

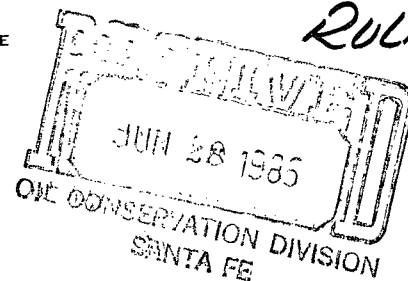
Release July 18, 1985

By DCC



# THE EASTLAND OIL COMPANY

P.O. DRAWER 3488  
560 ONE MARIENFELD PLACE  
MIDLAND, TEXAS 79702  
TELEPHONE: (915) 683-6293



NSL-2096  
RULE-104(FI)

June 25, 1985

Oil Conservation Division  
New Mexico Energy and Minerals Department  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Wildcat Atoka  
320 Acre deduction  
N/2, Section 5.

Attn: Mr. David Catanach

Gentlemen:

The Eastland Oil Company's application for administrative approval to recomplete Carthel Federal No. 2 at an unorthodox location (NSL1203) located 2030 feet from the north line and 2080 feet from the east line of Section 5, T23S, R29E, Eddy County, New Mexico is attached.

All operators offsetting the spacing unit for this well have been notified by certified mail of this application. A list of the offset operators is attached.

Your favorable consideration of this application will be appreciated.

Yours very truly,

The Eastland Oil Company

George D. Neal  
Vice President Production

attachments:

- 1) List of offset operators
- 2) Application

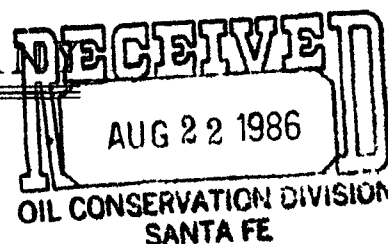
enclosures:

GDN/bh



# THE EASTLAND OIL COMPANY

P.O. DRAWER 3488  
560 ONE MARIENFELD PLACE  
MIDLAND, TEXAS 79702  
TELEPHONE: (915) 683-6293



July 29, 1986

Oil Conservation Division  
State of New Mexico  
Energy and Minerals Department  
P.O.Box 2088  
Santa Fe, New Mexico 87501

Attn: Mr. David Catanach

Re: Amended Administrative  
Order NSL-2096

Gentlemen:

By Administrative Order NSL-2096, dated July 23, 1985, the Oil Conservation Division granted a non-standard location for The Eastland Oil Company's Carthel Federal No. 2. This Atoka Wildcat re-entry was located 2030 feet from the North line and 2080 feet from the East line of Section 5, Township 23 South, Range 29 East in Eddy County. The N/2 of Section 5 was dedicated to the well.

At the request of Eastland, the Oil Conservation amended this order to change the dedicated acreage to the E/2 of Section 5. An approved Communitization Agreement effective March 20, 1986 from the Bureau of Land Management in Roswell, New Mexico was obtained.

Additional geological information indicates that the development of the acreage in Section 5 would best be continued by dedicating the N/2 of this section to Carthel Federal No. 2. Therefore, it is requested that the administrative Order NSL-2096 (amended) be changed to permit the non-standard location in the North Salado Atoka Gas Pool with the N/2 of Section 5 dedicated to the well.

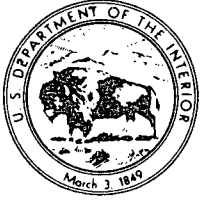
An amended Form 102 is attached and a copy has been filed with the Artesia office of the Oil Conservation Division. A copy of the termination of the Communitization Agreement (#NM061P35-86C344) is also included.

Yours very truly,

THE EASTLAND OIL COMPANY

*Richard Donnelly*  
Richard Donnelly  
Vice President

enclosures:  
RD/bh



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Roswell District Office

P. O. Box 1397

Roswell, New Mexico 88201

IN REPLY  
REFER TO:

NM061P35-86C344  
3105.2 (065)

AUG 15 1986

The Eastland Oil Company  
Attention: Robert R. Donnelly  
P. O. Drawer 3488  
Midland, TX 79702

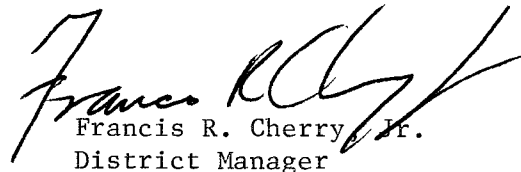
Gentlemen:

Communitization Agreement NM061P35-86C344 was approved April 18, 1986, effective as of March 20, 1986. This agreement communitized lots 1, 2, S $\frac{1}{2}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ , section 5, T. 23 S., R. 29 E., NMPM., Eddy County, New Mexico, involving 280.80 acres of land in Federal lease NM-59383 and 40.00 acres of Fee land, comprising a 320.00 acre spacing unit.

