

NEW MEXICO OIL CONSERVATION COMMISSION
P.O. BOX 2088
SANTA FE, NEW MEXICO 87501

ADMINISTRATIVE ORDER NGPA-1

EXEMPTION FROM THE NATURAL GAS PRICING ACT
PURSUANT TO SECTION 6, CHAPTER 73,
LAWS OF 1977, AND COMMISSION ORDER NO. R-5436

OPERATOR Mobil Oil Corporation WELL NAME AND No. Brainard Gas Com No. 2
LOCATION: UNIT B SEC. 11 TWP. 18 South RNG. 26 East COUNTY Eddy

THE SECRETARY-DIRECTOR OF THE COMMISSION FINDS:

(1) That Section 6 of the Natural Gas Pricing Act (being Laws of 1977, Chapter 73) provides that the Natural Gas Pricing Act shall not apply to the production and sale of natural gas in intrastate commerce from a well the drilling of or first intrastate sale of which commenced on or after January 1, 1975, provided however, that the Act shall apply to such a well if it is drilled within an established proration unit which was producing or capable of producing natural gas prior to January 1, 1975, from the same reservoir unless the Oil Conservation Commission exempts such well upon a finding that such new well was justified for reasons other than avoiding the application of the Natural Gas Pricing Act.

(2) That by Order No. R-5436, dated June 8, 1977, the Commission established an administrative procedure whereby the Secretary-Director of the Commission is empowered to act for the Commission and exempt gas wells from the provisions of Section 6 of the Natural Gas Pricing Act provided said wells were drilled on or after January 1, 1975, within established proration units which were producing or capable of producing natural gas from the same reservoir prior to January 1, 1975.

(3) That to qualify for such exemption, under said Order No. R-5436, a gas well must be classified either as a replacement well or as an infill well.

(4) That pursuant to Order No. R-5436, the Secretary-Director of the Commission may find that a replacement well is justified for reasons other than avoiding the pricing provisions of the Natural Gas Pricing Act upon a showing by the operator that:

- (a) The well was necessary to replace a well lost due to economically irreparable down-hole mechanical failure or formation damage; or that
- (b) the well was necessary to replace a well producing at non-commercial rates; or that
- (c) the drilling of the well commenced prior to January 18, 1977.

(5) That pursuant to Order No. R-5436, the Secretary-Director of the Commission may find that an infill well is justified for reasons other than avoiding the pricing provisions of the Natural Gas Pricing Act upon a showing by the operator that:

- (a) the well was drilled in a pool where the Commission, after notice and hearing, has issued an order finding that infill drilling in such pool will increase the recoverable reserves under the various proration units in such pool, will result in more efficient use of reservoir energy, and will tend to ensure greater ultimate recovery of gas from the pool; or that
- (b) the well is necessary to protect the proration unit from uncompensated drainage or to protect correlative rights; or that
- (c) the drilling of the well commenced prior to January 18, 1977.

(6) That the applicant herein Mobil Oil Corporation has requested exemption from the provisions of the Natural Gas Pricing Act pursuant to Section 6, Chapter 73, Laws of 1977, and Commission Order No. R-5436 for the above-named well.

(7) That all the requirements of said Order No. R-5436 have been complied with, and that said well is justified for exemption from the provisions of the Natural Gas Pricing Act inasmuch as said well was not drilled for the purpose of avoiding the application of said act, but was in fact:

() A Replacement Well

- () necessary to replace a well lost due to economically irreparable down-hole mechanical failure or formation damage.
- () necessary to replace a well producing at non-commercial rates.
- () a well the drilling of which commenced prior to January 18, 1977.

(X) An Infill Well

- () drilled in a pool where the Commission, after notice and hearing, has issued an order finding that infill drilling in such pool will increase the recoverable reserves under the various proration units in the pool, will result in more efficient use of reservoir energy, and will tend to ensure greater ultimate recovery of gas from the pool, said pool being the

- ☒ Pool and the order being Commission Order No. R-_____.
- ☒ necessary to protect the proration unit from uncompensated drainage or to protect correlative rights.
- ☒ a well the drilling of which commenced prior to January 18, 1977.

IT IS THEREFORE ORDERED:

(1) That the above-named well is hereby exempted from Section 6 of the Natural Gas Pricing Act (Laws of 1977, Chapter 73).

(2) That jurisdiction of this cause is hereby retained, and that this exemption is subject to rescission upon failure to comply with the provisions of Rule 6(d) or Rule 7(c) of Commission Order No. R-5436 or for other good cause shown.

DONE at Santa Fe, New Mexico on this 13th day of October, 19 77.

copies to Public Service Commission Attn Eileen Greaney
Attorney General Attn Paul Biderman
Gas Co. of NM
Dallas Attn Owen Hazeltine

JOE D. RAMEY
Secretary-Director

ERB Attn Hedi Gibbs

R-26-E

Spenser Com

-1-

Fosken



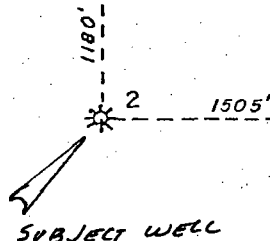
Higgins Calhoon - Fed.

