

Post Office Box 10
Santa Fe, New Mexico

March 27, 1962

Subject: Cabezon Unit
Sandoval County, New Mexico

Shell Oil Company
Post Office Box 1200
Farmington, New Mexico

Gentlemen:

In reply to your letter of March 1, 1962, please be advised that I do not wish to join the Cabezon Unit at this time.

Very truly yours,

Levi A. Hughes

FARMINGTON LAND
EDUCATION
APR 9 1962

ILLEGIBLE

[illegible]

439 Camino Del Monte Sol
Santa Fe, New Mexico

March 27, 1962

Subject: Cabezon Unit
Sandoval County, New Mexico

Shell Oil Company
Post Office Box 1200
Farmington, New Mexico

Gentlemen:

In reply to your letter of March 1, 1962, please be advised
that we do not wish to join the Cabezon Unit at this time.

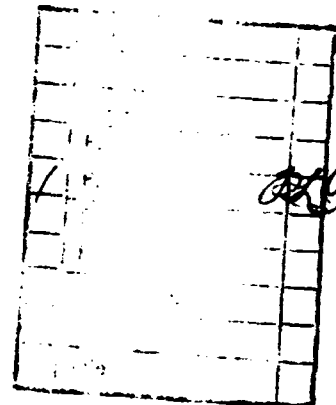
Very truly yours,

J. I. Harvey
J. I. Harvey

Clyde B. Harvey
Clyde B. Harvey

FARMINGTON LAND
APR 11 1962

ILLEGIBLE



448 Orange Avenue, Apt. 10
Long Beach 14, California

March 27, 1962

Subject: Cabezon Unit
Sandoval County, New Mexico

Shell Oil Company
Post Office Box 1200
Farmington, New Mexico

Gentlemen:

In reply to your letter of March 1, 1962, please be advised that I do not wish to join the Cabezon Unit at this time.

Very truly yours,

Arra M. Cheney

22

I would like very much to see the Johnson Unit drilled, as I believe in it completely, but I have no money so cannot help in the drilling of this unit.

i need:

SPRINTON LAND
CORPORATION

MAR 30 1962

Uzr. Chuv.

[illegible]

ILLEGIBLE

March 27, 1962

Subject: Cabazon Unit
Sandoval County, New Mexico

Shell Oil Company
Post Office Box 1200
Farmington, New Mexico

Gentlemen:

In reply to your letter of March 1, 1962, please be advised
that I do not wish to join the Cabazon Unit at this time.

Very truly yours,

B. A. Dodgen

B. A. Dodgen
Route 1
Alamosa, Colorado

ILLEGIBLE

BEARD OIL COMPANY

SUITE 466 CAMERON BUILDING
2915 CLASSEN BOULEVARD
OKLAHOMA CITY 6, OKLAHOMA

March 22, 1962

Re: Cabezon Unit
Sandoval County, New Mexico

Mr. Al T. Hays
Shell Oil Company
P. O. Box 1200
Farmington, New Mexico

Dear Mr. Hays:

Replying to your letter of March 1,
1962, we wish to advise that we do not at this
time wish to join the Cabezon Unit in Sandoval
County, New Mexico.

Very truly yours,

BEARD OIL COMPANY

John M. Beard
John M. Beard

MB:cd

ILLEGIBLE

FARMINGTON LAND
DIVISION

MAR 26 1962

Manager	
Asst. Manager	
P. J. C.	
F. L. C.	
Dir. Dist.	
Fac. Insp.	
S. L. Eng.	
File	

208 Reed Block
Cheyenne, Wyoming

March 27, 1962

Subject: Cabezon Unit
Sandoval County, New Mexico

Shell Oil Company
Post Office Box 1200
Farmington, New Mexico

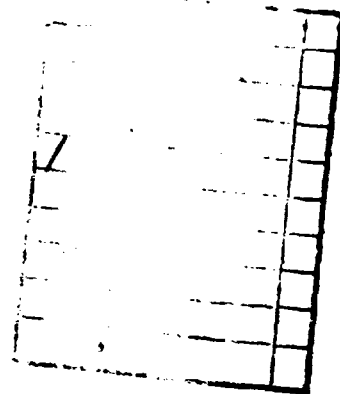
Gentlemen:

In reply to your letter of March 1, 1962, please be advised
that I do not wish to join the Cabezon Unit at this time.

Very truly yours,

Pauline Swinehart
Pauline Swinehart

APR 4 1962



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NOTICE OF PROPOSED EXPANSION OF
CABEZON UNIT AREA

TO THE DIRECTOR OF THE UNITED STATES GEOLOGICAL SURVEY, THE COMMISSIONER OF PUBLIC LANDS OF NEW MEXICO, THE OIL CONSERVATION COMMISSION OF NEW MEXICO, THE LESSEES, LESSORS, WORKING INTEREST OWNERS AND OTHER PARTIES WHO HAVE EXECUTED THE UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE CABEZON UNIT AREA, AND ALL LESSEES, LESSORS, WORKING INTEREST OWNERS, AND OTHER PARTIES HAVING AN INTEREST WITHIN THE PROPOSED EXPANDED AREA.

The undersigned SHELL OIL COMPANY, as UNIT OPERATOR, hereby notifies you that it proposes to expand the area (hereinafter referred to as "Unit Area") subject to the UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE CABEZON UNIT, COUNTY OF SANDOVAL, STATE OF NEW MEXICO, No. 14-08-0001-7820, and approved by the Director of the United States Geological Survey December 5, 1961, the expansion to become effective upon approval of the Director. The expanded Unit will contain 32,344.26 acres, more or less, of which 9,601.69 acres will be additional (hereinafter called "additional lands") due to the expansion herein requested.

A plat outlining the present boundaries of the Unit Area and the lands to be added thereto as a result of such expansion is attached hereto. Said lands to be added to the Unit are within the outlined area shown on the attached plat. The undersigned has previously obtained preliminary concurrence of the United States Geological Survey to the aforesaid expansion of the Unit Area.

In accordance with Section 2 of said Unit Agreement, if you have any objections to such expansion of the Unit Area, such objections must be delivered in writing to the undersigned at Post Office Box 1200, Farmington, New Mexico within thirty (30) days.

SHELL OIL COMPANY

By


Division Land Manager

Dated March 1, 1962

REVISED EXHIBIT "B" OF EXPANDED CABEZON UNIT
Sandoval County, New Mexico

Tract No.	Description of Land	No. of Acres	Serial No., Date of Lease & Expiry Date	Basic Royalty & Percentage	Lessee of Record	O.F.R. & Percentage	Working Interest & Percentages
42	T. 18 N., R. 3 W., N.M.P.M. Sec. 33: SE/4 NE/4	40.00	SF-081171-A 3-1-48 H.B.P.	U.S. - 12-1/2%	Clyde B. Harvey	Gustava Holohan 2%	J. J. Harvey 87-1/2% Arva M. Cheney 12-1/2%
43	T. 18 N., R. 3 W., N.M.P.M. Sec. 33: W/2, N/2 NE/4, N/2 SE/4, SE/4 SE/4	520.00	SF-081171-K Lease Date 11-1-51 Expiry Date 10-31-63	U.S. - 12-1/2%	Clyde B. Harvey	Gustava Holohan 2%	Levi A. Hughes James W. Rollins B. A. Dodgen Clyde B. Harvey* 100%
44	T. 18 N., R. 3 W., N.M.P.M. Sec. 33: SW/4 NE/4	40.00	SF-081171-N Lease Date 11-1-51 Expiry Date 10-31-63	U.S. - 12-1/2%	Clyde B. Harvey	Gustava Holohan 2%	J. I. Harvey 100%
45	T. 18 N., R. 3 W., N.M.P.M. Sec. 33: SW/4 SE/4	40.00	SF-081171-R Lease Date 11-1-51 Expiry Date 10-31-63	U.S. - 12-1/2%	Alex J. Keller	Clyde B. Harvey 3% Gustava Holohan 2%	J. I. Harvey 100%
46	T. 17 N., R. 4 W., N.M.P.M. Sec. 12: S/2 Sec. 13: NW/4, S/2	800.00	NM-01923-A Lease Date 1-1-52 Expiry Date 11-30-63	U.S. - 12-1/2%	Continental Oil Company	John E. Hall 4%	Continental Oil Company 100%
47	T. 17 N., R. 4 W., N.M.P.M. Sec. 23: S/2 NE/4	80.00	NM-02336 Lease Date 3-1-52 Expiry Date 1-31-64	U.S. - 12-1/2%	Shell Oil Company	Mills Oil Company & R. V. Strandberg 3%	Shell Oil Company 100%

REVISED EXHIBIT 'B' OF EXPANDED CABEZON UNIT (Contd.)

