

"EXHIBIT A"

COMMUNITIZATION AGREEMENT

This agreement made and entered into this 14th day of January, 1955 by and between Wood River Oil & Refining Co., Inc., a corporation of 321 West Douglas Avenue, Wichita, Kansas (hereinafter referred to as "Operator"); El Dorado Refining Company, a corporation of El Dorado, Kansas; New Mexico Western Oil and Gas Company, a corporation of Dallas, Texas, (the foregoing parties hereinafter referred to as "Lessees"); Al Greer of Aztec, N.M., and George H. Krause, P.O. Box 1107, Colorado Springs, Colo., and Slick Oil Company, Ltd., a partnership of Milam Building, San Antonio, Texas (hereinafter referred to as "Overriding Royalty Owners"), in order to form a co-operative drilling unit of 160 acres, more or less, for the purpose of complying with existing rules and regulations, covering well spacing and conserving the oil and/or gas resources thereunder,

WITNESSETH:

WHEREAS Wood River Oil & Refining Co., Inc., and El Dorado Refining Company are the present owners and holders of State of New Mexico Lease No. B10894, executed in favor of Al Greer as lessee under date of January 4, 1944 embracing the following described land in San Juan County, N.M.:

Twp. 26N, Rge. 9W.,
Sec. 16: N/2SW/4; SW/4SW/4

and,

WHEREAS Al Greer and George H. Krause are the present owners and holders of an overriding royalty under said State of New Mexico Lease B10894 of $2\frac{1}{2}\%$ of the value, based upon the field market price at the well of all oil and/or gas produced, saved and marketed from the above described land under said lease, and

WHEREAS, New Mexico Western Oil and Gas Company is the present owner and holder of State of New Mexico Lease No. _____ executed in favor of _____, as lessee, under date of _____

_____ by the State of New Mexico, as Lessor, (embracing among other lands) the following described land in New Mexico:

Twp. 26N, Rge. 9W.,
Sec. 16: SE/4SW/4

insofar as same covers and includes the Pictured Cliffs formation underlying same, and

WHEREAS Slick Oil Company, Ltd., a partnership, is the present owner and holder of an overriding royalty under said State of New Mexico oil and gas Lease No. _____, of $6\frac{1}{4}\%$ of the value based upon the field market price at the well, of all oil and/or gas produced, saved and marketed from the Pictured Cliffs formation under the last above described land under said lease, and

WHEREAS said overriding royalty interests hereinabove described constitute all overriding royalty interests existing on the above described leases and acreage; and

WHEREAS said oil and gas leases insofar as same cover the lands above described are presently in good standing with all rentals and royalties paid to date, and

WHEREAS parties desire to form a co-operative drilling tract or unit, embracing all of the above described lands for the purpose of more profitably conserving the gas reserves thereunder and desire to drill and operate said leases as a unit for the production of dry gas and condensate therefrom in accordance with the terms and conditions hereinafter contained,

NOW THEREFORE, in consideration of the premises and the mutual covenants of the parties, it is agreed as follows:

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

Twp. 26N, Rge. 9W., N.M.P.M.
Sec. 16: SW/4
containing 160 acres more or less

and this agreement shall extend to and include only the Pictured Cliffs formation underlying said land and the dry gas and associated

liquid hydrocarbons (hereinafter referred to as "communitized substances"), producible from such formation. The operator of the communitized area shall be Wood River Oil & Refining Co., Inc., and all matters of operation shall be governed by the operator under and pursuant to the terms of this agreement and any operating agreement entered into with respect to the communitized area.

SECOND: 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 such area in the proportion that the acreage interest of each leasehold bears to the entire acreage committed to this agreement. It is agreed that the burden of any overriding royalty, production payments, carried working interests, net profit obligations and other similar payments shall be borne and paid solely by the party owning the lease to which such interest shall apply subsequent to the execution of this agreement.

THIRD: 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 hereinbe 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 executed.

FOURTH: There shall be no obligation to offset any dry gas well 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.

FIFTH: The commencement, completion, continued operation or production of the 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.

SIXTH: This agreement shall be effective upon approval of the unit by the New Mexico Oil and Gas Conservation Commission and shall remain in force and effect for a period of two years and so long thereafter as communitized substances are produced from the communitized area in paying quantities.

SEVENTH: 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 for damages for failure to comply with any provisions of this agreement if such compliance is prevented by or if such failure results from compliance with any such laws, rules or regulations.

EIGHTH: The covenants hereinabove set forth shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates and any 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.

NINTH: This agreement shall be binding upon the parties hereto and shall extend to and be binding on their respective heirs, personal representatives, successors and assigns.

TENTH: 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 special 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.

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.

DATE: _____

WCCD RIVER OIL & REFINING CO., INC.

Attest: _____

By _____ President

Secretary

DATE: _____

EL DORADO REFINING COMPANY

Attest: _____

By _____ President

Secretary

DATE: _____

NEW MEXICO WESTERN OIL AND GAS COMPANY

Attest: _____

By _____ President

Secretary

DATE: _____

SLICK OIL COMPANY, LTD.

By _____ General Partner

Date: _____

Al Greer

Date: _____

George H. Krause

STATE OF KANSAS)
 (SS:
COUNTY OF SEDGWICK)

On this _____ day of _____, 1955, before me appeared _____ to me personally known, who, being by me duly sworn, did say that he is the _____ president of WOOD RIVER OIL & REFINING CO., INC., and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors and said _____ acknowledged said instrument to be the free act and deed of said corporation.

My commission expires: _____

Notary Public

STATE OF KANSAS)
 (SS:
COUNTY OF _____)

On this _____ day of _____, 1955, before me appeared _____ to me personally known, who, being by me duly sworn, did say that he is the _____ president of EL DORADO REFINING COMPANY, and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors and said _____ acknowledged said instrument to be the free act and deed of said corporation.

My commission expires: _____

Notary Public

STATE OF _____)
 (SS:
COUNTY OF _____)

On this _____ day of _____, 1955, before me appeared _____ to me personally known, who, being by me duly sworn, did say that he is the _____ president of NEW MEXICO WESTERN OIL AND GAS COMPANY, and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors and said _____ acknowledged said instrument to be the free act and deed of said corporation.

My commission expires: _____

Notary Public

STATE OF _____)
 (SS:
COUNTY OF _____)

On this _____ day of _____, 1955, personally appeared before me _____, personally known to me to be a member of the firm of SLICK OIL COMPANY, LTD., and to me known to be the person described in and who executed the foregoing instrument in the firm name of SLICK OIL COMPANY, LTD., and he acknowledged that he executed the same as the act and deed of said firm of SLICK OIL COMPANY, LTD., for the uses and purposes therein mentioned.

My commission expires: _____

Notary Public

STATE OF _____)
) (SS:
COUNTY OF _____)

On this _____ day of _____, 1955 before me personally appeared Al Greer to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

My commission expires: _____

Notary Public

STATE OF _____)
) (SS:
COUNTY OF _____)

On this _____ day of _____, 1955, before me personally appeared George H. Krause to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

My commission expires: _____

Notary Public