Federal B

Felmont

Felmont

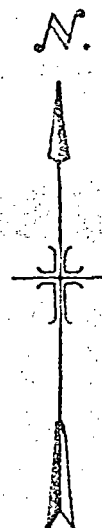
Mobil - 87.5000 %
Chevron - 9.3750 %
Gulf - 3.1250 %



(Mobil)

(Mobil)

12



T
18
S



Aaron Com.

Brainard Gas Com.

Atoka Com.

Chevron

Llano

-13-

Vega
Nelson Com.



Everest

Leavitt Com

Date work is commenced _____, 19____ Supt. _____

Location approved by _____ Plat by _____ Surveyed by _____

THE STATE OF TEXAS
COUNTY OF **Harris**

I hereby certify that this plat truly represents conditions as they actually exist on this lease; that said plat which is drawn to the scale indicated hereon, is to the best of my knowledge true and correct; that it accurately shows said lease with all wells on same; that number and locations of said wells are as indicated hereon; and that this plat correctly reflects all pertinent and required data.

Mobil Oil Corporation
Houston E & P Division

LEASE Brainard Gas Com.

WELL NO. 142 DATE 8/24/ 1977

DIVISION _____ LEASE NO. NM-2561-3

TOTAL ACRES IN LEASE 320 ACRES COVERED BY PLAT 320

DESCRIPTION E 1/2 of Section 11, T-18-S, R-26-E.

Eddy County, New Mexico

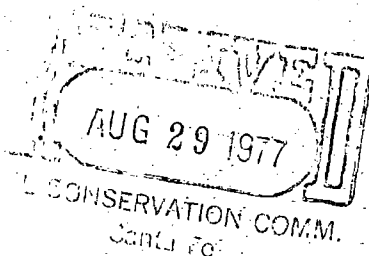
DRAWN MLC

DATE 6-27-75

FIELD Atoka (Penn)

SCALE 1" = 1000'

FILE NO. 3



RECORDING SUPPLEMENT

THIS AGREEMENT made and entered into this 20th day of June,
19 76, by and between Mobil Oil Corporation

(hereinafter referred to as "Seller", whether one or more) and Gas Company of New Mexico, a Division of Southern Union Company (hereinafter referred to as "Buyer");

W I T N E S S E T H T H A T :

Seller and Buyer, in consideration of the mutual agreements, covenants and undertakings hereinafter set forth, do hereby agree as follows:

1.

Seller agrees to sell and deliver to Buyer and Buyer agrees to receive, purchase and pay for all natural gas produced under terms and provisions of leases from lands and attributable to lands and leases produced from any pooled unit comprised in part of lands as set forth in Exhibit 1 attached hereto and incorporated as a part hereof for all purposes, (herein called "Subject Leases" and "Subject Lands", respectively) for and during a term of ten (10) full Contract Years after the date Buyer is first obligated to purchase such gas, under the Gas Purchase Agreement hereinafter referred to, or the date of first deliveries, whichever first occurs; subject to, under, and in accordance with that Gas Purchase Agreement dated of even date herewith between

S-4024-A

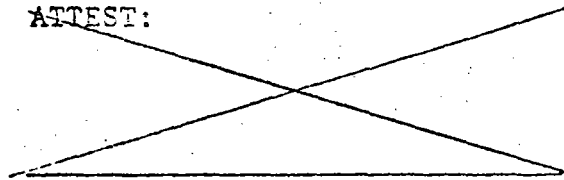
Seller and Buyer; and Seller commits its entire interest in Subject Leases and Subject Lands and in such gas to the performance of such Gas Purchase Agreement subject only to reservations by Seller set forth therein.

2.

The aforesaid Gas Purchase Agreement and this Recording Supplement shall extend to and be binding upon the parties hereto and their respective successors and assigns and shall constitute covenants running with the Subject Lands and Subject Leases.

IN WITNESS WHEREOF, this agreement is executed as of the date first above written.

ATTEST:


Secretary

MOBIL OIL CORPORATION

By



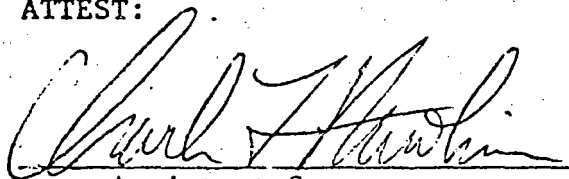
Attorney-in-Fact

SELLER

JWP
Melt

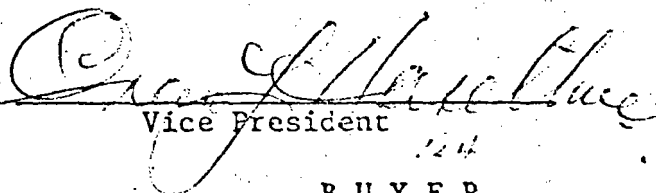
a

ATTEST:


Assistant Secretary

GAS COMPANY OF NEW MEXICO,
a Division of Southern Union Company

By


Vice President

BUYER

STATE OF TEXAS)

COUNTY OF DALLAS)

Before me, Peggy M. Moran, a Notary Public in and for the county and state aforesaid, on this day personally appeared Dean L. Harrell, the Vice President of GAS COMPANY OF NEW MEXICO, a Division of Southern Union Company, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of said GAS COMPANY OF NEW MEXICO, a Division of Southern Union Company, a corporation, and that he executed the same as the act and deed of such corporation for the purposes and consideration therein expressed and in the capacity therein stated..

