

APPROVAL--CERTIFICATION--DETERMINATION

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

- A. Approve the attached communitization agreement covering, N $\frac{1}{2}$, Section 26, T. 25 N., R. 2 W., N.M.P.M., Rio Arriba County, New Mexico, as to natural gas and associated liquid hydrocarbons producible from the Dakota Formations.
- 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.

AUG 02 1983

Approved: _____


District Manager

Effective: December 1, 1981

Contract No.: NMA-0013

BEFORE EXAMINER STOGNER	
OIL CONSERVATION DIVISION	
NORTHWEST	EXHIBIT NO. <u>11</u>
CASE NO.	<u>8042</u>

COMMUNITIZATION AGREEMENT

Contract No. NMA-0013

THIS AGREEMENT entered into as of the 1st day of December 1981, 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 covenanted 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 25 North, Range 2 West
Section 26: N/2

containing 320.00 acres, more or less, and this agreement shall include the Dakota formation underlying said lands and the natural gas and associated liquid hydrocarbons, hereinafter referred to as "communitized substances", producible from such formation.

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 (4) executed copies of a designation of successor operator shall be filed with the Deputy Minerals Manager for Oil and Gas.
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 the 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 December 1, 1981 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 had 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 by their respective names the date of execution.

WORKING INTEREST OWNERS

Date 8/18/82

ATTEST: _____

Date _____

ATTEST: _____

Date _____

Date _____

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Date _____

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Date _____

NORTHWEST EXPLORATION COMPANY

By Betty R. Burnett
Betty R. Burnett
Attorney-in-Fact

NORTHWEST PIPELINE CORPORATION

By _____

DUGAN PRODUCTION CORPORATION

By _____

Anne K. Milinovich

Albert J. Blair

Sylvia M. Blair

Ardis N. Hamilton

Thomas J. Hamilton

Emmie S. Hamilton

Paul T. Puglia

Elaine Puglia

Jerry K. Debolt

Zelda Ludman

Helen S. Conrad

John H. Trotter

Nellie P. Trotter

Geraldine Sanger

Signature Page for Communitization
Agreement - Gavilan #1

IN WITNESS WHEREOF, the "Parties Hereto" have executed this agreement as of the day and year first above written and have set by their respective names the date of execution.

WORKING INTEREST OWNERS

Date 8/8/82

ATTEST: [Signature]

Date September 22, 1982

ATTEST: _____

Date _____

Date _____

Date _____

Date _____

Date _____

Date _____

Date _____

Date _____

Date _____

Date _____

Date _____

Date _____

Date _____

Date _____

Date _____

NORTHWEST EXPLORATION COMPANY

By [Signature]
Betty R. Burnett
Attorney-in-Fact

NORTHWEST PIPELINE CORPORATION

By [Signature] Approved As To Form
This Date 1/22/82

DUGAN PRODUCTION CORPORATION

By _____

Anne K. Milinovich

Albert J. Blair

Sylvia M. Blair

Ardis N. Hamilton

Thomas J. Hamilton

Emmie S. Hamilton

Paul T. Puglia

Elaine Puglia

Jerry K. Debolt

Zelda Ludman

Helen S. Conrad

John H. Trotter

Nellie P. Trotter

Geraldine Sanger

Signature Page for Communitization Agreement - Gavilan #1

IN WITNESS WHEREOF, the "Parties Hereto" have executed this agreement as of the day and year first above written and have set by their respective names the date of execution.