The agreement communitized all rights as to dry gas and associated liquid hydrocarbons producible from the Atoka formation.

Pursuant to Section 10 of the agreement and with receipt of your request to terminate the said communitization agreement in light of additional geologic information, and with the necessary signatures, Communitization Agreement NM061P35-86C344 is considered terminated by mutual agreement of the parties to this agreement, effective August 1, 1986.

Sincerely,

  
Francis R. Cherry, Jr.  
District Manager

**AMENDED TO CHANGE ACREAGE DEDICATION  
OIL CONSERVATION DIVISION**

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-102  
Revised 10-1-78

*All distances must be from the outer boundaries of the Section.*

Operator <b>The Eastland Oil Company</b>			Lease <b>Carthel Federal</b>		Well No. <b>2</b>
Unit Letter <b>G</b>	Section <b>5</b>	Township <b>23 South</b>	Range <b>29 East</b>	County <b>Eddy</b>	

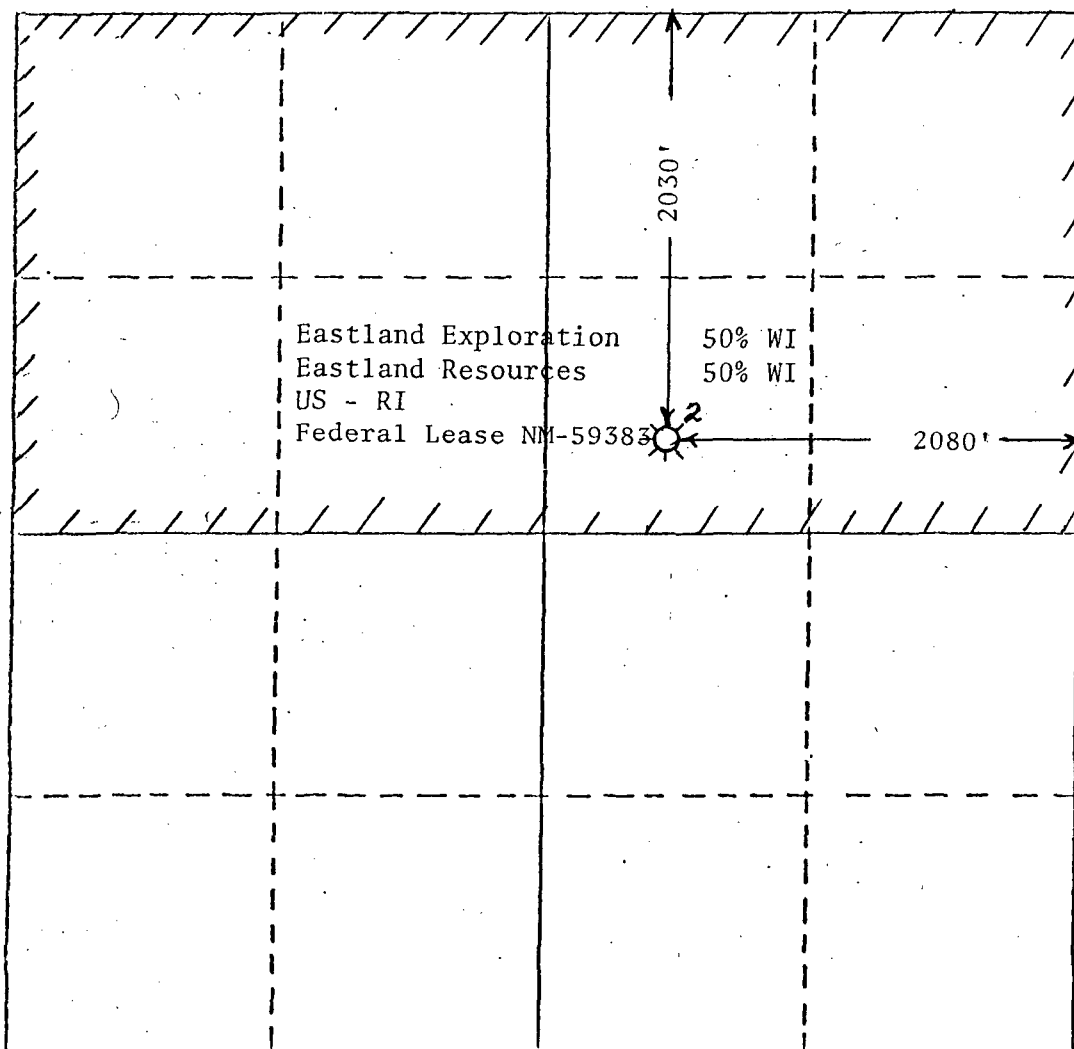
Actual Footage Location of Well; <b>2030</b> feet from the <b>North</b> line and <b>2080</b> feet from the <b>East</b> line					
Ground Level Elev. <b>3003.4</b>	Producing Formation <b>Atoka</b>	Pool <b>North Laguna Salado - Atoka Gas</b>	Dedicated Acreage; <b>320.8</b> Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



**CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*George D. Neal*

Name \_\_\_\_\_

**George D. Neal**

Position \_\_\_\_\_

**Vice President, Production**

**The Eastland Oil Company**

Date \_\_\_\_\_

**July 29, 1986**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed \_\_\_\_\_

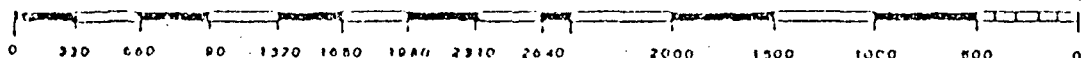
**May 2, 1980**

Registered Professional Engineer and/or Land Surveyor

**John W. West**

Certificate No. \_\_\_\_\_

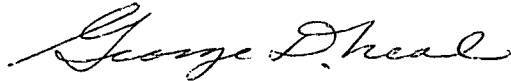
**676**



The Eastland Oil Company respectfully requests that Administrative Order NSL-2096 be amended to change the acreage dedication for this well from the N/2 of Section 5 to the E/2 of this section. An amended Form 102 is attached and a copy has been sent to the Artesia Office of the Oil Conservation Division. Also enclosed is an approved copy of the Communization Agreement NMO61P35-86C344, effective March 20, 1986, from the Roswell District Office of the BLM.

Yours very truly,

The Eastland Oil Company

A handwritten signature in cursive script that reads "George D. Neal".

George D. Neal  
Vice President-Production

enclosure:  
GDN/bh

**AMENDED TO CHANGE ACREAGE DEDICATION  
OIL CONSERVATION DIVISION**

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-102  
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

