evidence of title to said rights shall be deposited with said unit operator and, together with this agreement, shall constitute and define the rights, privileges and obligations of unit operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this agreement the unit operator, in its capacity as unit operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

8. DRILLING TO DISCOVERY: The unit operator shall, within sixty (60) days after the effective date of this agreement, commence operations upon an adequate test well for oil and gas upon some part of the lands embraced within the unit area and shall drill said well with due diligence to a depth sufficient to penetrate the basement granite formation or to such a depth as unitized substances shall be discovered in paying quantities at a lesser depth or until it shall, in the opinion of unit operator, be determined that the further drilling of said well shall be unwarranted or impracticable; provided, however, that unit operator shall not, in any event, be required to drill said well to a depth in excess of 7,000 feet. Until

a discovery of a deposit of unitized substances capable of being produced in paying quantities (to-wit: quantities sufficient to repay the costs of drilling and producing operations with a reasonable profit) unit operator shall continue drilling diligently, one well at a time, allowing not more than six months between the completion of one well and the beginning of the next well, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of the Commissioner or until it is reasonably proven to the satisfaction of the unit operator that the unitized land is incapable of producing unitized substances in paying quantities in the formation drilled hereunder.

Any well commenced prior to the effective date of this agreement upon the unit area and drilled to the depth provided herein for the drilling of an initial test well shall be considered as complying with the drilling requirements hereof with respect to the initial well. The Commissioner may modify the drilling requirements of this section by granting reasonable extensions of time when in his opinion such action is warranted. Upon failure to comply with the drilling provisions of this article the Commissioner may, after reasonable notice to the unit operator and each working interest owner, lessee and lessor at their last known addresses, declare this unit agreement terminated, and all rights, privileges and obligations granted and assumed by this unit agreement shall cease and terminate as of such date.

9. OBLIGATIONS OF UNIT OPERATOR AFTER DISCOVERY OF UNITIZED SUBSTANCES:

Should unitized substances in paying quantities be discovered upon the unit area, the unit operator shall on or before six months from the time of the completion of the initial discovery well and within thirty days after the expiration of each twelve months period thereafter, file a report with the Commissioner and Division of the status of the development of the unit area and the development contemplated for the following twelve months period.

It is understood that one of the main considerations for the approval of this agreement by the Commissioner of Public Lands is to secure the orderly development of the unitized lands in accordance with good conservation practices so as to obtain the greatest ultimate recovery of unitized substances.

After discovery of unitized substances in paying quantities, unit operator shall proceed with diligence to reasonably develop the unitized area as a reasonably prudent operator would develop such area under the same or similar circumstances.

If the unit operator should fail to comply with the above covenant for reasonable development this agreement may be terminated by the Commissioner as to all lands of the State of New Mexico embracing undeveloped regular well spacing or proration units, but in such event, the basis of participation by the working interest owners shall remain the same as if this agreement had not been terminated as to such

lands; provided, however, the Commissioner shall give notice to the unit operator and the lessees of record in the manner prescribed by (Sec. 19-10-20 N. M. Statutes 1978 Annotated,) of intention to cancel on account of any alleged breach of said covenant for reasonable development and any decision entered thereunder shall be subject to appeal in the manner prescribed by (Sec. 19-10-23 N.M. Statutes 1978 Annotated) and, provided further, in any event the unit operator shall be given a reasonable opportunity after a final determination within which to remedy any default, failing in which this agreement shall be terminated as to all lands of the State of New Mexico embracing undeveloped regular well spacing or proration units.

10. PARTICIPATION AFTER DISCOVERY: Upon completion of a well capable of producing unitized substances in paying quantities, the owners of working interests shall participate in the production therefrom and in all other producing wells which may be drilled pursuant hereto in the proportions that their respective leasehold interests covered hereby on an acreage basis bears to the total number of acres committed to this unit agreement, and such unitized substances shall be deemed to have been produced from the respective leasehold interests participating therein. For the purpose of determining any benefits accruing under this agreement and the distribution of the royalties payable to the State of New Mexico and other lessors, each separate lease shall have allocated to it such percentage of said production as the number of acres in each lease respectively committed to this agreement bears to the total number of acres committed hereto.

Notwithstanding any provisions contained herein to the contrary, each working interest owner shall have the right to take such owner's proportionate share of the unitized substances in kind or to personally sell or dispose of the same, and nothing herein contained shall be construed as giving or granting to the unit operator the right to sell or otherwise dispose of the proportionate share of any working interest owner without specific authorization from time to time so to do.

11. ALLOCATION OF PRODUCTION: All unitized substances produced from each tract in the unitized area established under this agreement, except any part thereof used for production or development purposes hereunder, or unavoidably lost, shall be deemed to be produced equally on an acreage basis from the several tracts of the unitized land, and for the purpose of determining any benefits that accrue on an acreage basis, each such tract shall have allocated to it such percentage of said production as its area bears to the entire unitized area. It is hereby agreed that production of unitized substances from the unitized area shall be allocated as provided herein, regardless of whether any wells are drilled on any particular tracts of said unitized area.

12. PAYMENT OF RENTALS, ROYALTIES AND OVERRIDING ROYALTIES:

All rentals due the State of New Mexico shall be paid by the respective lease owners in accordance with the terms of their leases.

All royalties due to the State of New Mexico under the terms of the leases committed to this agreement shall be computed and paid on the basis of all unitized substances allocated to the respective leases committed hereto; provided, however, the State shall be entitled to take in kind its share of the unitized substances allocated to the respective leases, and in such case the unit operator shall make delivery of such royalty oil in accordance with the terms of the respective leases.

All rentals, if any, due under any leases embracing lands other than the State of New Mexico, shall be paid by the respective lease owners in accordance with the terms of their leases and all royalties due under the terms of any such leases shall be paid on the basis of all unitized substances allocated to the respective leases committed hereto.

If the unit operator introduces gas obtained from sources other than the unitized substances into any producing formation for the purpose of repressuring, stimulating or increasing the ultimate recovery of unitized substances therefrom, a like amount of gas, if available, with due allowance for loss or depletion from any cause may be withdrawn from the formation into which the gas was introduced royalty free as to dry gas but not as to the products extracted therefrom; provided, that such withdrawal shall be at such time as may be provided in a plan of operation consented to by the Commissioner and approved by the Division as conforming to good petroleum engineering practice; and provided further, that such right of withdrawal shall terminate on the termination of this unit agreement.

If any lease committed hereto is burdened with an overriding royalty, payment out of production or other charge in addition to the usual royalty, the owner of each such lease shall bear and assume the same out of the unitized substances allocated to the lands embraced in each such lease as provided herein.

13. LEASES AND CONTRACTS CONFORMED AND EXTENDED INSOFAR AS THEY APPLY TO LANDS WITHIN THE UNITIZED AREA:

The terms, conditions and provisions of all leases, subleases, operating agreements and other contracts relating to the exploration, drilling development or operation for oil or gas of the lands committed to this agreement, shall as of the effective date hereof, be and the same are hereby expressly modified and amended insofar as they apply to lands within the unitized area to the extent necessary to

make the same conform to the provisions hereof and so that the respective terms of said leases and agreements will be extended insofar as necessary to coincide with the term of this agreement and the approval of this agreement by the commissioner and the respective lessors and lessees shall be effective to conform the provisions and extend the terms of each such lease as to lands within the unitized area to the provisions and terms of this agreement; but otherwise to remain in full force and effect. Each lease committed to this agreement, insofar as it applies to lands within the unitized area, shall continue in force beyond the term provided therein as long as this agreement remains in effect, provided, drilling operations upon the initial test well provided for herein shall have been commenced or said well is in the process of being drilled by the unit operator prior to the expiration of the shortest term lease committed to this agreement. Termination of this agreement shall not effect any lease which pursuant to the terms thereof or any applicable laws would continue in full force and effect thereafter. The commencement, completion, continued operation or production on each of the leasehold interests committed to this agreement and operations or production pursuant to this agreement shall be deemed to be operations upon and production from each leasehold interest committed hereto and there shall be no obligation on the part of the unit operator or any of the owners of the respective leasehold interests committed hereto to drill offsets to wells as between the leasehold interests committed to this agreement, except as provided in Section 9 hereof.

Any lease embracing lands of the State of New Mexico having only a portion of its lands committed hereto shall be segregated as to the portion committed and as to the portion not committed and the terms of such leases shall apply separately as to such segregated portions commencing as of the effective date hereof. Notwithstanding any of the provisions of this agreement to the contrary, any lease embracing lands of the State of New Mexico having only a portion of its lands committed hereto shall continue in full force and effect beyond the term provided therein as to all lands embraced in such lease, if oil and gas, or either of them, are discovered and are being produced in paying quantities from some part of the lands embraced in such lease committed to this agreement at the expiration of the secondary term of such lease, or if, at the expiration of the secondary term, the lessee or the unit operator is then engaged in bona fide drilling or reworking operations on some part of the lands embraced therein shall remain in full force and effect so long as such operations are being diligently prosecuted, and they result in the production of oil or gas, said lease shall continue in full force and effect as to all of the lands embraced therein, so long thereafter as oil and gas, or either of them, are being produced in paying quantities from any portion of said lands.

14. CONSERVATION: Operations hereunder and production of unitized substances shall be conducted to provide for the most economical and efficient recovery of said substances without waste, as defined by or pursuant to State laws or regulations.

15. DRAINAGE: In the event a well or wells producing oil or gas in paying quantities should be brought in on land adjacent to the unit area draining unitized substances from the lands embraced therein, unit operator shall drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances.

16. COVENANTS RUN WITH LAND: The covenants herein shall be construed to be covenants running with the land with respect to the interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer or conveyance of interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder to the grantee, transferee or other successor in interest. No assignment or transfer or any working, royalty, or other interest subject hereto shall be binding upon unit operator until the first day of the calendar month after the unit operator is furnished with the original, photostatic, or certified copy of the instrument of transfer.

17. EFFECTIVE DATE AND TERM: This agreement shall become effective upon approval by the Commissioner and the Division and shall terminate in two years after such date unless (a) such date of expiration is extended by the Commissioner, or (b) a valuable discovery of unitized substances has been made on unitized land during said initial term or any extension thereof in which case this agreement shall remain in effect so long as unitized substances are being produced in paying quantities from the unitized land and, should production cease, so long thereafter as diligent operations are in progress for the restoration of production or discovery of new production and so long thereafter as the unitized substances so discovered are being produced as aforesaid. This agreement may be terminated at any time by not less than seventy-five percent (75%) on an acreage basis of the owners of the working interests, signatory hereto, with the approval of the Commissioner and with notice to Division. Likewise, the failure to comply with the drilling requirements of Section 8 hereof, may subject this agreement to termination as provided in said section.

18. RATE OF PRODUCTION: All production and the disposal thereof shall be in conformity with allocations, allotments, and quotas made or fixed by the Commission, and in conformity with all applicable laws and lawful regulations.

19. APPEARANCES: Unit operator shall, after notice to other parties affected, have the right to appear for and on behalf of any and all interests affected hereby, before the Commissioner of Public Lands and the Division, and to appeal from orders issued under the regulations of the Commissioner or Division, or to apply for relief from any of said regulations or in any proceedings on its own behalf relative to operations pending before the Commissioner or Division; provided, however, that any other interest party shall also have the right at his own expense to appear and to participate in any such proceeding.

20. NOTICES: All notices, demands, or statements required hereunder to be given or rendered to the parties hereto, shall be deemed fully given, if given in writing and sent by postpaid registered mail, addressed to such party or parties at their respective addresses, set forth in connection with the signatures hereto or to the ratification or consent hereof, or to such other address as any such party may have furnished in writing to party sending the notice, demand, or statement.

21. UNAVOIDABLE DELAY: All obligations under this agreement requiring the unit operator to commence or continue drilling or to operate on or produce unitized substances from any of the lands covered by this agreement, shall be suspended while, but only so long as, the unit operator, despite the exercise of due care and diligence, is prevented from complying with such obligations, in whole or in part, by strikes, war, act of God, Federal, State, or municipal law or agencies, unavoidable accidents, uncontrollable delays in transportation, inability to obtain necessary materials in open market, or other matters beyond the reasonable control of the unit operator, whether similar to matters herein enumerated or not.

22. LOSS OF TITLE: In the event title to any tract of unitized land or substantial interest therein shall fail, and the true owner cannot be induced to join the unit agreement so that such tract is not committed to this agreement, or the operation thereof hereunder becomes impracticable as a result thereof, such tract may be eliminated from the unitized area, and the interest of the parties readjusted as a result of such tract being eliminated from the unitized area. In the event of a dispute as to the title to any royalty, working, or other interest subject hereto, the unit operator may withhold payment or delivery of the allocated portion of the unitized substances involved on account thereof, without liability for interest until the dispute is finally settled, provided that no payments of funds due the State of New Mexico shall be withheld. Unit operator, as such, is relieved from any responsibility for any defect or failure of any title hereunder.

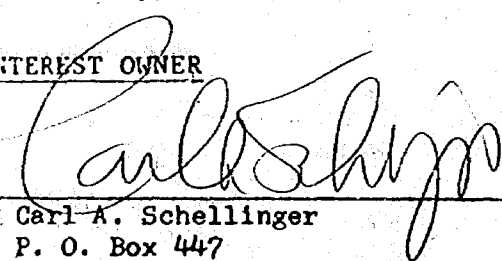
23. SUBSEQUENT JOINDER: Any oil or gas interest in lands within the unit area not committed hereto, prior to the submission of the agreement for final approval

by the Commissioner and the Division, may be committed hereto by the owner or owners of such rights, subscribing or consenting to this agreement, or executing a ratification thereof, and if such owner is also a working interest owner, by subscribing to the operating agreement providing for the allocation of costs of exploration, development, and operation. A subsequent joinder shall be effective as of the first day of the month following the approval by the Commissioner and the filing with the Division of duly executed counterparts of the instrument or instruments committing the interest of such owner to this agreement, but such joining party or parties, before participating in any benefits hereunder, shall be required to assume and pay to unit operator, their proportionate share of the unit expenses incurred prior to such party's or parties' joinder in the unit agreement, and the unit operator shall make appropriate adjustments caused by such joinder, without any retroactive adjustment or revenue.

24. COUNTERPARTS: This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument in writing specifically referring hereto, and shall be binding upon all those parties who have executed such a counterpart, ratification, or consent hereto with the same force and effect as if all such parties had signed the same document, and regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands within the above described unit area.

IN WITNESS WHEREOF, the undersigned parties hereto have caused this agreement to be executed as of the respective dates set forth opposite their signatures.

UNIT OPERATOR AND WORKING INTEREST OWNER

  
Carl A. Schellinger  
P. O. Box 447  
Roswell, New Mexico 88201

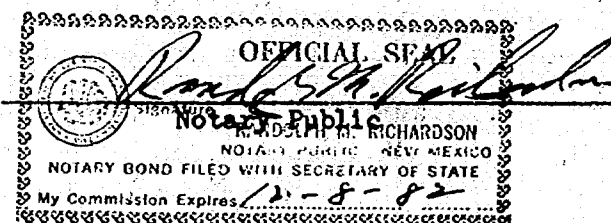
7-8-10-12

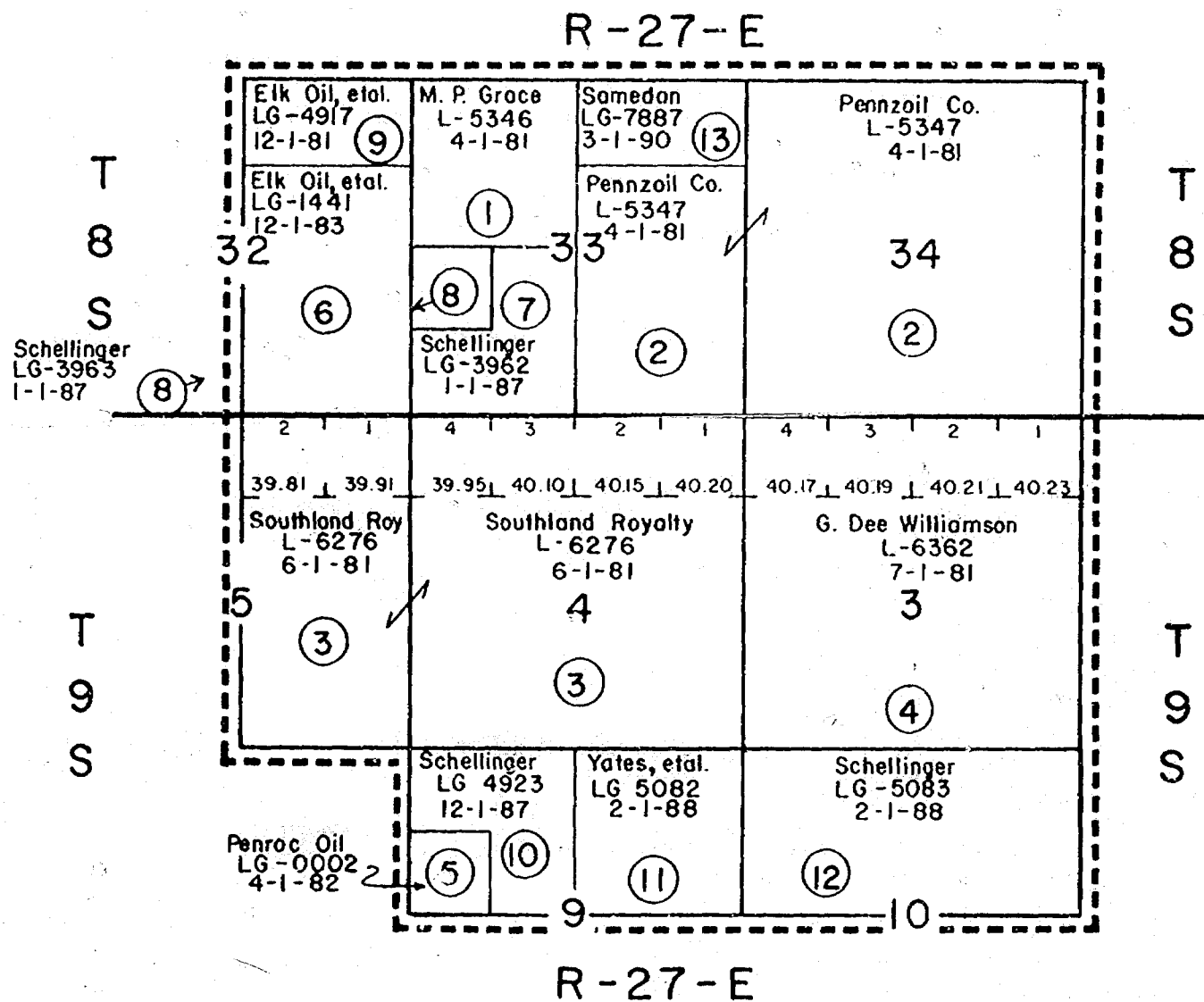
STATE OF NEW MEXICO

COUNTY OF CHAVES

The foregoing instrument was acknowledged before me this 23rd day of March, 1981, by Carl A. Schellinger.

My Commission Expires:  
12-8-82





**EXHIBIT "A"**

Campbell Station Unit Area  
Chaves County, New Mexico

-----

UNIT OUTLINE



TRACT NUMBER



STATE OF NEW MEXICO LANDS  
3,840.98 ACRES - 100% UNIT AREA

EXHIBIT "B"  
Schedule Showing all Lands and Leases  
Within the Campbell Station Unit Area  
Chaves County, New Mexico

TRACT NO.	DESCRIPTION OF LAND	ACRES	LEASE NO. AND EXP. DATE	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
<u>ALL LANDS - State of New Mexico</u>							
1.	T-8-S, R-27-E, NMPM Sec. 33: NW1	160.00	L-5346 4-1-81	State 12.5	M. P. Grace All	None	M. P. Grace All
2.	T-8-S, R-27-E, NMPM Sec. 33: S1NE1, SE1 Sec. 34: All	880.00	L-5347 4-1-81	State 12.5	Pennzoil Co. All	None	Pennzoil Co. All
3.	T-9-S, R-27-E, NMPM Sec. 4: Lots 1,2,3,4, S1NE1, S1 (All) Sec. 5: Lots 1,2, S1NE1, SE1	960.18	L-6276 6-1-81	State 12.5	Southland Royalty Company All	None	Southland Roy. Co. All
4.	T-9-S, R-27-E, NMPM Sec. 3: Lots 1,2,3,4, S1NE1, S1 (All)	640.80	L-6362 7-1-81	State 12.5	G. Dee Williamson All	None	David J. Sorenson 50.00 G. Dee Williamson 30.00 Lanita C. Williamson 13.34 Glenn G. Stiff 3.33 Charles D. Olmsted 3.33
5.	T-9-S, R-27-E, NMPM Sec. 9: SW1 NW1	40.00	LG-0002 4-1-82	State 12-5	Penroc Oil Corp. All	John B. Castle Dorwan Company 2.0	Penroc Oil Corp. All
6.	T-8-S, R-27-E, NMPM Sec. 32: S1NE1, SE1	240.00	LG-1441 12-1-83	State 12.5	Elk Oil Company Verde Vista Energy 50.00	None	Elk Oil Co. 50.00 Verde Vista Energy 50.00

TOTAL - - - 3,840.98 Acres, State of New Mexico Lands, 100% of Unit Area

7.	<u>T-8-S, R-27-E, NMPM</u> Sec. 33: S1SW1, NE1SW1	120.00	LG-3962 1-1-87	State 12.5	Carl A. Schellinger All	None	Daniel W. Varell Carl A. Schellinger George L. Scott, Jr. George R. Reddy R. Paul Creson	60.0 10.0 10.0 10.0 10.0
8.	<u>T-8-S, R-27-E, NMPM</u> Sec. 33: NW1SW1	40.00	LG-3963 1-1-87	State 12.5	Carl A. Schellinger All	None	Same as Tract #7 above	
9.	<u>T-8-S, R-27-E, NMPM</u> Sec. 32: N1NE1	80.00	LG-4917 12-1-87	State 12.5	Elk Oil Company Verde Vista Energy 50.0	None	Elk Oil Co. Verde Vista Ener. 50.0	50.0 50.0
10.	<u>T-9-S, R-27-E, NMPM</u> Sec. 9: N1NW1, SE1NW1	120.00	LG-4923 12-1-87	State 12.5	Carl A. Schellinger All	None	Same as Tract #7 above	
11.	<u>T-9-S, R-27-E, NMPM</u> Sec. 9: NE1	160.00	LG-5082 2-1-88	State 12.5	Yates Pet. Corp. All	None	Yates Pet Corp. Yates Drl. Co. MYCO Industries ABO Pet. Co.	25.0 25.0 25.0 25.0
12.	<u>T-9-S, R-27-E, NMPM</u> Sec. 10: N1	320.00	LG-5083 2-1-88	State 12.5	Carl A. Schellinger All	None	Same as Tract #7 above	
13.	<u>T-8-S, R-27-E, NMPM</u> Sec. 33: N1NE1	80.00	LG-7987 3-1-90	State 12.5	Samedan Oil Co. All	None	Samedan Oil Co. All	

CAMPBELL STATION UNIT AGREEMENT

CHAVES COUNTY, NEW MEXICO

The undersigned (whether one or more), hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Campbell Station Unit Area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 26th day of January, 1981, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B," do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof. This Consent and Ratification is made for undersigned's fifty percent (50%) undivided interest in the lease #L-5346, T-8-S, R-27-E, NMPM, Sec. 33: NW $\frac{1}{4}$  and 50% of any other interest earned in the Campbell Station Unit through having consented and ratified the above lease in said unit agreement.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

\_\_\_\_\_  
INDIVIDUAL Corinne Grace  
TR-1

STATE OF New Mexico )  
 ) SS.  
 COUNTY OF Eddy )

The foregoing instrument was acknowledged before me this 13<sup>th</sup> day of March, 1981, by Corinne Grace.

My Commission Expires:

Aug. 15, 1981

Kaye Harley Bradford  
 Notary Public

CORPORATE  
 STATE OF \_\_\_\_\_ )  
 ) SS.  
 COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 198\_\_\_\_, by \_\_\_\_\_, President of \_\_\_\_\_ a \_\_\_\_\_ corporation, on behalf of said corporation.

My Commission Expires:

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

CONSENT AND RATIFICATION  
CAMPBELL STATION UNIT AGREEMENT  
CHAVES COUNTY, NEW MEXICO

The undersigned (whether one or more), hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Campbell Station Unit Area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 26th day of January, 1981, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B," do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Michael P. Grace  
Michael P. Grace

INDIVIDUAL

STATE OF NEW MEXICO )  
COUNTY OF CHAVES ) SS.

The foregoing instrument was acknowledged before me this 19 day of March, 1981, by Michael P. Grace.

My Commission Expires:

March 5, 1984

Melissa Rauder  
Notary Public

CORPORATE

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS.

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 198\_\_\_\_, by \_\_\_\_\_, President of \_\_\_\_\_ a \_\_\_\_\_ corporation, on behalf of said corporation.

My Commission Expires:

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

CONSENT AND RATIFICATION  
CAMPBELL STATION UNIT AGREEMENT  
CHAVES COUNTY, NEW MEXICO

The undersigned (whether one or more), hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Campbell Station Unit Area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 20th day of January, 1981, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B," do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

PENNZOIL COMPANY

By: H. W. Hollingshead, Jr.  
Agent and Attorney-in-Fact

APPROVED

INDIVIDUAL

TR-2

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS.

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 198\_\_\_\_, by \_\_\_\_\_.

My Commission Expires:

Notary Public

CORPORATE

STATE OF TEXAS )  
COUNTY OF MIDLAND ) SS.

The foregoing instrument was acknowledged before me this 18th day of February, 1981, by H. W. Hollingshead, Jr., Agent and Attorney-in-Fact of Pennzoil Company a Delaware corporation, on behalf of said corporation.

My Commission Expires:

March 20, 1984

Notary Public

KAREN STACK

UNITED STATES OF AMERICA  
NOTARY PUBLIC  
CHAVES COUNTY, NEW MEXICO

The undersigned (whether one or more), hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Campbell Station Unit Area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 10th day of January, 1981, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B," do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

\_\_\_\_\_  
by C E Mear  
Attorney-In-Fact

INDIVIDUAL

TR-3

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS.

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 198\_\_\_\_, by \_\_\_\_\_.  
My Commission Expires:

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

CORPORATE

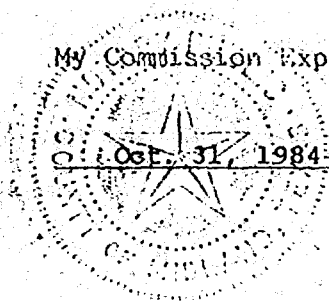
STATE OF TEXAS )  
COUNTY OF MIDLAND ) SS.

The foregoing instrument was acknowledged before me this 2nd day of March, 1981, by C. E. Mear, Attorney-In-Fact, President of Southland Royalty Company, a Delaware corporation, on behalf of said corporation.

My Commission Expires:

Oct. 31, 1984

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



UNIT AREA RATIO-TO-TOE  
CAMPBELL STATION UNIT AGREEMENT  
CHAVES COUNTY, NEW MEXICO

The undersigned (whether one or more), hereby acknowledges receipt of a copy of the Unit Agreement for the development and operation of the Campbell Station Unit Area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 20th day of January, 1981, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B," do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ David J. Sorenson

INDIVIDUAL TR-4

STATE OF NEW MEXICO )  
 ) SS.  
COUNTY OF CHAVES )

The foregoing instrument was acknowledged before me this 12th day of February, 1981, by David J. Sorenson.

My Commission Expires:

May 31, 1982

\_\_\_\_\_  
Barbara J. Moore  
Notary Public

CORPORATE

STATE OF \_\_\_\_\_ )  
 ) SS.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 198\_\_\_\_, by \_\_\_\_\_, President of \_\_\_\_\_ a \_\_\_\_\_ corporation, on behalf of said corporation.

My Commission Expires:

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

CONSENT AND RATIFICATION  
UNIT AGREEMENT  
CHAVES COUNTY, NEW MEXICO

The undersigned (whether one or more), hereby acknowledges receipt of a copy of the Unit Agreement for the development and operation of the Campbell Station Unit area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 10th day of January, 1981, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B," do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
*G. Dee Williamson*

INDIVIDUAL

TR -4

STATE OF New Mexico )  
COUNTY OF Chaves )

The foregoing instrument was acknowledged before me this 12th day of February, 1981, by G. Dee Williamson.

My Commission Expires:

4/4/83

*Ang W. Duncan*  
Notary Public

CORPORATE

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

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 198\_\_\_\_, by \_\_\_\_\_, President of \_\_\_\_\_ a \_\_\_\_\_ corporation, on behalf of said corporation.

My Commission Expires:

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

*Ang W. Duncan*  
4/4/83

CONSENT AND RATIFICATION  
CAMPBELL STATION UNIT AGREEMENT  
CHAVES COUNTY, NEW MEXICO

The undersigned (whether one or more), hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Campbell Station Unit Area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 26th day of January, 1981, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B," do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Lanita C. Williamson  
3014 N. Edgewood, Roswell, N.M. 88201  
463-46-4644

INDIVIDUAL

T-4

STATE OF New Mexico )  
COUNTY OF Chaves ) SS.

The foregoing instrument was acknowledged before me this 26th day of February, 1981, by Lanita C. Williamson.

My Commission Expires:

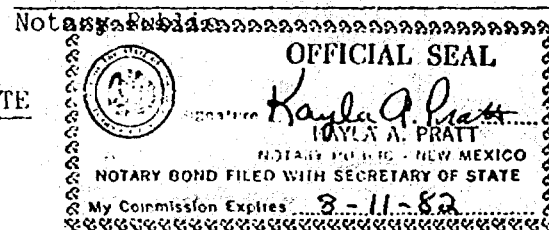
8-11-82

CORPORATE

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS.

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 198\_\_\_\_, by \_\_\_\_\_, President of \_\_\_\_\_ a \_\_\_\_\_ corporation, on behalf of said corporation.

My Commission Expires:



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

FOREWORD AND RATIFICATION  
CAMPBELL STATION UNIT AGREEMENT  
CHAVES COUNTY, NEW MEXICO

The undersigned (whether one or more), hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Campbell Station Unit Area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 26th day of January, 1981, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B," do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Glenn G. Stapp

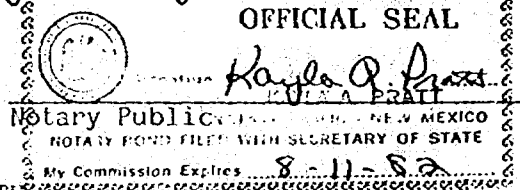
INDIVIDUAL

TR-4

STATE OF New Mexico )  
COUNTY OF Chaves ) SS.

The foregoing instrument was acknowledged before me this 12th day of March, 1981, by Glenn G. Stapp  
My Commission Expires:

8-11-82



CORPORATE

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS.

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 198\_\_\_\_, by \_\_\_\_\_, President of \_\_\_\_\_ a \_\_\_\_\_ corporation, on behalf of said corporation.