WORKING INTEREST OWNERS

Date 8/18/82

ATTEST: _____

Date _____

ATTEST: _____

Date August 26, 1982

Date _____

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Date _____

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Date _____

Date _____

Date _____

NORTHWEST EXPLORATION COMPANY

By Betty R. Burnett
Betty R. Burnett
Attorney-in-Fact *egh*

NORTHWEST PIPELINE CORPORATION

By _____

DUGAN PRODUCTION CORPORATION

By Johnny Roberts
Attorney-in-Fact

Anne K. Milinovich

Albert J. Blair

Sylvia M. Blair

Ardis N. Hamilton

Thomas J. Hamilton

Emmie S. Hamilton

Paul T. Puglia

Elaine Puglia

Jerry K. Debolt

Zelda Ludman

Helen S. Conrad

John H. Trotter

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Geraldine Sanger

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WORKING INTEREST OWNERS

Date 8/18/82

ATTEST: _____

Date _____

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Date _____

Date 9/7/82

Date _____

Date _____

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Date _____

NORTHWEST EXPLORATION COMPANY

By Betty R. Burnett
Betty R. Burnett
Attorney-in-Fact RJR

NORTHWEST PIPELINE CORPORATION

By _____

DUGAN PRODUCTION CORPORATION

By _____

Anne K. Milinovich
Anne K. Milinovich

Albert J. Blair

Sylvia M. Blair

Ardis N. Hamilton

Thomas J. Hamilton

Emmie S. Hamilton

Paul T. Puglia

Elaine Puglia

Jerry K. Debolt

Zelda Ludman

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Geraldine Sanger

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WORKING INTEREST OWNERS

Date 8/18/82

ATTEST: _____

Date _____

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Date _____

Date 8-26-82

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Date _____

NORTHWEST EXPLORATION COMPANY

By Betty R. Burnett
Betty R. Burnett
Attorney-in-Fact *egh*

NORTHWEST PIPELINE CORPORATION

By _____

DUGAN PRODUCTION CORPORATION

By _____

Anne K. Milinovich

Albert J. Blair

Sylvia M. Blair

Ardis N. Hamilton
Ardis N. Hamilton

Thomas J. Hamilton

Emmie S. Hamilton

Paul T. Puglia

Elaine Puglia

Jerry K. Debolt

Zelda Ludman

Helen S. Conrad

John H. Trotter

Nellie P. Trotter

Geraldine Sanger

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WORKING INTEREST OWNERS

Date 8/18/82

ATTEST: _____

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Date _____

Date 25 Aug. 1982

Date 8/25/82

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Date _____

NORTHWEST EXPLORATION COMPANY

By Betty R. Burnett
Betty R. Burnett
Attorney-in-Fact EJR

NORTHWEST PIPELINE CORPORATION

By _____

DUGAN PRODUCTION CORPORATION

By _____

Anne K. Milinovich

Albert J. Blair

Sylvia M. Blair

Ardis N. Hamilton

Thomas J. Hamilton
Thomas J. Hamilton

Emmie S. Hamilton
Emmie S. Hamilton

Paul T. Puglia

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WORKING INTEREST OWNERS

Date 8/18/82

ATTEST: _____

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Date 10/20/82

Date 10/20/82

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Date _____

NORTHWEST EXPLORATION COMPANY

By Betty R. Burnett
Betty R. Burnett
Attorney-in-Fact egf

NORTHWEST PIPELINE CORPORATION

By _____

DUGAN PRODUCTION CORPORATION

By _____

Anne K. Milinovich

Albert J. Blair

Sylvia M. Blair

Ardis N. Hamilton

Thomas J. Hamilton

Ernie S. Hamilton

Paul T. Puglia
Paul T. Puglia

Elaine Puglia
Elaine Puglia

Jerry K. Debolt

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Date _____

NORTHWEST EXPLORATION COMPANY

By Betty R. Burnett
Betty R. Burnett
Attorney-in-Fact RJR

NORTHWEST PIPELINE CORPORATION

By _____

DUGAN PRODUCTION CORPORATION

By _____

Anne K. Milinovich

Albert J. Blair

Sylvia M. Blair

Ardis N. Hamilton

Thomas J. Hamilton

Emmie S. Hamilton

Paul T. Puglia

Elaine Puglia

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Date August 26, 1982

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NORTHWEST EXPLORATION COMPANY

By Betty R. Burnett
Betty R. Burnett
Attorney-in-Fact *rgl*

NORTHWEST PIPELINE CORPORATION

By _____

DUGAN PRODUCTION CORPORATION

By _____

Anne K. Milinovich

Albert J. Blair

Sylvia M. Blair

Ardis N. Hamilton

Thomas J. Hamilton

Emmie S. Hamilton

Paul T. Puglia

Elaine Puglia

Jerry K. Debolt

Zelda Ludman
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Date _____

NORTHWEST EXPLORATION COMPANY

By Betty R. Burnett
Betty R. Burnett
Attorney-in-Fact RJR

NORTHWEST PIPELINE CORPORATION

By _____

DUGAN PRODUCTION CORPORATION

By _____

Anne K. Milinovich

Albert J. Blair

Sylvia M. Blair

Ardis N. Hamilton

Thomas J. Hamilton

Emmie S. Hamilton

Paul T. Puglia

Elaine Puglia

Jerry K. Debolt

Zelda Ludman

Helen S. Conrad

John H. Trotter - Estate
John H. Trotter

Neellie P. Trotter, Exec.
Neellie P. Trotter
Neellie P. Trotter

Geraldine Sanger

Signature Page for Communitization
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Date _____

NORTHWEST EXPLORATION COMPANY

By Betty R. Burnett
Betty R. Burnett
Attorney-in-Fact rjb

NORTHWEST PIPELINE CORPORATION

By _____

DUGAN PRODUCTION CORPORATION

By _____

Anne K. Milinovich

Albert J. Blair

Sylvia M. Blair

Ardis N. Hamilton

Thomas J. Hamilton

Emmie S. Hamilton

Paul T. Puglia

Elaine Puglia

Jerry K. Debolt

Zelda Ludman

Helen S. Conrad

John H. Trotter

Nellie P. Trotter

Geraldine Sanger
Geraldine Sanger

Signature Page for Communitization
Agreement - Gavilan #1

OVERRIDING ROYALTY INTEREST OWNERS

ATTEST: _____

Date: _____

SAN JUAN GAS CORPORATION

By _____

ATTEST: _____

Date: _____

L. W. WICKES AGENT CORPORATION

By _____

ATTEST: _____

Date: _____

CYPRUS MINES CORPORATION

By _____

ATTEST: _____

Date: _____

GULF OIL CORPORATION

By L. R. Woodward

ATTORNEY IN FACT

ATTEST: _____

Date: _____

MILTON OIL CORPORATION

By _____

Date: _____

Annie Mary White

ATTEST: _____

Date: _____

LEAVENWORTH NATIONAL BANK AND
TRUST COMPANY

By _____

Date: _____

Gleneita M. Dodge

Date: _____

Kenneth P. Milliken

Date: _____

Margaret Jane Milliken

Date: _____

A. Carl Walker

Date: _____

Suzanne Crawford Walker

Date: _____

William M. Baily

Date: _____

Bonnie Baily

Signature Page for Communitization
Agreement - Gavilan #1

OVERRIDING ROYALTY INTEREST OWNERS

ATTEST: _____

Date: _____

SAN JUAN GAS CORPORATION

By _____

ATTEST: _____

Date: _____

L. W. WICKES AGENT CORPORATION

By _____

ATTEST: _____

Date: _____

CYPRUS MINES CORPORATION

By _____

ATTEST: _____

Date: _____

GULF OIL CORPORATION

By _____

ATTEST: _____

Date: _____

MILTON OIL CORPORATION

By _____

Date: _____

Annie Mary White
Annie Mary White

ATTEST: _____

Date: _____

LEAVENWORTH NATIONAL BANK AND
TRUST COMPANY

By _____

Date: _____

Gleneita M. Dodge

Date: _____

Kenneth P. Milliken

Date: _____

Margaret Jane Milliken

Date: _____

A. Carl Walker

Date: _____

Suzanne Crawford Walker

Date: _____

William M. Baily

Date: _____

Bonnie Baily

Signature Page for Communitization
Agreement - Gavilan #1

OVERRIDING ROYALTY INTEREST OWNERS

ATTEST: _____

Date: _____

SAN JUAN GAS CORPORATION

By _____

ATTEST: _____

Date: _____

L. W. WICKES AGENT CORPORATION

By _____

ATTEST: _____

Date: _____

CYPRUS MINES CORPORATION

By _____

ATTEST: _____

Date: _____

GULF OIL CORPORATION

By _____

ATTEST: _____

Date: _____

MILTON OIL CORPORATION

By _____

Date: _____

Annie Mary White

ATTEST: Walter G. Lawski

Date: 8-23-82

Date: _____

LEAVENWORTH NATIONAL BANK AND
TRUST COMPANY

By Arnold G. Barker, S.P.