IN WITNESS WHEREOF, I have set my hand and seal of office on this 22nd day of June, 19 76.

Peggy M. Moran
Notary Public in and for
Dallas County, Texas

My Commission Expires:

June 1, 1977

STATE OF _____)
COUNTY OF _____)

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

IN WITNESS WHEREOF, I have set my hand and seal of office on this _____ day of _____, 19 _____.

Notary Public in and for

County, _____

My Commission Expires:

STATE OF Idaho)
COUNTY OF Boone)

On this 11th day of June, 1976, before me
appeared _____, to me personally known, who
being by me duly sworn, did acknowledge and state that he is attorney-in-
fact of Robert Oil Corporation, that he executed the foregoing
instrument on behalf of said corporation by authority of its Board of
Directors, and that he executed same as the act of such corporation for
the purposes and consideration therein expressed, and in the capacity
therein stated.

IN WITNESS WHEREOF, I have set my hand and seal of office on this
11th day of June, 1976.

My Commission

Expires:

James H. [Signature]
Notary Public in and for
Boone County,
Idaho

EXHIBIT 1 of Recording Supplement to
Gas Purchase Agreement dated June 20, 1976, between
Mobil Oil Corporation, as Seller, and
Gas Company of New Mexico, a Division
of Southern Union Company, as Buyer,
Eddy County, New Mexico.

SUBJECT LANDS

<u>Lease No., Name & Well</u>	<u>Description of Lands</u>	<u>Gross Acres</u>	<u>Seller's W.I. (%)</u>
-3862, USA NM-0555283 (Part) Fed. "12" Com #1	NE/4 Section 12, T21S, R26E	160.00	100

(Above lease has been communitized with the NW/4 of Section 12 as to gas rights in the Morrow formation into the Federal 12 Com #1 in which Seller owns 50.00% working interest of production. Seller is carrying a 5.9375% undetermined interest until 100% of the costs of drilling and producing the well are recovered, during which time Seller's interest in production will be 55.9375%.)

Commitment of the above lease and acreage is limited to Seller's stated working interest in gas produced from the Morrow formation, being that interval of strata occurring between the measured depths of 10,952' and 11,264' as found on the Schlumberger Compensated Neutron Formation Density Log dated August 17, 1974, run in the Federal "12" Com #1 well located 660' FN&EL of Section 12, T21S, R26E, Eddy County, New Mexico.

NM-3690, USA NM-0375257-A (Part)	Lots 3, 4, 5 & 6, Section 6 T21S, R27E	135.73	100
NM-3738, St. No. K-4097 Federal-State Com #1	Lots 1, 2, 7 & 8, Section 6 T21S, R27E	140.59	100

(Above two leases have been communitized as to gas rights in the Morrow formation into the Federal-State Com #1, covering 276.32 acres, in which Seller owns 100.0% working interest of production.)

Commitment of the above leases and acreage is limited to Seller's stated working interest in gas produced from the Morrow formation, being that interval of strata occurring between the measured depths of 11,000' and 11,218' as found on the Dresser Atlas Compensated Densilog dated May 14, 1974, run in the Federal-State Com #1 well located 1600' FNL & 1980' FEL of Section 6, T21S, R27E, Eddy County, New Mexico.

NM-1084-A (Part)	N/2 SE/4 & SE/4 NE/4 Section 11	120.00	100
NM-2561 (Part)	S/2 SE/4 Section 11	80.00	100

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Eddy County, New Mexico

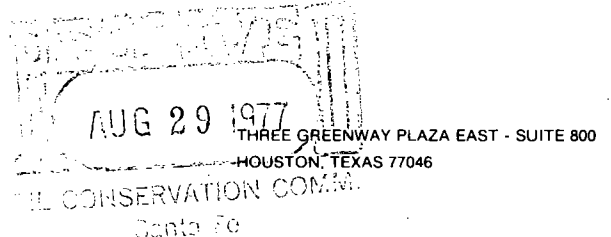
SUBJECT LANDS (Cont'd)

<u>Lease No., Name & Well</u>	<u>Description of Lands</u>	<u>Gross Acres</u>	<u>Seller's W.I. (%)</u>
NM-3622 Brainard Gas Com #2	W/2 NE/4 Section 11 (all in T18S, R26E)	80.00	100

(Above three leases of Seller have been unitized as to gas rights between the base of the San Andres formation and the top of the Mississippian Lime formation with the NE/4 NE/4 Section 11 into the Brainard Gas Com in which Seller owns 87.5% working interest of production.)

Commitment of the above leases and acreage is limited to Seller's stated working interest in gas production from that portion of the Morrow formation (Atoka-Penn Field) as produced from Seller's Brainard Gas Com #2 well only and further defined as that certain producing interval of strata occurring between the measured depths of 8,853' and 8,886' as found on the Schlumberger Compensated Neutron Formation Density Log, dated August 16, 1975, run in the Brainard Gas Com #2 well, located 1180' FNL & 1505' FEL of Section 11. Seller specifically excludes from the commitment hereunder Seller's interest in Morrow gas well gas produced from the Brainard Gas Com #1 well, located 990' FS&EL of Section 11, T18S, R26E, which gas is committed to Phillips Petroleum Company.