My Commission Expires:

Notary Public

ACKNOWLEDGMENT AND RATIFICATION  
CAMPBELL STATION UNIT AGREEMENT  
CHAVES COUNTY, NEW MEXICO

The undersigned (whether one or more), hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Campbell Station Unit Area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 26th day of January, 1981, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B," do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Arnesto D. Quintanilla

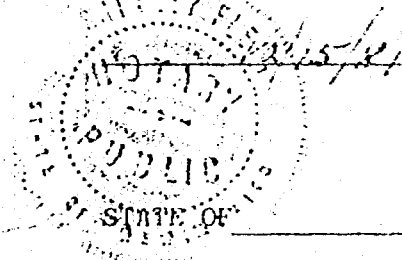
INDIVIDUAL

TR-4

STATE OF New Mexico )  
COUNTY OF Grant ) SS.

The foregoing instrument was acknowledged before me this 9 day of March, 1981, by Arnesto D. Quintanilla

My Commission Expires:



Shirley H. Hing  
Notary Public

CORPORATE

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS.

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 198\_\_\_\_, by \_\_\_\_\_, President of \_\_\_\_\_ a \_\_\_\_\_ corporation, on behalf of said corporation.

My Commission Expires:

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

UNIT AGREEMENT  
CAMPBELL STATION UNIT AGREEMENT  
CHAVES COUNTY, NEW MEXICO

The undersigned (whether one or more), hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Campbell Station Unit Area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 26th day of January, 1981, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B," do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

ELK OIL COMPANY

BY: [Signature]

Joseph J. Kelly, President

VERDE VISTA ENERGY COMPANY

BY: [Signature]

J. Michael Kelly, President

INDIVIDUAL

TR-6-9

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS.

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 198\_\_\_\_, by \_\_\_\_\_.

My Commission Expires:

Notary Public

CORPORATE

STATE OF NEW MEXICO )  
COUNTY OF CHAVES ) SS.

The foregoing instrument was acknowledged before me this 27th day of February, 1981, by Joseph J. Kelly, President of ELK OIL COMPANY a New Mexico corporation, on behalf of said corporation.

My Commission Expires:

November 14, 1982

OFFICIAL SEAL  
Signature [Signature]  
KATHY A. HALL  
NOTARY PUBLIC, NEW MEXICO  
NOTARY BOND FILED WITH SECRETARY OF STATE  
Commission Expires 11-14-83  
Notary Public

NOTARY PUBLIC COMMISSION  
UNITED STATES OF AMERICA  
CHAVES COUNTY, NEW MEXICO

The undersigned (whether one or more), hereby acknowledges receipt of a copy of the Unit Agreement for the development and operation of the Campbell Station Unit area embracing lands located in Chaves County, New Mexico, which said agreement is dated the 26th day of January, 1981, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B," do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

George L. Scott Jr.

INDIVIDUAL

TR- '1-8-10-12

STATE OF NEW MEXICO )  
COUNTY OF CHAVES )

The foregoing instrument was acknowledged before me this 17th day of February, 1981, by George L. Scott, Jr.

My Commission Expires:

May 9, 1981

Albert M. Hill  
Notary Public

CORPORATE

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

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1981, by \_\_\_\_\_, President of \_\_\_\_\_ a \_\_\_\_\_ corporation, on behalf of said corporation.

My Commission Expires:

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

CONSENT AND RATIFICATION  
CAMPBELL STATION UNIT AGREEMENT  
CHAVES COUNTY, NEW MEXICO

The undersigned (whether one or more), hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Campbell Station Unit Area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 26th day of January, 1981, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B," do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Daniel W. Ware

INDIVIDUAL

TR-7-8-10-12

STATE OF Texas )  
COUNTY OF Dallas ) SS.

The foregoing instrument was acknowledged before me this 4th day of March, 1981, by Daniel W. Ware.

My Commission Expires:

May 12, 1984

[Signature]  
Notary Public

CORPORATE

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS.

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 198\_\_\_\_, by \_\_\_\_\_, President of \_\_\_\_\_ a \_\_\_\_\_ corporation, on behalf of said corporation.

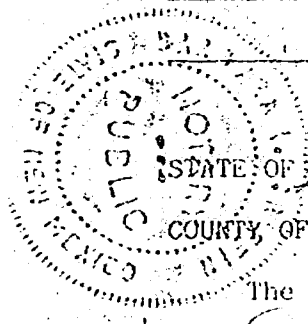
My Commission Expires:

\_\_\_\_\_

Notary Public

The undersigned (whether one or more), hereby acknowledges receipt of a copy of the Unit Agreement for the development and operation of the Campbell Station Unit area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 12th day of January, 1981, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B," do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.



INDIVIDUAL

TR-7-8-10-12

STATE OF NEW MEXICO )  
COUNTY OF CHAVES ) SS.

The foregoing instrument was acknowledged before me this 12th day of January, 1981, by George R. Reddy.

My Commission Expires:

12/31/82

Notary Public

CORPORATE

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS.

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1981, by \_\_\_\_\_, President of \_\_\_\_\_ a \_\_\_\_\_ corporation, on behalf of said corporation.

My Commission Expires:

\_\_\_\_\_

Notary Public

CONSENT AND RATIFICATION  
CAMPBELL STATION UNIT AGREEMENT  
CHAVES COUNTY, NEW MEXICO

The undersigned (whether one or more), hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Campbell Station Unit Area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 26th day of January, 1981, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B," do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Paul Creson  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

INDIVIDUAL

TR-1-8-10-12

STATE OF TEXAS )  
 ) SS.  
COUNTY OF DALLAS )

The foregoing instrument was acknowledged before me this 13th day of February, 1981, by Paul Creson.  
My Commission Expires:

3-17-84

Kris Stormer  
Notary Public  
Kris Stormer

CORPORATE

STATE OF \_\_\_\_\_ )  
 ) SS.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 198\_\_\_\_, by \_\_\_\_\_, President of \_\_\_\_\_ a \_\_\_\_\_ corporation, on behalf of said corporation.

My Commission Expires:

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

CONSENT AND RATIFICATION  
CAMPBELL STATION UNIT AGREEMENT  
CHAVES COUNTY, NEW MEXICO

The undersigned (whether one or more), hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Campbell Station Unit Area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 26th day of January, 1981, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B," do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

YATES PETROLEUM CORPORATION

By: S. P. Yates Attorney-in-Fact

ABO PETROLEUM CORPORATION

By: John A. Yates Attorney-in-Fact

INDIVIDUAL

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS.

YATES DRILLING COMPANY

By: S. P. Yates Attorney-in-Fact

MYCO INDUSTRIES, INC.

By: Frank Yates Attorney-in-Fact

TR-11

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 198\_\_\_\_, by \_\_\_\_\_.

My Commission Expires:

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

STATE OF NEW MEXICO )  
COUNTY OF EDDY ) : ss

The foregoing instrument was acknowledged before me this 20th day of February, 1981, by S. P. Yates, Attorney-in-Fact for YATES PETROLEUM CORPORATION; S. P. Yates, Attorney-in-Fact for YATES DRILLING COMPANY; John A. Yates, Attorney-in-Fact for ABO PETROLEUM CORPORATION; Frank Yates, Attorney-in-Fact for MYCO INDUSTRIES, INC., all New Mexico corporations, on behalf of said corporations.

My Commission Expires:

9/14/83

Jessie K. Steyall  
Notary Public

CONSENT AND RATIFICATION  
CAMPBELL STATION UNIT AGREEMENT  
CHAVES COUNTY, NEW MEXICO

The undersigned (whether one or more), hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Campbell Station Unit Area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 26th day of January, 1981, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B," do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

ATTEST:

Secretary

SAMEDAN OIL CORPORATION

By

Thomas C. Jobe, Vice-President

1	43
2	26
3	
4	
5	

INDIVIDUAL

TR-13

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS.

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 198\_\_\_\_, by \_\_\_\_\_.

My Commission Expires:

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

CORPORATE

STATE OF OKLAHOMA )  
COUNTY OF Carter ) SS.,

The foregoing instrument was acknowledged before me this 26th day of February, 1981, by Thomas C. Jobe, Vice President of Samedan Oil Corp. a Delaware corporation, on behalf of said corporation.

My Commission Expires:

November 18, 1982

Notary Public

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. 7119  
Order No. R-6575

APPLICATION OF SHELL OIL COMPANY  
FOR APPROVAL OF THE WEST MESA UNIT  
AGREEMENT, BERNALILLO AND SANDOVAL  
COUNTIES, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 28, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 28th day of January, 1981, 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, Shell Oil Company, seeks approval of the West Mesa Unit Agreement covering 26,555.13 acres, more or less, of State, Federal and Fee lands described as follows:

BERNALILLO COUNTY, NEW MEXICO  
TOWNSHIP 10 NORTH, RANGE 1 EAST, NMPM  
Section 1: Lots 1 through 8

TOWNSHIP 10 NORTH, RANGE 2 EAST, NMPM  
Section 3: Lots 1 through 6  
Section 4: Lots 1 through 8  
Section 5: Lots 1 through 8  
Section 6: Lots 1 through 8

Case No. 7119  
Order No. R-6575

TOWNSHIP 11 NORTH, RANGE 1 EAST, NMPM

Sections 1 and 2: All  
Sections 11 through 14: All  
Sections 23 through 25: All  
Section 36: All

TOWNSHIP 11 NORTH, RANGE 2 EAST, NMPM

Sections 4 through 9: All  
Sections 14 through 23: All  
Sections 26 through 33: All  
Section 34: Lots 1, 4 through 38,  
and NE/4 NW/4  
Section 35: Lots 2, 3, and 4 and  
W/2 NE/4 and NW/4

SANDOVAL COUNTY, NEW MEXICO  
TOWNSHIP 12 NORTH, RANGE 1 EAST, NMPM

Sections 35 and 36: All

TOWNSHIP 12 NORTH, RANGE 2 EAST, NMPM

Sections 31 through 33: All

(3) That all plans of development and operation and creations, expansions, or contractions of participating areas or expansions or contractions of the unit area, should be submitted to the Director of the Division for approval.

(4) That approval of the proposed unit agreement should promote the prevention of waste and the protection of correlative rights within the unit area.

IT IS THEREFORE ORDERED:

(1) That the West Mesa Unit Agreement is hereby approved.

(2) That the plan contained in said unit agreement for the development and operation of the unit area is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Division to supervise and control operations for the exploration and development of any lands committed to the unit and production of oil or gas therefrom.

-3-

Case No. 7119  
Order No. R-6575

(3) That the unit operator shall file with the Division an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; that in the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Division within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(4) That all plans of development and operation, all unit participating areas and expansions and contractions thereof, and all expansions or contractions of the unit area, shall be submitted to the Director of the Oil Conservation Division for approval.

(5) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico and the Director of the United States Geological Survey; that this order shall terminate ipso facto upon the termination of said unit agreement; and that the last unit operator shall notify the Division immediately in writing of such termination.

(6) 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  
OIL CONSERVATION DIVISION

  
JOE D. RAMEY  
Director

S E A L

fd/

Dan Nutter Tract 2 (Fed)

Sec 4.	Sec 6	Sec 33
40.17	40.23	640.00
40.06	39.58	
39.96	39.43	
39.85	39.28	
21.81	24.61	
21.86	22.79	
21.92	22.41	
21.97	21.49	
247.60	249.82	
Sec 34 Rot 1 + Rots 4 thru 38		
total 210.29		
NENW must have 39.73		
total Sec 34 250.02		
247.60 249.82 640.00 250.02 1547.44 for Tract 2		

UNIT AGREEMENT  
FOR THE DEVELOPMENT AND OPERATION  
OF THE  
WEST MESA UNIT AREA  
COUNTIES OF BERNALILLO AND SANDOVAL  
STATE OF NEW MEXICO NO. \_\_\_\_\_

THIS AGREEMENT, entered into as of the 10th day of November, 1980 by and between the parties subscribing, ratifying, or consenting hereto, and herein referred to as the "parties hereto",

W I T N E S S E T H :

WHEREAS, the parties hereto are the owners of working, royalty, or other oil and gas interest in the unit area subject to this agreement; and

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

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Secs. 19-10-45, 46, 47 N.M. Statutes 1978 Annotated) to consent to or approve this agreement on behalf of the State of New Mexico, insofar as it covers and includes lands and mineral interest of the State of New Mexico; and,

WHEREAS, the Oil Conservation Division of the State of New Mexico Energy and Minerals Department is authorized by an Act of the Legislature (Chapters 70 and 71, New Mexico Statutes 1978, Annotated) to approve this agreement and the conservation provisions hereof; and,

WHEREAS, the parties hereto hold sufficient interest in the West Mesa Unit Area covering the land hereinafter described to give reasonably effective control of operations therein;

BEFORE EXAMINER NUTTER	
OIL CONSERVATION DIVISION	
<u>Shell</u>	EXHIBIT NO. <u>2</u>
CASE NO. <u>7119</u>	

WHEREAS, it is the purpose of the parties hereto to conserve natural resources, prevent waste, and secure other benefits obtainable through development and operation of the area subject to this agreement under the terms, conditions, and limitations herein set forth;

NOW, THEREFORE, in consideration of the premises and the promises herein contained, the parties hereto commit to this agreement their respective interests in the below-defined unit area, and agree severally among themselves as follows:

1. ENABLING ACT AND REGULATIONS. The Mineral Leasing Act of February 25, 1920, as amended, supra, and all valid pertinent regulations, including operating and unit plan regulations, heretofore issued thereunder or valid, pertinent, and reasonable regulations hereafter issued thereunder are accepted and made a part of this agreement as to Federal lands, provided such regulations are not inconsistent with the terms of this agreement; and as to non-Federal lands, the oil and gas operating regulations in effect as of the effective date hereof governing drilling and producing operations, not inconsistent with the terms hereof or the laws of the State in which the non-Federal land is located, are hereby accepted and made a part of this agreement.

2. UNIT AREA. The area specified on the map attached hereto, marked Exhibit "A", is hereby designated and recognized as constituting the unit area, containing 26,555.13 acres, more or less.

Exhibit "A" attached hereto is a map showing the unit area and the boundaries and identity of tracts and leases in said area to the extent known to the Unit Operator. Exhibit "B" attached hereto is a schedule showing to the extent known to the Unit Operator the acreage, percentage, and kind of ownership of oil and gas interests in all land in the unit area. However, nothing herein or in said schedule or map shall be construed as a representation by any party hereto as to the ownership of any interest other than such interest or interests as are shown in said map or schedule as owned by such party. Exhibits "A" and "B" shall be revised by the Unit Operator whenever changes in the unit area render such revision necessary when requested by the Oil and Gas Supervisor, hereinafter referred to as "Supervisor", or when requested by the Commissioner of Public Lands of the State of New Mexico, hereinafter referred to as "Land Commissioner", and not less than five (5) copies of the revised Exhibits shall

be filed with the supervisor and one (1) copy thereof shall be filed with the Land Commissioner, and one (1) copy with the Oil Conservation Division of the New Mexico Energy and Minerals Department, hereinafter referred to as "Division".

The above-described unit area shall, when practicable, be expanded to include therein any additional lands or shall be contracted to exclude lands whenever such expansion or contraction is deemed to be necessary or advisable to conform with the purposes of this agreement. Such expansion or contraction shall be effected in the following manner:

(a) Unit Operator, on its own motion or on demand of the Director of the Geological Survey, hereinafter referred to as "Director", or on demand of the Land Commissioner, after preliminary concurrence by the Director, shall prepare a notice of proposed expansion or contraction describing the contemplated changes in the boundaries of the unit area, the reasons therefor, and the proposed effective date thereof, preferably, the first day of a month subsequent to the date of notice.

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

(c) Upon expiration of the 30-day period provided in the preceding item (b) hereof, Unit Operator shall file with the Supervisor, the Land Commissioner, and State Division, evidence of mailing of the notice of expansion or contraction and a copy of any objections thereto which have been filed with Unit Operator, together with an application in sufficient number, for approval of such expansion or contraction and with appropriate joinders.

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

(e) All legal subdivisions of land (i.e., 40 acres by Government survey or its nearest lot or tract equivalent; in instances of irregular surveys unusually large lots or tracts shall be considered in multiples of 40 acres or the nearest aliquot equivalent thereof), no parts of which are entitled to be in

a participating area on or before the fifth anniversary of the effective date of the first initial participating area established under this unit agreement, shall be eliminated automatically from this agreement, effective as of said fifth anniversary, and such lands shall no longer be a part of the unit area and shall no longer be subject to this agreement, unless diligent drilling operations are in progress on unitized lands not entitled to participation on said fifth anniversary, in which event all such lands shall remain subject hereto for so long as such drilling operations are continued diligently, with not more than 90 days time elapsing between the completion of one such well and the commencement of the next such well. All legal subdivisions of lands not entitled to be in a participating area within 10 years after the effective date of the first initial participating area approved under this agreement shall be automatically eliminated from this agreement as of said tenth anniversary. All lands proved productive by diligent drilling operations after the aforesaid five-year period shall become participating in the same manner as during said five-year period. However, when such diligent drilling operations cease, all non-participating lands shall be automatically eliminated effective as of the 91st day thereafter. The unit operator shall within 90 days after the effective date of any elimination hereunder, describe the area so eliminated to the satisfaction of the Supervisor and the Land Commissioner and promptly notify all parties in interest.

If conditions warrant extension of the ten-year period specified in this subsection 2(e), a single extension of not to exceed two years may be accomplished by consent of the owners of 90% of the Working Interests in the current non-participating unitized lands and the owners of 60% of the basic royalty interests (exclusive of the basic royalty interests of the United States) in non-participating unitized lands with approval of the Director and Land Commissioner, provided such extension application is submitted to the Director and the Land Commissioner not later than 60 days prior to the expiration of said ten-year period.

Any expansion of the unit area pursuant to this section which embraces lands theretofore eliminated pursuant to this subsection 2(e) shall not be considered automatic commitment or recommitment of such lands.

3. UNITIZED LANDS AND UNITIZED SUBSTANCES. All land committed to this agreement shall constitute land referred to herein as "unitized land" or

"land subject to this agreement". All oil and gas in any and all formations of the unitized land are unitized under the terms of this agreement and herein are called "unitized substances".

4. UNIT OPERATOR. Shell Oil Company is hereby designated as Unit Operator and by signature hereto as Unit Operator agrees and consents to accept the duties and obligations of Unit Operator for the discovery, development, and production of unitized substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in the capacity and not as an owner of interest in unitized substances, and the term "working-interest owner" when used shall include or refer to Unit Operator as the owner of a working interest when such an interest is owned by it.

5. RESIGNATION OR REMOVAL OF UNIT OPERATOR. Unit Operator shall have the right to resign at any time prior to the establishment of a participating area or areas hereunder, but such resignation shall not become effective so as to release Unit Operator from the duties and obligations of Unit Operator and terminate Unit Operator's rights as such for a period of six (6) months after notice of intention to resign has been served by Unit Operator on all working-interest owners and the Supervisor and the Land Commissioner, and until all wells then drilled hereunder are placed in a satisfactory condition for suspension or abandonment whichever is required by the Supervisor as to Federal lands and the State Division as to State and Privately owned lands, unless a new Unit Operator shall have been selected and approved and shall have taken over and assumed the duties and obligations of Unit Operator prior to the expiration of said period.

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

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

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

The resignation or removal of Unit Operator under this agreement shall not terminate its right, title, or interest as the owner of a working interest or other interest in unitized substances, but upon the resignation or removal of Unit Operator becoming effective, such Unit Operator shall deliver possession of all wells, equipment, materials, and appurtenances used in conducting the unit operations to the new duly qualified successor Unit Operator or to the common agent, if no such new Unit Operator is elected, to be used for the purpose of conducting unit operations hereunder. Nothing herein shall be construed as authorizing removal of any material, equipment, and appurtenances needed for the preservation of any wells.

6. SUCCESSOR UNIT OPERATOR. Whenever the Unit Operator shall tender his or its resignation as Unit Operator or shall be removed as hereinabove provided, or a change of Unit Operator is negotiated by working-interest owners, the owners of the working interests in the participating area or areas according to their respective acreage interests in such participating area or areas, or until a participating area shall have been established, the owners of the working interests according to their respective acreage interests in all unitized land, shall by majority vote select a successor Unit Operator: Provided, that if a majority but less than 75 percent of the working interests qualified to vote are owned by one party to this agreement, a concurring vote of one or more additional working interest owners shall be required to select a new operator. Such selection shall not become effective until:

(a) a Unit Operator so selected shall accept in writing the duties and responsibilities of Unit Operator, and

(b) the selection shall have been approved by the Supervisor and approved by the Land Commissioner.

If no successor Unit Operator is selected and qualified as herein provided, the Director and the Land Commissioner, at their election, may declare this unit agreement terminated.

7. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT. If the Unit Operator is not the sole owner of working interests, costs, and expenses incurred by Unit Operator in conducting unit operations hereunder shall be paid and apportioned among the borne by the owners of working interests, all in accordance with the agreement or agreements entered into by and between the Unit Operator and the owners of working interests, whether one or more, separately or collectively. Any agreement or agreements entered into between the working-interest owners and the Unit Operator as provided in this section, whether one or more, are herein referred to as the "unit operating agreement". Such unit operating agreement shall also provide the manner in which the working-interest owners shall be entitled to receive their respective proportionate and allocated share of the benefits accruing hereto in conformity with their underlying operating agreement, leases, or other independent contracts, and such other rights and obligations as between Unit Operator and the working-interest owners as may be agreed upon by Unit Operator and the working-interest owners; however no such unit operating agreement shall be deemed either to modify any of the terms and conditions of this unit agreement or to relieve the Unit Operator of any right or obligation established under this unit agreement, and in case of any inconsistency or conflict between this unit agreement and the unit operating agreement, this unit agreement shall govern. Three true copies of any unit operating agreement executed pursuant to this section should be filed with the Supervisor and one true copy with the Land Commissioner, prior to approval of this unit agreement.

8. RIGHTS AND OBLIGATIONS OF UNIT OPERATOR. Except as otherwise specifically provided herein, the exclusive right, privilege and duty of exercising any and all rights of the parties hereto which are necessary or convenient for prospecting for, producing, storing, allocating, and distributing the unitized substances are hereby delegated to and shall be exercised by the Unit Operator as herein provided. Acceptable evidence of title to said rights shall be deposited with said Unit Operator and, together with this agreement, shall constitute and define the rights, privileges, and obligations of Unit Operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this agreement the Unit

Operator, in its capacity as Unit Operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

9. DRILLING TO DISCOVERY. Within six (6) months after the effective date hereof, the Unit Operator shall begin to drill an adequate test well at a location approved by the Supervisor, if on Federal land, or by the Land Commissioner, if on State land, or by the Division if on Fee lands, unless on such effective date a well is being drilled conformably with the terms hereof, and thereafter continue such drilling diligently until the Cretaceous formation has been tested, or until at a lesser depth unitized substances shall be discovered which can be produced in paying quantities (to-wit: quantities sufficient to repay the costs of drilling, completing and producing operations, with a reasonable profit) or the Unit Operator shall, at any time, establish to the satisfaction of the Supervisor if on Federal land, or the Land Commissioner if on State land, or the Division if on Fee land, that further drilling of said well would be unwarranted or impracticable; provided, however, that Unit Operator shall not, in any event, be required to drill said well to a depth in excess of 20,000 feet. Until the discovery of a deposit of unitized substances capable of being produced in paying quantities, the Unit Operator shall continue drilling diligently one well at a time, allowing not more than six (6) months between the completion of one well and the beginning of the next well, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of said Supervisor if it be on Federal land or of the Land Commissioner if on State land, or the Division if on Fee land, or until it is reasonably proved that the unitized land is incapable of producing unitized substances in paying quantities in the formations drilled hereunder. Nothing in this section shall be deemed to limit the right of the Unit Operator to resign as provided in Section 5 hereof, or as requiring Unit Operator to commence or continue any drilling during the period pending such resignation becoming effective in order to comply with the requirements of this section. The Director and Land Commissioner may modify the drilling requirements of this section by granting reasonable extension of time when, in their opinion, such action is warranted.

Upon failure to commence any well provided for in the section within the time allowed, including any extension of time granted by the Supervisor and the Land Commissioner, this agreement will automatically terminate; upon failure

to continue drilling diligently any well commenced hereunder, the Supervisor and the Land Commissioner may, after 15-days notice to the Unit Operator, declare this unit agreement terminated.

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

Any plan submitted pursuant to this section shall provide for the exploration of the unitized area and for the diligent drilling necessary for determination of the area or areas thereof capable of producing unitized substances in paying quantities in each and every productive formation and shall be as complete and adequate as the Supervisor, the Land Commissioner, and State Division may determine to be necessary for timely development and proper conservation of the oil and gas resources of the unitized area and shall:

(a) specify the number and locations of any wells to be drilled and the proposed order and time for such drilling; and

(b) to the extent practicable specify the operating practices regarded as necessary and advisable for proper conservation of natural resources. Separate plans may be submitted for separate productive zones, subject to the approval of the Supervisor, the Land Commissioner, and State Division.

Separate plans shall be modified or supplemented when necessary to meet changed conditions or to protect the interests of all parties to this agreement. Reasonable diligence shall be exercised in complying with the obligations of the approved plan of development. The Supervisor and the Land Commissioner are authorized to grant a reasonable extension of the six-month period herein prescribed for submission of an initial plan of development where such action is justified because of unusual conditions or circumstances. After

completion hereunder of a well capable of producing any unitized substance in paying quantities, no further wells, except such as may be necessary to afford protection against operations not under this agreement and such as may be specifically approved by the Supervisor, and Land Commissioner, and State Division, shall be drilled except in accordance with a plan of development approved as herein provided.

11. PARTICIPATION AFTER DISCOVERY. Upon completion of a well capable of producing unitized substances in paying quantities or as soon thereafter as required by the Supervisor, the Land Commissioner, or the State Division, the Unit Operator shall submit for approval by the Supervisor, the Land Commissioner and State Division a schedule, based on subdivisions of the public-land survey or aliquot parts thereof, of all land then regarded as reasonably proved to be productive in paying quantities; all lands in said schedule on approval of the Supervisor, the Land Commissioner, and State Division to constitute a participating area, effective as of the date of completion of such well or the effective date of this unit agreement, whichever is later. The acreages of both Federal and non-Federal lands shall be based upon appropriate computations from the courses and distances shown on the last approved public-land survey as of the effective date of each initial participating area. Said schedule shall also set forth the percentage of unitized substances to be allocated as herein provided to each tract in the participating area so established, and shall govern the allocation of production commencing with the effective date of the participating area. A separate participating area shall be established for each separate pool or deposit of unitized substances or for any group thereof which is produced as a single pool or zone, and any two or more participating areas so established may be combined into one, on approval of the Supervisor, the Land Commissioner, and the State Division. When production from two or more participating areas, so established, is subsequently found to be from a common pool or deposit and participating areas shall be combined into one, effective as of such appropriate date as may be approved or prescribed by the Supervisor, the Land Commissioner, and State Division. The participating area or areas so established shall be revised from time to time to like approval, to include additional land then regarded as reasonably proved to be productive in paying quantities or necessary for unit operations, or to exclude land then regarded as reasonably proved not

to be productive in paying quantities and the schedule of allocation percentages shall be revised accordingly. The effective date of any revision shall be the first of the month in which is obtained the knowledge or information on which such revision is predicated, provided, however, that a more appropriate effective date may be used if justified by the Unit Operator and approved by the Supervisor, the Land Commisisoner, and State Division. No land shall be excluded from a participating area on account of depletion of the unitized substances, except that any participating area established under the provisions of this unit agreement shall terminate automatically whenever all completions in the formation on which the participating area is based are abandoned.

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

In the absence of agreement at any time between the Unit Operator and the Supervisor, the Land Commissioner, and State Division as to the proper definition or redefinition of a participating area, or until a participating area has, or areas have been established as provided herein, the portion of all payments affected thereby shall be impounded in a manner mutually acceptable to the owners of working interests and the Supervisor and the Land Commissioner. Royalties due the United States shall be determined by the Supervisor for Federal lands and the Land Commissioner for the State lands and the amount thereof shall be deposited, and directed by the Supervisor and the Land Commissioner, to be held as unearned money until a participating area is finally approved and then applied as earned or returned in accordance with a determination of the sum due as Federal and State royalty of the basis of such approved participating area.

Whenever it is determined, subject to the approval of the Supervisor, the Land Commissioner, and State Division that a well drilled under this agreement is not capable of production in paying quantities and inclusion of the land on which it is situated in a participating area is unwarranted, production from such well shall, for the purposes of settlement among all parties other than working-interest owners, be allocated to the land on which the well is located

unless such land is already within the participating area established for the pool or deposit from which such production is obtained. Settlement for working interest benefits from such a well shall be made as provided in the unit operating agreement.

12. ALLOCATION OF PRODUCTION. All unitized substances produced from each participating area established under this agreement, except any part thereof used in conformity with good operating practices within the unitized area for drilling, operating, camp, and other production or development purposes, for repressuring or recycling in accordance with a plan of development approved by the Supervisor, Land Commissioner, and State Division, or unavoidable loss, shall be deemed to be produced equally on an acreage basis from the several tracts of unitized land of the participating area established for such production and, for the purpose of determining any benefits accruing under this agreement, each such tract of unitized land shall have allocated to it such percentage of said production as the number of acres of such tract included in said participating area, except that allocation of production hereunder for purposes other than for settlement of the royalty, overriding royalty, or payment out of production obligations of the respective working-interest owners, shall be on the basis prescribed in the unit operating agreement whether in conformity with the basis of allocation herein set forth or otherwise. It is hereby agreed that production of unitized substances from a participating area shall be allocated as provided herein regardless of whether any wells are drilled on any particular part or tract of said participating area. If any gas produced from one participating area is used for repressuring or recycling purposes in another participating area, the first gas withdrawn from such last-mentioned participating area for sale during the life of this agreement shall be considered to be the gas so transferred until an amount equal to that transferred shall be so produced for sale and such gas shall be allocated to the participating area from which initially produced as such area was last defined at the time of such final production.

13. DEVELOPMENT OR OPERATION OF NON-PARTICIPATING LAND OR FORMATION. Any party hereto owning or controlling the working interest in any unitized land having thereon a regular well location may with the approval of the Supervisor and the Land Commissioner, and Division, at such party's sole risk, costs, and expense, drill a well to test any formation for which a participating area has

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

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

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

14. ROYALTY SETTLEMENT. The United States and any State and any royalty owner who is entitled to take in kind a share of the substances now unitized hereunder shall hereafter be entitled to the right to take in kind its share of the unitized substances, and the Unit Operator, or the working-interest owner in case of the operation of a well by a working-interest owner as herein provided for in special cases, shall make deliveries of such royalty share taken in kind in conformity with the applicable contracts, laws, and regulations. Settlement for royalty interest not taken in kind shall be made by working-interest owners responsible therefor under existing contracts, laws, and regulations, or by the Unit Operator, on or before the last day of each month for unitized substances produced during the preceding calendar month; provided, however, that nothing herein contained shall be operated to relieve the lessees of any land from their respective lease obligations for the payment of any royalties due under their leases.

If gas obtained from lands not subject to this agreement is introduced into any participating area hereunder, for use in repressuring, stimulation of

production, or increasing ultimate recovery, in conformity with a plan of operations approved by the Supervisor and the Land Commissioner, a like amount of gas, after settlement as herein provided for any gas transferred from any other participating area and with appropriate deduction for loss from any cause, may be withdrawn from the formation into which the gas is introduced, royalty free as to dry gas, but not as to any products which may be extracted therefrom; provided that such withdrawal shall be at such time as may be provided in the approved plan of operations or as may otherwise be consented to by the Supervisor and the Land Commissioner and Division, as conforming to good petroleum engineering practice; and provided further, that such right of withdrawal shall terminate on the termination of this unit agreement.