2

Tract No.	Description of Land	No. of Acres	Serial No., Date of Lease & Expiry Date	Basic Royalty & Percentage	Lessee of Record	O.R.R. & Percentage	Working Interest & Percentage
48	T. 17 N., R. 4 W., N.M.P.M. Sec. 21: N/2 NE/4, S/2 NW/4 Sec. 24: NW/4	320.00	NM-06514-B Lease Date 7-1-53 Expiry Date 6-30-63	U.S. - 12-1/2%	Shell Oil Company	R. L. Flood 4%	Shell Oil Company 100%
49	T. 17 N., R. 4 W., N.M.P.M. Sec. 6: Lots 6, 7, E/2 SW/4, SE/4	320.33	NM-012751 Lease Date 9-1-53 Expiry Date 8-31-63	U.S. - 12-1/2%	Shell Oil Company	Wilson Oil Company 2% Herman Berkoff 2% Violet Craig Ripley 1%	Shell Oil Company 100%
50	T. 17 N., R. 4 W., N.M.P.M. Sec. 7: Lot 1, NE/4 NW/4, Lot 3	120.15	NM-064612-A Lease Date 9-1-56 Expiry Date 8-31-66	U.S. - 12-1/2%	Shell Oil Company	V. Cuccia 3%	Shell Oil Company 100%
51	T. 17 N., R. 4 W., N.M.P.M. Sec. 11: NE/4 Sec. 12: S/2 N/2	320.00	NM-027939-A Lease Date 11-3-56 Expiry Date 10-31-66	U.S. - 12-1/2%	Shell Oil Company	V. Cuccia 3%	Shell Oil Company 100%
52	T. 18 N., R. 3 W., N.M.P.M. Sec. 32: NW/4 NW/4, SE/4 NW/4	80.00	NM-028098-D Lease Date 5-1-58 Expiry Date 4-30-63	U.S. - 12-1/2%	Shell Oil Company	V. Cuccia 3%	Shell Oil Company 100%
53	T. 18 N., R. 3 W., N.M.P.M. Sec. 32: NE/4 NW/4, SW/4 NW/4	80.00	NM-028098-C Lease Date 5-1-58 Expiry Date 4-30-63	U.S. - 12-1/2%	Shell Oil Company	G. E. Conley 3%	Shell Oil Company 100%

REVISED EXHIBIT 'B' OF EXPANDED CABEZON UNIT (contd.)

3

Tract No.	Description of Land	No. of Acres	Serial No., Date of Lease & Expiry Date	Basic Royalty & Percentage	Lessees of Record	O.F.F. & Percentage	Working Interest & Percentages
54	T. 17 N., R. 3 W., N.M.P.M. Sec. 1: S/2 SE/4	80.00	NM-029030 Lease Date 9-1-57 Expiry Date 8-31-67	U.S. - 12-1/2%	Shell Oil Company	Eugenia Bate 5%	Shell Oil Company 100%
55	T. 18 N., R. 3 W., N.M.P.M. Sec. 32: N/2 SE/4, SW/4 SE/4	120.00	NM-031267 Lease Date 5-1-58 Expiry Date 4-30-63	U.S. - 12-1/2%	Shell Oil Company	F. E. McKenzie, Jr. 5%	Shell Oil Company 100%
56	T. 18 N., R. 3 W., N.M.P.M. Sec. 31: NE/4 SE/4 Sec. 32: N/2 SW/4 T. 17 N., R. 3 W., N.M.P.M. Sec. 5: Lots 1, 2, S/2 NE/4, S/2 NW/4 Sec. 8: N/2	680.07	NM-031471 Lease Date 10-1-58 Expiry Date 9-30-63	U.S. - 12-1/2%	Shell Oil Company	Imperial Corporation 5%	Shell Oil Company 100%
57	T. 17 N., R. 3 W., N.M.P.M. Sec. 5: Lots 3, 4	79.97	NM-034552 Lease Date 11-1-58 Expiry Date 10-31-63	U.S. - 12-1/2%	Shell Oil Company	Marion V. Harris 4%	Shell Oil Company 100%
58	T. 17 N., R. 3 W., N.M.P.M. Sec. 6: Lots 1, 2, 3, 4, 5, SE/4 NW/4, S/2 NE/4	320.35	NM-034609 Lease Date 6-1-59 Expiry Date 5-31-64	U.S. - 12-1/2%	Shell Oil Company	Marion V. Harris 4%	Shell Oil Company 100%
59	T. 17 N., R. 3 W., N.M.P.M. Sec. 4: Lots 1, 2, 3, 4, S/2 N/2	320.76	NM-038089 Lease Date 12-1-58 Expiry Date 11-30-63	U.S. - 12-1/2%	Shell Oil Company	R. M. Young 4%	Shell Oil Company 100%

REVISED EXHIBIT "B" OF EXPANDED CABEZON UNIT (Contd.)

Traact No.	Description of land	No. of Acres	Serial No., Date of Lease & Expiry Date	Basic Royalty & Percentage	Lessee of Record	O.P.R. & Percentage	Working Interest & Percentage
60	<u>T. 18 N., R. 3 W., N.M.P.M.</u> <u>Sec. 32: SE/4 SE/4</u>	40.00	NM-038417-A Lease Date 6-1-59 Expiry Date 5-31-64	U.S. - 12-1/2%	Shell Oil Company	Seawork, Inc. 3%	Shell Oil Company 100%
61	<u>T. 18 N., R. 3 W., N.M.P.M.</u> <u>Sec. 31: S/2 SE/4</u>	80.00	NM-043265 Lease Date 7-1-58 Expiry Date 6-30-63	U.S. - 12-1/2%	Beard Oil Company et al	None	Beard Oil Company et al 100%
62	<u>T. 17 N., R. 3 W., N.M.P.M.</u> <u>Sec. 9: NE/4 NE/4, SW/4 NE/4</u>	80.00	NM-041129 Lease Date 6-1-59 Expiry Date 5-31-64	U.S. - 12-1/2%	Transmountain Production Company	Walter L. Morrison 4-3/10% Dix R. Turnbow 1/2 of 1% Ted A. Beach 1/5 of 1%	Transmountain Production Company 100%
63	<u>T. 17 N., R. 3 W., N.M.P.M.</u> <u>Sec. 5: N/2 SW/4</u>	80.00	NM-045912-A Lease Date 4-1-59 Expiry Date 3-31-64	U.S. - 12-1/2%	Shell Oil Company	Rosaline A. Amerman 3%	Shell Oil Company 100%
64	<u>T. 17 N., R. 3 W., N.M.P.M.</u> <u>Sec. 5: S/2 SW/4</u> <u>Sec. 7: N/2 NE/4</u>	160.00	NM-045915 Lease Date 5-1-59 Expiry Date 4-30-64	U.S. - 12-1/2%	Shell Oil Company	Dalport Oil Company 3%	Shell Oil Company 100%
65	<u>T. 17 N., R. 4 W., N.M.P.M.</u> <u>Sec. 1: N/2 SE/4</u>	80.00	NM-053078 Lease Date 7-1-59 Expiry Date 6-30-64	U.S. - 12-1/2%	Shell Oil Company	Erving Wolf 5%	Shell Oil Company 100%