Mobil Oil Corporation



August 24, 1977

New Mexico Oil
Conservation Commission
P. O. Box 2008
Santa Fe, New Mexico 87501

Attn: Mr. D. S. Nutter, Chief Engineer

7.01
NMOCC ORDER NO. R-5436
MOBIL'S BRAINARD GAS COM.
WELL NO. 2, EDDY COUNTY, N.M.

Gentlemen:

Mobil Oil Corporation respectfully requests an exception to the provisions of Section 6 of the Natural Gas Pricing Act for the subject well. Pursuant to your requirements as contained in your Order No. R-5436 for justification of an infill well, for an exception to the Natural Gas Pricing Act, we are supplying the following information:

1. A recent plat to satisfy Rule 5 of Section 6C.
2. To satisfy Section 6C Rule 7(b), please refer to your NMOCC Case File #5498.
3. To satisfy Section 6C Rule 7(c), there are no, neither has there been any, restrictions to Well No. 1's (existing wells) ability to produce into the pipe line.
4. To satisfy Section 6C Rule 8, attached is a copy of NMOCC Form 105, "Well Completion or Recompletion Report and Log", which is proof that the well has been drilled. Additionally, copies of the Notice of Gas Connection and Recording Supplement of Gas Contract plus Exhibit 1 of Recording Supplement dated June 20, 1976, between Mobil Oil Corporation (Seller) and Gas Company of New Mexico (Buyer) is offered as proof that sales of gas have commenced.

2
connected
8/24/76

Supplement
8/6/20
covers #2

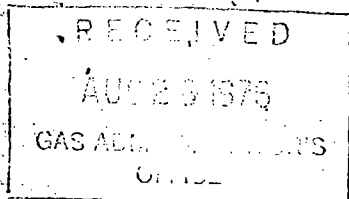
We trust that sufficient information is submitted herein. However, if additional information is required, please advise.

Duplicate copies of this information are being submitted to the NMOCC District 2 Office.

HFWeaver/csg
Attachments

Very truly yours,

J. A. Morris
Regulatory Engineering
Supervisor



OIL CONSERVATION COMMISSION

P.O.DRAWER DD

ARTESIA, NEW MEXICO 88210
CONSERVATION COMM.
Santa Fe

File:	S-4024		
To	Act	Note	
			✓
JWP			✓
JMF			✓
IR			

NOTICE OF GAS CONNECTION

DATE August 25, 1976

This is to notify the Oil Conservation Commission that connection for the purchase of gas from the Mobil Oil Corporation, Brainard,
Operator Lease
Com #2, B, 11-18S-26E, Atoka,
Well Number Unit Letter S.T.R. Pool
Gas Company of New Mexico, was made on 8/24/76,
Name of Purchaser Date

GAS COMPANY OF NEW MEXICO
PURCHASER

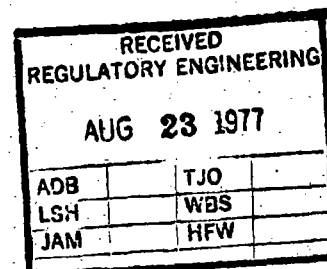
James P. Corliss
REPRESENTATIVE

Transmission Manager
TITLE

cc: Oil Conservation Commission - Santa Fe
E. R. Corliss - Dallas
W. B. Richardson - Dallas
R. J. McCrary - Dallas
E. H. Redden - Carlsbad
Operator(s):

Mobil Oil Corporation
P. O. Box 633
Midland, Texas 79701
ATT: Gas Administrator

File



1a. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/>						7. Unit Agreement Name	
b. TYPE OF COMPLETION NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER <input type="checkbox"/>						8. Farm or Lease Name Bretnard Gas Com	
2. Name of Operator Mobil Oil Corporation						9. Well No. 2	
3. Address of Operator Box 633, Midland, Texas 79701						10. Field and Pool, or Wildcat Atoka Penn Gas	
4. Location of Well UNIT LETTER E LOCATED 1180 FEET FROM THE North LINE AND 1505 FEET FROM THE East LINE OF SEC. 11 TWP. 18-S RGE. 26-E NMPM						12. County Eddy	
15. Date Spudded 7-19-75		16. Date T.D. Reached 8-14-75		17. Date Compl. (Ready to Prod.) 8-27-75		18. Elevations (DF, RKB, RT, GR, etc.) 5307 GR	
20. Total Depth 9000		21. Plug Back T.D.		22. If Multiple Compl., How Many		23. Intervals Drilled By Rotary Tools XX Cable Tools	
24. Producing Interval(s), of this completion - Top, Bottom, Name 8853-8868 Atoka Penn						25. Was Directional Survey Made No	
26. Type Electric and Other Logs Run Schl. BHC-R-Density, LL, Western Co. GR-Collar-Corr						27. Was Well Cored No	
28. CASING RECORD (Report all strings set in well)							
CASING SIZE		WEIGHT LB./FT.		DEPTH SET		HOLE SIZE	
15-3/8		45#		1200		17-1/2	
8-5/8		24#		2000		12-1/4	
4-1/2		10.5 & 11.60#		8997		7-7/8	
				CEMENTING RECORD		AMOUNT PULLED	
				1150x circ			
				800x circ			
				1605x 2-stages			
29. LINER RECORD							
SIZE		TOP		BOTTOM		SACKS CEMENT	
30. TUBING RECORD				31. PERFORATION RECORD (Interval, size and number)			
SIZE		DEPTH SET		PACKER SET		32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
2-3/8		8545		8545		33. PRODUCTION	
						Date First Production	
						Production Method (Flowing, gas lift, pumping - Size and type pump)	
						Well Status (Prod. or Shut-in)	
						Shut in waiting on gas center	
31. PERFORATION RECORD (Interval, size and number)		32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.		33. PRODUCTION		34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)	
8853-8868 1 JSPP Total of 32 holes		8853-8868		Gas Well		waiting on gas contract	
						Test Witnessed By	
						J. C. Gordon Jr.	
35. DAILY DRILLING SUMMARY							
36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.							
SIGNED J. A. McDaniel				TITLE Authorized Agent		DATE 9-16-75	