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

Royalty due on account of State lands shall be computed and paid on the basis of all unitized substances allocated to such lands.

15. RENTAL SETTLEMENT. Rental or minimum royalties due on leases committed hereto shall be paid by working-interest owners responsible therefor under existing contracts, laws, and regulations, provided that nothing herein contained shall operate to relieve the lessee of any land from their respective lease obligations for the payment of any rental or minimum royalty due under their leases. Rental or minimum royalty for lands of the United States subject to this agreement shall be paid at the rate specified in the respective leases from the United States unless such rental or minimum royalty is waived, suspended, or reduced by law or by approval of the Secretary or his duly authorized representative.

Rentals on State of New Mexico lands subject to this agreement shall be paid at the rates specified in the respective leases.

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

16. CONSERVATION. Operations hereunder and production of unitized substances shall be conducted to provide for the most economical and efficient recovery of said substances without waste, as defined by or pursuant to State or Federal law or regulation.

17. DRAINAGE. The Unit Operator shall take such measures as the Supervisor and Land Commissioner deem appropriate and adequate to prevent drainage of unitized substances from unitized land by wells on land not subject to this agreement.

18. LEASES AND CONTRACTS CONFORMED AND EXTENDED. The terms, conditions, and provisions of all leases, subleases, and other contracts relating to exploration, drilling, development, or operation for oil or gas on lands committed to this agreement are hereby expressly modified and amended to the extent necessary to make the same conform to the provision hereof, but otherwise to remain in full force and effect; and the parties hereto hereby consent that the Secretary, as to Federal leases and the Land Commissioner, as to State leases, shall and each by his approval hereof, or by the approval hereof by his duly authorized representative, does hereby establish, alter, change, or revoke the drilling, producing, rental, minimum royalty, and royalty requirements of Federal and state leases committed hereto and the regulations in respect thereto to conform said requirements to the provisions of this agreement, and without limiting the generality of the foregoing, all leases, subleases, and contracts are particularly modified in accordance with the following:

(a) The development and operation of lands subject to this agreement under the terms hereof shall be deemed full performance of all obligations for development and operation with respect to each and every separately owned tract

subject to this agreement, regardless of whether there is any development of any particular tract of the unit area.

(b) Drilling and producing operations performed hereunder upon any tract of unitized lands will be accepted and deemed to be performed upon and for the benefit of each and every tract of unitized land, and no lease shall be deemed to expire by reason of failure to drill or produce well situated on the land therein embraced.

(c) Suspension of drilling or producing operations on all unitized lands pursuant to direction or consent of the Secretary and the Land Commissioner, or his duly authorized representative, shall be deemed to constitute such suspension pursuant to such direction or consent as to each and every tract of unitized lands. A suspension of drilling or producing operations limited to specified lands shall be applicable only to such lands.

(d) Each lease, sublease, or contract relating to the exploration, drilling, development or operation for oil or gas of lands other than those of the United States and State of New Mexico committed to this agreement, which, by its terms might expire prior to the termination of this agreement, is hereby extended beyond any such terms so provided therein so that it shall be continued in full force and effect for and during the term of this agreement.

(e) Any Federal lease for a fixed term of twenty (20) years or any renewal thereof of any part of such lease which is made subject to this agreement shall continue in force beyond the term provided therein until the termination hereof. Any other Federal lease committed hereto shall continue in force beyond the term so provided therein or by law as to the land committed so long as such lease remains subject hereto, provided that production is had in paying quantities under this unit agreement prior to the expiration date of the term of such lease, or in the event actual drilling operations are commenced on unitized land, in accordance with the provisions of this agreement, prior to the end of the primary term of such lease and are being diligently prosecuted at that time, such lease shall be extended for two years and so long thereafter as oil or gas is produced in paying quantities in accordance with the provisions of the Mineral Leasing Act Revision of 1960.

(f) Each sublease or contract relating to the operation and development of unitized substances from lands of the United States committed to this agreement,

which by its terms would expire prior to the time at which the underlying lease, as extended by the immediately preceding paragraph, will expire, is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of the underlying lease as such term is herein extended.

(g) Any lease embracing lands of the State of New Mexico which is made subject to this agreement, shall continue in force beyond the term provided therein as to the lands committed hereto until the termination hereof, provided that drilling operations on the initial test well are commenced prior to the expiration date of any State lease within the unit area, subject to the provisions of subsection (e) of Section 2 and subsection (i) of this Section 18.

(h) The segregation of any Federal Lease committed to this agreement is governed by the following provision in the fourth paragraph of Sec. 17 (j) of the Mineral Leasing Act, as amended by the Act of September 2, 1960 (74 Stat. 781-784): "Any (Federal) lease heretofore or hereafter committed to any such (unit) Plan embracing lands that are in part within and in part outside of the area covered by any such plan shall be segregated into separate leases as to the lands committed and the lands not committed as of the effective date of unitization: Provided however, that any such lease as to the nonunitized portion shall continue in force and effect for the term thereof but for not less than two years from the date of such segregation and so long thereafter as oil or gas is produced in paying quantities."

(i) Any lease embracing lands of the State of New Mexico having only a portion of its lands committed hereto, shall be segregated as to the portion committed and the portion not committed, and the provisions of such lease shall apply separately to such segregated portions commencing as of the effective date hereof; provided, however, notwithstanding any of the provisions of this agreement to the contrary any lease embracing lands of the State of New Mexico having only a portion of its lands committed hereto shall continue in full force and effect beyond the term provided therein as to all lands embraced in such lease, if oil or gas is discovered and is capable of being produced in paying quantities from some part of the lands embraced in such lease at the expiration of the secondary term of such lease; or if, at the expiration of the secondary term, the lessee or Unit Operator is then engaged in bona fide drilling or reworking operations

on some part of the lands embraced in such lease, the same, as to all lands embraced therein, shall remain in full force and effect so long as such operations are being diligently prosecuted, and if they result in the production of oil or gas, said lease shall continue in full force and effect as to all of the lands embraced therein, so long thereafter as oil or gas in paying quantities is being produced from any portion of said lands.

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

19. COVENANTS RUN WITH LAND. The covenants herein shall be construed to be covenants running with the land with respect to the interest of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance, or interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferee, or other successor in interest. No assignment or transfer of any working interest, royalty, or other interest subject hereto shall be binding upon Unit Operator until the first day of the calendar month after Unit Operator is furnished with the original, photostatic, or certified copy of the instrument of transfer.

20. EFFECTIVE DATE AND TERM. This agreement shall become effective upon approval by the Secretary and the Land Commissioner or their duly authorized representative, and shall terminate five (5) years from said effective date unless

(a) such date of expiration is extended by the Director and the Land Commissioner, or

(b) it is reasonably determined prior to the expiration of the fixed term or any extension thereof that the unitized land is incapable of production of unitized substances in paying quantities in the formations tested hereunder and after notice of intention to terminate the agreement on such ground is given by the Unit Operator to all parties in interest at their last known addresses,

the agreement is terminated with the approval of the Supervisor and the Land Commissioner, or

(c) a valuable discovery of unitized substances has been made or accepted on unitized land during said initial term or any extension thereof, in which event the agreement shall remain in effect for such term and so long as unitized substances can be produced as to federal lands, and are being produced as to State lands in quantities sufficient to pay for the cost of producing same from wells on unitized land within any participating area established hereunder and, should production cease, so long thereafter as diligent operations are in progress for the restoration of production or discovery of new production and so long thereafter as unitized substances so discovered are produced as aforesaid, or

(d) it is terminated as heretofore provided in this agreement. This agreement may be terminated at any time by not less than 75 percentum, on an acreage basis, of the working-interest owners signatory hereto, with the approval of the Supervisor and the Land Commissioner; notice of any such approval to be given by the Unit Operator to all parties hereto.

21. RATE OF PROSPECTING, DEVELOPMENT, AND PRODUCTION. The Director is hereby vested with authority to alter or modify from time to time in his discretion the quantity and rate of production under this agreement when such quantity and rate is not fixed pursuant to Federal or State law or does not conform to any statewide voluntary conservation or allocation program, which is established, recognized, and generally adhered to by the majority of operators in such State, such authority being hereby limited to alteration or modification in the public interest, the purpose thereof and the public interest to be served thereby to be stated in the order of alteration or modification. Without regard to the foregoing, the Director is also hereby vested with authority to alter or modify from time to time in his discretion the rate of prospecting and development and the quantity and rate of production under this agreement when such alteration or modification is in the interest of attaining the conservation objectives stated in this agreement and is not in violation of any applicable Federal or State Law; provided, further, that no such alteration or modification shall be effective as to any land of the State of New Mexico, as to the rate of prospecting and developing in the absence of the specific written approval thereof by the

Commissioner and as to any lands of the State of New Mexico or privately owned lands subject to this agreement as to the quantity and rate of production in the absence of specific written approval thereof by the Division.

Powers in this section vested in the Director shall only be exercised after notice to Unit Operator and opportunity for hearing to be held not less than 15 days from notice.

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

23. NOTICES. All notices, demands, or statements required hereunder to be given or rendered to the parties hereto shall be deemed fully given if given in writing and personally delivered to the party or sent by postpaid registered or certified mail, addressed to such party or parties at their respective addresses set forth in connection with the signatures hereto or to the ratification or consent hereof or to such other address as any such party may have furnished in writing to party sending the notice, demand or statement.

24. NO WAIVER OF CERTAIN RIGHTS. Nothing in this agreement contained shall be construed as a waiver by any party hereto of the right to assert any legal or constitutional right or defense as to the validity or invalidity of any law of the State wherein said unitized lands are located, or of the United States, or regulations issued thereunder in any way affecting such party, or as a waiver by any such party of any right beyond his or its authority to waive.

25. UNAVOIDABLE DELAY. All obligations under this agreement requiring the Unit Operator to commence or continue drilling or to operate on or produce unitized substances from any of the lands covered by this agreement shall be suspended while the Unit Operator despite the exercise of due care and diligence, is prevented from complying with such obligations, in whole or in part, by strikes, acts of God, Federal, State, or municipal law or agencies, unavoidable

accidents, uncontrollable delays in transportation, inability to obtain necessary materials in open market, or other matters beyond the reasonable control of the Unit Operator whether similar to matters herein enumerated or not. No unit obligation which is suspended under this section shall become due less than thirty (30) days after it has been determined that the suspension is no longer applicable. Determination of creditable "Unavoidable Delay" time shall be made by the Unit Operator subject to approval of the Supervisor and the Land Commissioner.

26. NONDISCRIMINATION. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of section 202 (1) to (7) inclusive of Executive Order 11246 (30 F. R. 12319), as amended, which are hereby incorporated by reference in this agreement.

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

Unit Operator as such is relieved from any responsibility for any defect or failure of any title hereunder.

28. NON-JOINDER AND SUBSEQUENT JOINDER. If the owner of any substantial interest in a tract within the unit area fails or refuses to subscribe or consent to this agreement, the owner of the working interest in that tract may withdraw said tract from this agreement by written notice delivered to the Supervisor, the Land Commissioer, the State Division, and the Unit Operator prior to the approval of this agreement by the Supervisor and Land Commissioner. Any oil or

gas interests in lands within the unit area not committed hereto prior to submission of this agreement for final approval may thereafter be committed hereto by the owner or owners thereof subscribing or consenting to this agreement, and, if the interest is a working interest, by the owner of such interest also subscribing to the unit operating agreement. After operations are commenced hereunder, the right of subsequent joinder, as provided in this section, by a working-interest owner is subject to such requirements or approvals, if any, pertaining to such joinder, as may be provided for in the unit operating agreement. After final approval hereof, joinder by a non-working interest owner must be consented to in writing by the working-interest owner committed hereto and responsible for the payment of any benefits that may accrue hereunder in behalf of such non-working interest. A non-working interest may not be committed to this unit unless the corresponding working interest is committed hereto. Joinder to the unit agreement by a working-interest owner, at any time, must be accompanied by appropriate joinder to the unit operating agreement, if more than one committed working-interest owner is involved, in order for the interest to be regarded as committed to this unit agreement. Except as may otherwise herein be provided, subsequent joinders to this agreement shall be effective as of the first day of the month following the filing with the Supervisor, and Land Commissioner, and the State Division of duly executed counterparts of all or any papers necessary to establish effective commitment of any tract to this agreement unless objection to such joinder is duly made within sixty (60) days by the Supervisor, the Land Commissioner, or State Division, provided, however, that as to State lands all subsequent joinders must be approved by the Land Commissioner.

29. COUNTERPARTS. This agreement may be executed in any number of counterparts no one of which needs to be executed by all parties or may be ratified or consented by separate instrument in writing specifically referring hereto and shall be binding upon all those parties who have executed such a counterpart, ratification, or consent hereto with the same force and effect as if all such parties had signed the same document and regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands within the above-described unit area.

30. SURRENDER. Nothing in this agreement shall prohibit the exercise by any working-interest owner of the right to surrender vested in such party by

any lease, sublease, or operating agreement as to all or any part of the lands covered thereby, provided that each party who will or might acquire such working interest by such surrender or by forfeiture as hereafter set forth, is bound by the terms of this agreement.

If, as a result of any such surrender, the working interest rights as to such lands become vested in any party other than the fee owner of the unitized substances, said party may forfeit such rights and further benefits from operation hereunder as to said land to the party next in the chain of title who shall be and become the owner of such working interest.

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

(1) Accept those working-interest rights subject to this agreement and the unit operating agreement; or

(2) Lease the portion of such land as is included in a participating area established hereunder subject to this agreement and the unit operating agreement; or

(3) Provide for the independent operation of any part of such land that are not then included within a participating area established hereunder.

If the fee owner of the unitized substances does not accept the working-interest rights subject to this agreement and the unit operating agreement or lease, such lands as above-provided within six (6) months after the surrendered or forfeited working-interest rights become vested in the fee owner, the benefits and obligations of operations accruing to such lands under this agreement and the unit operating agreement shall be shared by the remaining owners of unitized working interests in accordance with their respective working interest ownerships, and such owners or working interests shall compensate the fee owner of unitized substances in such lands by paying sums equal to the rentals, minimum royalties, and royalties applicable to such lands under the lease in effect when the lands were unitized.

An appropriate accounting and settlement shall be made, for all benefits accruing to or payments and expenditures made or incurred on behalf of such surrendered or forfeited working interest subsequent to the date of surrender or forfeiture, and payment of any moneys found to be owing by such an accounting

shall be made as between the parties within thirty (30) days. In the event no unit operating agreement is in existence and a mutually acceptable agreement between the proper parties thereto cannot be consummated, the Supervisor may prescribe such reasonable and equitable agreement as he deems warranted under the circumstances.

The exercise of any right vested in a working-interest owner to reassign such working interest to the party from whom obtained shall be subject to the same conditions as set forth in this section in regard to the exercise of a right to surrender.

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

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

~~33. CONFLICT OF SUPERVISION. Neither the Unit Operator nor the working-interest owners, nor any of them, shall be subject to any forfeiture, termination, or expiration of any right hereunder or under any leases or contracts subject hereto, or to any penalty or liability on account of delay or failure in whole or in part to comply with any applicable provisions thereof to the extent that the said Unit Operator or the working-interest owners, or any of them, are hindered, delayed, or prevented from complying therewith by reason of failure of~~

~~the Unit Operator to obtain, in the exercise of due diligence, the concurrence~~  
of proper representatives of the United States and proper representatives of the  
State of New Mexico in and about any matters or things concerning which it is  
required herein that such concurrence be obtained. The parties hereto, including  
the State Division, agree that all powers and authority vested in the State  
Division in and by any provisions of this agreement are vested in the State  
Division and shall be exercised by it pursuant to the provisions of the laws of  
the State of New Mexico and subject in any case to appeal or judicial review as  
~~may now or hereafter be provided by the laws of the State of New Mexico.~~

34. SURFACE AND ENVIRONMENTAL PROTECTION STIPULATIONS. Nothing in  
this agreement shall modify or change either the special Federal Lease stipulation  
relating to surface management or such special Federal Lease stipulations relating  
to surface and environmental protection, attached to and made a part of, Oil and  
Gas Leases covering lands within the Unit Area.

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

UNIT OPERATOR

SHELL OIL COMPANY

BY: [Signature]  
Attorney-in-Fact  
Lance F. Harmon

STATE OF TEXAS  
COUNTY OF HARRIS

I, Eloa Jungwirth, a Notary Public in and for said County  
and State, do hereby certify that LANCE E. HARMON, to me personally  
known, and known to me to be the same person who executed the foregoing instrument  
as Attorney in Fact of SHELL OIL COMPANY, a Delaware Corporation, appeared before  
me this day in person and, being first duly sworn acknowledged that he is an  
Attorney in Fact for said corporation, and that said instrument was signed and  
delivered in behalf of said corporation by authority of its Board of Directors,  
and further acknowledged said instrument and his execution thereof to be the  
free and voluntary act and deed of said corporation, and his own free and  
voluntary act and deed, for the uses, purposes and consideration therein  
expressed.

Given under my hand and official seal

January 24, 1981

My Commission Expires:

July 31, 1981

Eloa Jungwirth  
Notary Public in and for said County  
and State, Residing at:  
P. O. Box 831, Houston, TX 77001

# EXHIBIT "B"

## Schedule Showing All Lands and Leases Within The West Mesa Unit Bernalillo and Sandoval Counties, New Mexico

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
1	NM7148	T11N-R1E Section 14-Lots 1,2,3,4 Section 24-A11	840.60	US 12942 12/31/80	USA 100% Shell	100%	None Shell	100%
2	NM 7143	T10N-R2E Section 4-Lots 1 thru 8 Section 6-Lots 1 thru 8 T11N-R2E Section 33-A11 Section 34-Lots 1,4 thru 38, NE1/4NW1/2	1387.44	US 12937 01/31/81	USA 100% Shell	100%	None Shell	100%
3	NM 7144	T11N-R2E Section 22-A11 Section 26-A11 Section 28-A11	1920.00	US 12938 01/31/81	USA 100% Shell	100%	None Shell	100%
4	NM 7145	T11N-R2E Section 14-Lots 1,2,3,4 S1/2S1/2 Section 23-E1/2E1/2	399.00	US 12939 01/31/81	USA 100% Shell	100%	None Shell	100%

BEFORE EXAMINER NUTTER

OIL CONSERVATION DIVISION

Shell EXHIBIT NO. 3

CASE NO. 1119

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
5		T11N-R2E Section 18-Lots 1,2,3,4	241.42	US 42374 Open-Shell filed offer to Lease 9/12/80				
		TOTAL FEDERAL	4788.46					
6	NM 7221	T11N-R1E Section 36-(A11)	640.00	L-6570 08/31/81	State 100%	Shell 100%	None	Shell 100%
7	NM 7222	T11N-R2E Section 16-Lots 1,2,3,4 S1/2S1/2 Section 32-(A11)	878.56	L-6571 08/31/81	State 100%	Shell 100%	None	Shell 100%
		TOTAL STATE	1518.56					

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
8	NM 7188	T10N-R1E Section 1-Lots 1 thru 8 T10N-R2E Section 3-Lots 1 thru 6 Section 5-Lots 1 thru 8 T11N-R1E Section 13-Lots 1,2,3,4 Section 23, 25 (A11) T11N-R2E Section 15-Lots 1,2,3,4, S1/2S1/2 Section 17-Lots 1,2,3,4, S1/2S1/2 Sections 19, 21 (A11) Section 23 - W1/2E1/2, W1/2 Sections 27,29,30,31 (A11) Section 35-Lots 2,3,4, W1/2NE1/4, NW1/4	7302.49	05/15/82	<u>FEE LANDS</u> Santa Fe Pacific R.R. 100%	Shell 100%	None	Shell 100%
9	NM 7435	T11N-R1E Sections 2, 11 (A11) Sections 1, 12-The West 1381 Feet Section 13-The West 1381 Feet North of the South Line of Town of Alameda Grant Section 14-North of the South Line of the Town of Alameda Grant (all of sec- tion excluding lots 1,2, 3,4)	2167.15	10/31/82	Albert J. Black Uncommitted	<del>NONE</del> SHELL 100%	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
10	NM 7821	T12N-R1E Sections 35, 36 T12N-R2E Sections 31, 32, 33	3200.00	07/15/84	Rio Rancho Estates 100%	Shel1 100%	None	Shel1 100%

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
11		T11N RE2 Section 20 Map D-8 Code 1-008-053						
"		Lot 1, Unit 9	3.241		Pipefitters Union	None	None	None
"		Lot 2, Unit 9	3.240		William R. Creel et al	None	None	None
"		Lot 3A, Unit 9	1.620		Helen Kowal	None	None	None
"		Lot 3B, Unit 9	1.620		Dennis J. Menold	None	None	None
"		Lot 4, Unit 9	3.239		Warren A. Fackenthal et ux	None	None	None
"		Lot 5, Unit 9	3.245		Elijah D. Corley et ux	None	None	None
"		Lot 6, Unit 9	9.554		George E. Dugas et ux	None	None	None
"		Lot 7, Unit 9	6.514		Metro Builders, Inc.	None	None	None
"		Lot 7B-1, Unit 9	1.514		Max Lee Kiehne et ux	None	None	None
"		Lot 7B-2, Unit 9	1.514		Max Lee Kiehne et ux	None	None	None
"		Lot 8A, Unit 9	1.401		Paul D. Lambert et ux	None	None	None
"		Lot 8B, Unit 9	2.026		Metro Builders, Inc.	None	None	None
"		Lot 9, Unit 9	3.427	11/10/85	Robert J. Usseglio 100%	Shell 100%	None	Shell 100%
"		Lot 10, Unit 9	2.998	11/10/85	Robert J. Usseglio 100%	Shell 100%	None	Shell 100%
"		Lot 11A, Unit 9	4.771		Reynaldo Morales et ux	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
11 (Cont)		T11N RE2 Section 20						
"		Lot 11B, Unit 9	3.066	11/10/85	Burney Barker et al 100%	Shel1 100%	None	Shel1 100%
"		Lot 11C, Unit 9	1.705	11/10/85	Burney Barker et al 100%	Shel1 100%	None	Shel1 100%
"		Lot 12, Unit 9	2.845	10/10/85	James Sweeney et ux 100%	Shel1 100%	None	Shel1 100%
"		Lot 13A, Unit 9	3.332		Edward W. Christensen	None	None	None
"		Lot 13B, Unit 9	1.756		Mary Louise Lujan	None	None	None
"		Lot 13C, Unit 9	1.609		Mary Louise Lujan	None	None	None
"		Lot 14, Unit 9	7.222	11/10/85	John E. Templeton, Sr. et ux 100%	Shel1 100%	None	Shel1 100%
"		Lot 15, Unit 9	7.222	11/10/85	Edward H. Brantley et ux 100%	Shel1 100%	None	Shel1 100%
"		Lot 16, Unit 9	7.222	11/10/85	Edward H. Brantley et ux 100%	Shel1 100%	None	Shel1 100%
"		Lot 17A, Unit 9	3.611		William A. Radasky	None	None	None
"		Lot 17B, Unit 9	3.611		Lorraine E. Telap et al	None	None	None
"		Lot 18A, Unit 9	2.1125		Louis R. Sullo et ux	None	None	None
"		Lot 18B, Unit 9	2.1125		Arthur Tik Tokaz	None	None	None
"		Lot 19, Unit 9	2.999		Volcano Cliffs, Inc.	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
11 (Cont)		T11N RE2 Section 20						
"		Lot 1, Unit 10	3.392	11/10/85	G. A. Sacoman et ux 100%	Shel1 100%	None	Shel1 100%
"		Lot 2, Unit 10	3.558	11/10/85	Vera Davis et ux 100%	Shel1 100%	None	Shel1 100%
"		Lot 3, Unit 10	3.263		Eugene L. Brissey et ux	None	None	None
"		Lot 4, Unit 10	3.263		Volcano Cliffs, Inc.	None	None	None
"		Lot 5A, Unit 10	0.606		J. S. Coladarci, Jr.	None	None	None
"		Lot 5B, Unit 10	1.212	11/10/85	David M. Knowles 100%	Shel1 100%	None	Shel1 100%
"		Lot 5C, Unit 10	1.212		J. S. Coladarci	None	None	None
"		Lot 5D, Unit 10	1.212	11/10/85	David M. Knowles 100%	Shel1 100%	None	Shel1 100%
"		Lot 6, Unit 10	4.627		Arthur Winwood et ux	None	None	None
"		Lot 7A, Unit 10	2.693		Tai-Ho Tan et ux	None	None	None
"		Lot 7C, Unit 10	3.637	11/10/85	Rev. Rosario Logatto 100%	Shel1 100%	None	Shel1 100%
"		Lot 8A, Unit 10	1.6445	11/10/85	Max L. Kiehne 100%	Shel1 100%	None	Shel1 100%
"		Lot 8A, Unit 10	1.6445		George B. DeBlanc	None	None	None
"		Lot 9, Unit 10	5.650		Volcano Cliffs, Inc.	None	None	None
"		Lot 10, Unit 10	5.388		Henry I. Libby	None	None	None
"		Lot 11, Unit 10	2.159		Volcano Cliffs, Inc.	None	None	None
"		Lot 12, Unit 10	1.231		Ernest Lujan	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
11 (Cont)								
T11N RE2 Section 20								
"		Lot 13A, Unit 10	1.4405	11/10/85	James M. Rafferty 100%	Shell 100%	None	Shell 100%
"		Lot 13B, Unit 10	1.4405		Roger P. O'Mahen	None	None	None
"		Lot 14, Unit 10	2.881		Barbara Coladarcì	None	None	None
"		Lot 15, Unit 10	2.881		Lawrence S. Melzer et ux	None	None	None
"		Lot 16, Unit 10	2.881		Wendell L. Stewart	None	None	None
"		Lot 17, Unit 10	2.881		Robert J. Bryam et ux	None	None	None
"		Lot 18, Unit 10	4.094		Gary L. Lewis	None	None	None
"		Lot 19A, Unit 10	2.791		Sherman LeRoy Toler et ux	None	None	None
"		Lot 19B, Unit 10	2.130	11/10/85	Keith Hopkins 100%	Shell 100%	None	Shell 100%
"		Lot 19C, Unit 10	1.988	11/10/85	John Cooney et ux 100%	Shell 100%	None	Shell 100%
"		Lot 20A, Unit 10	2.417	11/10/85	Louise Martin Maley 100%	Shell 100%	None	Shell 100%
"		Lot 20B, Unit 10	2.417		Colr. L. R. Womac	None	None	None
"		Lot 20C, Unit 10	2.417	11/10/85	Louise Martin Maley 100%	Shell 100%	None	Shell 100%
"		Lot 20D, Unit 10	2.417		Colr. L. R. Womac	None	None	None
"		Lot 21A, Unit 10	2.435	11/10/85	Lawrence N. Peckham 100%	Shell 100%	None	Shell 100%
"		Lot 21B, Unit 10	2.435	11/10/85	Henry Clay, Jr. 100%	Shell 100%	None	Shell 100%
"		Lot 21C, Unit 10	2.435	11/10/85	Lawrence N. Peckham 100%	Shell 100%	None	Shell 100%
"		Lot 21D, Unit 10	4.843	11/10/85	Henry Clay, Jr. 100%	Shell 100%	None	Shell 100%

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDE ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
11 (Cont)		T11N RE2 Section 20						
"		Lot 22, Unit 10	4.843	11/10/85	Edward H. Brantley et ux 100%	Shell 100%	None	Shell 100%
"		Lot 23A, Unit 10	1.857		Roger P. O'Mahen	None	None	None
"		Lot 23B, Unit 10	1.857	11/10/85	James M. Rafferty 100%	Shell 100%	None	Shell 100%
"		Lot 23C, Unit 10	0.569		Roger P. O'Mahen	None	None	None
"		Lot 23D, Unit 10	0.569	11/10/85	James M. Rafferty 100%	Shell 100%	None	Shell 100%
"		Lot 24A, Unit 10	1.857	11/10/85	James D. Gerber 100%	Shell 100%	None	Shell 100%
"		Lot 24B, Unit 10	1.857	11/10/85	Donald Lee Haney 100%	Shell 100%	None	Shell 100%
"		Lot 24C, Unit 10	0.569	11/10/85	Donald Lee Haney 100%	Shell 100%	None	Shell 100%
"		Lot 25, Unit 10	3.374		Donald W. Malquist	None	None	None
"		Lot 26, Unit 10	3.374		William H. Roberts	None	None	None
"		Lot 27, Unit 10	1.687		Max Lee Kiehne et ux	None	None	None
"		Lot 27B, Unit 10	16.87	11/10/85	Sterling Bell et ux 100%	Shell 100%	None	Shell 100%
"		Lot 28B, Unit 10	16.87	11/10/85	Max Lee Kiehne et ux 100%	Shell 100%	None	Shell 100%
"		Lot 29, Unit 10	3.370		Car C. Whitener et ux	None	None	None
"		Lot 30, Unit 10	4.800		L. R. Womack	None	None	None
"		Lot 31, Unit 10	3.392		Leona B. McMillan	None	None	None
"		Lot 32, Unit 10	4.998	11/10/85	Carl McGill et al 100%	Shell 100%	None	Shell 100%