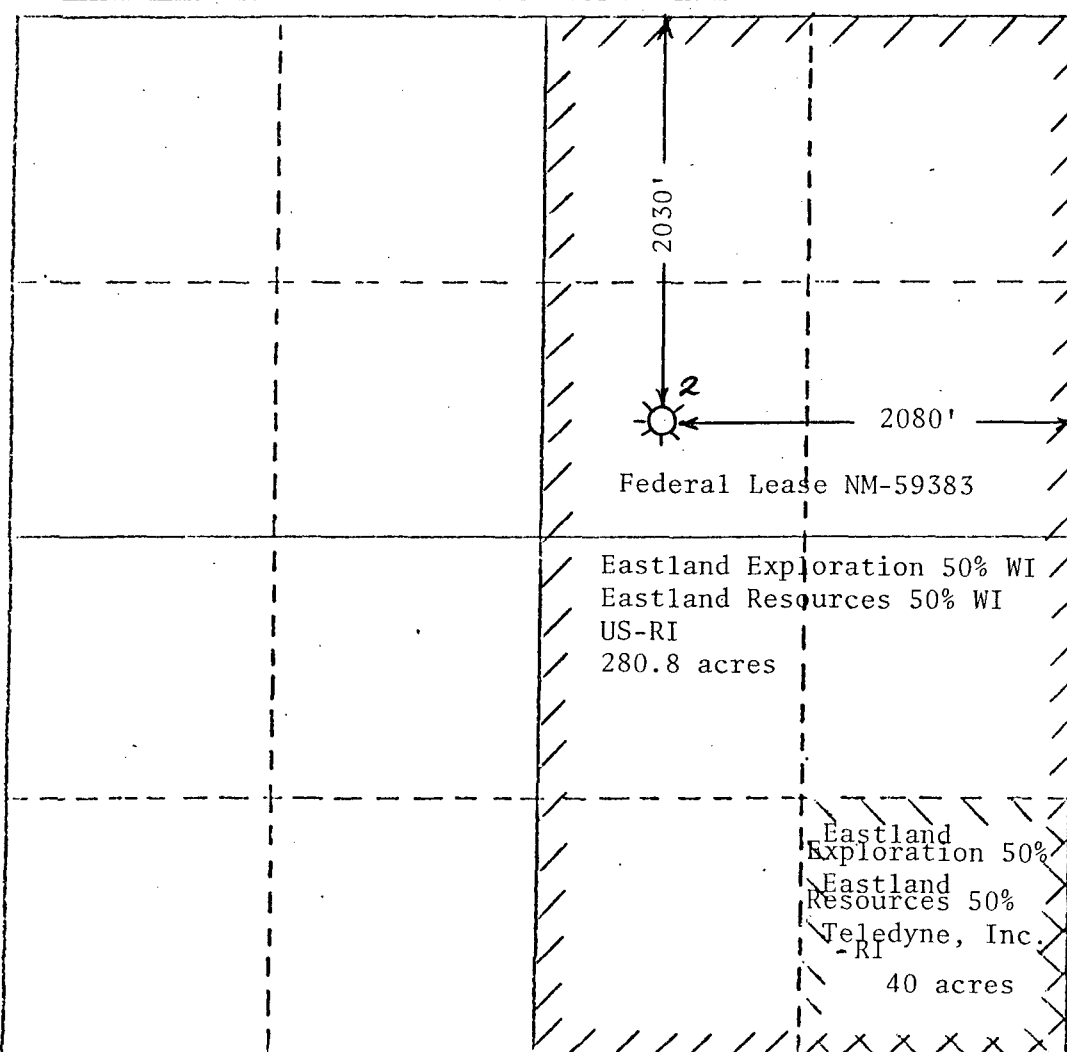
Operator <b>The Eastland Oil Company</b>			Lease <b>Carthel Federal Com.</b>		Well No. <b>2</b>
Unit Letter <b>G</b>	Section <b>5</b>	Township <b>23 South</b>	Range <b>29 East</b>	County <b>Eddy</b>	
Actual Footage Location of Well: <div style="display: flex; justify-content: space-between; align-items: center;"> <span>2030 feet from the North line and</span> <span>2080 feet from the East line</span> </div>					
Ground Level Elev. <b>3003.4</b>	Producing Formation <b>Atoka</b>	Pool <b>North Laguna Salado-Atoka Gas</b>		Dedicated Acreage: <b>320.8</b>	<small>Acres</small>

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes    ☐ No    If answer is "yes," type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



**CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*George D. Neal*  
Name

George D. Neal  
Position

Vice President-Production  
Company

The Eastland Oil Company  
Date

April 21, 1986

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed  
May 2, 1980

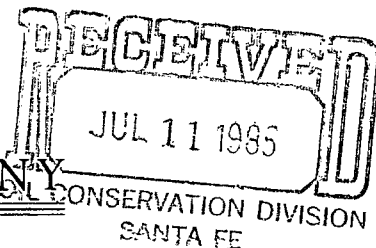
Registered Professional Engineer  
and/or Land Surveyor

John W. West  
Certificate No.

*Release July*



# THE EASTLAND OIL COMPANY



RECEIVED JUL 0 5 1985

P.O. DRAWER 3488  
560 ONE MARIENFELD PLACE  
MIDLAND, TEXAS 79702  
TELEPHONE: (915) 683-6293

June 25, 1985

Richardson and Bass  
c/o Bass Enterprises Production Company  
P.O.Box 2760  
Midland, Texas 79702

Gentlemen:

This is to inform you, pursuant to the requirements of Section F, Rule 104, Rules and Regulations of the new Mexico Oil Conservation Division, that the Eastland Oil Company is filing an application with the Division for administrative approval of a recompletion at an unorthodox location for Carthel Federal No. 2. This well is located 2030' from the north line and 2080' from the east line of Section 5, T23S, R29E, Eddy County, New Mexico. A copy of the application is attached.

We respectfully request that you waive objection to the unorthodox location and to so indicate by signing one copy of this letter and mailing it to:

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

Your favorable consideration of this request will be appreciated.