Tract No.	Description of Land	No. of Acres	Serial No., Date of Lease & Expiry Date	Basic Royalty & Percentage	Lessee of Record	O.R.R. & Percentage	Working Interest & Percentages
66	<u>T. 17 N., E. 4 W., N.M.P.M.</u> <u>Sec. 23: N/2 NW/4, N/2 SW/4</u>	160.00	NM-050870-A Lease Date 7-1-59 Expiry Date 6-30-64	U.S. - 12-1/2%	Shell Oil Company	Erving Wolf 5%	Shell Oil Company 100%
67	<u>T. 18 N., R. 3 W., N.M.P.M.</u> <u>Sec. 31: NW/4 SE/4</u>	40.00	NM-063610 Lease Date 7-1-60 Expiry Date 6-30-65	U.S. - 12-1/2%	Bruce Anderson	Bruce Anderson 4-1/2% J. F. Angstman Hildenbrand 1/2 of 1%	Shell Oil Company 100%
68	<u>T. 17 N., E. 3 W., N.M.P.M.</u> <u>Sec. 4: SW/4 SW/4, SE/4 SE/4</u>	80.00	NM-063848 Lease Date 2-1-60 Expiry Date 1-31-65	U.S. - 12-1/2%	Shell Oil Company	Bruce Anderson & Jacqueline Anderson 4-1/2% J. F. Angstman Hildenbrand 1/2 of 1%	Shell Oil Company 100%
69	<u>T. 17 N., R. 4 W., N.M.P.M.</u> <u>Sec. 14: S/2 N/2, S/2</u>	480.00	NM-067537 Lease Date 2-1-60 Expiry Date 1-31-65	U.S. - 12-1/2%	Shell Oil Company	E. L. Wyman 5%	Shell Oil Company 100%
70	<u>T. 17 N., R. 4 W., N.M.P.M.</u> <u>Sec. 11: S/2</u> <u>Sec. 14: N/2 N/2</u>	480.00	NM-067544 Lease Date 2-1-60 Expiry Date 1-31-65	U.S. - 12-1/2%	Shell Oil Company	Erving Wolf 5%	Shell Oil Company 100%
71	<u>T. 18 N., R. 3 W., N.M.P.M.</u> <u>Sec. 32: NE/4, S/2 SW/4</u>	240.00	NM-079563-A Lease Date 9-1-60 Expiry Date 8-31-65	U.S. - 12-1/2%	Shell Oil Company	E. L. Wyman 5%	Shell Oil Company 100%

Tract No.	Description of Land	No. of Acres	Serial No., Date of Lease & Expiry Date	Basic Royalty & Percentage	Lessee of Record	O.R.R. & Percentage	Working Interest & Percentages
72	T. 17 N., R. 3 W., N.M.F.M., Sec. 9: W/2 NW/4, NW/4 NE/4	120.00	NM-0100758 Lease Date 7-1-60 Expiry Date 6-30-65	U.S. - 12-1/2%	Shell Oil Company	Harry F. Schram & Ernest A. Hanson 5%	Shell Oil Company 100%
73	T. 17 N., R. 3 W., N.M.F.M., Sec. 4: N/2 S/2, SE/4 SW/4, SW/4 SE/4 Sec. 5: SE/4 Sec. 7: Lots 2, 4, SE/4 NW/4, S/2 NE/4, E/2 SW/4, SE/4	840.05	NM-0103246 Lease Date 9-1-60 Expiry Date 8-31-65	U.S. - 12-1/2%	Shell Oil Company	L. H. Coll - 5% of 80% of reserves until depleted.	Shell Oil Company 100%
74	T. 17 N., R. 3 W., N.M.F.M., Sec. 9: E/2 NW/4, SE/4 NE/4	120.00	NM-0108640 Lease Date 4-1-61 Expiry Date 3-31-66	U.S. - 12-1/2%	Pauline Swinehart	None	Pauline Swinehart 100%
75	T. 17 N., R. 4 W., N.M.F.M., Sec. 11: NW/4	160.00	NM-0153836-A Lease Date 7-1-61 Expiry Date 6-30-66	U.S. - 12-1/2%	Shell Oil Company	Hoover B. Wright & Betty Ruth Wright 3%	Shell Oil Company 100%
76	T. 17 N., R. 3 W., N.M.F.M., Sec. 8: SW/4	160.00	NM-0253778-A Lease Date 2-1-57 Expiry Date 1-31-67	U.S. - 12-1/2%	Shell Oil Company	L. C. Hotchkiss 3%	Shell Oil Company 100%
77	T. 17 N., R. 3 W., N.M.F.M., Sec. 8: SE/4	160.00	NM-0253781 Lease Date 4-1-60 Expiry Date 3-31-65	U.S. - 12-1/2%	Shell Oil Company	Mrs. Joan Chorney 3%	Shell Oil Company 100%

Tract No.	Description of Land	No. of Acres	Serial No., Date of Lease & Expiry Date	Basic Royalty % Percentage	Lessee of Record	O.R.B. & Percentage	Working Interest % Percentage
78	T. 17 N., R. 4 W., N.M.P.M. Sec. 23: S/2 SW/4 Sec. 24: E/2, SW/4	560.00	NW-0253784 Lease Date 7-1-53 Expiry Date 12-2-63	U.S. - 12-1/2%	Shell Oil Company	R. L. Flood 5%	Shell Oil Company 100%
79	T. 17 N., R. 4 W., N.M.P.M. Sec. 23: SE/4	160.00	NW-027999 Lease Date 11-1-56 Expiry Date 10-31-66	U.S. - 12-1/2%	Shell Oil Company**	V. Cuccia 3%	Shell Oil Company 100%
38 FEDERAL TRACTS 8,641.68 ACRES OR 90.00% OF THE EXPANDED UNIT AREA							
Allotted Indian Lands							
80	T. 17 N., R. 3 W., N.M.P.M. Sec. 18: Lots 1, 2, E/2 NW/4	159.96	Lease Date 4-12-62 Expiry Date 5-8-72	14-20-0603-6861 12-1/2%	Shell Oil Company	None	Shell Oil Company 100%
81	T. 17 N., R. 3 W., N.M.P.M. Sec. 18: Lots 3, 4, E/2 SW/4	160.05	Lease Date 4-12-62 Expiry Date 5-8-72	14-20-0603-6862 12-1/2%	Shell Oil Company	None	Shell Oil Company 100%
				Harding Negale (All)			

Tract No.	Description of Land	No. of Acres	Serial No., Date of Lease & Expiry Date	Basic Royalty & Percentage	Lessee of Record	O.R.R. & Percentage	Working Interest & Percentages
82	T. 17 N., R. 4 W., N.M.P.M. Sec. 13: NE/4	160.00	Lease Date 4-13-62 Expiry Date 5-16-72	14-20-0603-6868 12-1/2%	Shell Oil Company	None	Shell Oil Company 100%
			Jack Nogale) Bernie Cayaditto) or Bernie Sandoval) Cayaditto Sandoval) or Joe C. Sandoval) Heirs of Nelson) Cayaditto (Estate) not probated) Ah noz pah or Ye noz bah - 74/320 Hosh kait hosa or Louis Cayadite - 74/320 Harding Negale - 74/320 Amelia George - 6/320 Tom George - 3/320 Robble George - 3/320 Frank George - 3/320 John George - 3/320 Louise George Hayes - 3/320 Mary Louise George - 3/320				
3 INDIAN TRACTS 480.01 ACRES OR 5% OF THE EXPANDED UNIT AREA							
Fee Lands							
83	T. 17 N., R. 3 W., N.M.P.M. Sec. 18: E/2	320.00	Lease Date 3-17-61 Expiry Date 3-16-66	Felix Lovato 12-1/2%	Shell Oil Company	None	Shell Oil Company 100%
84	T. 17 N., R. 4 W., N.M.P.M. Sec. 12: N/2 N/2	160.00	None	None	Romelia Garcia Maestas	None	Romelia Garcia Maestas 100%

* Clyde B. Harvey reserves a limited working interest of and equal to 20% of all oil and gas and a production payment of 5% out of 100% production until the sum of \$3,840.00 has been paid to lessee.