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Commission not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 30 through 34 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northwestern New Mexico

T. Anhy	T. Canyon	7014	T. Ojo Alamo	T. Penn. "B"
T. Salt	T. Strawn		T. Kirtland-Fruitland	T. Penn. "C"
B. Salt	T. Atoka	2564	T. Pictured Cliffs	T. Penn. "D"
T. Yates	T. Miss		T. Cliff House	T. Leadville
T. 7 Rivers	T. Devonian		T. Menefee	T. Madison
T. Queen	T. Silurian		T. Point Lookout	T. Elbert
T. Grayburg	T. Montoya		T. Mancos	T. McCracken
T. San Andres	T. Simpson		T. Gallup	T. Ignacio Qtzls
T. Glorieta	T. McKee		Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger		T. Dakota	
T. Blinbry	T. Gr. Wash		T. Morrison	
T. Tubb	T. Granite		T. Todilto	
T. Drinkard	T. Delaware Sand		T. Entrada	
T. Abo	T. Bone Springs		T. Wingate	
T. Wolfcamp	T. Morrow	2744	T. Chinle	
T. Penn.			T. Permian	
T. Cisco (Bough C)			T. Penn. "A"	

FORMATION RECORD (Attach additional sheets if necessary)

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
0	834		Line & sand				
834	8845		Line				
8845	8994		Line & sand				
8994	9000	TD	Line				

Mobil Oil Corporation

SEP 13 1977

OIL CONSERVATION COMM

Santa Fe August 24, 1977

THREE GREENWAY PLAZA EAST - SUITE 800
HOUSTON, TEXAS 77046

New Mexico Oil
Conservation Commission
P. O. Box 2008
Santa Fe, New Mexico 87501

Attn: Mr. D. S. Nutter, Chief Engineer

7.01
NMOCC ORDER NO. R-5436
MOBIL'S BRAINARD GAS COM.
WELL NO. 2, EDDY COUNTY, N.M.

Gentlemen:

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3. To satisfy Section 6C Rule 7(c), there are no, neither has there been any, restrictions to Well No. 1's (existing wells) ability to produce into the pipe line.
4. To satisfy Section 6C Rule 8, attached is a copy of NMOCC Form 105, "Well Completion or Recompletion Report and Log", which is proof that the well has been drilled. Additionally, copies of the Notice of Gas Connection and Recording Supplement of Gas Contract plus Exhibit 1 of Recording Supplement dated June 20, 1976, between Mobil Oil Corporation (Seller) and Gas Company of New Mexico (Buyer) is offered as proof that sales of gas have commenced.

We trust that sufficient information is submitted herein. However, if additional information is required, please advise.

Duplicate copies of this information are being submitted to the NMOCC District 2 Office.

Very truly yours,

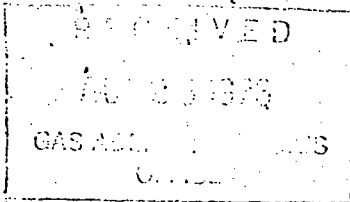
J. A. Morris

J. A. Morris
Regulatory Engineering
Supervisor

HFWeaver/csg
Attachments

*Supplement
of 6/20/76
covers #2*

*#2 connected
8/24/76*



OIL CONSERVATION COMMISSION

P.O.DRAWER DD

ARTESIA, NEW MEXICO 88210

File:	A-4024	
To	Act	Note
JWP		✓
JME		✓
IR		

NOTICE OF GAS CONNECTION

DATE August 25, 1976

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purchase of gas from the Mobil Oil Corporation, Brainard
Operator Lease
Com #2, B, 11-18S-26E, Atoka
Well Number Unit Letter S.T.R. Pool
Gas Company of New Mexico, was made on 8/24/76
Name of Purchaser Date

GAS COMPANY OF NEW MEXICO
PURCHASER

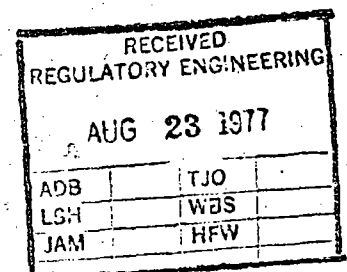
James P. Bean
REPRESENTATIVE

Transmission Manager
TITLE

cc: Oil Conservation Commission - Santa Fe
E. R. Corliss - Dallas
W. B. Richardson - Dallas
R. J. McCrary - Dallas
E. H. Redden - Carlsbad
Operator(s):

File

Mobil Oil Corporation
P. O. Box 633
Midland, Texas 79701
ATT: Gas Administrator



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Seller and Buyer, in consideration of the mutual agreements, covenants and undertakings hereinafter set forth, do hereby agree as follows:

1.