Gleneita M. Dodge

Date: _____

Kenneth P. Milliken

Date: _____

Margaret Jane Milliken

Date: _____

A. Carl Walker

Date: _____

Suzanne Crawford Walker

Date: _____

William M. Baily

Date: _____

Bonnie Baily

Signature Page for Communitization
Agreement - Gavilan #1

OVERRIDING ROYALTY INTEREST OWNERS

ATTEST: _____

Date: _____

SAN JUAN GAS CORPORATION

By _____

ATTEST: _____

Date: _____

L. W. WICKES AGENT CORPORATION

By _____

ATTEST: _____

Date: _____

CYPRUS MINES CORPORATION

By _____

ATTEST: _____

Date: _____

GULF OIL CORPORATION

By _____

ATTEST: _____

Date: _____

MILTON OIL CORPORATION

By _____

Date: _____

Annie Mary White

ATTEST: _____

Date: _____

LEAVENWORTH NATIONAL BANK AND
TRUST COMPANY

By _____

Date: _____

Gleneita M. Dodge

Date: _____

Gleneita M. Dodge

Kenneth P. Milliken

Date: _____

Margaret Jane Milliken

Date: _____

A. Carl Walker

Date: _____

Suzanne Crawford Walker

Date: _____

William M. Baily

Date: _____

Bonnie Baily

Signature Page for Communitization
Agreement - Gavilan #1

OVERRIDING ROYALTY INTEREST OWNERS

ATTEST: _____

Date: _____

SAN JUAN GAS CORPORATION

By _____

ATTEST: _____

Date: _____

L. W. WICKES AGENT CORPORATION

By _____

ATTEST: _____

Date: _____

CYPRUS MINES CORPORATION

By _____

ATTEST: _____

Date: _____

GULF OIL CORPORATION

By _____

ATTEST: _____

Date: _____

MILTON OIL CORPORATION

By _____

Date: _____

Annie Mary White

ATTEST: _____

Date: _____

LEAVENWORTH NATIONAL BANK AND
TRUST COMPANY

By _____

Date: _____

Gleneita M. Dodge

Date August 23, 1982

Kenneth P. Milliken
Kenneth P. Milliken

Date August 23, 1982

Margaret J. Milliken
Margaret Jane Milliken

Date: _____

A. Carl Walker

Date: _____

Suzanne Crawford Walker

Date: _____

William M. Bailly

Date: _____

Bonnie Bailly

Signature Page for Communitization
Agreement - Gavilan #1

OVERRIDING ROYALTY INTEREST OWNERS

ATTEST: _____

Date: _____

SAN JUAN GAS CORPORATION

By _____

ATTEST: _____

Date: _____

L. W. WICKES AGENT CORPORATION

By _____

ATTEST: _____

Date: _____

CYPRUS MINES CORPORATION

By _____

ATTEST: _____

Date: _____

GULF OIL CORPORATION

By _____

ATTEST: _____

Date: _____

MILTON OIL CORPORATION

By _____

Date: _____

Annie Mary White

ATTEST: _____

Date: _____

LEAVENWORTH NATIONAL BANK AND
TRUST COMPANY

By _____

Date: _____

Gleneita M. Dodge

Date: _____

Kenneth P. Milliken

Date: _____

Margaret Jane Milliken

Date: Aug. 24, 1982

A. Carl Walker mo
A. Carl Walker
Suzanne Crawford Walker
A. Carl Walker P.O.A.
Suzanne Crawford Walker

Date: Aug. 24, 1982

Date: _____

William M. Bailly

Date: _____

Bonnie Bailly

Signature Page for Communitization
Agreement - Gavilan #1

OVERRIDING ROYALTY INTEREST OWNERS

ATTEST: _____

Date: _____

SAN JUAN GAS CORPORATION

By _____

ATTEST: _____

Date: _____

L. W. WICKES AGENT CORPORATION

By _____

ATTEST: _____

Date: _____

CYPRUS MINES CORPORATION

By _____

ATTEST: _____

Date: _____

GULF OIL CORPORATION

By _____

ATTEST: _____

Date: _____

MILTON OIL CORPORATION

By _____

Date: _____

Annie Mary White

ATTEST: _____

Date: _____

LEAVENWORTH NATIONAL BANK AND
TRUST COMPANY

By _____

Date: _____

Gleneita M. Dodge

Date: _____

Kenneth P. Milliken

Date: _____

Margaret Jane Milliken

Date: _____

A. Carl Walker

Date: _____

Suzanne Crawford Walker

Date September 21, 1982

William M. Baily
William M. Baily

Date September 21, 1982

Bonnie Baily
Bonnie Baily

Signature Page for Communitization
Agreement - Gavilan #1

OVERRIDING ROYALTY INTEREST OWNERS (CONT'D)

Date August 30, 1982

Kenneth C. Baily
Kenneth C. Baily

Date August 30, 1982

Patricia C. Baily
Patricia C. Baily

Date _____

Norman D. Bradley

Date _____

James B. Varner

Date _____

Corinne P. Varner

ATTEST: _____

1ST NATIONAL BANK OF CHICAGO,
TRUSTEE UNDER WILL OF MARY LOU JEWETT

Date _____

By _____

Date _____

ESTATE OF GOLDIE MILLIKEN

By _____

Date _____

William A. Varner

Date _____

Mary P. Varner

Date _____

Thomas A. Varner

Date _____

Carolyn T. Varner

(Acknowledgments follow)

Signature Page for Communitization
Agreement - Gavilan #1

OVERRIDING ROYALTY INTEREST OWNERS (CONT'D)

Date _____

Kenneth C. Baily

Date _____

Patricia C. Baily

Date 25 Aug 1982

Norman D. Bradley
Norman D. Bradley

Date _____

James B. Varner

Date _____

Corinne P. Varner

ATTEST: _____

1ST NATIONAL BANK OF CHICAGO,
TRUSTEE UNDER WILL OF MARY LOU JEWETT

Date _____

By _____

Date _____

ESTATE OF GOLDIE MILLIKEN

By _____

Date _____

William A. Varner

Date _____

Mary P. Varner

Date _____

Thomas A. Varner

Date _____

Carolyn T. Varner

(Acknowledgments follow)

Signature Page for Communitization
Agreement - Gavilan #1

OVERRIDING ROYALTY INTEREST OWNERS (CONT'D)

Date _____

Kenneth C. Baily

Date _____

Patricia C. Baily

Date _____

Norman D. Bradley

Date _____

James B. Varner

Date _____

Corinne P. Varner

ATTEST: James L. Hart

1ST NATIONAL BANK OF CHICAGO,
TRUSTEE UNDER WILL OF MARY LOU JEWETT

Date 8-23-82

By H. Thomas DeWees H. Thomas DeWees
Vice President

Date _____

ESTATE OF GOLDIE MILLIKEN

By _____

Date _____

William A. Varner

Date _____

Mary P. Varner

Date _____

Thomas A. Varner

Date _____

Carolyn T. Varner

(Acknowledgments follow)

RECEIVED

AUG 23 1982

BANK OF CHICAGO
REAL ESTATE INVESTMENTS
Dallas, Texas

Signature Page for Communitization
Agreement - Gavilan #1

OVERRIDING ROYALTY INTEREST OWNERS (CONT'D)

Date _____

Kenneth C. Baily

Date _____

Patricia C. Baily

Date _____

Norman D. Bradley

Date _____

James B. Varner

Date _____

Corinne P. Varner

ATTEST: _____

1ST NATIONAL BANK OF CHICAGO,
TRUSTEE UNDER WILL OF MARY LOU JEWETT

Date _____

By _____

Date August 23, 1982

ESTATE OF GOLDIE MILLIKEN

Kenneth C. Baily Co. Sp.