**** Assignments of lease to SHELL OIL COMPANY being filed with the Bureau of Land Management for approval.**

Total Forty-three (43) tracts, 9,601.69 ACRES IN EXPANDED CABEZON AREA.

NEW MEXICO

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____
_____, 19____, by _____

Notary Public in and for said County and State
My Commission expires _____

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____
_____, 19____, by _____
(name of officer), _____ (title of officer or agent), of
_____ (name of corporation), a
_____ (State or County of incorporation) corporation,
on behalf of said corporation.

Notary Public in and for said County and State
My Commission expires _____

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss.

The foregoing instrument was acknowledged before me this 29th day of March, 1963, by J. E. MOHR, as Attorney In Fact on behalf of Shell Oil Company, a Delaware corporation.

Mildred M. Crawford
Mildred M. Crawford Notary Public in and for said County and State
My Commission expires December 11, 1963

1 CONSENT OF WORKING INTEREST OWNERS TO
2 COMMITMENT OF INTERESTS TO THE GABEZON
3 UNIT AND UNIT OPERATING AGREEMENT

4 THE UNDERSIGNED, the present working interest owners
5 under (1) the Unit Agreement for the Development and Operation of
6 the Cabezon Unit Area, County of Sandoval, State of New Mexico,
7 No. 14-08-0001-7820, dated September 1, 1961, approved by the
8 Acting Director of the United States Geological Survey on
9 December 5, 1961, and (2) the Unit Operating Agreement, Cabezon
10 Unit Area, Sandoval County, New Mexico, dated September 1, 1961,
11 do hereby consent and agree to the commitment to each of said
12 agreements of all of the tracts within the expanded unit area
13 covered by said Unit Agreement as outlined in revised Exhibit A
14 and described in revised Exhibit B thereto, which exhibits are
15 attached hereto and hereby incorporated herein.

16 This Agreement may be executed in any number of counter-
17 parts no one of which need be executed by all of the parties with
18 the same force and effect as if all parties had signed the same
19 document and shall be fully binding upon all signatory parties.

20 IN WITNESS WHEREOF, the undersigned have executed this
21 instrument as of this 29th day of March, 1963.

22
23 SHELL OIL COMPANY

24
25 By FE Mohr
26 Attorney - in - Fact

27 Address:
28 1000 West Sixth Street

29 Los Angeles 34, California
30
31
32

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

ATTORNEY IN FACT
EVIDENCE OF AUTHORITY OF ~~OFFICERS~~ TO EXECUTE PAPERS

(To be sworn to by secretary or president of a corporation and sealed with its seal)

I solemnly swear that J. E. Mohr and
was
~~XXXX~~ on the 29th day
of March, 1963, the duly elected, qualified, and acting ~~XXXXXXXXXXXXXXXXXXXX~~
~~XXXXXXXXXX~~, of Shell Oil Company
he
a corporation organized under the laws of Delaware on which day ~~XXXX~~
Consent of Working Interest Owners to Commitment of Interest to Cabezon
executed XXXX * for and in behalf of said cor-
Allotted
poration, covering certain ~~XXXX XXXX XXXX~~ Indian lands ~~XXXX~~
he was
~~XXXXXXXXXX~~ in the State of New Mexico; that ~~XXXX~~ fully empowered to execute said
his
instrument and all papers in connection therewith, and that ~~their~~ action in executing the same binds the
said corporation to full performance of all obligations thereunder.



Assistant Secretary
(Title)

[CORPORATE SEAL]

*Unit and Unit Operating Agreements

This 3rd day of April, 1963

Subscribed and sworn to before me this 3rd day of April, 1963

(Signed)


Mildred M. Crawford

In and for me
My Comm. No. XXXXXX Expiration Date XXXXXX 1963
(Title)

[SEAL]

* Indicate whether lease, bond, or assignment.

ILLEGIBLE

COMMITMENT OF INTERESTS TO
CABEZON UNIT AGREEMENT

THE UNDERSIGNED, the working interest owners of the tract or tracts indicated below, covered by certain oil and gas leases within the expanded unit area as outlined in revised Exhibit A and described in revised Exhibit B (which exhibits are attached hereto and hereby incorporated herein), of the Unit Agreement for the Development and Operation of the Cabezon Unit Area, County of Sandoval, State of New Mexico, No. 14-08-0001-7820, dated September 1, 1961, approved by the Acting Director of the United States Geological Survey on December 5, 1961, do hereby commit their respective interests in such tract or tracts to such Unit Agreement.

This Agreement may be executed in any number of counterparts no one of which need be executed by all of the parties with the same force and effect as if all parties had signed the same document and shall be fully binding upon all signatory parties.

IN WITNESS WHEREOF, the undersigned have executed this instrument as of this 29th day of March, 1963.

SHELL OIL COMPANY

By JE Mohr
Attorney - in - Fact

Address:

Tract(s):

47, 48, 49, 50, 51, 52, 53, 54, 55,
56, 57, 58, 59, 60, 61, 62, 63,
64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74,
75, 76, 77, 78, 79, 80, 81, 82, 83

1008 West Sixth Street

Los Angeles 34, California

NEW MEXICO

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____
_____, 19____ by _____

Notary Public in and for said County and State
My Commission expires _____

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____
_____, 19____, by _____
(name of officer), _____ (title of officer or agent), of
_____ (name of corporation), a
_____ (State or County of Incorporation) corporation,
on behalf of said corporation.

Notary Public in and for said County and State
My Commission expires _____

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss.

The foregoing instrument was acknowledged before me this 29th day of March, 1963, by J. E. MOHR, as Attorney In Fact on behalf of Shell Oil Company, a Delaware corporation.

Mildred M. Crawford
Mildred M. Crawford Notary Public in and for said County and State
My Commission expires December 11, 1963

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

ATTORNEY IN FACT
EVIDENCE OF AUTHORITY OF OFFICERS TO EXECUTE PAPERS

(To be sworn to by secretary or president of a corporation and sealed with its seal)

I solemnly swear that J. E. Mohr and

_____ was ~~were~~ on the 29th day
 of March, 1968, the duly elected, qualified, and acting ~~president, and secretary,~~
~~respectively,~~ of Shell Oil Company

a corporation organized under the laws of Delaware on which day ~~they~~^{he}
Commitment of Interests to Cabezon Unit Agreement
executed 7 ~~January~~^{January} for and in behalf of said cor-
poration, covering certain Allotted Indian lands
~~Trunk or Resolved Indian lands on the~~

he was
~~Executed~~ in the State of New Mexico; that ~~they~~ ^{they} were fully empowered to execute said
 his
 instrument and all papers in connection therewith, and that ~~their~~ ^{his} action in executing the same binds the
 said corporation to full performance of all obligations thereunder.

[CORPORATE SEAL]

(Title)

This 3rd day of April, 1963

Subscribed and sworn to before me this 3rd day of April, 1963

(Signed)

[SEAL]

(Title)

* Indicates whether lease, bond, or assignment.

ILLEGIBLE

1 COMMITMENT OF INTERESTS TO
2 CABEZON UNIT OPERATING AGREEMENT

3 THE UNDERSIGNED, the working interest owners of the tract
4 or tracts indicated below, covered by certain oil and gas leases
5 within the expanded unit area as outlined in revised Exhibit A and
6 described in revised Exhibit B (which exhibits are attached hereto
7 and hereby incorporated herein), to the Unit Agreement for the
8 Development and Operation of the Cabezon Unit Area, No. 14-08-0001-
9 7820, dated September 1, 1961, hereby commit said oil and gas
10 leases as to such tract or tracts to the Unit Operating Agreement,
11 Cabezon Unit Area, Sandoval County, New Mexico, dated September 1,
12 1961.

13 This Agreement may be executed in any number of counter-
14 parts no one of which need be executed by all of the parties with
15 the same force and effect as if all parties had signed the same
16 document and shall be fully binding upon all signatory parties.