Seller agrees to sell and deliver to Buyer and Buyer agrees to receive, purchase and pay for all natural gas produced under terms and provisions of leases from lands and attributable to lands and leases produced from any pooled unit comprised in part of lands as set forth in Exhibit 1 attached hereto and incorporated as a part hereof for all purposes, (herein called "Subject Leases" and "Subject Lands", respectively) for and during a term of ten (10) full Contract Years after the date Buyer is first obligated to purchase such gas, under the Gas Purchase Agreement hereinafter referred to, or the date of first deliveries, whichever first occurs; subject to, under, and in accordance with that Gas Purchase Agreement dated of even date herewith between

S-4024-A

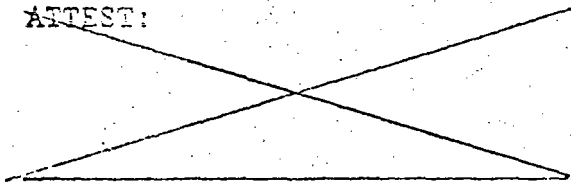
Seller and Buyer; and Seller commits its entire interest in Subject Leases and Subject Lands and in such gas to the performance of such Gas Purchase Agreement subject only to reservations by Seller set forth therein.

2.

The aforesaid Gas Purchase Agreement and this Recording Supplement shall extend to and be binding upon the parties hereto and their respective successors and assigns and shall constitute covenants running with the Subject Lands and Subject Leases.

IN WITNESS WHEREOF, this agreement is executed as of the date first above written.

ATTEST:


Secretary

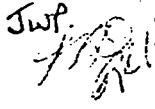
MOBIL OIL CORPORATION

By

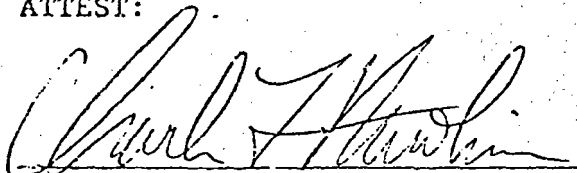


Attorney-in-Fact

SELLER

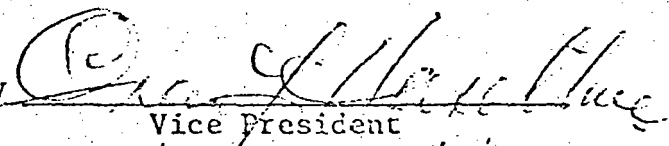
JWP


a
ATTEST:


Assistant Secretary

GAS COMPANY OF NEW MEXICO,
a Division of Southern Union Company

By


Vice President
BUYER

STATE OF TEXAS)

COUNTY OF DALLAS)

Before me, Peggy M. Moran, a Notary Public in and for the county and state aforesaid, on this day personally appeared J. H. Hestline, the Vice President of GAS COMPANY OF NEW MEXICO, a Division of Southern Union Company, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of said GAS COMPANY OF NEW MEXICO, a Division of Southern Union Company, a corporation, and that he executed the same as the act and deed of such corporation for the purposes and consideration therein expressed and in the capacity therein stated..

IN WITNESS WHEREOF, I have set my hand and seal of office on this 22nd day of June, 19 76.

Peggy M. Moran
Notary Public in and for
Dallas County, Texas

My Commission Expires:

June 1, 1977

STATE OF _____)
COUNTY OF _____)

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

IN WITNESS WHEREOF, I have set my hand and seal of office on this _____ day of _____, 19 _____.

Notary Public in and for

County, _____

My Commission Expires:

STATE OF Nebraska

COUNTY OF Lincoln

On this 11th day of June, 1976, before me
appeared _____, to me personally known, who
being by me duly sworn, did acknowledge and state that he is attorney-in-
fact of Nebraska Bell Corporation, that he executed the foregoing
instrument on behalf of said corporation by authority of its Board of
Directors, and that he executed same as the act of such corporation for
the purposes and consideration therein expressed, and in the capacity
therein stated.

IN WITNESS WHEREOF, I have set my hand and seal of office on this
11th day of June, 1976.

My Commission

Expires:

James H. [Signature]
Notary Public in and for
Lincoln County,

EXHIBIT 1 of Recording Supplement to
Gas Purchase Agreement dated June 20, 1976, between
Mobil Oil Corporation, as Seller, and
Gas Company of New Mexico, a Division
of Southern Union Company, as Buyer,
Eddy County, New Mexico.