By Sylvia M. Baily

W. B. Baily & Associates, Attorneys

Date _____

William A. Varner

Date _____

Mary P. Varner

Date _____

Thomas A. Varner

Date _____

Carolyn T. Varner

(Acknowledgments follow)

Signature Page for Communitizati
Agreement - Gavilan #1

STATE OF Colorado)
City of Denver) SS. (Corporation)
County of Denver)

BEFORE ME, a Notary Public in and for said county and state, did personally appear Betty R. Burnett, to me personally known who, being by me duly sworn, did that that she is the Attorney-in-fact of Northwest Exploration Company, and that the seal affixed 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. Said Betty R. Burnett acknowledged said instrument to be the free act and deed of said Corporation..

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 18th day of August, 1982.

Brenda J. Tiggs
Notary Public

BRENDA J. TIGGS
My Commission Expires: 4/24/85

STATE OF _____)
County of _____) SS. (Individual)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me known to be the identical _____ described in and who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

My Commission Expires: _____

STATE OF _____)
County of _____) SS. (Individuals)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____ and _____, to me known to be the identical _____ described in and who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

My Commission Expires: _____

STATE OF _____)
) SS. (Corporation)
County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me personally known who, being by me duly sworn, did that that _____ is the _____ of _____, and that the seal affixed 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. Said _____ acknowledged said instrument to be the free act and deed of said Corporation..

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

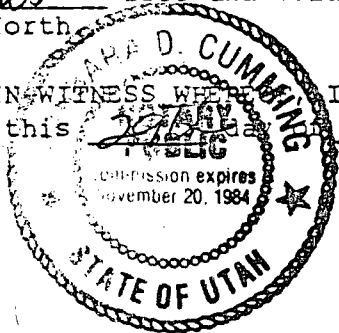
SEAL

My Commission Expires: _____

STATE OF Utah)
) SS. (Individual)
County of Salt Lake)

BEFORE ME, a Notary Public in and for said county and state, did personally appear E. J. Bickart, to me known to be the identical man described in and who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this September 19 82.



Barbara D. Cummings
Notary Public

SEAL

My Commission Expires: 11-20-84

STATE OF _____)
) SS. (Individuals)
County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me and _____, to me known to be the identical _____ described in and who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF _____)
) SS. (Corporation)
County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me personally known who, being by me duly sworn, did that that _____ is the _____ of _____, and that the seal affixed 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. Said _____

STATE OF NEW MEXICO)
) ss
COUNTY OF SAN JUAN)

The foregoing instrument was acknowledged before me this 26th day of August, 1982 by Tommy Roberts, as attorney-in-fact on behalf of Dugan Production Corp.



OFFICIAL SEAL
FRANCES PERRIN
NOTARY PUBLIC - NEW MEXICO
Notary Bond Filed with Secretary of State
My Commission Expires 5-15-85

Frances Perrin
Notary Public

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me known to be the identical _____ described in and who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF _____)
) SS. (Individuals)
County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me and _____, to me known to be the identical _____ described in and who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF _____)
) SS. (Corporation)
County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me personally known who, being by me duly sworn, did that that _____ is the _____ of _____, and that the seal affixed 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. Said _____ acknowledged said instrument to be the free act and deed of said Corporation..

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF Pennsylvania)
) SS. (Individual)
County of Greene)

BEFORE ME, a Notary Public in and for said county and state, did personally appear Anne R. Melinovich, to me known to be the identical one described in and who executed the within and foregoing instrument and acknowledged to me that she executed the same as her free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 7th day of September, 1982.

Charlotte H. O'Rourke
Notary Public

SEAL

My Commission Expires: 10-4-82

STATE OF _____)
) SS. (Individuals)
County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____ and _____, to me known to be the identical _____ described in and who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

County of _____)

SS.

(Corporation)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me personally known who, being by me duly sworn, did that that _____ is the _____ of _____

and that the seal affixed 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. Said _____ acknowledged said instrument to be the free act and deed of said Corporation..

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF Ohio)

) SS.

(Individual)

County of Franklin)

BEFORE ME, a Notary Public in and for said county and state, did personally appear Ardis M. Hamilton, to me known to be the identical _____ described in and who executed the within and foregoing instrument and acknowledged to me that She executed the same as her free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 26 day of August, 1982.

Ana Kerston
Notary Public

SEAL

My Commission Expires: _____
ANA KERSTON
NOTARY PUBLIC, STATE OF OHIO
MY COMMISSION EXPIRES OCTOBER 17, 1984

STATE OF _____)

) SS.

(Individuals)

County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____ and _____, to me known to be the identical _____ described in and who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF _____)
) SS. (Corporation)
County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me personally known who, being by me duly sworn, did that that _____ is the _____ of _____, and that the seal affixed 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. Said _____ acknowledged said instrument to be the free act and deed of said Corporation..

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF _____)
) SS. (Individual)
County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me known to be the identical _____ described in and who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

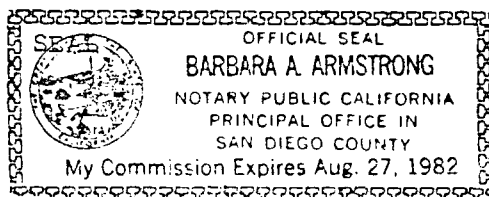
STATE OF CALIFORNIA)
) SS. (Individuals)
County of SAN DIEGO)

BEFORE ME, a Notary Public in and for said county and state, did personally appear Thomas J. Hamilton and Emmie S. Hamilton, to me known to be the identical _____ described in and who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 25th day of August, 1982.