17 IN WITNESS WHEREOF, the undersigned have executed this
18 instrument as of this 29th day of March, 1963.

19
20 SHELL OIL COMPANY

21
22 By J. E. Mohr
Attorney - in - Fact

23 Address:
24 1008 West Sixth Street

25 Los Angeles 54, California
26
27
28
29
30
31
32

Tract(s):
47, 48, 49, 50, 51, 52, 53, 54, 55,
56, 57, 58, 59, 60, 61, 62, 63, 64,
65, 66, 67, 68, 69, 70, 71, 72, 73, 75, 76,
77, 78, 79, 80, 81, 82, 83

NEW MEXICO

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____
_____, 19____, by _____

Notary Public in and for said County and State

My Commission expires _____

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____
_____, 19____, by _____
(name of officer), _____ (title of officer or agent), of
_____ (name of corporation), a
_____ (State or County of incorporation) corporation,
on behalf of said corporation.

Notary Public in and for said County and State

My Commission expires _____

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss.

The foregoing instrument was acknowledged before me this 29th day of March, 1963, by J. E. MOHR, as Attorney In Fact on behalf of Shell Oil Company, a Delaware corporation.

Mildred M. Crawford
Mildred M. Crawford Notary Public in and for said County and State

My Commission expires December 11, 1963

COMMITMENT OF INTERESTS TO
CABEZON UNIT AGREEMENT

THE UNDERSIGNED, the working interest owners of the tract or tracts indicated below, covered by certain oil and gas leases within the expanded unit area as outlined in revised Exhibit A and described in revised Exhibit B (which exhibits are attached hereto and hereby incorporated herein), of the Unit Agreement for the Development and Operation of the Cabezon Unit Area, County of Sandoval, State of New Mexico, No. 14-08-0001-7820, dated September 1, 1961, approved by the Acting Director of the United States Geological Survey on December 5, 1961, do hereby commit their respective interests in such tract or tracts to such Unit Agreement.

This Agreement may be executed in any number of counterparts no one of which need be executed by all of the parties with the same force and effect as if all parties had signed the same document and shall be fully binding upon all signatory parties.

IN WITNESS WHEREOF, the undersigned have executed this instrument as of this 22^d day of March, 1963.

CONTINENTAL OIL COMPANY

By: 

Attorney in Fact

Tract(s): 46

Address:

Post Office Box 1121
Durango, Colorado

NEW MEXICO

STATE OF COLORADO
CITY AND COUNTY OF DENVER (ss.

Acknowledgment for Lands in:
Colo., Nebr., N.M., N.D., Mont.,
S.D., Utah, Wyoming

On this 22nd day of March, 1963, before me, the undersigned Notary Public, personally appeared F. W. McWilliams, personally known to me to be and who, being by me duly sworn, did say that he is the person who is described in the within and foregoing instrument as Attorney in Fact of CONTINENTAL OIL COMPANY, a Delaware corporation, and who, as such Attorney in Fact, subscribed, signed and executed said instrument and he duly acknowledged to me that as such Attorney in Fact he subscribed, signed and executed said instrument as his free and voluntary act and deed on behalf of and as the free and voluntary act and deed of said CONTINENTAL OIL COMPANY, as principal, and for the purposes therein contained and by authority of a resolution of its Board of Directors.

My commission expires 10-10-64

Witness my hand and official seal,

Ardis E. Pike
NOTARY PUBLIC (SIGNATURE)

NOTARY'S NAME (TYPED OR PRINTED)*

Denver, Colorado

NOTARY'S RESIDENCE**

* Required in North Dakota.

** Required in Utah and Montana.

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____ (name of officer), _____ (title of officer or agent), of _____ (name of corporation), a _____ (State or County of incorporation) corporation, on behalf of said corporation.

Notary Public in and for said County and State

My Commission expires _____

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, as Attorney In Fact on behalf of Shell Oil Company, a Delaware corporation.

Notary Public in and for said County and State

My Commission expires _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

EVIDENCE OF AUTHORITY OF OFFICERS TO EXECUTE PAPERS

(To be sworn to by secretary or president of a corporation and sealed with its seal)

I solemnly swear that F. W. McWilliams ~~was~~

~~was~~ ^{was} on the 22nd day
~~of~~ ^{of} March, 1963, the duly ~~appointed~~ ^{appointed}, qualified, and acting ~~secretary~~ ^{Attorney in Fact}

~~secretary~~ of Continental Oil Company, a Corporation organized under the laws of Delaware, on which day he executed a Commitment of Interests to Cabezon Unit Agreement.

~~This instrument was executed and delivered by me, the undersigned, for and in behalf of said corporation, covering certain Trust or Restricted Indian lands on the~~

~~Navajo~~ ^{Navajo} Reservation, in the State of New Mexico; that ~~he was~~ ^{he was} fully empowered to execute said instrument and all papers in connection therewith, and that ~~his~~ ^{his} action in executing the same binds the said corporation to full performance of all obligations thereunder.

CONTINENTAL OIL COMPANY

[CORPORATE SEAL]

By: _____
(Title)
Assistant Secretary ^{LSB}

This 22nd day of March, 1963

Subscribed and sworn to before me this 22nd day of March, 1963

(Signed) Michael M. Hughes

[SEAL]

Notary Public
(Title)

My Commission Expires December 24, 1964

* Indicate whether lease, bond, or assignment.

1 COMMITMENT OF INTERESTS TO
2 CABEZON UNIT OPERATING AGREEMENT

3 THE UNDERSIGNED, the working interest owners of the tract
4 or tracts indicated below, covered by certain oil and gas leases
5 within the expanded unit area as outlined in revised Exhibit A and
6 described in revised Exhibit B (which exhibits are attached hereto
7 and hereby incorporated herein), to the Unit Agreement for the
8 Development and Operation of the Cabezon Unit Area, No. 14-08-0001-
9 7820, dated September 1, 1961, hereby commit said oil and gas
10 leases as to such tract or tracts to the Unit Operating Agreement,
11 Cabezon Unit Area, Sandoval County, New Mexico, dated September 1,
12 1961.

13 This Agreement may be executed in any number of counter-
14 parts no one of which need be executed by all of the parties with
15 the same force and effect as if all parties had signed the same
16 document and shall be fully binding upon all signatory parties.

17 IN WITNESS WHEREOF, the undersigned have executed this
18 instrument as of this 22^d day of March, 1963.

19 CONFIDENTIAL OIL COMPANY

20 By: *John M. Williams*

21 Attorney in Fact

22
23 Tract(s): 44

Address:

24 Post Office Box 1121
25 Durango, Colorado
26
27
28
29
30
31
32

NEW MEXICO

STATE OF COLORADO
CITY AND COUNTY OF DENVER } ss.

Acknowledgment for Lands in:
Colo., Nebr., N.M., N.D., Mont.,
S.D., Utah, Wyoming

On this 22nd day of March, 1963, before me, the undersigned Notary Public, personally appeared F. W. McWilliams, personally known to me to be and who, being by me duly sworn, did say that he is the person who is described in the within and foregoing instrument as Attorney in Fact of CONTINENTAL OIL COMPANY, a Delaware corporation, and who, as such Attorney in Fact, subscribed, signed and executed said instrument and he duly acknowledged to me that as such Attorney in Fact he subscribed, signed and executed said instrument as his free and voluntary act and deed on behalf of and as the free and voluntary act and deed of said CONTINENTAL OIL COMPANY, as principal, and for the purposes therein contained and by authority of a resolution of its Board of Directors.

My commission expires 10-10-64

Witness my hand and official seal.

Edith E. Decker
NOTARY PUBLIC (SIGNATURE)

NOTARY'S NAME (TYPED OR PRINTED)*

Denver, Colorado
NOTARY'S RESIDENCE**

* Required in North Dakota.
** Required in Utah and Montana.

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____ (name of officer), _____ (title of officer or agent), of _____ (name of corporation), a _____ (State or County of incorporation) corporation, on behalf of said corporation.

Notary Public in and for said County and State

My Commission expires _____

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, as Attorney In Fact on behalf of Shell Oil Company, a Delaware corporation.