SUBJECT LANDS

Lease No., Name & Well	Description of Lands	Gross Acres	Seller's W.I. (%)
-3862, USA NM-0555283 (Part) Fed. "12" Com #1	NE/4 Section 12, T21S, R26E	160.00	100

(Above lease has been communitized with the NW/4 of Section 12 as to gas rights in the Morrow formation into the Federal 12 Com #1 in which Seller owns 50.00% working interest of production. Seller is carrying a 5.9375% undetermined interest until 100% of the costs of drilling and producing the well are recovered, during which time Seller's interest in production will be 55.9375%.)

Commitment of the above lease and acreage is limited to Seller's stated working interest in gas produced from the Morrow formation, being that interval of strata occurring between the measured depths of 10,952' and 11,264' as found on the Schlumberger Compensated Neutron Formation Density Log dated August 17, 1974, run in the Federal "12" Com #1 well located 660' FN&EL of Section 12, T21S, R26E, Eddy County, New Mexico.

NM-3690, USA NM-0375257-A (Part)	Lots 3, 4, 5 & 6, Section 6 T21S, R27E	135.73	100
NM-3738, St. No. K-4097 Federal-State Com #1	Lots 1, 2, 7 & 8, Section 6 T21S, R27E	140.59	100

(Above two leases have been communitized as to gas rights in the Morrow formation into the Federal-State Com #1, covering 276.32 acres, in which Seller owns 100.0% working interest of production.)

Commitment of the above leases and acreage is limited to Seller's stated working interest in gas produced from the Morrow formation, being that interval of strata occurring between the measured depths of 11,000' and 11,218' as found on the Dresser Atlas Compensated Densilog dated May 14, 1974, run in the Federal-State Com #1 well located 1600' FNL & 1980' FEL of Section 6, T21S, R27E, Eddy County, New Mexico.

NM-1084-A (Part)	N/2 SE/4 & SE/4 NE/4 Section 11	120.00	100
NM-2561 (Part)	S/2 SE/4 Section 11	80.00	100

EXHIBIT 1 of Recording Supplement to
Gas Purchase Agreement dated June 20, 1976, between
Mobil Oil Corporation, as Seller, and
Gas Company of New Mexico, a Division
of Southern Union Company, as Buyer,
Eddy County, New Mexico

<u>Lease No., Name & Well</u>	<u>SUBJECT LANDS (Cont'd)</u> <u>Description of Lands</u>	<u>Gross Acres</u>	<u>Seller's W.I. (%)</u>
NM-3622 Brainard Gas Com #2	W/2 NE/4 Section 11 (all in T18S, R26E)	80.00	100

(Above three leases of Seller have been unitized as to gas rights between the base of the San Andres formation and the top of the Mississippian Lime formation with the NE/4 NE/4 Section 11 into the Brainard Gas Com in which Seller owns 87.5% working interest of production.)

Commitment of the above leases and acreage is limited to Seller's stated working interest in gas production from that portion of the Morrow formation (Atoka-Penn Field) as produced from Seller's Brainard Gas Com #2 well only and further defined as that certain producing interval of strata occurring between the measured depths of 8,853' and 8,886' as found on the Schlumberger Compensated Neutron Formation Density Log, dated August 16, 1975, run in the Brainard Gas Com #2 well, located 1180' FNL & 1505' FEL of Section 11. Seller specifically excludes from the commitment hereunder Seller's interest in Morrow gas well gas produced from the Brainard Gas Com #1 well, located 990' FS&EL of Section 11, T18S, R26E, which gas is committed to Phillips Petroleum Company.

NO. OF COPIES RECEIVED	
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SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

Form C-105
Revised 1-1-65

5a. Indicate Type of Lease
State ☐ Fed ☒
5. State Oil & Gas Lease No.

1a. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/>		7. Unit Agreement Name	
b. TYPE OF COMPLETION NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER <input type="checkbox"/>		8. Farm or Lease Name Brefnard Gas Com	
2. Name of Operator Mobil Oil Corporation		9. Well No. 2	
3. Address of Operator Box 633, Midland, Texas 79701		10. Field and Pool, or Wildcat Atoka Penn Gas	
4. Location of Well UNIT LETTER G LOCATED 1180 FEET FROM THE North LINE AND 1505 FEET FROM THE East LINE OF SEC. 11 TWP. 18-S RGE. 26-E NMPM		12. County Eddy	
15. Date Spudded 7-19-75	16. Date T.D. Reached 8-14-75	17. Date Compl. (Ready to Prod.) 8-27-75	18. Elevations (DF, RKB, RT, GR, etc.) 3307 GR
20. Total Depth 9000	21. Plug Back T.D.	22. If Multiple Compl., How Many	23. Intervals Drilled By Rotary Tools XX Cable Tools
24. Producing Interval(s), of this completion - Top, Bottom, Name 8853-8858 Atoka Penn			25. Was Directional Survey Made No
26. Type Electric and Other Logs Run Schl. BHC-H-Density, LL, Western Co. GR-Celler-Corr			27. Was Well Cored No
28. CASING RECORD (Report all strings set in well)			
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE
13-3/8	45	1200	17-1/2
8-5/8	24	2000	12-1/4
4-1/2	10.5 & 11.60	8937	7-7/8
CEMENTING RECORD		AMOUNT PULLED	
1150x circ			
800x circ			
1500x 2-stages			
29. LINER RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT
30. TUBING RECORD			
SIZE	DEPTH SET	PACKER SET	
2-3/8	8845	8845	
31. Perforation Record (Interval, size and number) 8853-8858 1 JSPP Total of 32 holes		32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. DEPTH INTERVAL 8853-8858 AMOUNT AND KIND MATERIAL USED Western Co. acidized perfis w/ 4000 gals 74% H3 acid, used 30 RCAL Sealers	
33. PRODUCTION Date First Production Production Method (Flowing, gas lift, pumping - Size and type pump) Well Status (Prod. or Shut-in) Gas Well Shut in waiting on gas contract			
Date of Test 8-8-75	Hours Tested 4	Choke Size Varied	Pred'n. For Test Period
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl. Gas - MCF Water - Bbl. Oil Gravity API (Corr.) 54.6
34. Disposition of Gas (Sold, used for fuel, vented, etc.) Waiting on gas contract			Test Witnessed By J. C. Gordon Jr.
35. Daily Drilling Summary			
36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.			
SIGNED J. C. Gordon Jr.		TITLE Authorized Agent	DATE 8-16-75