Barbara A. Armstrong
Notary Public

My Commission Expires: August 27, 1982



STATE OF _____)
) SS. (Corporation)
County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me personally known who, being by me duly sworn, did that that _____ is the _____ of _____, and that the seal affixed 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. Said _____ acknowledged said instrument to be the free act and deed of said Corporation..

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF _____)
) SS. (Individual)
County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me known to be the identical _____ described in and who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF PA.)
) SS. (Individuals)
County of GREENE)

BEFORE ME, a Notary Public in and for said county and state, did personally appear Paul T. Puglia and Elaine Puglia, to me known to be the identical persons described in and who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 16th day of November, 1982.

Christie V. Haney
Notary Public

SEAL

CHRISTIE V. HANEY, Notary Public
Franklin Township, Greene County, Pa.
My Commission Expires: My Commission Expires August 19, 1985

STATE OF _____)
) SS. (Corporation)
County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me personally known who, being by me duly sworn, did that that _____ is the _____ of _____, and that the seal affixed 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. Said _____ acknowledged said instrument to be the free act and deed of said Corporation..

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF Pennsylvania)
) SS. (Individual)
County of Allegheny)

BEFORE ME, a Notary Public in and for said county and state, did personally appear Jerry K. Debolt, to me known to be the identical person described in and who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 3rd day of September, 1982.

PEGGY A. GEISLER, Notary Public
Pittsburgh, Allegheny County, PA
My Commission Expires Feb. 10, 1986

Peggy A. Geisler
Notary Public

SEAL

My Commission Expires: 2/10/86

STATE OF _____)
) SS. (Individuals)
County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me known to be the identical _____ described in and who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF _____)
) SS. (Corporation)
County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me personally known who, being by me duly sworn, did that that _____ is the _____ of _____, and that the seal affixed 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. Said _____ acknowledged said instrument to be the free act and deed of said Corporation..

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF Oklahoma)
) SS. (Individual)
County of Tulsa)

BEFORE ME, a Notary Public in and for said county and state, did personally appear Gilda Lydman, to me known to be the identical party described in and who executed the within and foregoing instrument and acknowledged to me that she executed the same as her free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 30th day of August, 1982.

Caryl A Smith
Notary Public

SEAL

My Commission Expires March 25, 1985

STATE OF _____)
) SS. (Individuals)
County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____ and _____, to me known to be the identical _____ described in and who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF _____)
) SS. (Corporation)
County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me personally known who, being by me duly sworn, did that that _____ is the _____ of _____, and that the seal affixed 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. Said _____ acknowledged said instrument to be the free act and deed of said Corporation..

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF West Virginia)
) SS. (Individual)
County of Mingo)

BEFORE ME, a Notary Public in and for said county and state, did personally appear Mrs. H. Y. Y. Estate, by Nellie P. Smith, Executive, to me known to be the identical _____ described in and who executed the within and foregoing instrument and acknowledged to me that she executed the same as her free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 7th day of October, 1987.

Cindy L. Rohr
Notary Public

SEAL

My Commission Expires: July 8, 1987

**COMMISSIONED AS
CINDY L. ROHR**

STATE OF _____)
) SS. (Individuals)
County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____ and _____, to me known to be the identical _____ described in and who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF _____)

) SS.

(Corporation)

County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me personally known who, being by me duly sworn, did that that _____ is the _____ of _____

and that the seal affixed 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. Said _____ acknowledged said instrument to be the free act and deed of said Corporation..

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF _____)

) SS.

(Individual)

County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me known to be the identical _____ described in and who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF Oklahoma)

) SS.

(Individuals)

County of Tulsa)

BEFORE ME, a Notary Public in and for said county and state, did personally appear Geraldine Sanger and _____, to me known to be the identical person described in and who executed the within and foregoing instrument and acknowledged to me that she executed the same as her free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 13 day of September, 1982.

Philip C. Sanger
Notary Public

SEAL

My Commission Expires: September 7, 1983

THE STATE OF TEXAS Ø

COUNTY OF MIDLAND Ø

The foregoing instrument was acknowledged before me this
4th day of January, 1983, by L. R. Woodard
Attorney-in-Fact for GULF OIL CORPORATION, a Pennsylvania
corporation, on behalf of said corporation.

My Commission Expires:

July 30, 1984

Carolyn D. Larson

Carolyn D. Larson
Notary Public In and for the
State of Texas

Notary Public

SEAL

My Commission Expires: _____

STATE OF _____)

) SS.

(Individual)

County of _____)

BEFORE ME, a Notary Public in and for said county and state, did
personally appear _____, to me
known to be the identical _____ described in and who executed the within and
foregoing instrument and acknowledged to me that _____ executed the same
as _____ free and voluntary act and deed for the uses and purposes therein
set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official
seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF _____)

) SS.

(Individuals)

County of _____)

BEFORE ME, a Notary Public in and for said county and state, did
personally appear _____
and _____, to me
known to be the identical _____ described in and who executed the within and
foregoing instrument and acknowledged to me that _____ executed the same
as _____ free and voluntary act and deed for the uses and purposes therein set
forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official
seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF _____)

) SS.

(Corporation)

County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me personally known who, being by me duly sworn, did that that _____ is the _____ of _____,

and that the seal affixed 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. Said _____ acknowledged said instrument to be the free act and deed of said Corporation..

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF Oklahoma)

) SS.

(Individual)

County of Tulsa)

BEFORE ME, a Notary Public in and for said county and state, did personally appear Annie Mary White, to me known to be the identical person described in and who executed the within and foregoing instrument and acknowledged to me that she executed the same as her free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 28th day of August, 1982.

Judith A. Lemmery
Notary Public

SEAL

My Commission Expires: _____

STATE OF _____)

) SS.

(Individuals)

County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____ and _____, to me known to be the identical _____ described in and who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

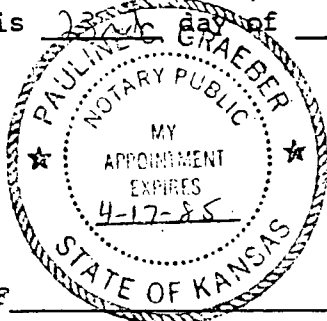
STATE OF Kansas)
County of Leavenworth) SS.

(Corporation)

BEFORE ME, a Notary Public in and for said county and state, did personally appear Ronald A. Barker, to me personally known who, being by me duly sworn, did that that he is the Vice-President & Trust Officer of Leavenworth National Bank & Trust Co., and that the seal affixed 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. Said Ronald A. Barker acknowledged said instrument to be the free act and deed of said Corporation..