Notary Public in and for said County and State

My Commission expires _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

ATTORNEY IN FACT
EVIDENCE OF AUTHORITY OF ~~XXXXXXXXXX~~ TO EXECUTE PAPERS

(To be sworn to by secretary or president of a corporation and sealed with its seal)

I solemnly swear that J. E. Mohr and
XXXX were on the 29th day
of March, 1963, the duly elected, qualified, and acting Attorney in Fact
~~XXXXXXXXXX~~ of Shell Oil Company

a corporation organized under the laws of Delaware on which day he
Commitment of Interest to Cabezon Unit Operating Agreement
executed / ~~XXXX~~ XXXX for and in behalf of said cor-
poration, covering certain Allotted ~~XXXX~~ Indian lands ~~XXXX~~
~~XXXXXXXXXX~~ in the State of New Mexico; that he was fully empowered to execute said
instrument and all papers in connection therewith, and that his action in executing the same binds the
said corporation to full performance of all obligations thereunder.

[CORPORATE SEAL]

XXXX
Secretary
(Title)

This 3rd day of April, 1963

Subscribed and sworn to before me this 3rd day of April, 1963

(Signed) XXXX

[SEAL]

XXXX
My Comm. Expires 11 1963
(Title)

* Indicates whether lease, bond, or assignment.

ILLEGIBLE

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

EVIDENCE OF AUTHORITY OF OFFICERS TO EXECUTE PAPERS

(To be sworn to by secretary or president of a corporation and sealed with its seal)

I solemnly swear that F. W. McWilliams and ~~xxx~~
~~xxx~~ ^{was} ~~xxx~~ the 22nd day
~~xxx~~ ^{appointed} ~~xxx~~ ^{Attorney in Fact}
of March, 1963, the duly elected, qualified, and acting president ~~xxx~~
respectively, of Continental Oil Company, a Corporation organized under the
laws of Delaware, on which day he executed a Commitment of Interests
to Cabezon Unit Operating Agreement
a corporation organized under the laws of ~~xxx~~ on which day they
executed ~~xxx~~ mining ~~xxx~~ for and in behalf of said cor-
poration, covering certain Trust or Restricted Indian lands on the Navajo
Reservation, in the State of New Mexico; that they ~~xxx~~ ^{he was}
~~xxx~~ ^{his} empowered to execute said
instrument and all papers in connection therewith, and that their action in executing the same binds the
said corporation to full performance of all obligations thereunder.

CONTINENTAL OIL COMPANY

[CORPORATE SEAL]

By:

(Title)

Assistant Secretary

This 22nd day of March, 1963

Subscribed and sworn to before me this 22nd day of March, 1963

(Signed) Michael M. Hughes

[SEAL]

Notary Public

(Title)

My Commission Expires December 24, 1964

* Indicate whether lease, bond, or assignment.

1 CONSENT OF WORKING INTEREST OWNERS TO
2 COMMITMENT OF INTERESTS TO THE CABEZON
3 UNIT AND UNIT OPERATING AGREEMENT

4 THE UNDERSIGNED, the present working interest owners
5 under (1) the Unit Agreement for the Development and Operation of
6 the Cabezon Unit Area, County of Sandoval, State of New Mexico,
7 No. 14-08-0001-7820, dated September 1, 1961, approved by the
8 Acting Director of the United States Geological Survey on
9 December 5, 1961, and (2) the Unit Operating Agreement, Cabezon
10 Unit Area, Sandoval County, New Mexico, dated September 1, 1961,
11 do hereby consent and agree to the commitment to each of said
12 agreements of all of the tracts within the expanded unit area
13 covered by said Unit Agreement as outlined in revised Exhibit A
14 and described in revised Exhibit B thereto, which exhibits are
15 attached hereto and hereby incorporated herein.

16 This Agreement may be executed in any number of counter-
17 parts no one of which need be executed by all of the parties with
18 the same force and effect as if all parties had signed the same
19 document and shall be fully binding upon all signatory parties.

20 IN WITNESS WHEREOF, the undersigned have executed this
21 instrument as of this 22nd day of March, 1963.

22 CONSENTED AND SIGNED

23 By: 

24 Attorney in Fact

25 _____
26 Address:

27 Post Office Box 1121
28 Durango, Colorado
29 _____
30 _____
31 _____
32

NEW MEXICO

STATE OF COLORADO
CITY AND COUNTY OF DENVER (ss.

Acknowledgment for Lands in:
Colo., Nebr., N.M., N.D., Mont.,
S.D., Utah, Wyoming

On this 22nd day of March, 1963, before me, the undersigned Notary Public, personally appeared F. W. McWilliams, personally known to me to be and who, being by me duly sworn, did say that he is the person who is described in the within and foregoing instrument as Attorney in Fact of CONTINENTAL OIL COMPANY, a Delaware corporation, and who, as such Attorney in Fact, subscribed, signed and executed said instrument and he duly acknowledged to me that as such Attorney in Fact he subscribed, signed and executed said instrument as his free and voluntary act and deed on behalf of and as the free and voluntary act and deed of said CONTINENTAL OIL COMPANY, as principal, and for the purposes therein contained and by authority of a resolution of its Board of Directors.

My commission expires 10-10-64

Witness my hand and official seal.

Adith E. Fiske
NOTARY PUBLIC (SIGNATURE)

NOTARY'S NAME (TYPED OR PRINTED)*

Denver, Colorado
NOTARY'S RESIDENCE**

* Required in North Dakota.
** Required in Utah and Montana.

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____ (name of officer), _____ (title of officer or agent), of _____ (name of corporation), a _____ (State or County of incorporation) corporation, on behalf of said corporation.

Notary Public in and for said County and State

My Commission expires _____

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, as Attorney In Fact on behalf of Shell Oil Company, a Delaware corporation.

Notary Public in and for said County and State

My Commission expires _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

EVIDENCE OF AUTHORITY OF OFFICERS TO EXECUTE PAPERS

(To be sworn to by secretary or president of a corporation and sealed with its seal)

I solemnly swear that F. W. McWILLIAMS and
~~was~~ ^{was} on the 22nd day
of March, 1963, the duly ~~appointed~~ ^{appointed} ~~attorney-in-fact~~ ^{attorney-in-fact}
~~respectively~~, of CONTINENTAL OIL COMPANY, a Corporation organized under
the laws of Delaware on which day he executed a consent of Working Interest
owners to commitment of Interests to the Cabezon Unit Operating Agreement
~~a corporation organized under the laws of~~ ~~xxxxxx~~
~~xxxxxx~~ ~~xxxxxx~~ for and in behalf of said cor-
poration, covering certain Trust or Restricted Indian lands on the Navajo
Reservation, in the State of New Mexico; that ~~he was~~ ^{he was}
~~his~~ ^{his} fully empowered to execute said
instrument and all papers in connection therewith, and that ~~his~~ ^{his} action in executing the same binds the
said corporation to full performance of all obligations thereunder.

[CORPORATE SEAL]

CONTINENTAL OIL COMPANY
By CC Riley ~~Assistant Secretary~~ ^{Assistant Secretary} ~~ASB~~

This 22nd day of March, 1963

Subscribed and sworn to before me this 22nd day of March, 1963

(Signed) Wendell M. Rupp

[SEAL]

Notary Public
(Title)

My Commission Expires December 24, 1964

* Indicate whether lease, bond, or assignment.

1 CONSENT OF WORKING INTEREST OWNERS TO
2 COMMITMENT OF INTERESTS TO THE CABEZON
3 UNIT AND UNIT OPERATING AGREEMENT

4 THE UNDERSIGNED, the present working interest owners
5 under (1) the Unit Agreement for the Development and Operation of
6 the Cabezon Unit Area, County of Sandoval, State of New Mexico,
7 No. 14-08-0001-7820, dated September 1, 1961, approved by the
8 Acting Director of the United States Geological Survey on
9 December 5, 1961, and (2) the Unit Operating Agreement, Cabezon
10 Unit Area, Sandoval County, New Mexico, dated September 1, 1961,
11 do hereby consent and agree to the commitment to each of said
12 agreements of all of the tracts within the expanded unit area
13 covered by said Unit Agreement as outlined in revised Exhibit A
14 and described in revised Exhibit B thereto, which exhibits are
15 attached hereto and hereby incorporated herein.