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
11 (Cont)		T11N RE2 Section 20						
"		Lot 1, Blk 1, Unit 11	1.064		Volcano Cliffs, Inc.	None	None	None
"		Lot 2, Blk 1, Unit 11	1.065		Volcano Cliffs, Inc.	None	None	None
"		Lot 3, Blk 1, Unit 11	1.065		Volcano Cliffs, Inc.	None	None	None
"		Lot 4, Blk 1, Unit 11	1.065		Volcano Cliffs, Inc.	None	None	None
"		Lot 5, Blk 1, Unit 11	1.065		Volcano Cliffs, Inc.	None	None	None
"		Lot 6, Blk 1, Unit 11	1.065		Volcano Cliffs, Inc.	None	None	None
"		Lot 7, Blk 1, Unit 11	1.065		Volcano Cliffs, Inc.	None	None	None
"		Lot 8, Blk 1, Unit 11	1.077	11/10/85	Gerald R. Licovitch 100%	Shell 100%	None	Shell 100%
"		Lot 1, Blk 2, Unit 11	2.596		Matia Daskalos	None	None	None
"		Lot 2, Blk 2, Unit 11	2.596		Matia Daskalos	None	None	None
"		Lot 3, Blk 2, Unit 11	1.729	11/10/85	Charles F. Leggett 100%	Shell 100%	None	Shell 100%
"		Lot 4, Blk 2, Unit 11	2.332		Volcano Cliffs, Inc.	None	None	None
"		Lot 5A, Blk 2, Unit 11	2.874		Gregory J. Xilas	None	None	None
"		Lot 5B, Blk 2, Unit 11	1.674		Ruth A. Wong et vis	None	None	None
"		Lot 11, Blk 2, Unit 11	2.647		Volcano Cliffs, Inc.	None	None	None
"		Lot 12, Blk 2, Unit 11	2.687		Paul E. Greenman et ux	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
11 (Cont)		T11N RE2 Section 20						
"		Lot 13, Blk 2, Unit 11	3.529		Allen D. Hughes et al	None	None	None
"		Lot 14, Blk 2, Unit 11	2.572		Volcano Cliffs, Inc.	None	None	None
"		Lot 15, Blk 2, Unit 11	1.784	11/10/85	Charles F. Liggett 100%	Shell 100%	None	Shell 100%
"		Lot 16, Blk 2, Unit 11	2.676		Matia Daskolos et al	None	None	None
"		Lot 17, Blk 2, Unit 11	2.676		Matia Daskolos et al	None	None	None
"		Lot 1, Blk 3, Unit 11	3.708		Monmohan S. Dhaliwal et ux	None	None	None
"		Lot 2, Blk 3, Unit 11	3.029		Amrik S. Dhaliwal et ux	None	None	None
"		Lot 3, Blk 3, Unit 11	4.206		Monmohan S. Dhaliwal	None	None	None
"		Lot 4, Blk 3, Unit 11	3.092		Amrik S. Dhaliwal et ux	None	None	None
"		Lot 5, Blk 3, Unit 11	4.459		Volcano Cliffs, Inc.	None	None	None
"		Lot 6, Blk 3, Unit 11	3.323		Volcano Cliffs, Inc.	None	None	None
"		Lot 7, Blk 3, Unit 11	2.232		Zane D. Smith et ux	None	None	None
"		Lot 7, Blk 3, Unit 11	2.232		Zane D. Smith et ux	None	None	None
"		Lot 8, Blk 3, Unit 11	4.434		Volcano Cliffs, Inc.	None	None	None
"		Lot 9, Blk 3, Unit 11	2.468		Volcano Cliffs, Inc.	None	None	None
"		Lot 10, Blk 3, Unit 11	2.475		Volcano Cliffs, Inc.	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
11 (Cont)		T11N RE2 Section 20						
"		Lot 11, Blk 3, Unit 11	5.000		Charles Bushnell Seaverns	None	None	None
"		Lot 13, Blk 3, Unit 11	5.404		Charles Bushnell Seaverns	None	None	None
"		Lot 14, Blk 3, Unit 11	3.070		Charles Bushnell Seaverns	None	None	None
"		Lot 1, Blk 4, Unit 11	1.312		Iris Inez Davis	None	None	None
"		Lot 1, Blk 5, Unit 11	2.056		Bonnie Lawrence	None	None	None
"		Lot 2, Blk 5, Unit 11	2.464		Rachel L. Silva et al	None	None	None
"		Lot 3, Blk 5, Unit 11	1.873	11/10/85	William H. Cox 100%	Shell 100%	None	Shell 100%
"		Lot 1, Blk 6, Unit 11	2.439		Volcano Cliffs, Inc.	None	None	None
"		Lot 2, Blk 6, Unit 11	3.323	11/10/85	Ralph Wege 100%	Shell 100%	None	Shell 100%
"		Lot 15, Blk 7, Unit 11	3.073		Charles Bushnell Seaverns	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
11 (Cont)		T11N RE2 Section 20						
"		Lot 1A, Unit 15	9.605		First American Title, Trustee	None	None	None
"		Lot 1B, Unit 15	3.199		William H. Durand et ux	None	None	None
"		Lot 2, Unit 15	6.664		Robert G. Zaller et al	None	None	None
"		Lot 3, Unit 15	2.7655		Billy R. Smith	None	None	None
"		Lot 3B, Unit 15	2.7655	11/10/85	James Rutledge 100%	Shell 100%	None	Shell 100%
"		Lot 4, Unit 15	7.211	11/10/85	Alexander Burkholder 100%	Shell 100%	None	Shell 100%
"		Lot 5, Unit 15	8.987		Joe Armijo et ux	None	None	None
"		Lot 6, Unit 15	6.732		Juan Rodriguez	None	None	None
"		Lot 7, Unit 15	7.090	11/10/85	Rev. W. C. Griffin et al 100%	Shell 100%	None	Shell 100%
"		Lot 8, Unit 15	7.728		Sterling Welch	None	None	None
"		Lot 9, Unit 15	7.264		Audie Brown	None	None	None
"		Lot 10, Unit 15	7.178		C. A. Christensen, Jr.	None	None	None
"		Lot 11, Unit 15	61.439		Volcano Cliffs, Inc.	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
11 (Cont)		T11N RE2 Section 20						
"		NW/4NW/4 Section 20 (Tr. 11)	40.00		City of Albuquerque And Flora Cannon Bond, Personal Representative's Estate of Gordon M. Bond	None	None	None
"		SW/4NW/4 Section 20 (Tr. K)	40.00		City of Albuquerque and Flora Cannon Bond, Personal Representative Estate of Gordon Bond	None	None	None
"		NW/4SW/4 Section 20 (Tr. 14)	40.00		City of Albuquerque and Flora Cannon Bond Personal Representative Estate of Gordon Bond	None	None	None
"		SW/4SW/4 Section 20 (Tr. N)	40.00		City of Albuquerque and Flora Cannon Bond Personal Representative Estate of Gordon M. Bond	None	None	None
Tract 11		Total Acres	631.935					
Tract 11		Total Leased Acres	146.4875					

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
12 Thru 25	NM-7925	All those parcels listed below in tracts 12 thru 25	6946.538	3473.269	12/14/84	William E. Black et al uncommitted	<del>None</del> SHELL 100%	None	None
T11N-R1E Section 1 Map #A-6 Code 1-006-066.									
Map Access Key #'s:									
(1)		155-487-4	5.0	2.5		Horizon Corp. Uncommitted	None	None	None
(2)		196-484-1	5.0	2.5	11/10/85	Enos L. Albritton Jr. 100%	Shell 100%	None	Shell 100%
(3)&(4)		250-484-2	10.0	5.0	11/10/85	Donald J. Berkley et ux 100%	Shell 100%	None	Shell 100%
(5)		292-487-3	5.0	2.5	11/10/85	Iona Bell Hunter 100%	Shell 100%	None	Shell 100%
(6)		325-493-4	5.0	2.5	11/10/85	Rowland K. Wall Jr. et ux 100%	Shell 100%	None	Shell 100%
(7)		361-493-5	5.0	2.5		Horizon Corp Uncommitted	None	None	None
(8)		395-493-6	5.0	2.5		Horizon Corp Uncommitted	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
12 Cont.									
		T11N-R1E Section 1 Map Access Key #							
(9)		428-493-7	5.0	2.5		O. W. Wittmer et ux	None	None	None
(10)		460-493-8	5.0	2.5	11/10/85	James J. Trotla et ux 100%	Shel 1 100%	None	Shel 1 100%
(11)		496-494-9	5.0	2.5		Horizon Corp Uncommitted	None	None	None
(12)		497-427-17	5.0	2.5		Dan O. Teague et ux	None	None	None
(13)		460-427-15	5.0	2.5		Horizon Corp Uncommitted	None	None	None
(14)		429-428-1	5.0	2.5		Alberta M. Ohm	None	None	None
(15)		395-427-13	5.0	2.5		Donald R. Silke	None	None	None
(16)		361-427-12	5.0	2.5		Oleta Milligan Stephens	None	None	None
(17)		325-427-14	5.0	2.5		Horizon Corp. Uncommitted	None	None	None
(18)		292-427-11	5.0	2.5		Horizon Corp. Uncommitted	None	None	None
(19)		265-427-10	5.0	2.5		Horizon Corp Uncommitted	None	None	None
(20)		231-427-7	5.0	2.5		Horizon Corp Uncommitted	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
12 Cont.									
		T11N-R1E Section 1 Map Access Key #							
(21)		196-427-6	5.0	2.5		Horizon Corp Uncommitted	None	None	None
(22)		162-427-5	6.5	3.3		Horizon Corp Uncommitted	None	None	None
(23)		162-362-8	5.0	2.5		Horizon Corp Uncommitted	None	None	None
(24)		196-362-9	5.0	2.5		Horizon Corp Uncommitted	None	None	None
(25)		231-362-10	5.0	2.5		Horizon Corp Uncommitted	None	None	None
(26)		235-362-18	5.0	2.5		Horizon Corp Uncommitted	None	None	None
(27)		292-362-16	5.0	2.5	11/16/85	Francisco C. Gonzalez et ux 100%	Shell 100%	None	Shell 100%
(28)		325-362-19	5.0	2.5			None	None	None
(29)		361-362-20	5.0	2.5		Horizon Uncommitted	None	None	None
(30)		395-364-22	5.0	2.5		Emilio J. Mezone et ux	None	None	None
(31)		428-362-21	5.0	2.5	11/10/85	Myron F. Fuller et al 100%	Shell 100%	None	Shell 100%
(32)		460-363-23	5.0	2.5	11/10/85	Christos G. Tsaganis 100%	Shell 100%	None	Shell 100%

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
12 Cont.								
		T11N-R1E Section 1 Map Access Key #						
(33)		497-362-24	5.0 2.5	11/10/85	Winefred Scott lair 100%	Shell 100%	None	Shell 100%
(34)		495-298-41	5.0 2.5	11/10/85	Theodore S. Golden et al 100%	Shell 100%	None	Shell 100%
(35)		460-298-28	5.0 2.5	11/10/85	Christos G. Tsaganis 100%	Shell 100%	None	Shell 100%
(36)		428-298-27	5.0 2.5	11/10/85	Joseph A. Cicco et ux 100%	Shell 100%	None	Shell 100%
(37)		394-299-37	5.0 2.5	11/10/85	Margaret C. Atkinson 100%	Shell 100%	None	Shell 100%
(38)		361-298-26	5.0 2.5	11/10/85	William T. Daley et ux 100%	Shell 100%	None	Shell 100%
(39)		325-298-25	5.0 2.5	11/10/85	Jessie Lee Schindler	Shell 100%	None	Shell 100%
(40)		295-298-40	5.0 2.5	11/10/85	Edward E. Pollock et ux 100%	Shell 100%	None	Shell 100%
(41)		265-298-33	5.0 2.5	11/10/85	Iona Bell Hunter	Shell 100%	None	Shell 100%
(42)		231-298-32	5.0 2.5		Phillip G. Chesler	None	None	None
(43)		196-298-12	5.0 2.5		Horizon, Uncommitted	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
12 Cont.								
		T11N-R1E Section 1 Map Access Key #						
(44)		162-298-11	5.0 2.5		Horizon, Uncommitted	None	None	None
(45)		162-235-1	5.0 2.5		Horizon, Uncommitted	None	None	None
(46)		195-235-2	5.0 2.5		Horizon, Uncommitted	None	None	None
(47)		230-235-3	5.0 2.5		Horizon, Uncommitted	None	None	None
(48)		265-235-1	5.0 2.5		Robert C. Fults et ux	None	None	None
(49)		292-235-39	5.0 2.5	11/10/85	Lester R. Retherford et ux 100%	Shell 100%	None	Shell 100%
(50)		325-235-3	5.0 2.5	11/10/85	Edwin B. Shiller et ux 100%	Shell 100%	None	Shell 100%
(51)		361-235-4	5.0 2.5		Fred H. Lowe, Jr. et ux	None	None	None
(52)		394-233-6	5.0 2.5		Horizon, Uncommitted	None	None	None
(53)		428-235-7	5.0 2.5	11/10/85	Grace Marie Roe 100%	Shell 100%	None	Shell 100%
(54)		460-235-8	5.0 2.5	11/10/85	John P. Dubolsky et ux 100%	Shell 100%	None	Shell 100%
(55)		495-235-9	5.0 2.5		Horizon, Uncommitted	None	None	None
(56)		494-164-24	5.0 2.5		Thomas M. Stenger	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
12 Cont.								
		T11N-R1E Section 1 Map Access Key #						
(57)		460-164-17	5.0 2.5		Horizon, Uncommitted	None	None	None
(58)		428-164-16	5.0 2.5	11/10/85	DBM Industries 100%	Shell 100%	None	Shell 100%
(59)		394-164-15	5.0 2.5	11/10/85	Patricia I. McSweeney 100%	Shell 100%	None	Shell 100%
(60)		361-164-14	5.0 2.5		Horizon, Uncommitted	None	None	None
(61)		325-164-13	5.0 2.5		Horizon, Uncommitted	None	None	None
(62)		292-164-12	5.0 2.5		Horizon, Uncommitted	None	None	None
(63)		265-164-11	5.0 2.5	11/10/85	Jimmy R. Chapman et ux 100%	Shell 100%	None	Shell 100%
(64)		230-164-13	5.0 2.5		George Schumann et al	None	None	None
(65)		195-164-5	5.0 2.5		Horizon, Uncommitted	None	None	None
(66)		162-164-4	5.0 2.5		Horizon, Uncommitted	None	None	None
(67)		162-099-6	5.0 2.5		Horizon, Uncommitted	None	None	None
(68)		195-099-7	5.0 2.5		Horizon, Uncommitted	None	None	None
(69)		229-099-9	5.0 2.5	11/10/85	Clarence E. Gray et ux 100%	Shell 100%	None	Shell 100%
(70)		265-099-18	5.0 2.5	11/10/85	John H. Splawn et ux 100%	Shell 100%	None	Shell 100%
(71)		292-099-19	5.0 2.5		Horizon, Uncommitted	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
(72)		325-099-20	5.0	2.5		Horizon, Uncommitted	None	None	None
(73)		361-099-21	5.0	2.5		Horizon, Uncommitted	None	None	None
(74)		394-099-22	5.0	2.5	11/10/85	C. Glenn Barnes et ux 100%	Shell 100%	None	Shell 100%
(75)		428-099-23	5.0	2.5		Horizon Uncommitted	None	None	None
(76)		461-097-10	5.0	2.5	11/10/85	Alice W. Ruckwardt 100%	Shell 100%	None	Shell 100%
(77)		494-099-25	5.0	2.5		Horizon, Uncommitted	None	None	None
(78)		494-033-31	5.0	2.5		Morris Wayne Terry	None	None	None
(79)		461-033-30	5.0	2.5		Lawrence E. Preitz et ux	None	None	None
(80)		428-033-29	5.0	2.5	11/10/85	Joseph S. Giasse et ux 100%	Shell 100%	None	Shell 100%
(81)		396-033-5	5.0	2.5	11/10/85	Amanda Sue Kenney 100%	Shell 100%	None	Shell 100%
(82)		361-033-28	5.0	2.5		Carl M. Trinkie et ux	None	None	None
(83)		325-033-27	5.0	2.5	11/10/85	Gary W. Kito et ux 100%	Shell 100%	None	Shell 100%
(84)		296-033-2	5.0	2.5		Brigham Young University	None	None	None
(85)		265-033-26	5.0	2.5		Horizon, Uncommitted	None	None	None
(86)		230-033-8	5.0	2.5	11/10/85	Charlotte E. Beronio	Shell 100%	None	Shell 100%
(87)		180-033-10	10.0	5.0		Horizon, Uncommitted	None	None	None
Tract 12	Total Acres		441.60	220.80					
Tract 12	Total leased Acres		160.00	80.00					

T11N-R2E  
Section 6  
Map #A-7  
Code 1-007-066

Map Access Key #'s

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
13									
(1)		010-495-34	5.0	2.5		Horizon, Uncommitted	None	None	None
(2)		043-495-32	5.0	2.5		Horizon, Uncommitted	None	None	None
(2-A)		059-428-36	4.5	2.3		Horizon, Uncommitted	None	None	None
(3)		083-495-31	5.0	2.5		Horizon, Uncommitted	None	None	None
(4)		116-495-30	5.0	2.5		Gaeton A. Messina et al	None	None	None
(5)		149-495-29	5.0	2.5	11/10/85	William B. Scholten et ux 100%	Shel1 100%	None	Shel1 100%
(6)		182-495-28	5.0	2.5	11/10/85	Virginia W. Henry 100%	Shel1 100%	None	Shel1 100%
(7)		215-495-27	5.0	2.5		Horizon, Uncommitted	None	None	None
(8)		248-495-26	5.0	2.5		Gerald W. Hauser et ux	None	None	None
(9)		281-495-34	5.0	2.5	11/10/85	June D. Rabell	Shel1 100%	None	Shel1 100%
(10)		314-495-33	5.0	2.5		Horizon, Uncommitted	None	None	None
(11)		347-495-32	5.0	2.5	11/10/85	Mitchell J. Free et ux 100%	Shel1 100%	None	Shel1 100%
(12)		380-495-31	5.0	2.5		Horizon, Uncommitted	None	None	None
(13)		414-495-30	5.0	2.5		Donald A. Adam	None	None	None
(14)		447-495-28	5.0	2.5		Horizon, Uncommitted	None	None	None
(15)		480-495-27	5.0	2.5		Horizon, Uncommitted	None	None	None

13 Cont.

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDE ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
T11N-R2E Section 6 Map Access Key #									
(16)		513-495-27	5.0	2.5		Horizon, Uncommitted	None	None	None
(17)		513-428-25	5.0	2.5		Horizon, Uncommitted	None	None	None
(18)		480-428-24	5.0	2.5		Horizon, Uncommitted	None	None	None
(19)		447-428-23	5.0	2.5		Horizon, Uncommitted	None	None	None
(20)		414-428-22	5.0	2.5		Horizon, Uncommitted	None	None	None
(21)		380-428-21	5.0	2.5		Horizon, Uncommitted	None	None	None
(22)		347-428-20	5.0	2.5		Horizon, Uncommitted	None	None	None
(23)		314-428-19	5.0	2.5		Horizon, Uncommitted	None	None	None
(24)		281-428-18	5.0	2.5		Horizon, Uncommitted	None	None	None
(25)		248-428-24	5.0	2.5		Iljo H. Ralis et ux & Jan Havliced et al 100%	None	None	None
(26)		215-428-23	5.0	2.5		Theodore Karandreas et ux	None	None	None
(27)		182-428-22	5.0	2.5	11/10/85	Max L. Newcomer et ux 100%	Shel 100%	None	Shel 100%
(28)		149-428-21	5.0	2.5		Lella D. Xidis et al	None	None	None
(29)		116-428-20	5.0	2.5		Horizon, Uncommitted	None	None	None
(30)		083-428-19	5.0	2.5		Horizon, Uncommitted	None	None	None
(31)		043-428-18	5.0	2.5		Horizon, Uncommitted	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
13 Cont.									
		T11N-R2E Section 6 Map Access Key #							
(32)		010-428-17	5.0	2.5		Horizon, Uncommitted	None	None	None
(33)		016-363-16	5.0	2.5		John E. Felch Jr. et ux	None	None	None
(34)		043-363-15	5.0	2.5		Gene E. Smith et ux	None	None	None
(35)		083-363-14	5.0	2.5	11/10/85	Louise Brunson 100%	Shell 100%	None	Shell 100%
(36)		116-363-13	5.0	2.5		Horizon, Uncommitted	None	None	None
(37)		149-363-12	5.0	2.5		R. Merrill Harris	None	None	None
(38)		182-363-10	5.0	2.5		Horizon, Uncommitted	None	None	None
(39)		215-363-33	5.0	2.5	11/10/85	Paul H. Hicks 100%	Shell 100%	None	Shell 100%
(40)		248-363-9	5.0	2.5		William V. Martinez et ux	None	None	None
(41)		281-363-17	5.0	2.5		Horizon, Uncommitted	None	None	None
(42)		314-363-16	5.0	2.5		Horizon, Uncommitted	None	None	None
(43)		347-363-15	5.0	2.5	11/10/85	David H. Gloedkner et ux 100%	Shell 100%	None	Shell 100%
(44)		380-363-13	5.0	2.5		Horizon, Uncommitted	None	None	None
(45)		410-363-12	5.0	2.5		Gonzalo T. Chua et ux	None	None	None
(46)		447-363-11	5.0	2.5		Horizon, Uncommitted	None	None	None
(47)		480-363-10	5.0	2.5	11/10/85	Manuel Roman et ux 100%	Shell 100%	None	Shell 100%
(48)		513-363-9	5.0	2.5		Bruce W. Dunlap et ux	None	None	None
(49)		513-297-8	5.0	2.5		Leroy B. Outlaw	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
13 Cont.									
		T11N-R2E Section 6 Map Access Key #							
(50)		480-297-7	5.0	2.5		Horizon, Uncommitted	None	None	None
(51)		447-297-6	5.0	2.5		Samuel Goldfarb et ux	None	None	None
(52)		410-297-5	5.0	2.5		Horizon, Uncommitted	None	None	None
(53)		380-297-4	5.0	2.5		Horizon, Uncommitted	None	None	None
(54)		347-297-3	5.0	2.5		Horizon, Uncommitted	None	None	None
(55)		314-297-2	5.0	2.5		Lorenzo D. Rhodes et ux	None	None	None
(56)		281-297-1	5.0	2.5		Horizon, Uncommitted	None	None	None
(57)		248-297-8	5.0	2.5	11/10/85	Douglas T. Robinson et ux 100%	Shell 100%	None	Shell 100%
(57A)		227-297-35	5.0	2.5		Horizon, Uncommitted	None	None	None
(58)		205-297-7	5.0	2.5		Julian Lee Owen et al	None	None	None
(59)		172-297-6	5.0	2.5	11/10/85	George A. Ochs et ux. 100%	Shell 100%	None	Shell 100%
(60)		140-297-5	5.0	2.5		R. E. Williams et ux	None	None	None
(61)		105-297-4	5.0	2.5		Horizon, Uncommitted	None	None	None
(62)		071-297-3	5.0	2.5		Wayne T. Lemme et ux	None	None	None
(63)		050-297-2	5.0	2.5		Larry J. Martin et ux	None	None	None
(64)		016-297-1	5.0	2.5		Hartmuth D. Guenther et ux	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
13 Cont.									
T11N-R2E Section 6 Map Access Key #									
(65)		010-230-28	5.0	2.5		Horizon Uncommitted	None	None	None
(66)		043-230-30	5.0	2.5	11/10/85	Donald C. Dille Jr. 100%	Shell 100%	None	Shell 100%
(67)		071-230-31	5.0	2.5		Horizon, Uncommitted	None	None	None
(68)		105-230-26	5.0	2.5		R. E. Williams et ux	None	None	None
(69)		140-230-27	5.0	2.5		R. E. Williams et ux	None	None	None
(69A)		160-197-37	3.0	1.5		Horizon, Uncommitted	None	None	None
(70)		183-230-29	5.0	2.5		Alan Roots et ux	None	None	None
(71)		215-330-32	5.0	2.5		Horizon, Uncommitted	None	None	None
(72)		248-230-33	5.0	2.5		Horizon, Uncommitted	None	None	None
(73)		281-230-32	5.0	2.5		Horizon, Uncommitted	None	None	None
(74)		314-230-31	5.0	2.5		Horizon, Uncommitted	None	None	None
(75)		347-230-35	5.0	2.5	11/10/85	Nova Westerman Ochetre 100%	Shell 100%	None	Shell 100%
(76)		380-230-29	5.0	2.5		Horizon, Uncommitted	None	None	None
(77)		413-230-28	5.0	2.5	11/10/85	James B. Brown et ux 100%	Shell 100%	None	Shell 100%
(78)		447-230-27	5.0	2.5		Arthur Farrar, Trustee	None	None	None
(79)		480-230-26	5.0	2.5		Horizon, Uncommitted	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
13 Cont.									
T11N-R2E Section 6 Map Access Key #									
(80)		512-233-25	5.0	2.5	11/10/85	Charles L. Myers Jr. et ux 100%	Shell 100%	None	Shell 100%
(81)		513-165-18	5.0	2.5	11/10/85	Alvin M. Natkin et ux 100%	Shell 100%	None	Shell 100%
(82)		480-165-19	5.0	2.5		Horizon, Uncommitted	None	None	None
(83)		447-165-20	5.0	2.5		Horizon, Uncommitted	None	None	None
(84)		413-165-21	5.0	2.5		Horizon, Uncommitted	None	None	None
(85)		380-165-22	5.0	2.5		Horizon, Uncommitted	None	None	None
(86)		342-165-30	5.0	2.5		Monna L. Mumper	None	None	None
(87)		314-165-23	5.0	2.5		Horizon, Uncommitted	None	None	None
(88)		281-165-24	5.0	2.5		Horizon, Uncommitted	None	None	None
(89)		248-165-25	5.0	2.5		Horizon, Uncommitted	None	None	None
(90)		215-165-24	5.0	2.5		Horizon, Uncommitted	None	None	None
(91)		183-165-23	5.0	2.5		Robert L. Keller et ux	None	None	None
(92)		149-164-22	5.0	2.5	11/10/85	Robert W. Haisty et ux 100%	Shell 100%	None	Shell 100%
(93)		105-165-21	5.0	2.5		Horizon, Uncommitted	None	None	None
(94)		071-165-20	5.0	2.5	11/10/85	Joe H. Thompson et ux 100%	Shell 100%	None	Shell 100%

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
13 Cont.									
T11N-R2E Section 6 Map Access Key #									
(95)		037-164-19	5.0	2.5		Harve B. Shavor et ux	None	None	None
(96)		004-164-18	5.0	2.5		George E. Murphy	None	None	None
(97)		010-099-10	5.0	2.5		Horizon, Uncommitted	None	None	None
(98)		043-099-34	5.0	2.5		Horizon, Uncommitted	None	None	None
(98A)		059-099-35	1.5	.75		Horizon, Uncommitted	None	None	None
(99)		083-099-12	5.0	2.5	11/10/85	J. R. Bright et ux 100%	Shell 100%	None	Shell 100%
(100)		116-099-13	5.0	2.5	11/10/85	Dola E. Kadleck	Shell 100%	None	Shell 100%
(101)		149-099-14	5.0	2.5	11/10/85	Ralph M. Gilbert 100%	Shell 100%	None	Shell 100%
(102)		182-099-15	5.0	2.5		Horizon, Uncommitted	None	None	None
(103)		215-099-16	5.0	2.5		Horizon, Uncommitted	None	None	None
(104)		241-099-17	5.0	2.5		Gustavo A. Mellander	None	None	None
(105)		281-099-9	5.0	2.5		Horizon, Uncommitted	None	None	None
(106)		314-099-10	5.0	2.5		John M. Reid et al	None	None	None
(107)		342-099-11	5.0	2.5	11/10/85	Walter N. Watson et ux 100%	Shell 100%	None	Shell 100%
(108)		380-099-12	5.0	2.5		Horizon, Uncommitted	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
13 Cont.								
		T11N-R2E Section 6 Map Access Key #						
(109)		413-099-13	5.0 2.5		Horizon, Uncommitted	None	None	None
(110)		447-099-15	5.0 2.5		Horizon, Uncommitted	None	None	None
(111)		480-099-16	5.0 2.5		Steven F. Roemer et ux	None	None	None
(112)		513-099-17	5.0 2.5	11/10/85	Gordon L. Paine et ux 100%	Shell 100%	None	None
(113)		513-033-1	5.0 2.5		Henry R. Folgate et al	None	None	None
(114)		480-033-2	5.0 2.5		Horizon, Uncommitted	None	None	None
(115)		447-033-3	5.0 2.5	11/10/85	Louis Leib et ux 100%	Shell 100%	None	Shell 100%
(116)		413-033-4	5.0 2.5		Horizon, Uncommitted	None	None	None
(117)		380-033-5	5.0 2.5		Horizon, Uncommitted	None	None	None
(118)		343-033-8	5.0 2.5	11/10/85	C. W. Barnard et ux 100%	Shell 100%	None	Shell 100%
(119)		312-033-7	10.0 5.0	11/10/85	Don Adams et ux 100%	Shell 100%	None	Shell 100%
(120)		281-033-6	5.0 2.5		Horizon, Uncommitted	None	None	None
(121)		244-033-1	5.0 2.5		George R. Wilkins	None	None	None
(122)		215-033-2	5.0 2.5	11/10/85	Bobby W. Hedges et ux 100%	Shell 100%	None	Shell 100%
(123)		182-034-3	5.0 2.5	11/10/85	Gary J. Vincent et ux 100%	Shell 100%	None	Shell 100%
(123A)		160-033-36	1.5 .75		Horizon, Uncommitted	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
13 Cont.									
		T11N-R2E Section 6 Map Access Key #							
(124)		140-033-5	5.0	2.5		Horizon, Uncommitted	None	None	None
(125)		105-033-6	5.0	2.5		Horizon, Uncommitted	None	None	None
(126)		071-033-7	5.0	2.5		Alfred A. Diersio et ux	None	None	None
(127)		043-033-8	5.0	2.5		Horizon, Uncommitted	None	None	None
(128)		010-033-9	5.0	2.5		Horizon, Uncommitted	None	None	None
Tract 13 Total acres			660.60	330.30					
Tract 13 Total Leased Acres			150.00	75.00					

14

T11N-R2E  
Section 5  
Map #A-8  
Code 1-008-066

Map Access Key #

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
(1)		420-122-46	5.0 2.5		Ruth J. Evans	None	None	None
(2)		463-123-26	5.0 2.5		Edward C. Wagner et al	None	None	None
(3)		506-123-26	5.0 2.5	11/10/85	Donald D. Trimble et ux 100%	Shell 100%	None	Shell 100%
(4)		506-074-12	5.0 2.5	11/10/85	Ellsworth R. Erb et ux 100%	Shell 100%	None	Shell 100%
(5)		463-074-13	5.0 2.5		Henry N. Kaholas et ux	None	None	None
(6)		420-074-14	5.0 2.5	11/10/85	Richard F. Jakobi et ux 100%	Shell 100%	None	Shell 100%
(7)		420-025-8	5.0 2.5		William W. Burris et ux	None	None	None
(8)		430-024-9	5.0 2.5	11/10/85	Mildred Ruth Burris 100%	Shell 100%	None	Shell 100%
(9)		505-025-25	5.0 2.5		Fred E. Romero	None	None	None
(10A)		367-255-51	3.0 1.5		Anthony C. Novak	None	None	None
(10B)		399-255-52	3.0 1.5		Robert D. Mickelson	None	None	None
(11)		438-256-37	5.0 2.5		Carl G. Anderson	None	None	None
(12A)		367-212-48	3.0 1.5		Virginia M. Caskenette	None	None	None
(12B)		399-215-49	3.06 1.53		Horizon, Uncommitted	None	None	None
(13)		437-214-30	4.976 2.49	11/10/85	Ray Kovas et al	Shell 100%	None	Shell 100%