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 23rd day of August, 1982.

SEAL



Pauline C. Kraeber
Notary Public

My Commission Expires: April 17, 1985

STATE OF _____)
County of _____) SS.

(Individual)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me known to be the identical _____ described in and who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF _____)
County of _____) SS.

(Individuals)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me known to be the identical _____ described in and who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF _____)
) SS. (Corporation)
County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me personally known who, being by me duly sworn, did that that _____ is the _____ of _____, and that the seal affixed 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. Said _____ acknowledged said instrument to be the free act and deed of said Corporation..

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF Massachusetts)
) SS. (Individual)
County of Middlesex)

BEFORE ME, a Notary Public in and for said county and state, did personally appear Genevieve M. Dodge, to me known to be the identical person described in and who executed the within and foregoing instrument and acknowledged to me that she executed the same as her free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 24th day of September, 19 82.

Richard D. Morris
Notary Public

SEAL

My Commission Expires May 14, 1987
My Commission Expires: _____

STATE OF _____)
) SS. (Individuals)
County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me and _____, to me known to be the identical _____ described in and who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF _____)
) SS. (Corporation)
County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me personally known who, being by me duly sworn, did that that _____ is the _____ of _____, and that the seal affixed 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. Said _____ acknowledged said instrument to be the free act and deed of said Corporation..

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF _____)
) SS. (Individual)
County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me known to be the identical _____ described in and who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF Pennsylvania)
) SS. (Individuals)
County of Chester)

BEFORE ME, a Notary Public in and for said county and state, did personally appear Kenneth P. Milliken and Margaret Jane Milliken, to me known to be the identical 2 described in and who executed the within and foregoing instrument and acknowledged to me that They executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 23rd day of August, 1982

Barbara V. Weaver
Notary Public

SEAL

My Commission Expires: January 20, 1983

STATE OF _____)
) SS.
County of _____)

(Corporation)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me personally known who, being by me duly sworn, did that that _____ is the _____ of _____, and that the seal affixed 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. Said _____ acknowledged said instrument to be the free act and deed of said Corporation..

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF _____)
) SS.
County of _____)

(Individual)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me known to be the identical _____ described in and who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF PENNSYLVANIA)
) SS.
County of GREENE)

(Individuals)

BEFORE ME, a Notary Public in and for said county and state, did personally appear A. CARL WALKER and SUZANNE CRAWFORD WALKER, by and A. CARL WALKER, her attorney-in-fact, to me known to be the identical persons described in and who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 24th day of August, 19 82.

Margaret B. Ferrais
Notary Public

SEAL

My Commission Expires: May 28, 1984

STATE OF _____)
) SS. (Corporation)
County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me personally known who, being by me duly sworn, did that that _____ is the _____ of _____, and that the seal affixed 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. Said _____ acknowledged said instrument to be the free act and deed of said Corporation..

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF _____)
) SS. (Individual)
County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me known to be the identical _____ described in and who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

COMMONWEALTH OF PENNSYLVANIA

~~XXXXXX~~ _____)
) SS. (Individuals)
County of GREENE _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear WILLIAM M. BAILY and BONNIE BAILY _____, to me known to be the identical persons described in and who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 21st day of September, 1982.

Shonda M. Hamilton
Notary Public

SEAL

My Commission Expires: May 10, 1984

STATE OF _____)
) SS. (Corporation)
County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me personally known who, being by me duly sworn, did that that _____ is the _____ of _____, and that the seal affixed 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. Said _____ acknowledged said instrument to be the free act and deed of said Corporation..

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF _____)
) SS. (Individual)
County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me known to be the identical _____ described in and who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

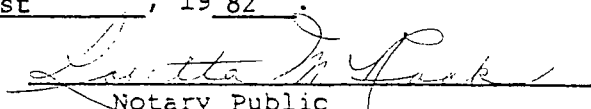
SEAL

My Commission Expires: _____

STATE OF Pennsylvania)
) SS. (Individuals)
County of Greene)

BEFORE ME, a Notary Public in and for said county and state, did personally appear Kenneth C. Baily and Patrecia C. Baily, his Wife, to me known to be the identical ones described in and who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 30th day of August, 1982.



Notary Public

SEAL

My Commission Expires: April 4, 1985

STATE OF _____)
) SS. (Corporation)
County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me personally known who, being by me duly sworn, did that that _____ is the _____ of _____, and that the seal affixed 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. Said _____ acknowledged said instrument to be the free act and deed of said Corporation..

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF Florida)
) SS. (Individual)
County of Broward)

BEFORE ME, a Notary Public in and for said county and state, did personally appear Norman D. Bradley, to me known to be the identical person described in and who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 25 day of August, 1982.

Norman D. Bradley
Notary Public

SEAL

My Commission Expires: _____

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXPIRES APR 9 1986
BONDED THRU GENERAL INS. UNDERWRITERS

STATE OF _____)
) SS. (Individuals)
County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me and _____, to me known to be the identical _____ described in and who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF Texas)
County of Dallas) SS. (Corporation)

BEFORE ME, a Notary Public in and for said county and state, did personally appear H. Thomas DeWees, to me personally known who, being by me duly sworn, did that that Vice President is the of The First National Bank of Chicago, and that the seal affixed 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. Said H. Thomas DeWees acknowledged said instrument to be the free act and deed of said Corporation..

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 23rd day of August, 1982.

Delbra Ann Jurgate
Notary Public

SEAL

My Commission Expires: 2-28-84

STATE OF _____)
County of _____) SS. (Individual)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me known to be the identical _____ described in and who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF _____)
County of _____) SS. (Individuals)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me known to be the identical _____ described in and who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF _____)
) SS. (Corporation)
County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me personally known who, being by me duly sworn, did that that _____ is the _____ of _____, and that the seal affixed 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. Said _____ acknowledged said instrument to be the free act and deed of said Corporation..

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF _____)
) SS. (Individual)
County of _____)

BEFORE ME, a Notary Public in and for said county and state, did personally appear _____, to me known to be the identical _____ described in and who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19____.

Notary Public

SEAL

My Commission Expires: _____

STATE OF Pennsylvania)
) SS. (Individuals)
County of Creech)

BEFORE ME, a Notary Public in and for said county and state, did personally appear Kenneth P. Milliken and W. Beetsram Waychoff, Atty-in-fact, to me known to be the identical 2 described in and who executed the within and foregoing instrument and acknowledged to me that They executed the same as Their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 23rd day of August, 1982.