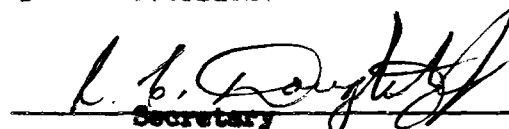
16 This Agreement may be executed in any number of counter-
17 parts no one of which need be executed by all of the parties with
18 the same force and effect as if all parties had signed the same
19 document and shall be fully binding upon all signatory parties.

20 IN WITNESS WHEREOF, the undersigned have executed this
21 instrument as of this 22nd day of March, 1963.

22 **TRANSMOUNTAIN PRODUCTION COMPANY**

23 
24 **President**

25 **ATTEST:**

26 
27 **Secretary**

28 Address:

29 **800 San Jacinto Bldg.**

30 **Houston 2, Texas**
31 _____
32 _____

NEW MEXICO

STATE OF _____ }
COUNTY OF _____ } ss.

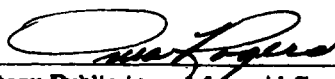
The foregoing instrument was acknowledged before me this _____ day of _____
_____, 19____ by _____

Notary Public in and for said County and State

My Commission expires _____

STATE OF TEXAS }
COUNTY OF HARRIS } ss.

The foregoing instrument was acknowledged before me this 22nd day of _____
March, 1963, by L. W. Goodrich
(name of officer), President (title of officer or agent), of
TRANSMOUNTAIN PRODUCTION COMPANY (name of corporation), a
Delaware (State or County of incorporation) corporation,
on behalf of said corporation.



Notary Public in and for said County and State
ONA ROGERS

My Commission expires _____
Notary Public in and for Harris, County Texas
My Commission Expires June 1, 1963

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss.

The foregoing instrument was acknowledged before me this _____ day of _____
_____, 19____, by M. W. SHEPPARD, JR., as Attorney In Fact on behalf
of Shell Oil Company, a Delaware corporation.

Notary Public in and for said County and State

My Commission expires _____

EVIDENCE OF AUTHORITY

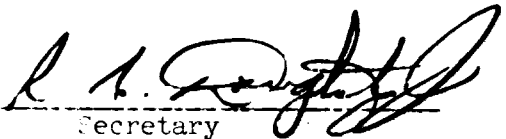
I, R. C. DOUGHERTY, JR. Secretary of TRANSMOUNTAIN
PRODUCTION COMPANY, a Delaware Corporation, do hereby certify
that the following is a true and correct excerpt of the By-Laws
of TRANSMOUNTAIN PRODUCTION COMPANY:

"The President shall execute bonds, mortgages
and other contracts requiring a seal, under
the seal of the corporation, except where re-
quired or permitted by law to be otherwise
signed and executed and except where the
signing and execution thereof shall be ex-
pressly delegated by the Board of Directors
to some other officer or agent of the corpora-
tion."

I further certify that the duly elected, qualified
and acting Officers of TRANSMOUNTAIN PRODUCTION COMPANY are the
following:

President	L. W. Goodrich 800 San Jacinto Bldg. Houston 2, Texas
Secretary	R. C. Dougherty, Jr. 800 San Jacinto Bldg. Houston 2, Texas
Treasurer	R. C. Dougherty, Jr. 800 San Jacinto Bldg. Houston 2, Texas

IN WITNESS WHEREOF, I have hereunto set my hand and
affixed the seal of said Corporation the 22 day of
MARCH 1965.


Secretary

ILLEGIBLE


COMMITMENT OF INTERESTS TO
CABEZON UNIT AGREEMENT

THE UNDERSIGNED, the working interest owners of the tract or tracts indicated below, covered by certain oil and gas leases within the expanded unit area as outlined in revised Exhibit A and described in revised Exhibit B (which exhibits are attached hereto and hereby incorporated herein), of the Unit Agreement for the Development and Operation of the Cabezon Unit Area, County of Sandoval, State of New Mexico, No. 14-08-0001-7820, dated September 1, 1961, approved by the Acting Director of the United States Geological Survey on December 5, 1961, do hereby commit their respective interests in such tract or tracts to such Unit Agreement.

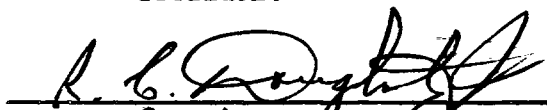
This Agreement may be executed in any number of counterparts no one of which need be executed by all of the parties with the same force and effect as if all parties had signed the same document and shall be fully binding upon all signatory parties.

IN WITNESS WHEREOF, the undersigned have executed this instrument as of this 22nd day of March, 1963.

TRANSMOUNTAIN PRODUCTION COMPANY


President

ATTEST:


Secretary

Tract(s): 62

Address:

800 San Jacinto Bldg.
Houston 2, Texas

NEW MEXICO

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____
_____, 19____ by _____

Notary Public in and for said County and State

My Commission expires _____

STATE OF TEXAS }
COUNTY OF HARRIS } ss.

The foregoing instrument was acknowledged before me this 22nd day of _____
March, 1963, by L. W. Goodrich
(name of officer), President (title of officer or agent), of
TRANSMOUNTAIN PRODUCTION COMPANY (name of corporation), a
Delaware (State or County of incorporation) corporation,
on behalf of said corporation.



Notary Public in and for said County and State

My Commission expires _____ County, Texas
_____ 1943

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss.

The foregoing instrument was acknowledged before me this _____ day of _____
_____, 19____, by M. W. SHEPPARD, JR., as Attorney In Fact on behalf
of Shell Oil Company, a Delaware corporation.

Notary Public in and for said County and State

My Commission expires _____

EVIDENCE OF AUTHORITY

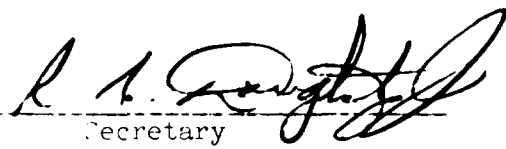
I, R. C. DOUGHERTY, JR., Secretary of TRANSMOUNTAIN PRODUCTION COMPANY, a Delaware Corporation, do hereby certify that the following is a true and correct excerpt of the By-Laws of TRANSMOUNTAIN PRODUCTION COMPANY:

"The President shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the corporation."

I further certify that the duly elected, qualified and acting Officers of TRANSMOUNTAIN PRODUCTION COMPANY are the following:

President	L. W. Goodrich 800 San Jacinto Bldg. Houston 2, Texas
Secretary	R. C. Dougherty, Jr. 800 San Jacinto Bldg. Houston 2, Texas
Treasurer	R. C. Dougherty, Jr. 800 San Jacinto Bldg. Houston 2, Texas

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Corporation the 22 day of MARCH, 1965.


Secretary

ILLEGIBLE

COMMITMENT OF INTERESTS TO
CABEZON UNIT OPERATING AGREEMENT

THE UNDERSIGNED, the working interest owners of the tract or tracts indicated below, covered by certain oil and gas leases within the expanded unit area as outlined in revised Exhibit A and described in revised Exhibit B (which exhibits are attached hereto and hereby incorporated herein), to the Unit Agreement for the Development and Operation of the Cabezon Unit Area, No. 14-08-0001-7820, dated September 1, 1961, hereby commit said oil and gas leases as to such tract or tracts to the Unit Operating Agreement, Cabezon Unit Area, Sandoval County, New Mexico, dated September 1, 1961.

This Agreement may be executed in any number of counterparts no one of which need be executed by all of the parties with the same force and effect as if all parties had signed the same document and shall be fully binding upon all signatory parties.

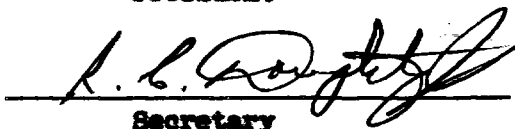
IN WITNESS WHEREOF, the undersigned have executed this instrument as of this 22nd day of March, 1963.