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
14		T11N-R2E Section 5 Map A-8							
(14A)		367-172-28	3.0	1.5		Maria G. Picchiatti	None	None	None
(14B)		399-171-27	3.0	1.5		Sergio Antonio Rossi	None	None	None
(15)		438-171-29	5.0	2.5	11/10/85	Brigette V. Fries 100%	Shell 100%	None	Shell 100%
(16)		274-311-55	5.0	2.5	11/10/85	Edwin L. Mitchell et ux 100%	Shell 100%	None	Shell 100%
(17)		315-312-50	5.0	2.5	11/10/85	John H. Saunders et ux	Shell 100%	None	Shell 100%
(18)		348-312-45	5.0	2.5		Austin T. Peterson	None	None	None
(19)		372-311-37	5.0	2.5	11/10/85	Elizabeth S. Hunt 100%	Shell 100%	None	Shell 100%
(20)		431-311-36	5.0	2.5	11/10/85	Loyola Academy Inc. 100%	Shell 100%	None	Shell 100%
(21)		447-311-30	5.0	2.5		Richard P. Swift	None	None	None
(22)		479-311-35	5.0	2.5		Horizon, Uncommitted	None	None	None
(23)		513-311-19	5.0	2.5		Richard T. Richardson et ux	None	None	None
(24)		513-381-20	5.0	2.5	11/10/85	Richard V. Grant et ux 100%	Shell 100%	None	Shell 100%
(25)		479-380-34	5.0	2.5		Horizon, Uncommitted	None	None	None
(26)		447-380-7	5.0	2.5	11/10/85	William H. Zier et ux 100%	Shell 100%	None	Shell 100%
(27)		431-380-22	5.0	2.5		Albert C. Grahmann et ux	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDE ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
14		T11N-R2E Section 5 Map A-8							
(28)		372-378-24	5.0	2.5	11/10/85	Lovola Academy Inc. 100%	Shell 100%	None	Shell 100%
(29)		348-378-33	5.0	2.5	11/10/85	Robert H. Herman et ux 100%	Shell 100%	None	Shell 100%
(30)		315-378-27	5.0	2.5		Altenau, Inc.	None	None	None
(31)		282-378-28	5.0	2.5		Iris Taymore Schnitzer	None	None	None
(32)		159-440-50	7.58	3.80	11/10/85	Robert H. Beasley, Jr. et ux 100%	Shell 100%	None	Shell 100%
(33)		208-440-35	5.0	2.5		Angel Fernandez	None	None	None
(34)		237-436-86	5.0	2.5		Helen Kohn et ux	None	None	None
(35)		383-443-5	5.0	2.5		Calvin E. Yutzy et ux	None	None	None
(36)		321-443-8	5.0	2.5	11/10/85	James B. Stromsoe	Shell 100%	None	Shell 100%
(37)		360-443-32	5.0	2.5		Donald A. Simpson et ux	None	None	None
(38)		397-443-10	5.0	2.5	11/10/85	Harold M. Wright et ux 100%	Shell 100%	None	Shell 100%
(39)		453-443-15	5.0	2.5		Richard H. Tenney et ux	None	None	None
(40)		472-443-14	5.0	2.5		Richard H. Tenney et ux	None	None	None
(41)		513-443-13	5.0	2.5		Richard H. Tenney et ux	None	None	None
(42)		513-495-12	5.0	2.5	11/10/85	Rex W. Sjostrom et ux 100%	Shell 100%	None	Shell 100%

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
14		T11N-R2E Section 5 Map A-8							
(43)		472-495-6	5.0	2.5	11/10/85	Ernest Hockstradt 100%	Shell 100%	None	Shell 100%
(44)		453-495-11	5.0	2.5	11/10/85	E. Rod Fuchs et ux 100%	Shell 100%	None	Shell 100%
(45)		396-495-4	5.0	2.5	11/10/85	Roy F. Carlson et ux 100%	Shell 100%	None	Shell 100%
(46)		360-495-31	5.0	2.5		Kerry Lee Magaman	None	None	None
(47)		321-495-2	5.0	2.5	11/10/85	Medore J. Savoie et ux 100%	Shell 100%	None	Shell 100%
(48)		284-495-1	5.0	2.5		Joyce Marie Hirsche	None	None	None
(49)		246-495-55	5.0	2.5		Horizon, Uncommitted	None	None	None
(50)		209-495-88	5.0	2.5	11/10/85	Howard E. Bruhn et ux 100%	Shell 100%	None	Shell 100%
(51A)		150-495-92	3.5	1.75		Horizon, Uncommitted	None	None	None
(51B)		178-495-90	3.0	1.5		John J. Klune et ux	None	None	None
(52)		376-025-55	5.0	2.5		Horizon, Uncommitted	None	None	None
(53)		329-025-6	5.0	2.5		Paul F. Muller et ux	None	None	None
(54)		286-025-5	5.0	2.5	11/10/85	Mary C. Szymczak et ux 100%	Shell 100%	None	Shell 100%
(55)		376-074-15	5.0	2.5	11/10/85	Ruth Edwards	Shell 100%	None	Shell 100%
(56)		329-074-5	5.0	2.5	11/10/85	Salvatore D. Peringa et ux 100%	Shell 100%	None	Shell 100%

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
14		T11N-R2E Section 5 Map A-8							
(57)		286-074-3	5.0	2.5	11/10/85	Horst N. Wagener et ux 100%	Shell 100%	None	Shell 100%
(58)		376-122-23	5.0	2.5	11/10/85	Travis E. Waters et ux 100%	Shell 100%	None	Shell 100%
(59)		329-122-53	5.0	2.5	11/10/85	Robert D. Mcleod et ux 100%	Shell 100%	None	Shell 100%
(60)		286-122-4	5.0	2.5		Loretta M. Powers	None	None	None
(61)		115-492-93	5.0	2.5	11/10/85	Martin L. Saper et ux 100%	Shell 100%	None	Shell 100%
(62)		083-495-21	5.0	2.5		Horizon, Uncommitted	None	None	None
(63)		051-495-20	5.0	2.5		Horizon, Uncommitted	None	None	None
(64)		016-493-40	5.0	2.5	11/10/85	Stanley F. Johnson	Shell 100%	None	Shell 100%
(65)		018-428-80	5.0	2.5		Michael D. Daniel	None	None	None
(66)		051-428-45	5.0	2.5	11/10/85	Christopher A. Louchios 100%	Shell 100%	None	Shell 100%
(67)		083-428-43	5.0	2.5		Pell Kangas	None	None	None
(68)		115-428-22	5.0	2.5		James F. Swift	None	None	None
(69)		115-378-26	5.0	2.5	11/10/85	Loyala Academy, Inc. 100%	Shell 100%	None	Shell 100%
(70)		083-378-25	5.0	2.5	11/10/85	Harold Gene Shields et ux 100%	Shell 100%	None	Shell 100%
(71)		051-362-70	5.0	2.5		Paul Selice et ux	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
14		T11N-R2E Section 5 Map A-8							
(72)		018-378-24	5.0	2.5		Horizon, Uncommitted	None	None	None
(73)		018-297-28	5.0	2.5		Russell E. Stanley et ux	None	None	None
(74)		015-297-27	5.0	2.5		Horizon, Uncommitted	None	None	None
(75)		083-297-63	5.0	2.5		Caesar C. Koenig et ux	None	None	None
(76)		116-297-60	5.0	2.5		Thaddeus J. Siemion et ux	None	None	None
(77)		115-232-27	5.0	2.5		Thomas R. Courtney et ux	None	None	None
(78)		084-232-19	5.0	2.5	11/10/85	Andrew S. Hubbard, Jr. 100%	Shell 100%	None	Shell 100%
(79)		051-238-26	5.0	2.5	11/10/85	Katherine K. Mattos	Shell 100%	None	Shell 100%
(80)		018-232-25	5.0	2.5	11/10/85	Arch C. West et ux 100%	Shell 100%	None	Shell 100%
(81)		018-165-29	5.0	2.5		Horizon, Uncommitted	None	None	None
(82)		051-165-15	5.0	2.5	11/10/85	J. Edward Lawson et ux 100%	Shell 100%	None	Shell 100%
(83)		084-165-14	5.0	2.5		Charles E. Middleton	None	None	None
(84)		115-165-28	5.0	2.5	11/10/85	Morris H. Madison et ux 100%	Shell 100%	None	Shell 100%
(85)		115-100-33	5.0	2.5		Horizon, Uncommitted	None	None	None
(86)		084-100-32	5.0	2.5		Horizon, Uncommitted	None	None	None
(87)		051-100	5.0	2.5		Raymond C. Seney et ux	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
14		T11N-R2E Section 5 Map A-8						
(88)		018-100-30	5.0 2.5		Horizon, Uncommitted	None	None	None
(89)		018-033-1	5.0 2.5	11/10/85	Kenneth F. Walz et ux 100%	Shel1 100%	None	Shel1 100%
(90)		051-033-10	5.0 2.5		Florien J. Kamin et ux	None	None	None
(91)		084-035-18	5.0 2.5		Gonzalo C. Hernandez, Jr. et ux	None	None	None
(92)		116-033-13	5.0 2.5	11/10/85	Loyola Academy, Inc. 100%	Shel1 100%	None	Shel1 100%
(93A)		199-345-53	40.00 20.00		Nicholas G. Sakellar	None	None	None
(94)		115-025-2	5.0 2.5		Helen Kozlowski et ux	None	None	None
(95)		242-025-4	5.0 2.5		Clyde Charles Mullen et ux	None	None	None
(96)		242-123-5	5.0 2.5	11/10/85	Daniel Lapicola et ux 100%	Shel1 100%	None	Shel1 100%
(97)		198-122-6	5.0 2.5		William A. Lorenz et ux	None	None	None
(98)		154-122-7	5.0 2.5	11/10/85	Dorothy B. Waxman et ux 100%	Shel1 100%	None	Shel1 100%
(99)		154-074-8	5.0 2.5		Edward G. Barber	None	None	None
(100)		242-074-9	5.0 2.5		John J. Olivet et ux	None	None	None
(101)		168-215-11	20.00 10.00	11/10/85	Harry H. Dickson 100%	Shel1 100%	None	Shel1 100%
(102)		232-264-12	5.0 2.5		Lola June May	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
14		T11N-R2E Section 5 Map A-8							
(103)		232-165-16	5.0	2.5	11/10/85	Wanda Bryeski et ux 100%	Shell 100%	None	Shell 100%
(104)		198-074-20	5.0	2.5		Brandy Bail Bonds, Inc.	None	None	None
(105)		231-230-21	5.0	2.5		Raymond K. Kostner et ux	None	None	None
(106)		498-215-36	20.00	10.00		Meta Baum	None	None	None
(107)		309-207-47	20.00	10.00	11/10/85	Andre Levie et ux	Shell 100%	None	Shell 100%
(108)		206-263-50	6.0	3.0	11/10/85	Nathan G. Shapiro et ux	Shell 100%	None	Shell 100%
Tract 14		Total Acres	623.14	311.57					
Tract 14		Total Leased Acres	268.58	134.29					

TT1N-R2E  
Section 4  
Map # A-9  
Code 1-009-066

Map Access Key #

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
(1A)		011-490-30	3.5	1.75	Horizon, Uncommitted	None	None	None
(1B)		031-490-24	3.0	1.5	William J. Lieberman et ux 100%	Shell 100%	None	Shell 100%
(2)		055-492-29	5.0	2.5	James R. Guy et ux 100%	Shell 100%	None	Shell 100%
(3)		087-493-19	5.0	2.5	Louis A. Alberts et ux	None	None	Shell 100%
(4)		117-493-20	5.0	2.5	Walter N. Daoust et ux	None	None	None
(5)		150-493-21	5.0	2.5	Percy Trundle et ux	Shell 100%	None	None
(6)		179-493-15	5.0	2.5	Catherine P. DeAngeles	None	None	Shell 100%
(7)		209-490-28	5.0	2.5	Barbara S. Quin et al	None	None	None
(8)		240-490-46	5.0	2.5	Kenneth H. Erickson et ux	Shell 100%	None	Shell 100%
(9)		269-490-53	5.0	2.5	William L. Steinbarth et ux	None	None	None
(10)		302-490-52	5.0	2.5	Adolph Greynski	None	None	None
(11)		331-490-51	5.0	2.5	Walter T. Kirley Jr.	None	None	None
(12)		362-490-19	5.0	2.5	Reinhardt W. Carlson et ux	Shell 100%	None	Shell 100%
(13A)		394-513-18	2.5	1.25	Jack A. Brown et ux 100%	Shell 100%	None	Shell 100%
(13B)		394-478-24	2.5	1.25	Bernell J. Bircher et ux	None	None	None
(14A)		424-513-27	2.5	1.25	Edward J. Mansholt et ux	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
15 Cont.								
T11N-R2E Section 4 Map Access Key								
(14B)		424-478-14	2.5 1.25		Joseph L. Bufalino et ux	None	None	None
(15)		454-490-13	5.0 2.5	11/10/85	Francis J. Montag et ux 100%	Shell 100%	None	Shell 100%
(16)		485-490-12	5.0 2.5	11/10/85	Ida M. Thibedeau 100%	Shell 100%	None	Shell 100%
(17)		515-490-16	5.0 2.5		Mary Louise Henson	None	None	None
(18)		515-419-5	5.0 2.5	11/10/85	Gaspar Papa et al 100%	Shell 100%	None	Shell 100%
(19)		485-419-11	5.0 2.5		Roni Christopher	None	None	None
(20)		454-419-8	5.0 2.5		Ramon J. Spapperi et ux	None	None	None
(21)		424-419-15	5.0 2.5		Haskell B. Hicks et ux	None	None	None
(22)		394-419-9	5.0 2.5	11/10/85	Gary L. Levias	Shell 100%	None	Shell 100%
(23)		362-419-7	5.0 2.5		Robert L. Abercrombie	None	None	None
(24)		314-423-26	5.0 2.5	11/10/85	Warren E. Dalbke 100%	Shell 100%	None	Shell 100%
(25)		314-423-26	5.0 2.5		Horizon, Uncommitted	None	None	None
(26)		269-423-25	5.0 2.5		Sam Pantoleo et ux	None	None	None
(27)		240-423-13	5.0 2.5		Redwood Barker	None	None	None
(28)		209-423-26	5.0 2.5		Celea Budzinski	None	None	None
(29)		178-423-16	5.0 2.5	11/10/85	Max M. Hughes et ux 100%	Shell 100%	None	Shell 100%

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
15 Cont. T11N-R2E Section 4 Map Access Key									
(30A)		132-423-10	5.0	2.5		Harry W. DeAngelis et ux	None	None	None
(31B)		132-423-10	5.0	2.5		Harry W. DeAngelis et ux	None	None	None
(32)		087-423-11	5.0	2.5	11/10/85	Gasper Papa	Shell 100%	None	None
(33)		055-423-31	5.0	2.5		John Boebinger et ux	None	None	None
(34A)		018-437-8	3.0	1.5		Horizon, Uncommitted	None	None	None
(34B)		018-401-7	3.0	1.5		David L. C. Hunt et ux	None	None	None
(35)		014-347-14	4.5	2.5		James A. Butler et ux	None	None	None
(36)		043-347-18	5.0	2.5		Charles H. Alford et ux	None	None	None
(37)		074-345-27	5.0	2.5	11/10/85	Josena L. Gabel 100%	Shell 100%	None	Shell 100%
(38)		101-347-17	5.0	2.5		Richard W. W. Miller et ux	None	None	None
(39)		130-347-9	5.0	2.5		Angeline B. Skotnik et al	None	None	None
(40)		160-347-12	5.0	2.5	11/10/85	Raymond Bernard Cattell 100%	Shell 100%	None	None
(41)		183-347-6	2.5	1.25		Wallace E. Brown et ux	None	None	None
(42)		199-347-5	3.0	1.5		Frederick R. Danker	None	None	None
(43)		216-347-4	3.0	1.5		Horizon, Uncommitted	None	None	None
(44A)		245-347-35	6.0	3.0		R. Dargie et ux	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
15 Cont.									
T11N-R2E Section 4 Map Access Key									
(44B)		263-347-45	1.0	0.5		Horizon, Uncommitted	None	None	None
(45)		278-347-50	6.0	3.0	11/10/85	Herbert E. Dayhoff et ux	Shell 100%	None	Shell 100%
(46)		325-360-27	5.0	2.5	11/10/85	Sam Pantaleo et ux 100%	Shell 100%	None	Shell 100%
(46B)		325-326-1	5.0	2.5		Mildred Latkovich Gousetis	None	None	None
(47)		363-347-2	3.0	1.5		Horizon, Uncommitted	None	None	None
(48)		383-345-4	4.0	2.0		Clarence D. Kilborn	None	None	None
(49A)		411-347-4	5.0	2.5	11/10/85	James K. Wagner et ux 100%	Shell 100%	None	None
(49B)		430-348-3	1.71	8.55		Horizon, Uncommitted	None	None	None
(50)		452-346-23	6.0	3.0		Catherine M. Roach	None	None	None
(51)		500-346-10	10.30	5.5		Ethel V. Slawsky	None	None	None
(52)		112-285-3	5.0	2.5		John T. Burnes et ux	None	None	None
(53)		156-285-23	5.0	2.5	11/10/85	Raymond C. Carman et ux 100%	Shell 100%	None	Shell 100%
(54)		200-285-22	5.0	2.5	11/10/85	Thomas J. Dokton 100%	Shell 100%	None	Shell 100%
(55)		243-291-25	5.0	2.5	11/10/85	C. Stewart Munz et ux 100%	Shell 100%	None	Shell 100%
(56)		278-285-55	2.5	1.25		Vincent E. Walsh et ux	None	None	None
(57)		302-285-56	2.5	1.25		Jule Gordon et ux	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
15 Cont.									
T11N-R2E Section 4 Map Access Key									
(58)		022-285-2	5.0	2.5	11/10/85	Clifford E. Martin et ux 100%	Shell 100%	None	Shell 100%
(59)		022-285-1	5.0	2.5		Louis C. Burmeister et ux	None	None	None
(60)		067-230-30	20.00	10.00	11/11/85	Lucille Shell 100%	Shell 100%	None	Shell 100%
(61)		167-230-38	10.00	5.00	11/10/85	Walter B. Bell et ux 100%	Shell 100%	None	Shell 100%
(62)		214-230-5	5.0	2.5	11/10/85	Herman W. Matucha 100%	Shell 100%	None	Shell 100%
(63)		249-230-35	5.0	2.5		Charles M. James et ux	None	None	None
(64)		249-165-16	5.0	2.5	11/10/85	Vermejo Investments 100%	Shell 100%	None	Shell 100%
(65)		226-265-18	5.0	2.5	11/10/85	Norman J. O'Conner 100%	Shell 100%	None	Shell 100%
(66)		203-165-19	5.0	2.5	11/10/85	R. T. Schrein et ux 100%	Shell 100%	None	Shell 100%
(67)		171-164-29	5.0	2.5		Denton A. Dickey	None	None	None
(68)		137-165-22	5.0	2.5		Tom Argys et ux	None	None	None
(69)		104-165-2	5.0	2.5	11/10/85	Arthur Hildebrandt et 100%	Shell 100%	None	Shell 100%
(70)		077-165-25	3.0	1.5		Gerald C. Winter	None	None	None
(71)		060-165-24	2.5	1.25		Horizon Uncommitted	None	None	None
(72)		043-165-23	2.50	1.25	11/10/85	Mike Kreatsoulas et ux 100%	Shell 100%	None	Shell 100%
(73)		018-165-31	5.0	2.5		Paul Jonas et ux	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
15 Cont.									
T11N-R2E Section 4 Map Access Key									
(74)		015-100-1	4.50	2.25		Rex E. Crum et ux	None	None	None
(75)		055-099-6	7.5	3.75	11-10-85	Helen Kozlowski et ux 100%	Shell 100%	None	Shell 100%
(76)		105-109-7	5.0	2.5		William Kozlowski	None	None	None
(77)		105-076-8	2.5	1.25	11/10/85	Catherine Wielgorecki 100%	Shell 100%	None	Shell 100%
(78)		139-098-27	2.5	1.25		John N. Maris et ux	None	None	None
(79)		163-099-10	5.0	2.5	11/10/85	Jack Carnes et ux 100%	Shell 100%	None	Shell 100%
(80)		186-099-17	2.0	1.0	11/10/85	Robert P. Wetzel et ux 100%	Shell 100%	None	Shell 100%
(81)		203-099-26	3.0	1.5	11/10/85	George E. Gaede et ux 100%	Shell 100%	None	Shell 100%
(82)		222-099-14	3.0	1.5		Horizon, Uncommitted	None	None	None
(83)		249-099-15	5.0	2.5		Helmut E. Hoerner	None	None	None
(84)		248-034-21	5.0	2.5	11/10/85	M. J. Weiman et ux 100%	Shell 100%	None	Shell 100%
(85)		222-033-20	3.0	1.5		Janice A. Kozlowski	None	None	None
(86)		202-033-20	2.0	1.0		Arnest A. Kime et ux	None	None	None
(87)		189-033-9	3.0	1.5		Van Barber	None	None	None
(88)		170-033-12	3.0	1.5	11/10/85	Melvin J. Freedman et ux 100%	Shell 100%	None	Shell 100%
(89)		152-033-13	2.0	1.0	11/10/85	Howard F. Horton et ux 100%	Shell 100%	None	Shell 100%

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
15 Cont.									
T11N-R2E Section 4 Map Access Key									
(90)		139-033-4	2.0	1.0	11/10/85	Edward O. Oisen 100%	Shell 100%	None	Shell 100%
(91)		100-032-28	10.00	5.00	11/10/85	Iollah Belle Copeland 100%	Shell 100%	None	Shell 100%
(92)		050-033-40	5.0	2.5		Takis Sotos	None	None	None
(93)		017-050-3	2.5	1.25		Horizon, Uncommitted	None	None	None
(94)		017-017-39	2.5	1.25	11/10/85	Nirkolas Zenez et ux 100%	Shell 100%	None	Shell 100%
(95)		396-261-60	53.00	26.50		Congregation Albert	None	None	None
(96)		387-172-40	55.00	27.50		Congregation Albert	None	None	None
(97)		332-105-30	10.00	5.00		Albuquerque Northwest Lions Club	None	None	None
(98)		332-105-32	3.0	1.5		New Mex. School for the Deaf	None	None	None
(99)		332-040-5	24.00	12.00		New Mex. School for the Deaf	None	None	None
(100)		432-067-20	20.00	10.00	11/10/85	Daniel Panger et ux 100%	Shell 100%	None	Shell 100%
(101)		496-067-25	20.00	10.00		Richard C. Lincoln	None	None	None
Tract 15 Total Acres			645.10	322.55					
Tract 15 Total Leased Acres			228.50	114.25					

16

T11N-R1E  
Section 12  
Map #B-6  
Code 1-006-065

Map Access Key #

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
(1)		157-436-15	10.2	5.1		Horizon, Uncommitted	None	None	None
(2)		166-358-16	6.14	3.07	11/10/85	Kenneth R. Gourley et ux 100%	Shell 100%	None	Shell 100%
(3)		174-316-6	5.92	3.96		Horizon, Uncommitted	None	None	None
(4)		177-279-5	5.57	2.79	11/10/85	Klata Peacock 100%	Shell 100%	None	Shell 100%
(5)		181-249-35	5.72	2.86	11/10/85	Lysle M. Cooper et ux 100%	Shell 100%	None	Shell 100%
(6)		185-223-30	5.62	2.81	11/10/85	Lyle V. Lindberg et ux 100%	Shell 100%	None	Shell 100%
(7)		186-198-3	5.59	2.8	11/10/85	M. Gene Neswander et ux 100%	Shell 100%	None	Shell 100%
(8)		192-175-28	5.60	2.8		Douglas M. Stevens et al	None	None	None
(9)		172-148-1	5.0	2.5	11/10/85	Emil Thiel et ux 100%	Shell 100%	None	Shell 100%
(10)		172-115-26	5.0	2.5	11/10/85	Carryl D. Jacobs et ux 100%	Shell 100%	None	Shell 100%
(11)		172-081-25	5.0	2.5	11/10/85	Bruce D. Silvey et ux 100%	Shell 100%	None	Shell 100%
(12)		172-049-24	5.0	2.5	11/10/85	Leonard A. Neubert et ux 100%	Shell 100%	None	Shell 100%
(13)		173-017-2	5.0	2.5	11/10/85	Henry A. Stroman et ux 100%	Shell 100%	None	Shell 100%

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
16 (Cont)								
		T11N-R1E Section 12 Map Access Key #						
(14)		228-133-2	6.72 3.36		Horizon, Uncommitted	None	None	None
(15)		234-087-13	6.0 3.0	11/10/85	Thomas F. Johnson et ux 100%	Shel1 100%	None	Shel1 100%
(16)		234-049-22	5.85 2.93	11/10/85	Thomas B. Williams et ux 100%	Shel1 100%	None	Shel1 100%
(17)		234-017-23	5.77 2.89	11/10/85	John P. Penland et ux 100%	Shel1 100%	None	Shel1 100%
(18)		185-494-12	8.40 4.20		Horizon, Uncommitted	None	None	None
(19)		227-494-11	5.0 2.5		Horizon, Uncommitted	None	None	None
(20)		264-494-11	5.0 2.5		Anita R. Facey, Trustee	None	None	None
(21)		296-494-53	5.0 2.5		Michael V. Avakian et ux	None	None	None
(22)		329-494-52	5.0 2.5	11/10/85	Patrick A. Dimicco et ux 100%	Shel1 100%	None	Shel1 100%
(23)		363-494-51	5.0 2.5		Horizon, Uncommitted	None	None	None
(24)		396-494-50	5.0 2.5		Celia Silverman	None	None	None
(25)		429-494-41	5.0 2.5		Lee Kuo Cheung	None	None	None
(26)		465-494-40	5.0 2.5		Horizon, Uncommitted	None	None	None
(27)		505-494-39	5.0 2.5		Horizon, Uncommitted	None	None	None
(28)		486-448-38	6.52 3.26		Horizon, Uncommitted	None	None	None
(29)		421-447-37	5.49 2.75		Horizon, Uncommitted	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
16 (Cont)									
T11N-R1E Section 12 Map Access Key #									
(30)		357-445-36	4.33	2.17		Horizon, Uncommitted	None	None	None
(31)		310-443-35	5.00	2.5		Horizon, Uncommitted	None	None	None
(32)		265-444-34	4.36	2.18		Horizon, Uncommitted	None	None	None
(33)		208-438-9	7.114	3.56		Horizon, Uncommitted	None	None	None
(34)		218-390-8	6.279	3.14		Horizon, Uncommitted	None	None	None
(35&36)		285-391-33	10.0	5.0		Horizon, Uncommitted	None	None	None
(37)		347-390-32	5.0	2.5		Horizon, Uncommitted	None	None	None
(38)		386-389-31	5.0	2.5	11/10/85	Heike R. Krause et al 100%	Shell 100%	None	Shell 100%
(39)		420-390-30	5.0	2.5		William W. Davis et ux	None	None	None
(40)		455-393-25	5.0	2.5		Horizon, Uncommitted	None	None	None
(41)		495-397-20	5.0	2.5	11/10/85	Howard T. Wilkins et ux 100%	Shell 100%	None	Shell 100%
(42)		480-349-8	5.0	2.5		Horizon, Uncommitted	None	None	None
(43)		414-349-9	5.0	2.5		Arthur B. Keisler et ux	None	None	None
(44)		348-348-10	5.0	2.5		Horizon, Uncommitted	None	None	None
(45)		284-348-11	5.0	2.5	11/10/85	Joseph A. Bodek et ux 100%	Shell 100%	None	Shell 100%

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
16 (Cont)								
		T11N-R1E Section 12 Map Access Key #						
(46)		222-334-7	6.66 3.33		Horizon, Uncommitted	None	None	None
(47)		278-314-12	5.60 2.80		Horizon, Uncommitted	None	None	None
(48)		264-280-1	7.47 3.74		Horizon, Uncommitted	None	None	None
(49)		271-253-26	4.54 2.27		Horizon, Uncommitted	None	None	None
(50)		330-297-2	5.00 2.5		Horizon, Uncommitted	None	None	None
(51)		363-297-3	5.00 2.5		Horizon, Uncommitted	None	None	None
(52)		396-297-4	5.00 2.5		Horizon, Uncommitted	None	None	None
(53)		429-297-5	5.0 2.5		Robert B. Swain et ux	None	None	None
(54)		462-297-6	5.0 2.5	11/10/85	Demitrios E. Gatzogiannis et ux 100%	Shell 100%	None	Shell 100%
(55)		495-298-7	5.0 2.5		Capeway Poultry Company	None	None	None
(56)		495-233-31	5.0 2.5		Horizon, Uncommitted	None	None	None
(57)		462-233-30	5.0 2.5	11/10/85	Lawrence P. Preitz et ux 100%	Shell 100%	None	Shell 100%
(58)		429-233-29	5.0 2.5		Horizon, Uncommitted	None	None	None
(59)		396-233-28	5.0 2.5		Horizon, Uncommitted	None	None	None
(60)		363-233-21	5.0 2.5	11/10/85	Arra S. Avakian et ux 100%	Shell 100%	None	Shell 100%

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
16 (Cont)								
		T11N-R1E Section 12 Map Access Key #						
(61)		329-233-27	5.0 2.5		James T. O'Sullivan et ux	None	None	None
(62)		273-231-25	3.82 1.91	11/10/85	Robert H. Ahlskog et ux 100%	Shell 100%	None	Shell 100%
(63)		275-204-24	5.80 2.90	11/10/85	Dorothy L. Graham 100%	Shell 100%	None	Shell 100%
(64)		280-164-18	5.94 2.97	11/10/85	Richard M. Sakagawa et ux 100%	Shell 100%	None	Shell 100%
(65)		285-120-12	6.20 3.10		Charles R. Lamb et ux	None	None	None
(66)		330-164-17	5.0 2.5		Frank Kopesdy et ux	None	None	None
(67)		363-164-16	5.0 2.5		Steven F. Delnecky	None	None	None
(68)		396-164-15	5.0 2.5		Steven F. Delnecky	None	None	None
(69)		429-164-14	5.0 2.5		Mazia Albina	None	None	None
(70)		462-164-19	5.0 2.5		Horizon, Uncommitted	None	None	None
(71)		495-164-11	5.0 2.5		Horizon, Uncommitted	None	None	None
(72)		495-100-7	5.0 2.5		Horizon, Uncommitted	None	None	None
(73)		462-100-13	5.0 2.5	11/10/85	Norbert H. Leipzig et al	Shell 100%	None	Shell 100 %
(74)		429-100-8	5.0 2.5		Drahomis F. Havranek et ux	None	None	None
(75)		396-100-10	5.0 2.5	11/10/85	Arnold Edmund Johnson et ux 100%	Shell 100%	None	Shell 100%

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
16 (Cont)		T11N-R1E Section 12 Map Access Key #						
(76)		363-100-10	5.0 2.5		Horizon, Uncommitted	None	None	None
(77)		330-100-1	5.0 2.5		Harry P. Siebold, Jr. et ux	None	None	None
(78)		304-047-5	7.3 3.65		Morris K. Belnap	None	None	None
(79)		330-033-4	5.0 2.5		Horizon, Uncommitted	None	None	None
(80)		360-033-3	5.0 2.5		Arthur P. Kopf et ux	None	None	None
(81)		396-033-20	5.0 2.5		Horizon, Uncommitted	None	None	None
(82)		429-033-22	5.0 2.5		Horizon, Uncommitted	None	None	None
(83)		462-033-23	5.0 2.5	11/10/85	Roland L. Brockington et ux	Shell 100%	None	Shell 100%
(84)		492-033-2	5.0 2.5		Herbert S. Reese et ux	None	None	None
Tract 16 Total Acres			452.60 226.30					
Tract 16 Total Leased Acres			136.83 68.43					