Janella G. Weaver
Notary Public

SEAL

My Commission Expires: January 20, 1983

EXHIBIT "A"




Plat of Communitized Area covering:

Township 25 North, Range 2 West

Rio Arriba County, New Mexico

Section 26: N/2

Dakota formation

<p>40.00 Gulf Oil Corporation Tract 3 USA-SF-079332</p> 	<p>80.00 Northwest Pipeline 75% Dugan 25% Tract 2</p> <p>USA NM-01385</p>	<p>120.00 Northwest Explora- tion Company Tract 1</p>  <p>USA-NM-43758</p>  <p>Gavilan #1</p>
<p>40.00 Northwest Exploration Tract 4</p>		<p>40.00 El Paso Natural Gas et al Tract 5 USA-SF-079333</p>

26

EXHIBIT "B"

To Communitization Agreement dated December 1, 1981, embracing N/2 Section 26, Township 25 North, Range 2 West, Rio Arriba County, New Mexico, Dakota formation.

OPERATOR OF COMMUNITIZED AREA: Northwest Exploration Company

TRACT NO. 1

Lease Date: April 1, 1981

Lease Term: 5 years

Lessor: USA NM-43758

Present Lessee: Northwest Exploration Company

Description of Land Committed:

Township 25 North, Range 2 West
Section 26: N/2 NE/4, SE/4 NE/4

No. of Acres: 120.00

Pooling Clause: None

Royalty Rate: Sliding Scale

Name and Percent ORRI Owner: None

Name and Percent Working Interest Owner: Northwest Exploration Company 100%

TRACT NO 2

Lease Date: April 1, 1948

Lease Term: Five Years (HBP)

Lessor: USA NM-01385 (formerly SF-079333)

Present Lessee:	Northwest Pipeline Corporation	75%
	Dugan Production Corporation	25%

Description of Land Committed:

Township 25 North, Range 2 West
Section 26: E/2 NW/4

Number of Acres: 80.00

Pooling Clause: None

Royalty Rate: 12.5%

Name and Percent ORRI Owners: Below Base of Mesaverde Burdening only
Northwest Pipeline Corporation's interest

San Juan Gas Corporation	2.25%
--------------------------	-------

All Depths Burdening only Northwest
Pipeline Corporation's interest

L. W. Wickes Agent Corporation	1.00%
Cyprus Mines Corporation	.50%

Name and Percent Working Interest Owners:

Northwest Pipeline Corporation	75%
Dugan Production Corporation	25%

TRACT NO. 3

Lease Date: April 1, 1948

Lease Term: Five Years (HBP)

Lessor: USA SF-079332

Lessee: Gulf Oil Corporation

Description of Land Committed:

Township 25 North, Range 2 West
Section 26: NW/4 NW/4

Number of Acres: 40.00

Pooling Clause: None

Royalty Rate: 12.5%

Name and Percent ORRI Owners:

Gulf Oil Corporation	6.25%
(convertible at Payout to a 50% working interest)	
Milton Oil Corporation	2%

Name and Percent Working Interest Owner: Northwest Exploration Company 100%

TRACT NO. 4

A. Lease Date: April 15, 1981

Lease Term: Three Years

Lessor: Pauline D. Lewis Jackson dealing in her sole and separate estate

Lessee: Northwest Exploration Company

Description of Land Committed:

Township 25 North, Range 2 West
Section 26: SW/4 NW/4
only as to those formations lying
below the Mesaverde Formation

No. of acres: 40.00

Pooling Clause:

Lessee is hereby granted the right and power to pool or combine the acreage covered by this lease, or any portion thereof, with other land, lease or leases in the vicinity thereof at any time and from time to time, whether before or after production, when in Lessee's judgment it is necessary or advisable to do so for the prevention of waste and the conservation and greatest ultimate recovery of oil or gas. Such pooling shall be into a unit or units not exceeding in area the acreage prescribed or required in any Federal or State law, order, rule or regulation for the drilling or operation of one well, or for obtaining the maximum allowable production from one well, or 80 acres each for the production of oil, or 640 acres each for the production of gas, whichever is the larger, plus a tolerance over the maximum area of 80 acres for the production of oil or 640 acres for the production of gas, to include additional acreage in any irregular governmental subdivision or lot or portion thereof. Such pooling shall be effected by Lessee's executing and filing in the office where this lease is recorded an instrument identifying and describing the pooled acreage. The production of pooled substances and development and operation on any portion of a unit so pooled, including the commencement, drilling, completion and operation of a well thereon, shall be considered and construed, and shall have the same effect, except for the payment of royalty, as production, development and operation on the leased premises under the terms of this lease. The royalties herein provided shall accrue and be paid to Lessor on pooled substances produced from any unit in the proportion but only in the proportion, that Lessor's acreage interest in the land covered hereby and placed in the unit bears to the total acreage in the land placed in such unit.

Royalty Rate: 12.5%

Name and Percent ORRI Owner: None

Name and Percent Working Interest Owner: Northwest Exploration Company
100%

and

B. Lease Date: April 20, 1981

Lease Term: Three Years

Lessor: Lloyd J. Ingram, Jr., dealing in his sole and separate
estate

Lessee: Northwest Exploration Company

Description of Land Committed:

Township 25 North, Range 2 West
Section 26: SW/4 NW/4
only as to those formations lying
below the Mesaverde Formation

Number of Acres: 40.00

Pooling Clause: See A. above

Royalty Rate: 12.5%

Name and Percent ORRI Owners: None

Name and Percent Working Interest Owner: Northwest Exploration Company
100%

TRACT NO. 5

Lease Date: April 1, 1948

Lease Term: 5 years (HBP)

Lessor: USA SF-079333

Present Lessee:	El Paso Natural Gas Company	68.0624%
	Northwest Exploration Company	13.5735%
	Anne K. Milinovich	3.9922%
	Thomas J. Hamilton	2.6616%
	Emmie S. Hamilton	
	Zelda Ludman	3.3267%
	Paul T. Puglia	1.3306%
	Elaine Puglia	
	Ardis North Hamilton	1.3306%
	Jerry K. Debolt	.1996%
	Andrew W. Varner Estate	.1996%
	Albert J. Blair	2.6616%
	Sylvia M. Blair	
	John H. Trotter	1.3308%
	Nellie P. Trotter	1.3308%

Description of Land Committed:

Township 25 North, Range 2 West
Section 26: SW/4 NE/4

No. of Acres: 40.00

Pooling Clause: None

Royalty Rate: 12.5%

Name and Percent ORRI Owners:

A.	Annie Mary White	2.5% of 8/8ths
B.	Leavenworth National Bank and Trust Company	1.25% of 8/8ths
C.	Gleneita M. Dodge	1.25% of 8/8ths
D.	Kenneth P. Milliken Margaret Jane Milliken	2.5% of 1.5969%
E.	A. Carl Walker Suzanne Crawford Walker	2.5% of 3.9922%
F.	William M. Baily Bonnie Baily	2.5% of 1.3308%

G.	Kenneth C. Baily	
	Patricia C. Baily	2.5% of 1.3308%
H.	Norman D. Bradley	2.5% of 1.3306%
I.	James B. Varner	
	Corinne P. Varner	2.5% of .0499%
J.	1st National Bank of Chicago, Trustee under Will of Mary Lou Jewett	2.5% of 2.6616%
K.	Estate of Goldie Milliken	2.5% of 5.3228%
L.	William A. Varner	
	Mary P. Varner	2.5% of .0499%
M.	Thomas A. Varner	
	Carolyn T. Varner	2.5% of .0499%

Name and Percent Working Interest Owners:

Northwest Pipeline Corporation	60.0780%
Northwest Exploration Company	19.0462%
Anne K. Milinovich	3.9922%
Albert J. Blair	
Sylvia M. Blair	2.6616%
Ardis N. Hamilton	1.3306%
Thomas J. Hamilton	
Emmie S. Hamilton	2.6616%
Paul T. Puglia	
Elaine Puglia	1.3306%
Jerry K. Debolt	.1996%
Zelda Ludman	3.3267%
Helen S. Conrad	.0499%
John H. Trotter	
Nellie P. Trotter	1.3308%
Geraldine Sanger	3.9922%

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

<u>Tract No.</u>	<u>No. of acres committed</u>	<u>Percentage of interest in communitized area</u>
1	120.00	37.50%
2	80.00	25.00%
3	40.00	12.50%
4	40.00	12.50%
5	<u>40.00</u>	<u>12.50%</u>
	320.00	100.00%

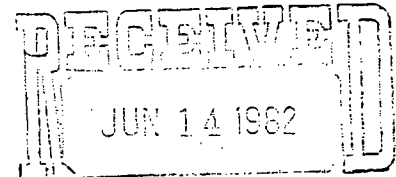
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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2095
Order No. R-1670-C

APPLICATION OF THE OIL CONSERVATION
COMMISSION ON ITS OWN MOTION TO
CONSIDER PRORATING THE GAS PRODUCTION
FROM THE DAKOTA PRODUCING INTERVAL,
SAN JUAN AND RIO ARriba COUNTIES,
NEW MEXICO.



NORTHWEST EXPLORATION COMPANY
DENVER COLORADO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 13, 1960, at Farmington, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 4th day of November, 1960, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That by Order Nos. R-1287 and R-1287-A, the Commission created and defined the Dakota (gas) Producing Interval, San Juan and Rio Arriba Counties, New Mexico.
- (3) That the producing capacity of the wells in the Dakota Producing Interval is in excess of the market demand for gas from said common source of supply, and that for the purpose of preventing waste and protecting correlative rights, appropriate procedures should be adopted to provide a method of allocating gas among proration units in the area encompassed by the Dakota Producing Interval, commencing February 1, 1961.
- (4) That since the evidence presented established that there is a general correlation between the deliverabilities of the gas wells in the Dakota Producing Interval and the recoverable gas in place under the tracts dedicated to the wells, the gas allocation formula for the pool should be based on seventy-five (75) percent acreage times deliverability plus twenty-five (25) percent acreage. Such a formula will protect correlative rights and will, insofar as

Special Rules and Regulations for the Basin-Dakota Gas Pool herein-after set forth, in which event the Special Rules shall apply.

(5) That Special Rules and Regulations for the Basin-Dakota Gas Pool be and the same are hereby promulgated as hereinafter set forth.

SPECIAL RULES AND REGULATIONS FOR THE
BASIN-DAKOTA GAS POOL

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 2: That all wells drilled to or completed in the Basin-Dakota Gas Pool shall be located no nearer than 790 feet to the boundary line of the proration unit and shall be located no nearer than 130 feet to a governmental quarter-quarter section line or subdivision inner boundary line.

In the event any such well is completed as an oil well at a location nearer than 330 feet to a governmental quarter-quarter section line, said well shall not be produced unless and until such time as the unorthodox oil well location has been approved by the Commission after notice and hearing.

RULE 3: The Secretary-Director of the Commission shall have authority to grant an exception to Rule 2 without notice and hearing where an application therefor has been filed in due form and the Secretary-Director determines that good cause exists for granting such exception.

Applicants shall furnish all offset operators and all operators within the section in which the subject well is located a copy of the application to the Commission, and applicant shall include with his application a list of names and addresses of all such operators, together with a stipulation that proper notice has been given said operators at the addresses given. The Secretary-Director of the Commission shall wait at least 20 days before approving any such unorthodox location, and may approve such unorthodox location only in the absence of objection from any offset operator or any operator within the section in which the well is located. In the event such an operator objects to the unorthodox location, the Commission shall consider the matter only after proper notice and hearing.

RULE 5(A): A standard gas proration unit in the Basin-Dakota Gas Pool shall be 320 acres.

RULE 5(B): The Secretary-Director of the Commission shall have authority to grant an exception to Rule 5(A) without notice and hearing where an application has been filed in due form and

The horizontal limits of the Basin-Dakota Gas Pool shall be San Juan and Rio Arriba Counties, New Mexico, with the exception of the Barker-Creek-Dakota Gas Pool and the Ute Dome-Dakota Gas Pool together with any extensions thereof.

IT IS FURTHER ORDERED:

That the foregoing Special Rules and Regulations shall have no application in any area which is now or may hereafter be classified by the Commission as an oil pool in the Dakota formation.

IT IS FURTHER ORDERED:

That all purchasers of gas in the Basin-Dakota Gas Pool shall file preliminary nominations for the purchase of gas from said pool during the initial six-month period commencing February 1, 1961, said nominations to be filed with the Santa Fe office of the Commission on or before December 9, 1960.

IT IS FURTHER ORDERED:

That a case is hereby docketed for the Regular Commission Hearing in June, 1961, at which time the Commission will consider the necessity or desirability for establishing a maximum and minimum per well allowable in the Basin-Dakota Gas pool.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
JOHN BURROUGHS, Chairman

MURRAY E. MORGAN, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

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