Yours very truly,

The Eastland Oil Company

George D. Neal  
Vice President-Production

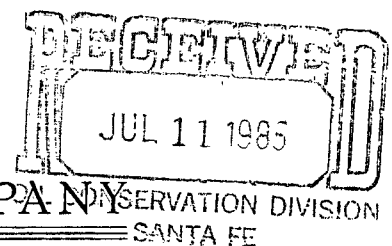
No Objection Offered

Bass Enterprises Prod. Co.

By:

Date: July 2, 1985

enclosure:  
GDN/bh



# THE EASTLAND OIL COMPANY

RECEIVED JUL 0 5 1985

P.O. DRAWER 3488  
560 ONE MARIENFELD PLACE  
MIDLAND, TEXAS 79702  
TELEPHONE: (915) 683-6293

June 25, 1985

Richardson Oils, Inc.  
c/o Bass Enterprises Production Company  
P.O.Box 2760  
Midland, Texas 79702

Gentlemen:

This is to inform you, pursuant to the requirements of Section F, Rule 104, Rules and Regulations of the new Mexico Oil Conservation Division, that the Eastland Oil Company is filing an application with the Division for administrative approval of a recompletion at an unorthodox location for Carthel Federal No. 2. This well is located 2030' from the north line and 2080' from the east line of Section 5, T23S, R29E, Eddy County, New Mexico. A copy of the application is attached.

We respectfully request that you waive objection to the unorthodox location and to so indicate by signing one copy of this letter and mailing it to:

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

Your favorable consideration of this request will be appreciated.

Yours very truly,

The Eastland Oil Company

George D. Neal  
Vice President-Production

No Objection Offered

Bass Enterprises Prod. Co.

By:

Date: July 2, 1985

enclosure:  
GDN/bh



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Roswell District Office

P. O. Box 1397

Roswell, New Mexico 88201

IN REPLY  
REFER TO:

3105.2 (065)

NM061P35-86C344

APR 18 1986

The Eastland Oil Company  
ATTENTION: Robert R. Donnelly  
560 One Marienfeld Place  
P. O. Drawer 3488  
Midland, TX 79702

Gentlemen:

Enclosed are two approved copies of Communitization Agreement NM061P35-86C344, involving 280.80 acres of land in Federal lease NM-59383 and 40.00 acres of Fee land in Eddy County, New Mexico, comprising a 320.80-acre well spacing unit.

The agreement communitizes all rights as to dry gas and associated liquid hydrocarbons producible from the Atoka formation in lots 1, 2, S $\frac{1}{2}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ , section 5, T. 23 S., R. 29 E., N.M.P.M., and is effective March 20, 1986.

"Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto."

You are requested to furnish all interested principals with appropriate evidence of this approval.

Sincerely,

for Francis R. Cherry, Jr.  
District Manager

Enclosure: Two Copies of Communitization Agreement

APPROVAL - CERTIFICATION - DETERMINATION

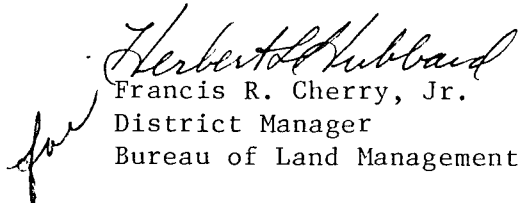
Pursuant to the authority vested in the Secretary of the Interior under Section 17 (j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226 (j)), and delegated to the District Manager, Bureau of Land Management, I do hereby:

- A. Approve the attached communitization agreement covering lots 1, 2, S $\frac{1}{2}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ , section 5, T. 23 S., R. 29 E., N.M.P.M., Eddy County, New Mexico, as to dry gas and associated liquid hydrocarbons producible from the Atoka formation.
- B. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest.
- C. Certify and determine that the drilling, producing, rental, minimum royalty, and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed or revoked to conform with the terms and conditions of the agreement.

Approved: April 18, 1986

Effective: March 20, 1986

Contract No.: Com. Agr. NM061P35-86C344

  
Francis R. Cherry, Jr.  
District Manager  
Bureau of Land Management

COMMUNITIZATION AGREEMENT

Contract No. NM061P35-86C344

THIS AGREEMENT entered into as of the 20th day of March, 1986, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

W I T N E S S E T H:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually consented and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 23 South, Range 29 East, N.M.P.M.