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
17		T11N R2E Section 7 Map #B-7 Code 1-007-065							
		Map Access Key #							
(1)		011-491-5	5.0	2.5		Claude W. McDonald	None	None	None
(2)		038-491-6	5.0	.25		Horizon, Uncommitted	None	None	None
(2A)		060-491-34	1.5	.75		Horizon, Uncommitted	None	None	None
(3)		082-491-21	5.0	2.5		Thomas H. Moorman	None	None	None
(4)		115-491-20	5.0	2.5		Thomas H. Moorman	None	None	None
(5)		146-491-7	5.0	2.5		Theodore S. Orvold et ux	None	None	None
(6)		182-491-18	5.0	2.5		Charles S. Bason et ux	None	None	None
(7)		213-491-8	5.0	2.5	11/10/85	George W. Grogan 100%	Shell 100%	None	Shell 100%
(8)		247-491-9	5.0	2.5		Horizon, Uncommitted	None	None	None
(9)		280-491-1	5.0	2.5		Mary Kimball Haker	None	None	None
(10)		313-491-2	5.0	2.5		Horizon, Uncommitted	None	None	None
(11)		347-491-3	5.0	2.5		Horizon, Uncommitted	None	None	None
(12)		378-491-34	5.0	2.5		Horizon, Uncommitted	None	None	None
(13)		412-491-27	5.0	2.5	11/10/85	Hardy Duke Brogionti 100% et ux	Shell 100%	None	Shell 100%
(14)		446-491-6	5.0	2.5		Horizon, Uncommitted	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDE ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
17 Cont.									
T11N R2E Section 7									
(15)		487-491-7	5.0	2.5		P. L. London Estate	None	None	None
(16)		520-491-30	5.0	2.5	11/10/85	Normand U. Dufault et ux 100%	Shel1 100%	None	Shel1 100%
(17)		518-454-8	5.12	2.56		Horizon, Uncommitted	None	None	None
(18)		463-452-9	5.13	2.56		Horizon, Uncommitted	None	None	None
(19)		413-450-10	5.18	2.59		Arthur L. Farrar	None	None	None
(20)		350-448-11	5.15	2.58		Arthur L. Farrar	None	None	None
(21)		258-446-12	5.27	2.64		Horizon, Uncommitted	None	None	None
(22)		155-447-15	5.50	2.71	11/20/85	Gertrude R. Greenblatt 100%	Shel1 100%	None	Shel1 100%
(23)		047-446-24	5.0	2.5	11/25/85	Myron F. Fuller 100%	Shel1 100%	None	Shel1 100%
(24)		011-399-16	5.10	2.55		Horizon, Uncommitted	None	None	None
(24A)		035-399-16	0.688	0.344		Horizon, Uncommitted	None	None	None
(25)		043-400-10	5.0	2.5		Edward J. Yazbek et ux	None	None	None
(26)		076-395-11	5.0	2.5		George Demas	None	None	None
(27)		108-400-12	5.0	2.5	11/10/85	Lawrence H. Eastman 100% et ux	Shel1 100%	None	Shel1 100%
(28)		138-399-17	5.0	2.5		Horizon, Uncommitted	None	None	None
(29)		170-400-14	5.0	2.5		Bill Grabber	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
17 Cont. T11N R2E Section 7									
(30)		198-401-19	5.2	2.6		Horizon, Uncommitted	None	None	None
(31)		228-402-19	5.2	2.6		Horizon, Uncommitted	None	None	None
(32)		258-401-13	5.2	2.	11/10/85	Albert J. Black 100% et ux	Shell 100%	None	Shell 100%
(33)		289-398-14	5.1	2.5		Esper R. Guanco	None	None	None
(34)		316-397-16	4.46	2.23		Horizon, Uncommitted	None	None	None
(35)		348-396-15	5.0	2.5	11/10/85	Margaret E. Mornig	Shell 100%	None	Shell 100%
(36)		380-395-17	5.2	2.6		Horizon, Uncommitted	None	None	None
(37)		416-392-18	5.2	2.6		Horizon, Uncommitted	None	None	None
(38)		462-389-19	6.0	3.0		Horizon, Uncommitted	None	None	None
(39)		516-387-20	5.0	2.5	11/10/85	Contance M. Douglas 100%	Shell 100%	None	Shell 100%
(40)		495-336-21	5.0	2.5		Horizon, Uncommitted	None	None	None
(41)		428-336-22	5.0	2.5		Horizon, Uncommitted	None	None	None
(42)		363-336-23	5.0	2.5		Horizon, Uncommitted	None	None	None
(43)		307-336-24	5.0	2.5		Don A. Samporna et ux	None	None	None
(44)		231-336-25	5.0	2.5		Stanley D. Houde et ux	None	None	None
(45)		163-336-26	5.0	2.5		Horizon, Uncommitted	None	None	None
(46)		068-336-27	5.0	2.5		Robert L. Keel et ux	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
17 Cont. T11N R2E Section 7								
(47)		030-336-28	5.0 2.5		Horizon, Uncommitted	None	None	None
(48)		011-259-29	5.0 2.5		Horizon, Uncommitted	None	None	None
(49)		038-259-30	5.0 2.5		Horizon, Uncommitted	None	None	None
(50)		070-259-31	5.0 2.5		Horizon, Uncommitted	None	None	None
(51)		104-259-4	5.0 2.5		M/B/M Associates	None	None	None
(52)		138-259-3	5.0 2.5		Ildie M. Copello	None	None	None
(52A)		160-259-35	1.51 7.6		Horizon, Uncommitted	None	None	None
(53)		182-259-1	5.0 2.5	11/10/85	Donald I. Morris 100%	Shell 100%	None	Shell 100%
(54)		213-259-32	5.0 2.5	11/10/85	Bertha H. Pender 100%	Shell 100%	None	Shell 100%
(55)		247-259-33	5.0 2.5		Horizon, Uncommitted	None	None	None
(56)		280-259-25	5.0 2.5	11/10/85	Gasper P. R. Butvilofsky 100%	Shell 100%	None	Shell 100%
(57)		313-259-26	5.0 2.5		Horizon, Uncommitted	None	None	None
(58)		347-259-28	5.0 2.5		Horizon, Uncommitted	None	None	None
(59)		375-300-4	5.0 2.5	11/10/85	Sam Wolfson et ux 100%	Shell 100%	None	Shell 100%
(60)		389-300-5	5.0 2.5	11/10/85	George T. Shea et ux 100%	Shell 100%	None	Shell 100%
(61)		446-259-31	5.0 2.5		Horizon, Uncommitted	None	None	None
(62)		487-259-32	5.0 2.5	11/10/85	Ray A. Helvey et ux 100%	Shell 100%	None	Shell 100%

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
17 Cont. T11N R2E Section 7									
(63)		520-259-33	5.0	2.5		Horizon, Uncommitted	None	None	None
(64)		520-230-11	5.0	2.5		Horizon, Uncommitted	None	None	None
(65)		487-230-10	5.0	2.5		Horizon, Uncommitted	None	None	None
(66)		446-230-9	5.0	2.5		Horizon, Uncommitted	None	None	None
(67)		412-230-8	5.0	2.5		Horizon, Uncommitted	None	None	None
(68)		375-230-8	5.0	2.5		Horizon, Uncommitted	None	None	None
(69)		347-230-5	5.0	2.5		Horizon, Uncommitted	None	None	None
(70)		313-230-5	5.0	2.5		Horizon, Uncommitted	None	None	None
(71)		280-230-4	5.0	2.5		Horizon, Uncommitted	None	None	None
(72)		247-230-15	5.0	2.5		Horizon, Uncommitted	None	None	None
(73)		213-230-14	5.0	2.5		Horizon, Uncommitted	None	None	None
(74)		182-230-13	5.0	2.5		Horizon, Uncommitted	None	None	None
(75)		148-230-85	5.0	2.5		Robert P. Johnson et ux	None	None	None
(75A)		125-230-35	1.51	7.6		Horizon, Uncommitted	None	None	None
(76)-(79)		066-230-90	20.00	10.00	11/10/85	Evelynne J. Ellis 100%	Shell 100%	None	Shell 100%
(80)		016-165-28	5.0	2.5	11/10/85	Su Fung Loui et ux 100%	Shell 100%	None	Shell 100%
(81)		038-165-20	5.0	2.5		Horizon, Uncommitted	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
17 Cont.		T11N R2E Section 7							
(82)		070-165-19	5.0	2.5		Horizon, Uncommitted	None	None	None
(83)		104-165-18	5.0	2.5	11/10/85	Gerald G. Caccamise et ux 100%	Shell 100%	None	Shell 100%
(84)		125-165-37	1.51	7.6		Horizon, Uncommitted	None	None	None
(84A)		148-165-1	5.0	2.5	11/10/85	John M. Votruba et ux 100%	Shell 100%	None	Shell 100%
(85)		182-165-23	5.0	2.5		Joseph J. Fay et ux	None	None	None
(86)		213-165-17	5.0	2.5		Horizon, Uncommitted	None	None	None
(87)		247-165-16	5.0	2.5		Horizon, Uncommitted	None	None	None
(88)		280-165-19	5.0	2.5		Horizon, Uncommitted	None	None	None
(89)		313-165-18	5.0	2.5		Horizon, Uncommitted	None	None	None
(90)		347-165-17	5.0	2.5		Horizon, Uncommitted	None	None	None
(91)		375-165-16	5.0	2.5	11/10/85	Robert G. Cooley 100%	Shell 100%	None	Shell 100%
(92)		412-165-15	5.0	2.5		Horizon, Uncommitted	None	None	None
(93)		446-165-14	5.0	2.5		Horizon, Uncommitted	None	None	None
(94)		487-165-13	5.0	2.5	11/10/85	Helen E. Estrada 100%	Shell 100%	None	Shell 100%
(95)		520-165-12	5.0	2.5		Horizon, Uncommitted	None	None	None
(96)		520-100-27	5.0	2.5		Horizon, Uncommitted	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
17 Cont.		T11N R2E Section 7							
(97)		487-100-26	5.0	2.5		Horizon, Uncommitted	None	None	None
(98)		446-100-25	5.0	2.5		Horizon, Uncommitted	None	None	None
(99)		412-100-24	5.0	2.5	11/10/85	Walter W. Glowacki et ux 100%	Shell 100%	None	Shell 100%
(100)		375-100-23	5.0	2.5		Horizon, Uncommitted	None	None	None
(101)		347-100-22	5.0	2.5		Horizon, Uncommitted	None	None	None
(102)		313-100-21	5.0	2.5		Horizon, Uncommitted	None	None	None
(103)		280-100-20	5.0	2.5	11/10/85	Robert G. Cooley 100%	Shell 100%	None	Shell 100%
(104)		247-100-29	5.0	2.5		Horizon, Uncommitted	None	None	None
(105)		213-100-27	5.0	2.5		Horizon, Uncommitted	None	None	None
(106)		182-100-26	5.0	2.5	11/10/85	Edward J. Troutt 100%	Shell 100%	None	Shell 100%
(107)		148-100-9	5.0	2.5	11/10/85	John E. Krimmel et ux 100%	Shell 100%	None	Shell 100%
(108A)		125-100-39	1.51	7.6		Horizon, Uncommitted	None	None	None
(108B)		104-100-25	5.0	2.5	11/10/85	Pedro I. Gonzales et ux 100%	Shell 100%	None	Shell 100%
(109)		070-100-24	5.0	2.5		Horizon, Uncommitted	None	None	None
(110)		038-100-22	5.0	2.5		Horizon, Uncommitted	None	None	None
(111)		011-100-21	5.0	2.5	11/10/85	Serafim V. Boutas 100%	Shell 100%	None	Shell 100%

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
17 Cont.		T11N R2E Section 7							
(112)		011-032-32	5.0	2.5		Horizon, Uncommitted	None	None	None
(113)		038-032-31	5.0	2.5		Horizon, Uncommitted	None	None	None
(114)		082-032-7	5.0	2.5		Richard M. Gutierrez et ux	None	None	None
(115)		115-032-4	5.0	2.5	11/10/85	Eugene M. Briscoe 100%	Shel1 100%	None	Shel1 100%
(116A)		125-032-40	1.51	.755		Horizon, Uncommitted	None	None	None
(116B)		147-032-2	5.0	2.5	11/10/85	J. C. Prabhaker 100%	Shel1 100%	None	Shel1 100%
(117)		180-032-3	5.0	2.5	11/10/85	William G. McKay et ux 100%	Shel1 100%	None	Shel1 100%
(118)		214-032-5	5.0	2.5	11/10/85	Kenneth F. Smith et ux 100%	Shel1 100%	None	Shel1 100%
(119)		247-032-30	5.0	2.5		Horizon, Uncommitted	None	None	None
(120)		280-032-33	5.0	2.5	11/10/85	James Edward Brice 100%	Shel1 100%	None	Shel1 100%
(121)		313-032-2	5.0	2.5	11/10/85	Charles R. Johnston et ux 100%	Shel1 100%	None	Shel1 100%
(122)		346-033-3	5.0	2.5		Horizon, Uncommitted	None	None	None
(123)		375-032-32	5.0	2.5		Horizon, Uncommitted	None	None	None
(124)		412-032-31	5.0	2.5		Horizon, Uncommitted	None	None	None
(125)		446-032-30	5.0	2.5		Horizon, Uncommitted	None	None	None
(126)		487-032-29	5.0	2.5	11/10/85	Melvin R. Hansen 100%	Shel1 100%	None	Shel1 100%
(127)		520-032-28	5.0	2.5	11/10/85	Melvin R. Hansen 100%	Shel1 100%	None	Shel1 100%

Tract 17 Total Acres 536.633 246.313

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
18		T11N-R2E Section 8 Map #B-8 Code 1-008-065						
		Map Access Key #						
(1)		412-492-28	5.0 2.5		Glen Gardner	None	None	None
(2)		465-455-40	35.0 17.5	11/10/85	Zee Gardner 100%	Shell 100%	None	Shell 100%
(3)		330-460-50	40.0 20.0		Joseph Fine	None	None	None
(4)		331-326-10	40.0 20.0	11/10/85	Justin Freimark 100%	Shell 100%	None	Shell 100%
(5)		463-298-20	20.0 10.0		Michelena Lobrutto	None	None	None
(6)		463-362-30	20.0 10.0		Renee Goodman et al	None	None	None
(7)		198-460-30	40.0 20.0		Arnold H. Kalos et ux	None	None	None
(8)		196-328-20	40.0 20.0	11/10/85	Tessie Sloan Erlitz 100%	Shell 100%	None	Shell 100%
(9)		115-492-5	5.0 2.5		Phillip O'Neill et ux	None	None	None
(10)		016-296-2	5.0 2.5		Hon-Yim Ko et ux	None	None	None
(11)		172-285-10	125.0 62.5		Horizon, Uncommitted	None	None	None
(12)		048-230-80	5.0 2.5		Angelo Saccameno et ux	None	None	None
(13)		016-230-85	5.0 2.5		Frank A. Panico et ux	None	None	None
(14)		016-164-16	5.0 2.5		Horizon, Uncommitted	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
18 (Cont)		T11N-R2E Section 8 Map Access Key #							
(15)		048-164-19	5.0	2.5		James E. Ferrigno et al	None	None	None
(16)		088-164-25	5.0	2.5		Earl J. Curran et ux	None	None	None
(17)		181-229-60	5.0	2.5		Mildred D. Steelhammer	None	None	None
(18)		181-229-60	5.0	2.5		Eugene A. Rossini et ux	None	None	None
(19)		213-229-55	5.0	2.5	11/10/85	William Specht et ux 100%	Shell 100%	None	Shell 100%
(20)		248-229-13	5.0	2.5		Mary Siebert et al	None	None	None
(21)		148-164-11	5.0	2.5	11/10/85	M. J. Seiwert Jr. et ux 100%	Shell 100%	None	Shell 100%
(22)		173-164-17	2.5	1.25		Michael Howard Reggio et al	None	None	None
(23)		190-164-18	2.5	1.25		Roy H. Pack et al	None	None	None
(24)		213-164-15	5.0	2.5		Arthur O. Batty et ux	None	None	None
(25)		246-164-12	5.0	2.5		Fred Y. Fujii et ux	None	None	None
(27)		148-096-30	5.0	2.5	11/10/85	George Hebekka et ux 100%	Shell 100%	None	Shell 100%
(28)		180-096-20	5.0	2.5	11/10/85	Irma E. Warren 100%	Shell 100%	None	Shell 100%
(29)		213-098-14	5.0	2.5		Ernest E. Einhipl et ux	None	None	None
(30)		246-098-9	5.0	2.5		Helen B. Iserman	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
18 (Cont)								
		T11N-R2E Section 8 Map Access Key #						
(31)		165-034-10	10.0 5.0		Horizon, Uncommitted	None	None	None
(32)		213-032-21	5.0 2.5		Jack L. Dlugash et ux	None	None	None
(33)		246-032-8	5.0 2.5		Irwin Zelgiewiez et al	None	None	None
(34)		330-197-40	40.0 20.0		Dr. David Lehr	None	None	None
(35)		304-098-10	12.5 6.25		Horizon, Uncommitted	None	None	None
(36)		371-096-15	8.0 4.0	11/10/85	Jewish Community Foundation of Tucson Jewish Council, Inc. 100%	Shell 100%	None	Shell 100%
(37)		285-032-3	6.7 3.35	11/10/85	Ethel Timan 100%	Shell 100%	None	Shell 100%
(38)		352-031-6	12.8 6.4	11/10/85	Anti-Defamation League Foundation 100%	Shell 100%	None	Shell 100%
(39)		412-232-35	5.0 2.5		Morris Shweky et ux	None	None	None
(40)		445-164-25	5.0 2.5	11/10/85	Marie B. Youill 100%	Shell 100%	None	Shell 100%
(41)		478-147-26	2.5 1.25		James M. Pochop	None	None	None
Tract 18		Total Acres	572.50	286.25				
Tract 18		Total Leased Acres	167.50	83.75				
19		T11N-R2 A11 Section 9 Map #B-9 Code 1-009-065	652.53 326.27		Horizon, Uncommitted	None	None	None
Tract 19		Total Acres	652.53	326.27				
Tract 19		Total Leased	0	0				

T11N-R1E  
Section 13  
Map #C-6  
Code 1-006-064

Map Access Key #

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
(1)		156-495-25	5.0 2.5		Horizon, Uncommitted	None	None	None
(2)		188-366-26	5.0 2.5		Horizon, Uncommitted	None	None	None
(3)		218-495-21	5.0 2.5	11/10/85	William C. O'Neal	Shell 100%	None	Shell 100%
(4)		257-495-50	5.0 2.5		Howard Pratt et ux	None	None	None
(5)		290-495-11	5.0 2.5		Horizon, Uncommitted	None	None	None
(6)		325-495-10	5.0 2.5	11/10/85	Virginia Oghigian 100%	Shell 100%	None	Shell 100%
(7)		358-495-9	5.0 2.5		Horizon, Uncommitted	None	None	None
(8)		390-495-8	5.0 2.5		Horizon, Uncommitted	None	None	None
(9)		426-495-54	5.0 2.5		James Hugh McGill	None	None	None
(10)		460-495-7	5.0 2.5		James V. R. Pascarella	None	None	None
(11)		492-431-6	5.0 2.5	11/10/85	George R. Hull et ux 100%	Shell 100%	None	Shell 100%
(12)		492-431-1	5.0 2.5		B. Walter Schytte	None	None	None
(13)		460-431-14	5.0 2.5		Horizon, Uncommitted	None	None	None
(14)		426-431-43	5.0 2.5	11/10/85	Domingo K. Lee et ux 100%	Shell 100%	None	Shell 100%

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
20 (Cont)		T1:N-R1E Section 13 Map #C-6						
(15)		390-431-44	5.0 2.5	11/10/85	Virginia A. Seeberg 100%	Shell 100%	None	Shell 100%
(16)		358-431-46	5.0 2.5		Warren E. Bowden et ux	None	None	None
(17)		325-431-13	5.0 2.5		Horizon, Uncommitted	None	None	None
(18)		290-431-12	5.0 2.5		Horizon, Uncommitted	None	None	None
(19)		257-431-19	5.0 2.5		Milton W. Steintal et ux	None	None	None
(20)		206-431-20	5.0 2.5	11/10/85	Edward C. Wagner et ux 100%	Shell 100%	None	None
(21)		156-431-27	5.0 2.5		Joyce Marie Hirsche	None	None	Shell 100%
(22)		156-366-28	5.0 2.5		Horizon, Uncommitted	None	None	None
(23)		188-366-13	5.0 2.5	11/10/85	Raymond H. Meck et ux 100%	Shell 100%	None	Shell 100%
(24)		223-366-29	5.0 2.5		Horizon, Uncommitted	None	None	None
(25)		257-366-33	5.0 2.5		Lionel A. Kuhn et ux	None	None	None
(26)		290-343-5	5.0 2.5	11/10/85	John P. Durpe et ux 100%	Shell 100%	None	Shell 100%
(27)		325-366-18	5.0 2.5		Horizon, Uncommitted	None	None	None
(28)		358-366-17	5.0 2.5		Horizon, Uncommitted	None	None	None
(29)		390-366-39	5.0 2.5	11/10/85	Ralph S. Royce 100%	Shell 100%	None	Shell 100%
(30)		426-366-16	5.0 2.5		Horizon, Uncommitted	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
20 (Cont)								
		T11N-R1E Section 13 Map #C-6						
(31)		460-366-70	5.0 2.5		Harlan O. L. Wright et ux	None	None	None
(32)		492-366-15	5.0 2.5		Horizon, Uncommitted	None	None	None
(33)		492-300-35	5.0 2.5	11/10/85	John P. Nelson et ux 100%	Shell 100%	None	Shell 100%
(34)		455-300-32	5.0 2.5	11/10/85	Kenneth M. Stone	Shell 100%	None	Shell 100%
(35)		426-300-23	5.0 2.5	11/10/85	Francis J. Sherwood 100%	Shell 100%	None	Shell 100%
(36)		390-300-30	5.0 2.5	11/10/85	Anthony T. Corse11o et ux 100%	Shell 100%	None	Shell 100%
(37)		358-300-22	5.0 2.5		Horizon, Uncommitted	None	None	None
(38)		325-300-21	5.0 2.5		Horizon, Uncommitted	None	None	None
(39)		290-300-20	5.0 2.5		Horizon, Uncommitted	None	None	None
(40)		257-300-30	5.0 2.5		Horizon, Uncommitted	None	None	None
(41)		223-300-31	5.0 2.5		Horizon, Uncommitted	None	None	None
(42)		188-300-32	5.0 2.5		Horizon, Uncommitted	None	None	None
(43)		156-300-34	5.0 2.5		Horizon, Uncommitted	None	None	None
(44)		156-222-4	5.0 2.5	11/10/85	Roy L. Taylor et ux 100%	Shell 100%	None	Shell 100%
(45)		188-222-5	5.0 2.5		Horizon, Uncommitted	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
20 (Cont)									
		T11N-R1E Section 13 Map #C-6							
(46)		223-222-6	5.0	2.5		Horizon, Uncommitted	None	None	None
(47)		257-222-7	5.0	2.5	None	Horizon, Uncommitted	None	None	None
(48)		290-222-45	5.0	2.5	None	Horizon, Uncommitted	None	None	None
(49)		325-222-44	5.0	2.5	None	Horizon, Uncommitted	None	None	None
(50)		358-222-43	5.0	2.5	None	Horizon, Uncommitted	None	None	None
(51)		390-222-42	5.0	2.5	None	Horizon, Uncommitted	None	None	None
(52)		423-222-50	5.0	2.5		Abraham J. Amuny	None	None	None
(53)		460-222-41	5.0	2.5	None	Horizon, Uncommitted	None	None	None
(54)		492-222-41	5.0	2.5	None	Horizon, Uncommitted	None	None	None
Tract 20		Total Acres	270	135					
Tract 20		Total leased Acres	70	35					

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDE ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
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T11N-R2E  
Section 18  
Map #C-7  
Code 1-007-064

Map Access Key #

(12)		001-490-90	5.0	2.5	11/10/85	Leo C. Russell et ux 100%	Shell 100%	None	Shell 100%
(13)		030-490-68	5.0	2.5	11/10/85	Henry Baruch et ux 100%	Shell 100%	None	Shell 100%
(14)		070-490-20	5.0	2.5		Horizon, Uncommitted	None	None	Shell 100%
(15)		104-490-66	5.0	2.5		William F. McMichael et ux	None	None	None
(16)		134-490-65	5.0	2.5	11/10/85	Gerald R. Androne et ux 100%	Shell 100%	None	Shell 100%
(17)		170-490-3	5.0	2.5	11/10/85	Charles R. Gibbs 100%	Shell 100%	None	Shell 100%
(18)		150-360-39	50.0	25.0		Horizon, Uncommitted	None	None	None
(19)		236-490-5	5.0	2.5	11/10/85	Adolph Petry et ux 100%	Shell 100%	None	Shell 100%
(20)		270-490-19	5.0	2.5		Robert L. Bacon	None	None	None
(21)		308-490-57	5.0	2.5		Atilano V. Perez et ux	None	None	None
(22)		340-490-56	5.0	2.5	11/10/85	Kent E. Toler et ux 100%	Shell 100%	None	Shell 100%
(23)		374-490-29	5.0	2.5		Gary A. Colwell et ux	None	None	None
(24)		408-490-28	5.0	2.5	11/10/85	Charles T. Mewshaw et ux 100%	Shell 100%	None	Shell 100%

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
21 (Cont)		T11N-R2E Section 18 Map C-7							
(25)		442-490-55	5.0	2.5		Horizon, Uncommitted	None	None	None
(26)		479-490-12	5.0	2.5	11/10/85	Robert R. Scafidi 100%	Shell 100%	None	Shell 100%
(27)		510-490-50	5.0	2.5		Violet M. Black	None	None	None
(28)		510-426-25	5.0	2.5		Heinz O. Noeska et ux	None	None	None
(29)		479-426-11	5.0	2.5	11/10/85	Barbara S. Lamothé et ux 100%	Shell 100%	None	Shell 100%
(30)		442-426-17	5.0	2.5	11/10/85	Christopher A. Louchios et ux	Shell 100%	None	Shell 100%
(31)		408-426-20	5.0	2.5		Rose M. DeAngelo	None	None	None
(32)		374-426-18	5.0	2.5	11/10/85	Melvin C. Peabody et ux	Shell 100%	None	Shell 100%
(33)		374-426-16	5.0	2.5		Claude P. Urbain	None	None	None
(34)		308-426-15	5.0	2.5	11/10/85	Richard A. Dressel et ux	Shell 100%	None	Shell 100%
(35)		270-426-6	5.0	2.5	11/10/85	Gerald Rudnick	Shell 100%	None	Shell 100%
(36)		236-426-28	5.0	2.5	11/10/85	James D. Hall, Jr.	Shell 100%	None	Shell 100%
(40)		104-434-21	5.0	2.5	11/10/85	Claire P. Weaver	Shell 100%	None	Shell 100%
(41)		070-434-2	5.0	2.5	11/10/85	Raymond O. Roush et ux 100%	Shell 100%	None	Shell 100%
(42)		030-434-1	5.0	2.5	11/10/85	Jose G. Ceron et ux 100%	Shell 100%	None	Shell 100%
(43)		001-434-9	5.0	2.5	11/10/85	Ray D. Hoffman et ux 100%	Shell 100%	None	Shell 100%

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
21 (Cont)									
T11N-R2E Section 18 Map C-7									
(66)		001-360-27	20.00	10.00		Dorothy L. Quinan	None	None	None
(67)		035-300-24	5.0	2.5		Horizon, Uncommitted	None	None	None
(68)		070-360-23	5.0	2.5		Ernest A. Oberer	None	None	None
(69)		104-363-12	5.0	2.5		Lawrence R. Ross et ux	None	None	None
(73)		236-360-17	5.0	2.5		Estacado Investors	None	None	None
(74)		270-360-14	5.0	2.5	11/10/85	Maurice E. Lindell et ux 100%	Shell 100%	None	Shell 100%
(75)		308-360-13	5.0	2.5	11/10/85	Donna J. Billington 100%	Shell 100%	None	Shell 100%
(76)		340-360-30	5.0	2.5	11/10/85	Oran Nunemaker 100%	Shell 100%	None	Shell 100%
(77)		374-360-35	5.0	2.5		Horizon, Uncommitted	None	None	None
(78)		408-360-8	5.0	2.5		James F. Kviatkofsky et ux	None	None	None
(79)		442-360-9	5.0	2.5		Isaiah Tarshish	None	None	None
(80)		479-360-32	5.0	2.5		Peter M. Casarico et ux	None	None	None
(81)		510-360-33	5.0	2.5	11/10/85	Gennaro R. Ramano et ux 100%	Shell 100%	None	Shell 100%
(82)		510-300-1	5.0	2.5		Frank J. Maurer	None	None	None
(83)		479-300-34	5.0	2.5		John A. Leight et ux	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
21 (Cont)									
		T11N-R2E Section 18 Map C-7							
(84)		442-300-7	5.0	2.5		Thomas J. Ritchie, Jr.	None	None	None
(85)		409-300-36	5.0	2.5	11/10/85	Arnold B. Finestone	Shell 100%	None	Shell 100%
(86)		374-300-37	5.0	2.5		Timothy Paul Strayer	None	None	None
(87)		340-300-10	5.0	2.5	11/10/85	Edward P. Mitchell 100%	Shell 100%	None	Shell 100%
(88)		308-300-5	5.0	2.5		Ralph D. Brown et ux	None	None	None
(89)		270-300-2	5.0	2.5	11/10/85	Violet I. Lake	Shell 100%	None	Shell 100%
(92)		170-300-6	5.0	2.5		Lillian S. Greer	None	None	None
(93)		140-300-4	5.0	2.5		Henry F. Miller et ux	None	None	None
(94, 123)		104-300-26	10.00	5.5	11/10/85	Moore County Farmstore	Shell 100%	None	Shell 100%
(95)		070-300-25	5.0	2.5	11/10/85	Larry Gallagher et ux 100%	Shell 100%	None	Shell 100%
(96)		035-305-7	5.0	2.5	11/10/85	Pasquale A. Ventolieri 100%	Shell 100%	None	Shell 100%
(97)									
(122)		070-232-3	5.0	2.5	11/10/85	Clarence N. Coon et ux 100%	Shell 100%	None	Shell 100%
(124)		140-232-4	5.0	2.5		William R. Buchanan et ux	None	None	None
(125)		170-300-6	5.0	2.5		Horizon, Uncommitted	None	None	None
(126)		208-232-6	5.0	2.5		Katherine Hale Lopes et al	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
21 (Cont)									
T11N-R2E Section 18 Map C-7									
(127)		236-232-7	5.0	2.5		Katherine Hale Lopes et al	None	None	None
(128)		270-232-11	5.0	2.5	11/10/85	Margot S. Arter	Shell 100%	None	Shell 100%
(129)		308-232-9	5.0	2.5		Sechrist Enterprises	None	None	None
(130, 131)		357-232-25	10.00	5.0		Horizon, Uncommitted	None	None	None
(132)		408-232-8	5.0	2.5	11/10/85	Bernard L. Hubinek et ux 100%	Shell 100%	None	Shell 100%
(133)		442-232-7	5.0	2.5		Horizon, Uncommitted	None	None	None
(134)		479-232-6	5.0	2.5	11/10/85	Charlie Lung et ux 100%	Shell 100%	None	Shell 100%
(135)		510-232-26	5.0	2.5	11/10/85	Donald J. Berkley et ux 100%	Shell 100%	None	Shell 100%
Tract 21		Total Acres	400	200					
Tract 21		Total Leased Acres	171.00	85.50					

