



CERTIFICATE OF APPROVAL AND CONSENT
OF THE STATE OF NEW MEXICO

The undersigned, having this day examined an agreement providing for the cooperative or unit development and operation of a prospective oil or gas pool, field or area, and for certain related matters, which agreement is entitled "Unit Agreement for the Development and Operation of the Three Pictured Cliffs Unit Areas, Rio Arriba County, State of New Mexico", entered into between Tim G. Lowry and Todd M. Pettigrew as Unit Operator, and likewise subscribed by numerous Working Interest Owners and other interested parties, to which agreement this certificate is attached; and

WHEREAS, upon examination thereof the Commissioner finds:

(a) that such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy;

(b) that under the operations proposed the State will receive its fair share of the recoverable oil or gas in place under its lands in the area affected;

(c) that the agreement is in other respects for the best interests of the State;

(d) that the agreement provides for the unit operation and development of the area, for the allocation of production and the sharing of proceeds from the area and lands covered by said agreement on an acreage basis, as specified in said agreement, regardless of the particular tract from which production is obtained or proceeds are derived, and for other proper matters;

NOW, THEREFORE, by virtue of the authority conferred

upon me by Chapter 88 of the Laws of the State of New Mexico, 1943, approved April 14, 1943, I, the undersigned, Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said agreement as to the lands of the State of New Mexico included therein and the development and operation of such lands thereunder, subject to all the provisions of the aforesaid Chapter 88 of the Laws of the State of New Mexico, 1943. Upon effectiveness of such agreement each of the oil and gas leases on state lands within the unit area included in such agreement and committed thereto by the lessee(s), is hereby amended so that the terms of such lease will conform to the provisions of such agreement.

Executed this 20 day of January, 1953.

Ed Walker
Commissioner of Public Lands of
the State of New Mexico