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Commission not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 30 through 34 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northwestern New Mexico

T. Anhy _____	T. Canyon <u>7513</u>	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt _____	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt _____	T. Atoka <u>2564</u>	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates _____	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres <u>1563</u>	T. Simpson _____	T. Gallup _____	T. Ignacio Qtzite _____
T. Glorieta <u>2333</u>	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinbry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb <u>3823</u>	T. Granite _____	T. Todilto _____	T. _____
T. Drinkard _____	T. Delaware Sand _____	T. Entrada _____	T. _____
T. Abo <u>4542</u>	T. Bone Springs _____	T. Wingate _____	T. _____
T. Wolfcamp <u>5973</u>	T. Norton <u>2744</u>	T. Chinle _____	T. _____
T. Penn. _____	T. _____	T. Permian _____	T. _____
T. Cisco (Bough C) _____	T. _____	T. Penn. "A" _____	T. _____

FORMATION RECORD (Attach additional sheets if necessary)

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
0	834		Line & sand				
834	2245		Line				
2245	3394		Line & sand				
3394	9000	TD	Line				

R-26-E

-1-

Fosken



Spender Com

Mark

Higgins Calhoon - Fed.

Federal B

Felmont

Felmont

Mobil - 87.5000%
Chevron - 9.3750%
Gulf - 3.1250%

1180'



1505'



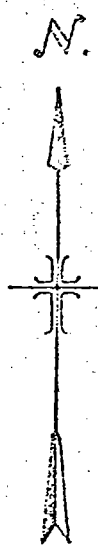
SUBJECT WELL



(Mobil)

(Mobil)

12



Aaron Com.



990'

990'

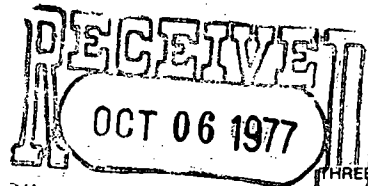
Brainard Gas Com.

Atoka Com.

Chevron

Llano

Mobil Oil Corporation



OIL CONSERVATION COMMISSION
Santa Fe

THREE GREENWAY PLAZA EAST - SUITE 800
HOUSTON, TEXAS 77046

October 3, 1977

New Mexico Oil
Conservation Commission
P. O. Box 2008
Santa Fe, New Mexico 87501

Attn: Mr. D. S. Nutter
Chief Engineer

7.01

NMOCC ORDER NO. R-5436
MOBIL'S BRAINARD GAS COM.
WELL NO. 2, EDDY COUNTY, N.M.

Gentlemen:

The attached certification will comply with the requirements we discussed by telephone of September 30, 1977. In accordance with our conversation you will add this to the data we submitted August 24, 1977 in our application for exception to the provisions of Section 6 of the Natural Gas Pricing Act for the subject well.

Yours very truly,

J. A. Morris
Regulatory Engineering Supervisor

HFWeaver/dah
Attachment

Mobil Oil Corporation

RECEIVED
OCT 06 1977
THREE GREENWAY PLAZA EAST - SUITE 800
HOUSTON, TEXAS 77046
CONSERVATION COM.
Santa Fe

October 3, 1977

New Mexico Oil
Conservation Commission
P. O. Box 2008
Santa Fe, New Mexico 87501

Attn: Mr. D. S. Nutter
Chief Engineer

7.01
NMOCC ORDER NO. R-5436
MOBIL'S BRAINARD GAS COM.
WELL NO. 2, EDDY COUNTY, N. M.

Gentlemen:

I certify that Mobil's Brainard Gas Com. Well No. 1 located 990' FEL, 990' FSL of Sec. 11, T-18-S, R-26-E has neither had nor will it have its ability to produce into the pipe line restricted in any manner.

Yours very truly,

J. A. Morris

J. A. Morris
Regulatory Engineering Supervisor

"Given under my hand and seal of
office, this the 3rd day of
October, A.D. 1977."

Louise S. Hall
Notary Public in and for
Harris County, Texas

"My commission expires the 7th day
of June, 1979."

LOUISE S. HALL
Notary Public in and for Harris County, Texas
My Commission Expires 6-7-79