T11N R-2E  
Section 17  
Map C-8  
Code 1-008-064

Map Access Key #

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
22									
(1)		153-501-20	5.0	2.5		Martha A. Finstad	None	None	None
(2)		198-501-6	5.0	2.5		Albert Ohm	None	None	None
(3)		241-501-17	5.0	2.5	11/10/85	James Wagnark et ux 100%	Shell 100%	None	None
(4)		287-501-7	5.0	2.5		Horizon, Uncommitted	None	None	Shell 100%
(5)		153-453-23	5.0	2.5	11/10/85	Louie's Brother, Inc.	Shell 100%	None	None
(6)		198-453-22	5.0	2.5		Virgie Leppok et ux	None	None	None
(7)		241-453-16	5.0	2.5	11/10/85	Roland G. Anderson	Shell 100%	None	None
(8)		287-453-21	5.0	2.5		Stewart Wu	None	None	Shell 100%
(9)		153-404-14	5.0	2.5		Horizon, Uncommitted	None	None	None
(10)		198-404-5	5.0	2.5	11/10/85	Ko Chan Sung et ux 100%	Shell 100%	None	None
(11&12)		272-404-30	10.00	5.5	11/10/85	Donald J. Berkley et ux 100%	Shell 100%	None	Shell 100%
(13)		153-357-1	5.0	2.5		Wen Hsiung et ux	None	None	Shell 100%
(14)		198-356-55	5.0	2.5		Fon Nyeon Leong et ux	None	None	None
(15)		242-356-3	5.0	2.5		Fon Nyeon Leong et ux	None	None	None
(16)		287-356-1	5.0	2.5		Jack P. Callahan et ux	Shell 100%	None	Shell 100%

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
22 (Cont)								
		T11N-R2E Section 17 Map Access Key #						
(17)		013-490-43	5.0 2.5		Gildea & Antone11is, Inc.	None	None	None
(18)		047-490-12	5.0 2.5		Gildea & Antone11is, Inc.	None	None	None
(19)		080-490-61	5.0 2.5		Horizon, Uncommitted	None	None	None
(20)		115-526-4	5.0 2.5	11/10/85	Seth L. Szold et ux 100%	Shell 100%	None	Shell 100%
(21)		013-426-40	5.0 2.5		Gildea & Antone11is, Inc.	None	None	None
(22)		047-426-41	5.0 2.5		Gildea & Antone11is, Inc.	None	None	None
(23)		080-426-62	5.0 2.5		Horizon, Uncommitted	None	None	None
(24)		115-426-60	5.0 2.5		Frank J. Kaiser et ux	None	None	None
(25)		013-362-47	5.0 2.5	11/10/85	Lawrence I. Benett et ux 100%	Shell 100%	None	Shell 100%
(26)		347-362-46	5.0 2.5	11/10/85	Luis Leib et ux 100%	Shell 100%	None	Shell 100%
(27)		080-362-45	5.0 2.5		David W. Hauser	None	None	None
(28)		117-362-48	5.0 2.5	11/10/85	Douglas M. Welch et ux 100%	Shell 100%	None	Shell 100%
(29)		013-299-12	5.0 2.5		Thomas J. Glennon et ux	None	None	None
(30)		047-299-50	5.0 2.5		Mississippi Childrens Home Society	None	None	None
(31)		080-299-11	5.0 2.5		Nick Demeris	None	None	None
(32)		115-299-2	5.0 2.5	11/10/85	Albert S. Gainy et ux	Shell 100%	None	Shell 100%

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
22 (Cont)									
T11N-R2E Section 17 Map Access Key #									
(33)		013-232-80	5.0	2.5	11/10/85	Erick W. Spurrell et ux 100%	Shell 100%	None	Shell 100%
(34)		047-232-31	5.0	2.5		Donald D. Preisser et ux	None	None	None
(35)		080-232-7	5.0	2.5	11/10/85	William E. Elting 100%	Shell 100%	None	Shell 100%
(36)		117-232-25	5.0	2.5		Horizon, Uncommitted	None	None	None
(37)		196-266-55	40.00	20.00		Horizon, Uncommitted	None	None	None
(38)		355-431-14	40.00	10.00		Irene Bedlock	None	None	None
(39)		464-431-24	55.89	27.95		Monticello Albuquerque Div. Corp.	None	None	None
(40)		460-266-22	40.00	20.00	11/10/85	Michael L. Kelerher et ux 100%	Shell 100%	None	Shell 100%
(41)		328-266-11	40.00	20.00	11/10/85	Joe Schoenfeld 100%	Shell 100%	None	Shell 100%
Tract 22		Total Acres	384.90	192.45					
Tract 22		Total Leased Acres	146	73					

23

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
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T11N-R2E  
Section 16  
Map # C-9  
Code 1-009-064

Map Access Key #

(1)		083-430-12	64.52	32.26		Monticello-Albuquerque Development Corp.	None	None	None
(2)		230-437-15	80.00	40.00		Benjamin Cohen and Arnold Kester	None	None	None
(3)		065-269-2	40.00	20.00		Albany Jewish Community Center and Congregation Beth Emeth	None	None	None
(4)		202-268-22	40.00	20.00		Albany Jewish Community Center and Congregation Beth Emeth	None	None	None
(5)		395-263-22	80.0	40.0		Rosalie F. Winokur	None	None	None
(6)		437-483-14	10.0	5.0		Kenneth L. Geist	None	None	None
(7)		437-379-12	10.0	5.0		John B. Geist	None	None	None
(8)		486-429-16	20.93	10.47		The Geist Foundation	None	None	None
(9)		517-425-18	10.47	5.23		The Geist Foundation	None	None	None
(10)		348-405-20	5.0	2.5	11/10/85	James C. Hawk et ux 100%	Shell 100%	None	Shell 100%

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
23 (Cont)								
		T11N-R2E Section 16 Map Access Key #						
(11)		393-403-10	5.0 2.5		Seymour A. Kesten et al	None	None	None
(12)		348-355-7	5.0 2.5		Seymour A. Kesten et al	None	None	None
(13)		354-435-8	20.0 10.0		West Forty Corporation	None	None	None
(14)		393-355-6	5.0 2.5		West Forty Corporation	None	None	None
Tract 23		Total Acres	395.92 197.96					
Tract 23		Total Leased Acres	5.0 2.5					

T11N-R2E  
Section 15  
Map C-10  
Code 1-010-064

Map Access Key #

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
24									
(1)		015-492-38	5.0	2.5	11/10/85	Leonard M. Listfield et ux 100%	Shell 100%	None	Shell 100%
(2)		050-492-22	5.0	2.5	11/10/85	Trustee of Phillips-Exter Academy 100%	Shell 100%	None	Shell 100%
(3)		083-492-23	5.0	2.5		Richard E. Penry et ux	None	None	None
(4)		118-492-35	5.0	2.5		Robert H. Herman et ux	None	None	None
(5)		149-492-37	5.0	2.5		Seaman Paper Company	None	None	None
(6)		180-486-10	5.0	2.5	11/10/85	Dorothy J. Gilliland 100%	Shell 100%	None	Shell 100%
(7)		214-492-36	5.0	2.5		Lee R. Herring	None	None	None
(8A)		247-508-27	2.5	1.25	11/10/85	John L. Rice, Jr. et ux 100%	Shell 100%	None	Shell 100%
(88)		247-475-15	2.5	1.25		Horizon, Uncommitted	None	None	None
(9&10)		296-492-28	10.00	5.00	11/10/85	Harry L. Mutch et ux 100%	Shell 100%	None	Shell 100%
(11)		270-382-39	5.0	2.5		Horizon, Uncommitted	None	None	None
(12)		380-486-25	5.0	2.5		Alexsandle Pietruk	None	None	None
(13)		413-486-30	5.0	2.5		Allen T. Hardy et ux	None	None	None
(14)		445-486-35	5.0	2.5	11/10/85	Keith Galbraith 100%	Shell 100%	None	Shell 100%

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
24 (Cont)									
		T11N-R2E Section 15 Map Access Key #							
(15)		479-486-46	5.0	2.5		William G. Reed Jr.	None	None	None
(16)		509-486-45	5.0	2.5	11/10/85	Jane E. Ozolin 100%	Shell 100%	None	Shell 100%
(27)		509-426-52	5.0	2.5		John G. Carvis	None	None	None
(28)		479-426-51	5.0	2.5		John G. Carvis	None	None	None
(29)		445-426-50	5.0	2.5		John G. Carvis	None	None	None
(30)		413-426-49	5.0	2.5		John G. Carvis	None	None	None
(31)		380-426-48	5.0	2.5		John G. Carvis	None	None	None
(32)		270-382-39	5.0	2.5		Horizon, Uncommitted	None	None	None
(33)		315-426-3	5.0	2.5		Stuart T. Meridan et ux	None	None	None
(34)		280-426-47	5.0	2.5		Claude P. Lirbain	None	None	None
(35)		247-426-25	5.0	2.5		William W. Roe	None	None	None
(36)		214-426-40	5.0	2.5	11/10/85	Kenneth F. Walz 100%	Shell 100%	None	Shell 100%
(37)		180-426-40	5.0	2.5		Margret A. Lukso	None	None	None
(38)		149-425-21	5.0	2.5		Ardrey M. Bramblett et ux	None	None	None
(39)		118-426-20	5.0	2.5		Dorothy M. Nolte	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
24 (Cont)		T11N-R2E Section 15 Map Access Key #							
(40)		083-426-19	5.0	2.5		Horizon, Uncommitted	None	None	None
(41)		050-426-18	5.0	2.5		Paul H. Lu et ux	None	None	None
(42)		015-426-39	5.0	2.5		George J. Schiele et ux	None	None	None
(43)		015-358-50	5.0	2.5		Arthur Farrar	None	None	None
(44)		050-358-53	5.0	2.5		Arthur Farrar	None	None	None
(45)		083-358-16	5.0	2.5	11/10/85	Donald V. Smart et ux 100%	Shell 100%	None	Shell 100%
(46)		117-358-14	5.0	2.5	11/10/85	Trustees of Phillips 100%	Shell 100%	None	Shell 100%
(47)		149-329-6	5.0	2.5		Edward E. Rosseton et ux	None	None	None
(48)		180-358-42	5.0	2.5		Anthony Bubbico et ux	None	None	None
(49)		214-358-13	5.0	2.5		John W. Hauser et ux	None	None	None
(50)		247-365-4	5.0	2.5		Roland R. Caron et ux	None	None	None
(51)		270-382-39	5.0	2.5		Horizon, Uncommitted	None	None	None
(52)		270-382-39	5.0	2.5		Horizon, Uncommitted	None	None	None
(53)		270-382-39	5.0	2.5		Horizon, Uncommitted	None	None	None
(54)		380-358-54	5.0	2.5		Gonzalo T. Chua et ux	None	None	None
(55)		412-358-12	5.0	2.5	11/10/85	Louise Brunson 100%	Shell 100%	None	Shell 100%

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
24 (Cont)		T11N-R2E Section 15 Map Access Key #						
(56)		446-358-11	5.0 2.5		Salvatore Amou et ux	None	None	None
(57)		495-358-53	5.0 2.5		Horizon, Uncommitted	None	None	None
(58)		495-358-53	5.0 2.5		Horizon, Uncommitted	None	None	None
(69-71)		479-293-40	15.00 7.50	11/10/85	Rudolph J. Engleert 100%	Shell 100%	None	Shell 100%
(72)		412-293-5	5.0 2.5	11/10/85	Richard N. Knoche et ux	Shell 100%	None	Shell 100%
(73-75)		270-382-39	5.0 2.5		Horizon, Uncommitted	None	None	None
(76)		280-293-1	5.0 2.5		Milton Kagan	None	None	None
(77)		247-296-50	5.0 2.5		Roland R. Caron et ux	None	None	None
(78)		214-293-7	5.0 2.5		John W. Hauser et ux	None	None	None
(79)		270-293-39	55.0 27.50		Horizon, Uncommitted	None	None	None
(80)		149-329-6	5.0 2.5		Edward E. Rosston et ux	None	None	None
(81)		117-293-12	5.0 2.5		Paul J. Crowley et ux	None	None	None
(82)		083-293-11	5.0 2.5	11/10/85	Leo G. Judge 100%	Shell 100%	None	Shell 100%
(83)		050-293-52	5.0 2.5		Arthur Farrar	None	None	None
(84)		015-293-51	5.0 2.5		Arthur Farrar	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
24 (Cont)		T11N-R2E Section 15 Map Access Key #							
(85)		014-229-6	5.0	2.0		Regina C. Weiss	None	None	None
(86)		394-228-15	10.00	5.00		Board of Education City of Albuquerque	None	None	None
(87)		479-228-20	15.00	7.50		Horizon, Uncommitted	None	None	None
Tract 24		Total Acres	389.00	194.50					
Tract 24		Total leased Acres	82.50	41.25					

TIIN R-2E  
Section 14  
Map C-11  
Code 1-011-054

Map Access Key #

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
25									
(1)		470-495-9	15.10	7.55	11/10/85	American Service Corp. 100%	Shell 100%	None	Shell 100%
(2)		380-485-10	10.72	5.36		Univ. of Ariz. Foundation	None	None	None
(3)		275-481-11	27.25	13.63		Stuart Ross	None	None	None
(4)		485-441-15	10.00	5.00		Amer. Ser. Corp.	None	None	None
(5A)		428-440-8	10.00	5.00	11/10/85	Amer. Ser. Corp. 100%	Shell 100%	None	Shell 100%
(5B)		380-430-12	10.00	5.00	11/10/85		Shell 100%	None	Shell 100%
(6)		275-420-13	17.49	8.75	11/10/85	The Regents of the Univ. of N. Mex. 100%	Shell 100%	None	Shell 100%
(7)		255-380-14	10.00	5.00	11/10/85	The Regents of the Univ. of N. Mex. 100%	Shell 100%	None	Shell 100%
(8)		495-385-7	8.0	4.0		Board of Trustees of Sandia School	None	None	None
(9)		475-335-6	17.72	8.86		Board of Trustees of Sandia School	None	None	None
(10)		386-360-18	20.00	10.00		Board of Trustees of Sandia School	None	None	None
(11)		327-333-20	4.0	2.0		Arthur J. Vanlandingham	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
25 Cont.									
		T11N-R2E Section 14 Map C-11							
(12)		203-333-17	4.85	2.46		St. George Greek Orthodox Church of N. Mexico	None	None	None
(13)		264-333-20	4.0	2.0		The Greater Miami Jewish Foundation	None	None	None
(14)		237-333-22	3.0	1.5		All St. Lutheran Church	None	None	None
(15)		214-333-21	3.0	1.5	11/10/85	The Boy Scouts of Amer. 100%	Shell 100%	None	Shell 100%
(16)		280-273-19	20.00	10.00		B'Nai Brith Foundation	None	None	None
(17)		497-250-5	5.24	7.63	11/10/85	Renee Goodman et al 100%	Shell 100%	None	Shell 100%
(18)		440-250-4	15.24	7.63	11/10/85	Bernard Certilman et ux 100%	Shell 100%	None	Shell 100%
(19)		380-250-3	15.24	7.63	11/10/85	Morton Certilman et ex 100%	Shell 100%	None	Shell 100%
(20)		307-219-2	10.00	5.00		Sisters of St. Francis	None	None	None
(21)		234-214-1	6.0	3.0		C. Lambert & Asso. Inc.	None	None	None
(22)		033-492-23	10.00	5.00		Norma J. O. Conner	None	None	None
(23A)		083-510-20	2.5	1.25		Raymond R. Barber et ux	None	None	None
(23B)		083-476-21	2.5	1.25		Horizon, Uncommitted	None	None	None
(24)		117-410-3	10.00	5.00		Horizon, Uncommitted	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
25 Cont.									
T11N-R2E Section 14 Map C-11									
(25A)		149-492-50	5.0	2.5	11/10/85	Nellie J. Browning 100%	Shell 100%	None	Shell 100%
(26)		148-440-05	2.5	1.25	11/10/85	Frank Buglo et ux 100%	Shell 100%	None	Shell 100%
(27)		149-407-35	2.5	1.25	11/10/85	Frank Buglo et ux 100%	Shell 100%	None	Shell 100%
(28)		082-426-28	5.0	2.5		Albin C. Reitelbach et ux	None	None	None
(29A)		050-442-26	2.5	1.25		Charles L. Kleckner et ux	None	None	None
(29B)		050-407-27	2.5	1.25	11/10/85	Harlan M. Tack et ux 100%	Shell 100%	None	Shell 100%
(30A)		016-442-25	2.5	1.25		Horizon, Uncommitted	None	None	None
(30B)		016-407-04	2.5	1.25	11/10/85	Elizabeth R. Stambler 100%	Shell 100%	None	Shell 100%
(31)		16-359-39	5.0	2.5		Fae J. McMurrey	None	None	None
(32)		050-356-22	5.0	2.5	11/10/85	Edythe A. Buckler 100%	Shell 100%	None	Shell 100%
(33)		083-356-37	5.0	2.5		Horizon, Uncommitted	None	None	None
(34A)		116-376-10	5.0	2.5		Francis C. Woodmanse	None	None	None
(34B)		151-376-19	5.0	2.5		Edward F. Radocha et ux	None	None	None
(35)		131-341-24	5.0	2.5	11/10/85	Lois G. Gillespie 100%	Shell 100%	None	Shell 100%
(36A)		150-308-17	2.5	1.25	11/10/85	Dale S. Cogshall et ux 100%	Shell 100%	None	Shell 100%
(36B)		149-275-18	2.5	1.25	None	Horizon, Uncommitted	None	None	None

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES GROSS	ACRES NET	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE OF NET ACRES	LESSEE OF RECORD AND PERCENTAGE OF NET ACRES	OVERRIDING ROYALTY AND PERCENTAGE OF NET ACRES	WORKING INTEREST AND PERCENTAGE OF NET ACRES
25 Cont.		T11N-R2E Section 14 Map C-11							
(37)		116-290-14	5.0	2.5		Elmo Higginson et al	None	None	None
(38)		085-290-16	5.0	2.5		Betty B. Ward	None	None	None
(39)		050-290-1	5.0	2.5	11/10/85	Rev. J. Begger 100%	Shel1 100%	None	Shel1 100%
(40)		017-292-13	5.0	2.5	11/10/85	Laura G. Larson et ux 100%	Shel1 100%	None	Shel1 100%
Tract 25		Total Acres	362.00	181.00					
Tract 25		Total Leased Acres	148.88	74.44					

RECEIVED  
BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION  
DEC 16 1980

ON CONSERVATION DIVISION  
APPLICATION OF SHELL OIL COMPANY )  
FOR APPROVAL OF ITS WEST MESA UNIT )  
LOCATED IN TOWNSHIP 12 NORTH, RANGES )  
1 EAST AND 2 EAST AND TOWNSHIP 11 )  
NORTH, RANGES 1 EAST AND 2 EAST, )  
BERNALILLO AND SANDOVAL COUNTIES, )  
NEW MEXICO. )

No. 2119

APPLICATION

COMES NOW Applicant Shell Oil Company, by and through its attorneys, Montgomery & Andrews, P.A., and respectfully requests the Division for approval of its West Mesa Unit located in Bernalillo and Sandoval Counties, New Mexico, and in support thereof states as follows:

1. Applicant is the operator and sole working interest owner of a well to be located at a standard location in the East half of Section 24, Township 11 North, Range 1 East, Bernalillo County, New Mexico.
2. The proposed well is a test well to test the top of the upper cretaceous section or to a depth of 20,000 feet.
3. The Applicant has submitted for approval a Unit Agreement to all mineral interest owners in the proposed unit to be designated the "West Mesa Unit" located in Bernalillo and Sandoval Counties, New Mexico. The lands and leases affecting the unit area are more particularly described on Exhibit "A" attached hereto and incorporated by reference.
4. At the time of hearing on this proposed application, presumably in early January 1981, the Applicant proposes to have in hand effective control of the unit area.
5. That the proposed unit area is logical for exploration, development and production of all oil and gas and related hydrocarbons from the proposed unit area.
6. That a proposed Unit Agreement has been submitted to the United States Geological Survey and has received preliminary

approval.

7. That the proposed Unit Agreement has been submitted to the Commissioner of Public Lands of the State of New Mexico.

8. That the granting of the application is in the interest of prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant respectfully requests that the Division set this matter for hearing at its next Examiner Hearing on January 14, 1981.

DATED this 16th day of December, 1980.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By Owen M. Lopez  
Owen M. Lopez  
P. O. Box 2307  
Santa Fe, New Mexico 87501

Attorneys for Applicant  
Shell Oil Company

## EXHIBIT "A"

Schedule Showing All Lands and Leases  
Within The West Mesa Unit  
Bernalillo and Sandoval Counties, New Mexico

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
1	NM 7148	TIIN-R1E Section 14 - Lots 1,2,3,4 Section 24 - All	840.60	US 12942 12/31/80	USA 100%	Shell 100%	None	Shell 100%
2	NM 7143	TI10N-R2E Section 4 - Lots 1 thru 8 Section 6 - Lots 1 thru 8 TI1N-R2E Section 33 - All Section 34 - Lots 1,4 thru 38, NE $\frac{1}{4}$ NW $\frac{1}{4}$	1387.44	US 12937 01/31/81	USA 100%	Shell 100%	None	Shell 100%
3	NM 7144	TI1N-R2E Section 22 - All Section 26 - All Section 28 - All	1320.00	US 12938 01/31/81	USA 100%	Shell 100%	None	Shell 100%
4	NM 7145	TI1N-R2E Section 14 - Lots 1,2,3,4, S $\frac{1}{2}$ S $\frac{1}{2}$ Section 23 - E $\frac{1}{2}$ E $\frac{1}{2}$	399.00	US 12939 01/31/81	USA 100%	Shell 100%	None	Shell 100%
5		TI1N-R2E Section 18 - Lots 1,2,3,4	238.00	US 42374 Open-Shell filed offer to lease 9/12/80				
TOTAL FEDERAL			4785.04					

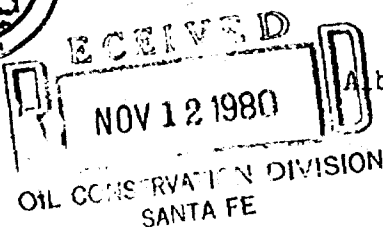
TRACT NO.	SHELL, LEASE NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
6	NM 7221	T11N-R1E Section 36 - (A11)	640.00	L-6570 08/31/81	State 100%	Shell 100%	None	Shell 100%
7	NM 7222	T11N-R2E Section 16 - Lots 1,2,3,4, S $\frac{1}{2}$ S $\frac{1}{2}$ Section 32 - (A11)	878.56	L-6571 08/31/81	State 100%	Shell 100%	None	Shell 100%
		TOTAL STATE	1518.56					
8	NM 7188	T10N-R1E Section 1 - Lots thru 8 T10N-R2E Section 3 - Lots 1 thru 6 Section 5 - Lots 1 thru 8 T11N-R1E Section 13 - Lots 1,2,3,4 Sections 23, 25 (A11) T11N-R2E Section 15 - Lots 1,2,3,4, S $\frac{1}{2}$ S $\frac{1}{2}$ Section 17 - Lots 1,2,3,4, S $\frac{1}{2}$ S $\frac{1}{2}$ Sections 19, 21 (A11) Section 23 - W $\frac{1}{2}$ E $\frac{1}{2}$ , W $\frac{1}{2}$ Sections 27,29,30,31 (A11) Section 35 - Lots 2,3,4, W $\frac{1}{2}$ NE $\frac{1}{2}$ , NW $\frac{1}{4}$	7302.49	05/15/82	Santa Fe Pacific R.R. 100%	Shell 100%	None	Shell 100%

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
9	NM 7435	T11N-R1E Sections 2, 11 (A11) Sections 1, 12 - The West 1381 Feet Section 13 - The West 1381 Feet North of the South Line of Town of Alameda Grant	2167.15	10/31/82	Albert J. 100% Black	Shell 100%	None	Shell 100%
10	NM 7821	T12N-R1E Sections 35, 36 T12N-R2E Sections 31, 32, 33	3200.00	07/15/84	Rio Rancho Estates 100%	Shell 100%	None	Shell 100%
11	NM 7925	T11N-R1E Sections 1, 12 - The East 3899 Feet Section 13 - The East 3899 Feet North of the South Line of Town of Alameda Grant T11N-R2E Sections 4, 5, 6, 7, 8, 9, (A11) Sections 14 thru 18 - North of the South Line of the Town of Alameda Grant	7108.23	12/14/84	William E. Black et al 50%	Shell 50%	None	Shell 50%
12		T11N-R2E Sections 20 (A11)	640		Patented Lands Unleased			
		TOTAL FEE	20418.47					
		TOTAL UNIT	26722.07					



# United States Department of the Interior

GEOLOGICAL SURVEY  
South Central Region  
P. O. Box 26124  
Albuquerque, New Mexico 87125



07 NOV 1980

Shell Oil Company  
Attention: Tom R. Gilles  
P. O. Box 831  
Houston, Texas 77001

Gentlemen:

Your application of September 22, 1980, filed with the Acting Deputy Conservation Manager, Oil and Gas, Albuquerque, New Mexico, requests the designation of the West Mesa unit area, embracing 26,722.07 acres, more or less, Bernalillo and Sandoval Counties, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act as amended.

Pursuant to unit plan regulations 30 CFR 226, the land requested as outlined on your plat marked "Exhibit 'A' West Mesa Unit Area, Bernalillo and Sandoval Counties, New Mexico" is hereby designated as a logical unit area.

The unit agreement submitted for the area designated should provide for a well to test the Upper Cretaceous Section, or to a depth of 20,000 feet. Your proposed use of the Form of Agreement for Unproved Areas will be accepted with the modifications requested in your application, provided it is further modified as follows:

Add the words "as amended" after  
(30 F.R. 12319) in Section 26,  
Nondiscrimination.

If conditions are such that further modification of said standard form is deemed necessary, three copies of the proposed modifications with appropriate justification must be submitted to this office through the Acting Deputy Conservation Manager, Oil and Gas, for preliminary approval.

In the absence of any other type of land requiring special provisions or of any objections not now apparent, a duly executed agreement identical with said form, modified as outlined above, will be approved if submitted in approvable status within a reasonable period of time. However, notice is hereby given that the right is reserved to deny approval of any executed agreement submitted which, in our opinion, does not have the full commitment of sufficient lands to afford effective control of operations in the unit area.

When the executed agreement is transmitted to the Acting Deputy Conservation Manager, Oil and Gas, Albuquerque, New Mexico, for approval, include the latest status of all acreage. In preparation of Exhibits "A" and "B", follow closely the format of the sample exhibits attached to the 1968 reprint of the aforementioned form.

Inasmuch as this unit agreement involves State land, we are sending a copy of this letter to the Commissioner of Public Lands. Please contact the State of New Mexico before soliciting joinders regardless of prior contacts or clearances from the State.

Sincerely yours,

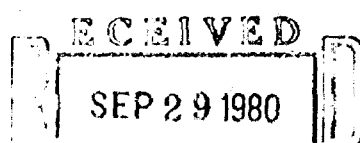
(ORIG. SGD.) JAMES W. SUTHERLAND

James W. Sutherland  
Conservation Manager  
For the Director

Enclosure

cc:

NMOCD, Santa Fe



C.L. CON. DIVISION  
SANTA FE  
BEFORE THE OIL CONSERVATION DIVISION  
OIL & ENERGY MINERALS DEPARTMENT  
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF UNION OIL COMPANY OF CALIFORNIA  
FOR APPROVAL OF THE EAVES-LEA UNIT  
AGREEMENT, LEA COUNTY, NEW MEXICO.

APPLICATION

Case 7053

COMES NOW Applicant, Union Oil Company of California, by  
its attorneys, Jennings & Christy, and requests approval of the  
Eaves-Lea Unit Agreement covering 2209.17 acres of Federal and  
State lands, Lea County, New Mexico, and in support of its  
Application states:

1. Applicant desires to obtain Division's approval of the  
Eaves-Lea Unit Agreement covering 2209.17 acres of Federal and  
State lands described as follows:

LEA COUNTY, NEW MEXICO

TOWNSHIP 21 SOUTH, RANGE 32 EAST, N.M.P.M.

Section 25: All

TOWNSHIP 21 SOUTH, RANGE 33 EAST, N.M.P.M.

Section 19: Lots 3 & 4, E $\frac{1}{2}$ SW $\frac{1}{4}$  & SE $\frac{1}{4}$  (S $\frac{1}{2}$ )  
Section 29: W $\frac{1}{2}$   
Section 30: Lots 1, 2, 3 & 4, E $\frac{1}{2}$ W $\frac{1}{2}$  & E $\frac{1}{2}$  (All)  
Section 31: Lots 1 & 2, E $\frac{1}{2}$ NW $\frac{1}{4}$  & NE $\frac{1}{4}$  (N $\frac{1}{2}$ )

2. Applicant proposes to drill a Morrow test well to be lo-  
cated 1320' FNL and 1980' FWL of Section 30, Township 21 South,  
Range 33 East, to a depth sufficient to test the Morrow forma-  
tion or 14,850 feet, whichever is lesser, and feels that the Unit  
Agreement will promote the prevention of waste and the protection  
of correlative rights within the Unit Area.

3. Applicant will be the operator of the Unit Area.

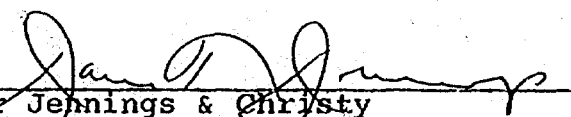
4. A copy of the Unit Agreement will be furnished at the time of the hearing and a copy of the proposed Unit Area showing the Federal acreage which is 640 acres or 28.97016%, and the State acreage which is 1569.17 acres or 71.029864% is attached hereto and marked Exhibit "A".

WHEREFORE, the Applicant requests the Division to set this matter down for hearing before an examiner at an early date, publish notice as required by law, and after hearing issue its order approving the Eaves-Lea Unit Agreement.