Section 5: Lots 1,2, S/2 NE/4, SE/4  
*Eddy County, New Mexico*

340.80

Containing ~~321.00~~ acres, more or less, and this agreement shall include only the Atoka formation underlying said lands and the dry gas and associated liquid hydrocarbons, hereinafter referred to as "communitized substances," producible from such formation.

*m20*

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit B, designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and ~~four~~ <sup>three</sup> (4)(3) executed copies of a designation of successor operator shall be filed with the ~~Area Oil and Gas Supervisor~~ *Authorized Officer*, *m L o*
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed

that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

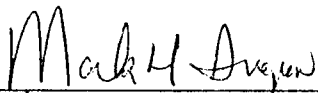
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.

10. This agreement is effective 20th of March, 1986 upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of two (2) years and for so long as communitized substances are, or can be, produced from the communitized area in paying quantities; provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor and in the applicable oil and gas regulations of the Department of the Interior.

13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. 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 parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties has signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of 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.

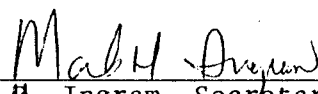
IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

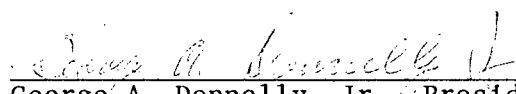
EASTLAND EXPLORATION, INC.

  
Mark H. Ingram, Secretary

  
Richard Donnelly, President

Eastland Resources, Inc.

  
Mark H. Ingram, Secretary

  
George A. Donnelly, Jr., President

THE STATE OF TEXAS }

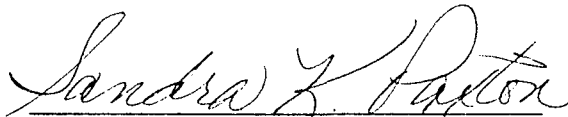
COUNTY OF MIDLAND }

Before me, the undersigned, a Notary Public, on this day personally appeared Richard Donnelly, 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 the said EASTLAND EXPLORATION, INC., a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office, this the 25th day of March, A.D. 1986.

My Commission Expires:

September 16, 1986

  
Sandra K. Paxton, Notary Public  
State of Texas

THE STATE OF TEXAS }

COUNTY OF MIDLAND }

Before me, the undersigned, a Notary Public, on this day personally appeared George A. Donnelly, Jr., 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 the said EASTLAND RESOURCES, INC., a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office, this the 25th day of March, A.D. 1986.

My Commission Expires:

September 16, 1986

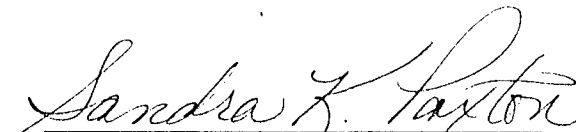
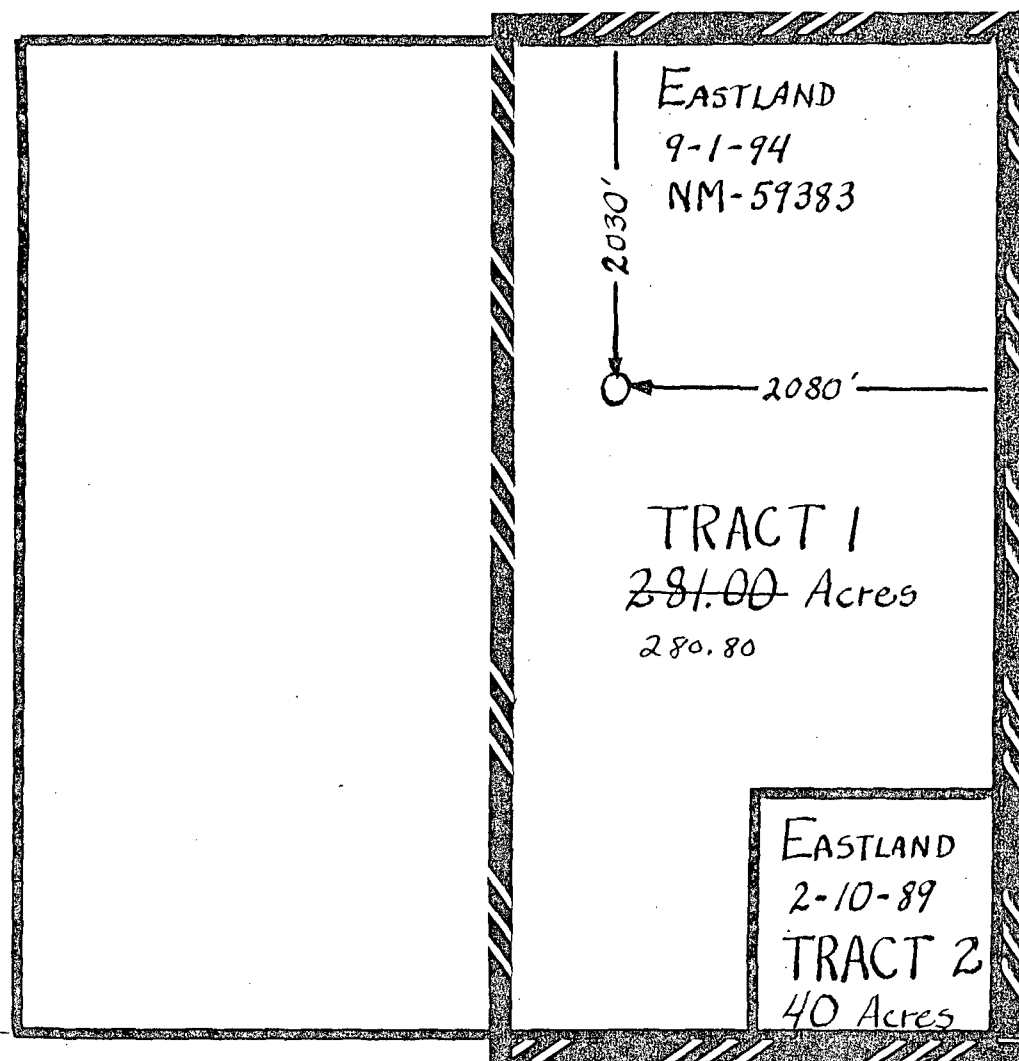
  
Sandra K. Paxton, Notary Public  
State of Texas

EXHIBIT A

Plat of communitized area covering the East One-half (E/2) of Section 5, Township 23 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.



m 20

THE EASTLAND OIL COMPANY  
CARTEL FEDERAL NO. 2

EXHIBIT B

To Communitization Agreement dated the 20th day of March, 1986, embracing:

Operator of Communitized Area: The Eastland Oil Company

DESCRIPTION OF LEASE COMMITTED

Tract No. 1

Lease Serial Number: NM-59383  
Lease Date: September 1, 1984  
Lease Term: Ten (10) Years  
Lessor: United States of America  
Original Lessee: Leo D. Catanach  
Present Owner: Eastland Exploration, Inc. (50%)  
Eastland Resources, Inc. (50%)  
Description of Land Committed:  
Township 23 South, Range 29 East, N.M.P.M.  
Section 5: Lots 1, 2, S/2 NE/4, NE/4 SE/4, W/2 SE/4

Number of Acres: ~~281.00~~ 280.80 *nLo*  
Royalty Rate: 12.5%  
Name and Percent ORRI Owners: Thomas R. Smith - 3%  
Name and Percent WI Owners: Eastland Exploration, Inc. - 50%  
Eastland Resources, Inc. - 50%

Tract No. 2

Lease Serial Number:  
Lease Date: February 10, 1984  
Lessor: Teledyne, Inc.  
Original Lessee: J.R. Rowan  
Present Lessee: Eastland Exploration, Inc. (50%)  
Eastland Resources, Inc. (50%)  
Description of Land Committed:  
Township 23 South, Range 29 East, N.M.P.M.  
Section 5: South-East Quarter (SE/4)  
Number of Acres: 40.00  
Royalty Rate: 20%  
Name and Percent of ORRI Owners: None  
Name and Percent of WI Owners: Eastland Exploration, Inc. - 50%  
Eastland Resources, Inc. - 50%

*Lease Contains a provision authorizing pooling in accordance with the acreage requirement of the agreement.*

*nLo*

R E C A P I T U L A T I O N

<u>TRACT NO.</u>	<u>NO ACRES COMMITTED</u>	<u>PERCENTAGE OF INTEREST IN COMMUNITIZED AREA</u>
1	<del>281.00</del>	87.54%
2	40.00	12.46%
	<u>          </u>	<u>          </u>
TOTAL	<del>321.00</del>	100.00%
	320.80	

*pk 20*