Respectfully submitted,

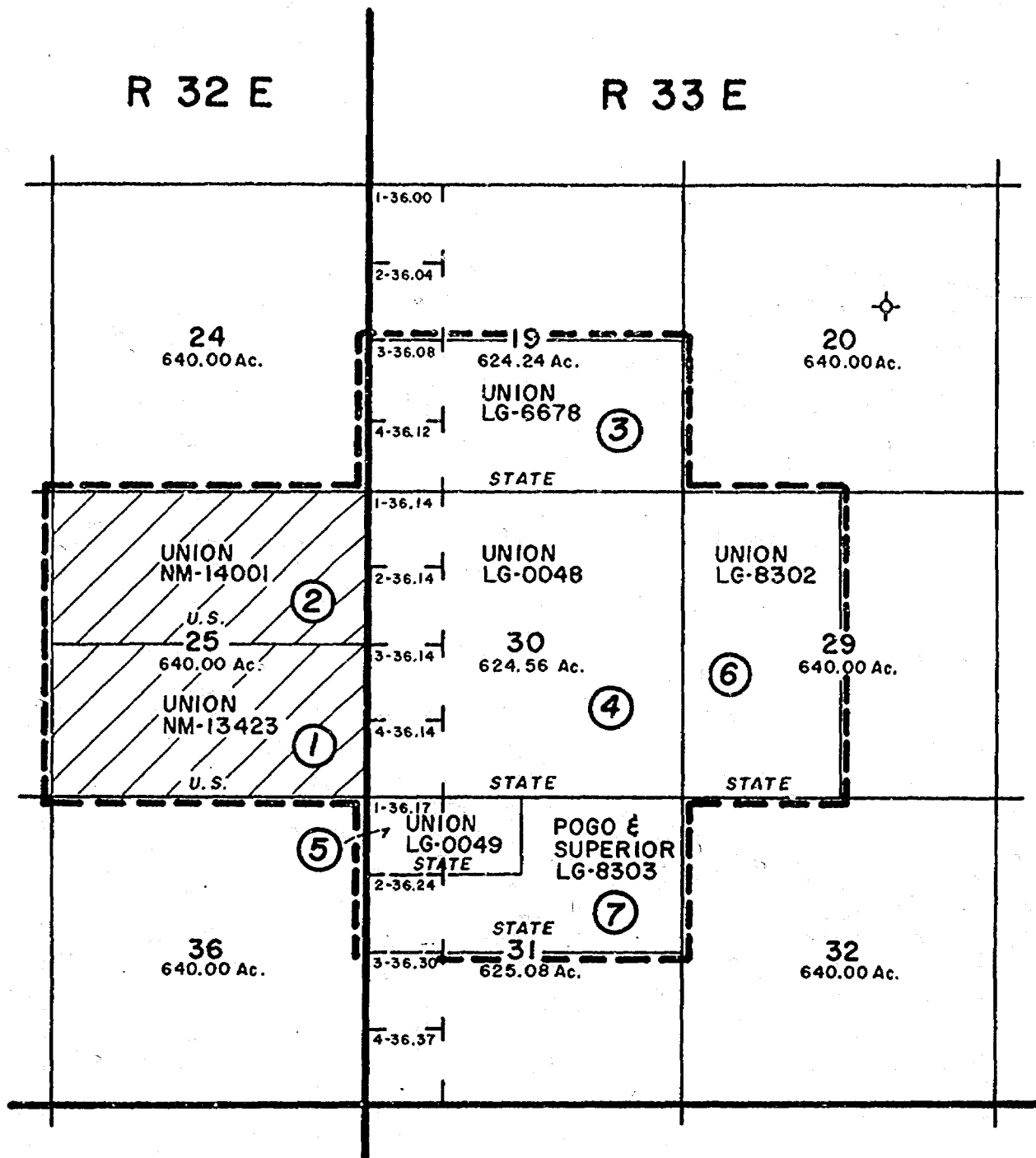
UNION OIL COMPANY OF CALIFORNIA

By

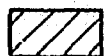
  
For Jennings & Christy  
Attorneys for Applicant  
P. O. Box 1180  
Roswell, New Mexico 88201

R 32 E

R 33 E

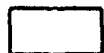


T  
21  
S



FEDERAL

640.00 Ac. 28.97016%

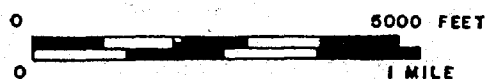


STATE

1569.17 Ac. 71.02984%

2209.17 Ac. 100.00000%

**EXHIBIT "A"**  
**EAVES-LEA UNIT**  
**LEA COUNTY, NEW MEXICO**

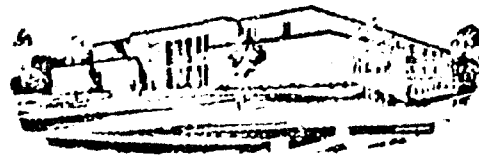


① TRACT NUMBER - EXHIBIT "B"

State of New Mexico



ALEX J. ARMIJO  
COMMISSIONER



Commissioner of Public Lands  
January 28, 1981

P. O. BOX 1148  
SANTA FE, NEW MEXICO 87501

Shell Oil Company  
P. O. Box 576  
Houston, Texas 77001

Re: West Mesa Unit  
Bernalillo and Sandoval Counties,  
New Mexico

ATTENTION: Mr. Lance F. Harmon

Gentlemen:

The Commissioner of Public Lands has this date approved the West Mesa Unit, Bernalillo and Sandoval Counties, New Mexico. Our approval is subject to compliance with the side-letter agreement signed by Shell Oil Company dated January 27, 1981, also subject to like approval by the USGS and the New Mexico Oil Conservation Division.

Enclosed are five Certificates of Approval.

Please remit the filing fee in the amount of Four Hundred and Sixty (\$460.00) Dollars at your earliest convenience.

Very truly yours,

ALEX J. ARMIJO  
COMMISSIONER OF PUBLIC LANDS

BY:

FLOYD O. PRANDO, Assistant Director  
Oil and Gas Division  
AC 505-827-2748

AJA/FOP/s  
encls.  
cc:

OCD-Santa Fe, New Mexico ✓  
USGS-Albuquerque, New Mexico  
USGS-Albuquerque, New Mexico



# United States Department of the Interior

GEOLOGICAL SURVEY  
South Central Region  
P. O. Box 26124  
Albuquerque, New Mexico 87125



January 30, 1981

Shell Oil Company  
Attention: Mr. Lance F. Harmon  
P. O. Box 831  
Houston, Texas 77001

Gentlemen:

One approved copy of the West Mesa unit agreement, Bernalillo and Sandoval Counties, New Mexico, is enclosed. Such agreement has been assigned No. 14-08-0001-18446 and is effective January 30, 1981, the same date as approved.

You are requested to furnish all interested principals with appropriate evidence of this approval.

Sincerely yours,

(ORIG. SGD.) GENE F. DANIEL

Gene F. Daniel  
Deputy Conservation Manager  
Oil and Gas

Enclosure

BLM, Santa Fe (w/encl.)  
NMOCD, Santa Fe  
Commissioner of Public Lands, Santa Fe



BRUCE KING  
GOVERNOR  
LARRY KEHOE  
SECRETARY

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

January 30, 1981

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

Mr. Owen Lopez  
Montgomery and Andrews  
Attorneys at Law  
Post Office Box 2307  
Santa Fe, New Mexico

Re: CASE NO. 7119  
ORDER NO. R-6575

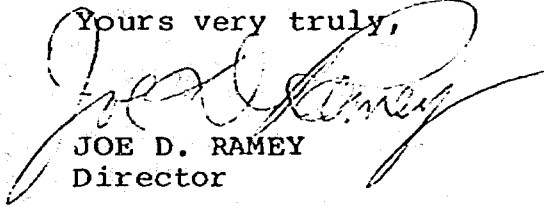
Applicant:

Shell Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced  
Division order recently entered in the subject case.

Yours very truly,

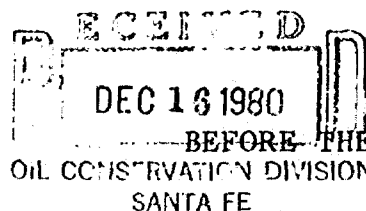
  
JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD X  
Artesia OCD X  
Aztec OCD X

Other \_\_\_\_\_



APPLICATION OF SHELL OIL COMPANY )  
FOR APPROVAL OF ITS WEST MESA UNIT )  
LOCATED IN TOWNSHIP 12 NORTH, RANGES )  
1 EAST AND 2 EAST AND TOWNSHIP 11 )  
NORTH, RANGES 1 EAST AND 2 EAST, )  
BERNALILLO AND SANDOVAL COUNTIES, )  
NEW MEXICO. )

No. 7119

APPLICATION

COMES NOW Applicant Shell Oil Company, by and through its attorneys, Montgomery & Andrews, P.A., and respectfully requests the Division for approval of its West Mesa Unit located in Bernalillo and Sandoval Counties, New Mexico, and in support thereof states as follows:

1. Applicant is the operator and sole working interest owner of a well to be located at a standard location in the East half of Section 24, Township 11 North, Range 1 East, Bernalillo County, New Mexico.

2. The proposed well is a test well to test the top of the upper cretaceous section or to a depth of 20,000 feet.

3. The Applicant has submitted for approval a Unit Agreement to all mineral interest owners in the proposed unit to be designated the "West Mesa Unit" located in Bernalillo and Sandoval Counties, New Mexico. The lands and leases affecting the unit area are more particularly described on Exhibit "A" attached hereto and incorporated by reference.

4. At the time of hearing on this proposed application, presumably in early January 1981, the Applicant proposes to have in hand effective control of the unit area.

5. That the proposed unit area is logical for exploration, development and production of all oil and gas and related hydrocarbons from the proposed unit area.

6. That a proposed Unit Agreement has been submitted to the United States Geological Survey and has received preliminary

approval.

7. That the proposed Unit Agreement has been submitted to the Commissioner of Public Lands of the State of New Mexico.

8. That the granting of the application is in the interest of prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant respectfully requests that the Division set this matter for hearing at its next Examiner Hearing on January 14, 1981.

DATED this 16th day of December, 1980.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By Owen M. Lopez  
Owen M. Lopez  
P. O. Box 2307  
Santa Fe, New Mexico 87501

Attorneys for Applicant  
Shell Oil Company

## EXHIBIT "A"

Schedule Showing All Lands and Leases  
Within The West Mesa Unit  
Bernalillo and Sandoval Counties, New Mexico

TRACT LEASE NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
1	NM 7148	TIIN-R1E Section 14 - Lots 1,2,3,4 Section 24 - All	840.60	US 12942 12/31/80	USA 100%	Shell 100%	None	Shell 100%
2	NM 7143	TIIN-R2E Section 4 - Lots 1 thru 8 Section 6 - Lots 1 thru 8 TIIN-R2E Section 33 - All Section 34 - Lots 1,4 thru 38, NE $\frac{1}{4}$ NW $\frac{1}{4}$	1387.44	US 12937 01/31/81	USA 100%	Shell 100%	None	Shell 100%
3	NM 7144	TIIN-R2E Section 22 - All Section 26 - All Section 28 - All	1920.00	US 12938 01/31/81	USA 100%	Shell 100%	None	Shell 100%
4	NM 7145	TIIN-R2E Section 14 - Lots 1,2,3,4, S $\frac{1}{2}$ S $\frac{1}{2}$ Section 23 - E $\frac{1}{2}$ E $\frac{1}{2}$	399.00	US 12939 01/31/81	USA 100%	Shell 100%	None	Shell 100%
5		TIIN-R2E Section 18 - Lots 1,2,3,4	238.00	US 42374				
		Open-Shell filed offer to Lease 9/12/80						
		TOTAL FEDERAL	4785.04					

11-2

10-2

10-1

17-1

11-2  
10-1  
12-1

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
6	NM 7221	T11N-R1E Section 36 - (All)	640.00	L-6570 08/31/81	State 100%	Shell 100%	None	Shell 100%
7	NM 7222	T11N-R2E Section 16 - Lots 1,2,3,4, S $\frac{1}{2}$ S $\frac{1}{2}$ Section 32 - (All)	878.56	L-6571 08/31/81	State 100%	Shell 100%	None	Shell 100%
		TOTAL STATE	1518.56					
8	NM 7188	T10N-R1E Section 1 - Lots thru 8 T10N-R2E Section 3 - Lots 1 thru 6 Section 5 - Lots 1 thru 8 T11N-R1E Section 13 - Lots 1,2,3,4 Sections 23, 25 (All) T11N-R2E Section 15 - Lots 1,2,3,4, S $\frac{1}{2}$ S $\frac{1}{2}$ Section 17 - Lots 1,2,3,4, S $\frac{1}{2}$ S $\frac{1}{2}$ Sections 19, 21 (All) Section 23 - W $\frac{1}{2}$ E $\frac{1}{2}$ , W $\frac{1}{2}$ Sections 27,29,30,31 (All) Section 35 - Lots 2,3,4, W $\frac{1}{2}$ N $\frac{1}{2}$ E $\frac{1}{2}$ , NW $\frac{1}{4}$	7302.49	05/15/82	<div> <div>FEE LANDS</div> <div>Santa Fe Pacific R.R. 100%</div> </div>	Shell 100%	None	Shell 100%

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
9	NM 7435	T11N-R1E Sections 2, 11 (A11) Sections 1, 12 - The West 1381 Feet Section 13 - The West 1381 Feet North of the South Line of Town of Alameda Grant	2167.15	10/31/82	Albert J. 100% Black	Shell 100%	None	Shell 100%
10	NM 7821	T12N-R1E Sections 35, 36 T12N-R2E Sections 31, 32, 33	3200.00	07/15/84	Rio Rancho Estates 100%	Shell 100%	None	Shell 100%
11	NM 7925	T11N-R1E Sections 1, 12 - The East 3899 Feet Section 13 - The East 3899 Feet North of the South Line of Town of Alameda Grant T11N-R2E Sections 4, 5, 6, 7, 8, 9, (A11) Sections 14 thru 18 - North of the South Line of the Town of Alameda Grant	7108.23	12/14/84	William E. Black et al 50%	Shell 50%	None	Shell 50%
12		T11N-R2E Sections 20 (A11)	640		Patented Lands Unleased			
		TOTAL FEE	20418.47					
		TOTAL UNIT	26722.07					

*State Fee 1518.04*  
*Fed 418.47*  
*Fee 26722.07*  
*Shell has fee on*  
*8.70 of*  
*total leaves*  
*in unit*

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
14 January 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Shell Oil Company  
for a unit agreement, Bernalillo  
and Sandoval Counties, New Mexico.

CASE  
7119

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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:

1  
2 MR. STAMETS: We'll call first this  
3 morning Case 7119.

4 MR. PADILLA: Application of Shell Oil  
5 Company for a unit agreement, Bernalillo and Sandoval Counties,  
6 New Mexico.

7 MR. STAMETS: At the request of the  
8 applicant this case will be continued to the January 28th  
9 Examiner Hearing.

10  
11 (Hearing concluded.)  
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY 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.

Sally W. Boyd C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7119 heard by me on 5-6-64 1964.  
Richard L. Ham, Examiner  
Oil Conservation Division

SALLY W. BOYD, C.S.R.  
Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7409

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
14 January 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Shell Oil Company  
for a unit agreement, Bernalillo  
and Sandoval Counties, New Mexico.

CASE  
7119

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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:

1  
2 MR. STAMETS: We'll call first this  
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5 Company for a unit agreement, Bernalillo and Sandoval Counties,  
6 New Mexico.

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8 applicant this case will be continued to the January 28th  
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11 (Hearing concluded.)  
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREPY 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.

Sally W. Boyd C.S.R.

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. \_\_\_\_\_  
heard by me on 19\_\_\_\_\_.  
\_\_\_\_\_, Examiner  
Oil Conservation Division

SALLY W. BOYD, C.S.R.  
Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7409

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Dockets Nos. 5-81 and 6-81 are tentatively set for February 11 and 25, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 28, 1981

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- CASE 7135: Application of Celeste C. Cryenberg for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Cottonwood Draw Unit Area, comprising 2555 acres, more or less, of State lands in Township 16 South, Range 24 East.
- CASE 7119: (Continued from January 14, 1981, Examiner Hearing)  
Application of Shell Oil Company for a unit agreement, Bernalillo and Sandoval Counties, New Mexico. Applicant, in the above-styled cause, seeks approval for the West Mesa Unit Area, comprising 26,722 acres, more or less, of State, Federal, and fee lands in Townships 10, 11, and 12 North, Ranges 1 and 2 East.
- CASE 7136: Application of Hanson Oil Corporation for amendment of R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the elimination of the NE/4 of Section 26, Township 18 South, Range 30 East, from the Potash-Oil Area as defined by Order No. R-111-A as amended. In the alternative, applicant seeks an exception to the casing and cementing rules of R-111-A for its wells to be drilled within the NE/4 of said Section 26.
- CASE 7137: Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Chacra and Blanco Mesaverde production in the wellbores of its wells located in: Sections 1 thru 5, and 7, 8, 21, 22, 24, and 25 in Township 26 North, Range 6 West; Sections 13, 14, 23, 24, and 26 in Township 26 North, Range 7 West; and Sections 33 thru 35 in Township 27 North, Range 6 West.
- CASE 7138: Application of Wiser Oil Company for a special gas-oil ratio limitation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a special gas-oil ratio limitation of 6000 to one, retroactive to May 1, 1980, for the Hardy-Drinkard Pool.
- CASE 7051: (Continued from December 30, 1980, Examiner Hearing)  
Application of Petro Lewis Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinebry and Drinkard production in the wellbore of its L. G. Warlick "B" Well No. 2 located in Unit G of Section 19, Township 21 South, Range 37 East.
- CASE 7139: Application of Yates Petroleum Corporation for amendment of Division Order No. R-6367, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-6367 to designate Yates Petroleum Corporation as the operator of the two proration units pooled by said order, replacing McClellan Oil Corporation as operator.
- CASE 7140: Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 26, Township 21 South, Range 26 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North line and 1650 feet from the East line of said Section 26. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7100: (Continued from January 14, 1981, Examiner Hearing)  
Application of Harvey E. Yates Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Atoka and Morrow production in the wellbore of its Travis 24 State Com Well No. 1 in Unit H of Section 24, Township 18 South, Range 28 East.
- CASE 7141: Application of P & O Oil Field Service for an oil treating plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the SW/4 NW/4 of Section 25, Township 25 South, Range 36 East.

J. O. SETH (1883-1963)

A. K. MONTGOMERY  
FRANK ANDREWS  
SETH D. MONTGOMERY  
FRANK ANDREWS III  
OWEN M. LOPEZ  
VICTOR R. ORTEGA  
JOHN E. CONWAY  
JEFFREY R. BRANNEN  
JOHN B. POUND  
GARY R. KILPATRICK  
THOMAS W. OLSON  
WALTER J. MELENDES  
BRUCE L. HERR  
MICHAEL W. BRENNAN  
ROBERT P. WORCESTER  
JOHN B. DRAPER  
NANCY M. ANDERSON  
RUDOLPH B. SACKS, JR.  
W. CLINT PARSLEY  
JANET MCL. MCKAY  
EDWARD F. MITCHELL III

MONTGOMERY & ANDREWS

PROFESSIONAL ASSOCIATION  
ATTORNEYS AND COUNSELORS AT LAW

325 FASEO DE PERALTA

POST OFFICE BOX 2307

SANTA FE, NEW MEXICO 87501

TELEPHONE 505-982-3873

TELECOPY 505-982-4289

ALBUQUERQUE OFFICE

SUITE 916

BANK OF NEW MEXICO BUILDING

14TH AND GOLD AVENUE, S.W.

POST OFFICE BOX 1396

ALBUQUERQUE, NEW MEXICO 87103

TELEPHONE 505-243-3733

January 7, 1981

New Mexico Energy and  
Minerals Department  
Oil Conservation Division  
State Land Office  
Santa Fe, New Mexico 87503

Re: Application of Shell Oil Company for Approval  
of its West Mesa Unit, Bernalillo and Sandoval  
Counties, New Mexico; Case No. 7119

Gentlemen:

On behalf of our client, Shell Oil Company, I respectfully request that the above-referenced case be postponed until the next Examiner Hearing on January 28, 1981.

Sincerely,

*Owen M. Lopez*  
Owen M. Lopez

OML:to

Dockets Nos. 4-81 and 5-81 are tentatively set for January 28 and February 11, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 14, 1981

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Rutter, Alternate Examiner:

ALLOWABLE: (1) Consideration of the allowable production of gas for February, 1981, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for February, 1981, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 7117: Application of Gulf Oil Corporation for a non-standard gas proration unit, unorthodox location, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of a previously approved 320-acre non-standard proration unit comprising the E/2 of Section 25, Township 20 South, Range 36 East, Eumont Gas Pool, to its L. W. White (NCT-A) Wells No. 2 in Unit I and No. 7 at an unorthodox location 990 feet from the North line and 660 feet from the East line of said Section 25.

CASE 7118: Application of El Paso Exploration Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of South Blanco-Tocito and Basin-Dakota production in the wellbore of its Jicarilla 152 W Well No. 3 in Unit D of Section 7, Township 26 North, Range 5 West.

CASE 7119: Application of Shell Oil Company for a unit agreement, Bernalillo and Sandoval Counties, New Mexico. Applicant, in the above-styled cause, seeks approval for the West Mesa Unit Area, comprising 26,722 acres, more or less, of State, Federal, and fee lands in Townships 10, 11, and 12 North, Ranges 1 and 2 East.

CASE 7120: Application of Dugan Production Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of undesignated Gallup and Basin-Dakota production in the wellbore of its Merry May Well No. 1 in Unit I of Section 24, Township 24 North, Range 10 West.

CASE 7121: Application of Flag-Redfern Oil Co. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Pinon-Fruitland and Fulcher Kutz-Pictured Cliffs production in the wellbores of its Aloha Wells Nos. 1 and 2 located in Units L and D, respectively, of Section 16, Township 28 North, Range 11 West.

CASE 7122: Application of Elk Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Pennsylvanian formation in the interval from 10,445 feet to 10,516 feet in its C. S. State Well No. 2 in Unit K of Section 26, Township 14 South, Range 34 East, High Plains-Pennsylvanian Pool.

CASE 7123: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal "AB" Well No. 7, a Morrow test to be drilled 1980 feet from the North line and 660 feet from the West line of Section 9, Township 18 South, Range 25 East, the N/2 of said Section 9 to be dedicated to the well.

CASE 7124: Application of Caribou Four Corners, Inc. for two non-standard proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for two non-standard oil proration units in Section 13, Township 29 North, Range 15 West, Cha Cha-Gallup Oil Pool, as follows: a 56.09-acre unit consisting of those fee lands comprising the NE/4 NW/4 and northermost 16.09 acres of the SE/4 NW/4 of said Section 13, and a 66.33-acre unit consisting of those fee lands comprising the NW/4 NW/4 and northermost 23.33 acres of the SW/4 NW/4 of said Section 13. In the alternative applicant seeks an order directing the escrowing of funds attributable to those lands in the E/2 NW/4 and W/2 NW/4, respectively, of said Section 13 which are not included in the above-described non-standard proration units.

RECEIVED  
DEC 16 1980  
BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION  
OIL CONSERVATION DIVISION  
SANTA FE

APPLICATION OF SHELL OIL COMPANY )  
FOR APPROVAL OF ITS WEST MESA UNIT )  
LOCATED IN TOWNSHIP 12 NORTH, RANGES )  
1 EAST AND 2 EAST AND TOWNSHIP 11 )  
NORTH, RANGES 1 EAST AND 2 EAST, )  
BERNALILLO AND SANDOVAL COUNTIES, )  
NEW MEXICO. )

No. 7119

APPLICATION

COMES NOW Applicant Shell Oil Company, by and through its attorneys, Montgomery & Andrews, P.A., and respectfully requests the Division for approval of its West Mesa Unit located in Bernalillo and Sandoval Counties, New Mexico, and in support thereof states as follows:

1. Applicant is the operator and sole working interest owner of a well to be located at a standard location in the East half of Section 24, Township 11 North, Range 1 East, Bernalillo County, New Mexico.
2. The proposed well is a test well to test the top of the upper cretaceous section or to a depth of 20,000 feet.
3. The Applicant has submitted for approval a Unit Agreement to all mineral interest owners in the proposed unit to be designated the "West Mesa Unit" located in Bernalillo and Sandoval Counties, New Mexico. The lands and leases affecting the unit area are more particularly described on Exhibit "A" attached hereto and incorporated by reference.
4. At the time of hearing on this proposed application, presumably in early January 1981, the Applicant proposes to have in hand effective control of the unit area.
5. That the proposed unit area is logical for exploration, development and production of all oil and gas and related hydrocarbons from the proposed unit area.
6. That a proposed Unit Agreement has been submitted to the United States Geological Survey and has received preliminary

approval.

7. That the proposed Unit Agreement has been submitted to the Commissioner of Public Lands of the State of New Mexico.

8. That the granting of the application is in the interest of prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant respectfully requests that the Division set this matter for hearing at its next Examiner Hearing on January 14, 1981.

DATED this 16th day of December, 1980.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A..

By Owen M. Lopez  
Owen M. Lopez  
P. O. Box 2307  
Santa Fe, New Mexico 87501

Attorneys for Applicant  
Shell Oil Company

## EXHIBIT "A"

Schedule Showing All Lands and Leases  
Within The West Mesa Unit  
Bernalillo and Sandoval Counties, New Mexico

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
1	NM 7148	TIIN-R1E Section 14 - Lots 1,2,3,4 Section 24 - All	840.60	US 12942 12/31/80	USA 100%	Shell 100%	None	Shell 100%
2	NM 7143	TI0N-R2E Section 4 - Lots 1 thru 8 Section 6 - Lots 1 thru 8 TIIN-R2E Section 33 - All Section 34 - Lots 1,4 thru 38, NE $\frac{1}{4}$ NW $\frac{1}{4}$	1387.44	US 12937 01/31/81	USA 100%	Shell 100%	None	Shell 100%
3	NM 7144	TIIN-R2E Section 22 - All Section 26 - All Section 28 - All	1920.00	US 12938 01/31/81	USA 100%	Shell 100%	None	Shell 100%
4	NM 7145	TIIN-R2E Section 14 - Lots 1,2,3,4, S $\frac{1}{2}$ S $\frac{1}{2}$ Section 23 - E $\frac{1}{2}$ E $\frac{1}{2}$	399.00	US 12939 01/31/81	USA 100%	Shell 100%	None	Shell 100%
5		TIIN-R2E Section 18 - Lots 1,2,3,4	238.00	US 42374 Open-Shell filed offer to Lease 9/12/80				
TOTAL FEDERAL			4,785.04					

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
6	NM 7221	T11N-R1E Section 36 - (A11)	640.00	L-6570 08/31/81	STATE LANDS State 100%	Shell 100%	None	Shell 100%
7	NM 7222	T11N-R2E Section 16 - lots 1,2,3,4, S $\frac{1}{2}$ S $\frac{1}{2}$ Section 32 - (A11)	878.56	L-6571 08/31/81	State 100%	Shell 100%	None	Shell 100%
		TOTAL STATE	1518.56					
8	NM 7188	T10N-R1E Section 1 - lots thru 8 T10N-R2E Section 3 - lots 1 thru 6 Section 5 - lots 1 thru 8 T11N-R1E Section 13 - lots 1,2,3,4 Sections 23, 25 (A11) T11N-R2E Section 15 - lots 1,2,3,4, S $\frac{1}{2}$ S $\frac{1}{2}$ Section 17 - lots 1,2,3,4, S $\frac{1}{2}$ S $\frac{1}{2}$ Sections 19, 21 (A11) Section 23 - W $\frac{1}{2}$ E $\frac{1}{2}$ , W $\frac{1}{2}$ Sections 27,29,30,31 (A11) Section 35 - lots 2,3,4, W $\frac{1}{2}$ N $\frac{1}{2}$ E $\frac{1}{2}$ , NW $\frac{1}{4}$	7302.49	05/15/82	FEE LANDS Santa Fe Pacific R.R. 100%	Shell 100%	None	Shell 100%

TRACT NO.	SHELL LEASE NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. EXP. DATE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
9	NM 7435	T11N-R1E Sections 2, 11 (A11) Sections 1, 12 - The West 1381 Feet Section 13 - The West 1381 Feet North of the South Line of Town of Alameda Grant	2167.15	10/31/82	Albert J. 100% Black	Shell 100%	None	Shell 100%
10	NM 7821	T12N-R1E Sections 35, 36 T12N-R2E Sections 31, 32, 33	3200.00	07/15/84	Rio Rancho Estates 100%	Shell 100%	None	Shell 100%
11	NM 7925	T11N-R1E Sections 1, 12 - The East 3899 Feet Section 13 - The East 3899 Feet North of the South Line of Town of Alameda Grant T11N-R2E Sections 4, 5, 6, 7, 8, 9, (A11) Sections 14 thru 18 - North of the South Line of the Town of Alameda Grant	7108.23	12/14/84	William E. Black et al 50%	Shell 50%	None	Shell 50%
12		T11N-R2E Sections 20 (A11)	640		Patented Lands Unleased			
		TOTAL FEE	20418.47					
		TOTAL UNIT	26722.07					

J. O. SETH (1883-1963)

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FRANK ANDREWS  
SETH D. MONTGOMERY  
FRANK ANDREWS III  
OWEN M. LOPEZ  
VICTOR R. ORTEGA  
JOHN E. CONWAY  
JEFFREY R. BRANNEN  
JOHN B. POUND  
GARY R. KILPATRICK  
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WALTER J. MELENDEZ  
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MICHAEL W. BRENNAN  
ROBERT P. WORCESTER  
JOHN B. DRAPER  
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December 16, 1980

New Mexico Energy and  
Minerals Department  
Oil Conservation Division  
State Land Office  
Santa Fe, New Mexico 87503

Re: Application of Shell Oil Company for Approval  
of its West Mesa Unit, Bernalillo and Sandoval  
Counties, New Mexico

Gentlemen:

Applicant, Shell Oil Company, respectfully requests  
that the above matter be set for hearing at the Division's  
next regularly scheduled Examiner Hearing on January 14,  
1981.

Sincerely yours,

*Owen M. Lopez*  
Owen M. Lopez

OML:to

ROUGH

dr/

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. 7119

Order No. R-6575

APPLICATION OF SHELL OIL COMPANY  
FOR APPROVAL OF THE WEST MESA  
BERNALILLO AND SANDOVAL COUNTIES  
UNIT AGREEMENT, COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 28  
19<sup>81</sup>, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this \_\_\_\_\_ day of January, 19<sup>81</sup>, 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, Shell Oil Company,  
seeks approval of the West Mesa Unit Agreement  
covering 26,555.13 acres, more or less, of State, Federal  
and Fee lands described as follows:

BERNALILLO COUNTY, NEW MEXICO

TOWNSHIP 10 NORTH, RANGE 1 EAST, NMPM

Section 1: Lots 1 through 8

TOWNSHIP 10 NORTH, RANGE 2 EAST, NMPM

Section 3: Lots 1 through 6

Section 4: Lots 1 through 8

Section 5: Lots 1 through 8

Section 6: Lots 1 through 8

TOWNSHIP 11 NORTH, RANGE 1 EAST, NMPM

Sections 1 and 2: All

Sections 11 through 14: All

Sections 23 through 25: All

Section 36: All

TOWNSHIP 11 NORTH, RANGE 2 EAST, NMPM

Sections 4 through 9: All

Sections 14 through 23: All

Sections 24 through 33: All

Section 34: Lots 1, 4 through  
38, and NE  $\frac{1}{4}$  NW  $\frac{1}{4}$

Section 35: Lots 2, 3, and 4  
and W  $\frac{1}{2}$  / NE  $\frac{1}{4}$  and NW  $\frac{1}{4}$

SANDOVAL COUNTY, NEW MEXICO

<sup>12</sup>TOWNSHIP 11 NORTH, 1 EAST, NMPM

Sections 35 and 36: All

<sup>12</sup>TOWNSHIP 11 NORTH, 2 EAST, NMPM

Sections 31 through 33: All

(3) That all plans of development and operation and creations, expansions, or contractions of participating areas or expansions or contractions of the unit area, should be submitted to the Director of the Division for approval.

(4) That approval of the proposed unit agreement should promote the prevention of waste and the protection of correlative rights within the unit area.

IT IS THEREFORE ORDERED:

(1) That the West Mesa Unit Agreement is hereby approved.

(2) That the plan contained in said unit agreement for the development and operation of the unit area is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Division to supervise and control operations for the exploration and development of any lands committed to the unit and production of oil or gas therefrom.

(3) That the unit operator shall file with the Division an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; that in the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Division within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(4) That all plans of development and operation, all unit participating areas and expansions and contractions thereof, and all expansions or contractions of the unit area, shall be submitted to the Director of the Oil Conservation Division for approval.

(5) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for

State of New Mexico and the Director of the United States Geological Survey; that this order shall terminate ipso facto upon the termination of said unit agreement; and that the last unit operator shall notify the Division immediately in writing of such termination.

(6) 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.