TRANSMOUNTAIN PRODUCTION COMPANY



President

ATTEST:



Secretary

Tract ~~(X)~~: 62

Address:

800 San Jacinto Bldg.
Houston 2, Texas

NEW MEXICO

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____
_____, 19____ by _____

Notary Public in and for said County and State

My Commission expires _____

STATE OF TEXAS }
COUNTY OF HARRIS } ss.

The foregoing instrument was acknowledged before me this 22nd day of _____
March, 1963, by L. W. Goodrich
(name of officer), President (title of officer or agent), of
TRANSMOUNTAIN PRODUCTION COMPANY (name of corporation), a
Delaware (State or County of incorporation) corporation,
on behalf of said corporation.



Notary Public in and for said County and State

My Commission expires ON 11/10/65
Notary Public in and for Harris County Texas
My Commission Expires 11/10/65

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss.

The foregoing instrument was acknowledged before me this _____ day of _____
_____, 19____, by M. W. SHEPPARD, JR., as Attorney In Fact on behalf
of Shell Oil Company, a Delaware corporation.

Notary Public in and for said County and State

My Commission expires _____

EVIDENCE OF AUTHORITY

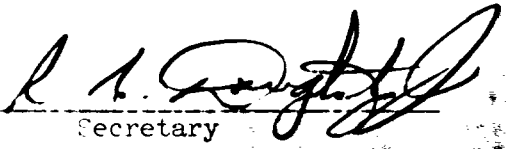
I, R. C. DOUGHERTY, JR. Secretary of TRANSMOUNTAIN
PRODUCTION COMPANY, a Delaware Corporation, do hereby certify
that the following is a true and correct excerpt of the By-Laws
of TRANSMOUNTAIN PRODUCTION COMPANY:

"The President shall execute bonds, mortgages
and other contracts requiring a seal, under
the seal of the corporation, except where re-
quired or permitted by law to be otherwise
signed and executed and except where the
signing and execution thereof shall be ex-
pressly delegated by the Board of Directors
to some other officer or agent of the corpora-
tion."

I further certify that the duly elected, qualified
and acting Officers of TRANSMOUNTAIN PRODUCTION COMPANY are the
following:

President	L. W. Goodrich 800 San Jacinto Bldg. Houston 2, Texas
Secretary	R. C. Dougherty, Jr. 800 San Jacinto Bldg. Houston 2, Texas
Treasurer	R. C. Dougherty, Jr. 800 San Jacinto Bldg. Houston 2, Texas

IN WITNESS WHEREOF, I have hereunto set my hand and
affixed the seal of said Corporation the 22 day of
MARCH, 1965.


Secretary

1 CONSENT OF WORKING INTEREST OWNERS TO
2 COMMITMENT OF INTERESTS TO THE CABEZON
3 UNIT AND UNIT OPERATING AGREEMENT

4 THE UNDERSIGNED, the present working interest owners
5 under (1) the Unit Agreement for the Development and Operation of
6 the Cabezon Unit Area, County of Sandoval, State of New Mexico,
7 No. 14-08-0001-7820, dated September 1, 1961, approved by the
8 Acting Director of the United States Geological Survey on
9 December 5, 1961, and (2) the Unit Operating Agreement, Cabezon
10 Unit Area, Sandoval County, New Mexico, dated September 1, 1961,
11 do hereby consent and agree to the commitment to each of said
12 agreements of all of the tracts within the expanded unit area
13 covered by said Unit Agreement as outlined in revised Exhibit A
14 and described in revised Exhibit B thereto, which exhibits are
15 attached hereto and hereby incorporated herein.

16 This Agreement may be executed in any number of counter-
17 parts no one of which need be executed by all of the parties with
18 the same force and effect as if all parties had signed the same
19 document and shall be fully binding upon all signatory parties.

20 IN WITNESS WHEREOF, the undersigned have executed this
21 instrument as of this 21st day of March, 1963.

22
23 Elizabeth Ann Elliott

24 [Signature]

25 Address:
26 Post Office Box 703
27 Beavertown, New Mexico

28 _____

29 _____

30 _____

31 _____

32 _____

NEW MEXICO

STATE OF NEW MEXICO }
COUNTY OF CHAVES } ss.

The foregoing instrument was acknowledged before me this 21st day of March, 19 63 by Elizabeth Ann Elliott
and husband Frank O. Elliott

Paul S. Harnden
Notary Public in and for said
County and State

My Commission expires June 1, 1966

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____
_____, 19 ____ by _____
_____.

Notary Public in and for said
County and State

My Commission expires _____

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____
_____, 19 ____ by _____
_____.

Notary Public in and for said
County and State

My Commission expires _____

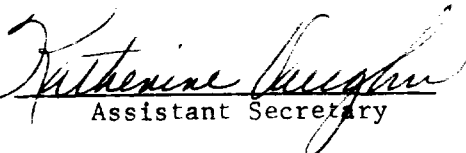
1 CONSENT OF WORKING INTEREST OWNERS TO
2 COMMITMENT OF INTERESTS TO THE CABEZON
3 UNIT AND UNIT OPERATING AGREEMENT

4 THE UNDERSIGNED, the present working interest owners
5 under (1) the Unit Agreement for the Development and Operation of
6 the Cabezon Unit Area, County of Sandoval, State of New Mexico,
7 No. 14-08-0001-7820, dated September 1, 1961, approved by the
8 Acting Director of the United States Geological Survey on
9 December 5, 1961, and (2) the Unit Operating Agreement, Cabezon
10 Unit Area, Sandoval County, New Mexico, dated September 1, 1961,
11 do hereby consent and agree to the commitment to each of said
12 agreements of all of the tracts within the expanded unit area
13 covered by said Unit Agreement as outlined in revised Exhibit A
14 and described in revised Exhibit B thereto, which exhibits are
15 attached hereto and hereby incorporated herein.

16 This Agreement may be executed in any number of counter-
17 parts no one of which need be executed by all of the parties with
18 the same force and effect as if all parties had signed the same
19 document and shall be fully binding upon all signatory parties.

20 IN WITNESS WHEREOF, the undersigned have executed this
21 instrument as of this 25 day of March, 1963.

22 ATTEST:

23 
24 Assistant Secretary

22 DELHI-TAYLOR OIL CORPORATION

23 By _____
24 Vice President

25  

26 Address:

27 Fidelity Union Tower, Dallas 1, Texas

NEW MEXICO

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____
_____, 19____ by _____

Notary Public in and for said County and State

My Commission expires _____

STATE OF Texas }
COUNTY OF Dallas } ss.

The foregoing instrument was acknowledged before me this 1st day of April
_____, 1963, by O. W. Crisman
(name of officer), Vice President (title of officer or agent), of
Delhi-Taylor Oil Corporation (name of corporation), a
Delaware (State or County of incorporation) corporation,
on behalf of said corporation.

RUTH AVERY, Notary Public,
in and for Dallas County, Texas
My Commission Expires June 1, 1963

Ruth Avery
Notary Public in and for said County and State
My Commission expires _____

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss.

The foregoing instrument was acknowledged before me this _____ day of _____
_____, 19____, by _____, as Attorney In Fact on behalf
of Shell Oil Company, a Delaware corporation.

Notary Public in and for said County and State

My Commission expires _____

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF INDIAN AFFAIRS

EVIDENCE OF AUTHORITY OF OFFICERS TO EXECUTE PAPERS

I solemnly swear that O. W. Crisman and
Katherine Vaughn were on the 25th day of
March, 19 63, the duly elected, qualified, and acting Vice
President, and Assistant Secretary, respectively, of
Delhi-Taylor Gil Corporation, a corporation organized under the laws of the
State of Delaware on which day they executed Consent and Commitment to
mining* Cabazon Unit and Unit Operating Agreement
for and in behalf of said corporation, covering certain ** Allotted
lands on the Navajo
Reservation, in the State of New Mexico; that they were fully em-
powered to execute said instrument and all papers in connection therewith; and that
their action in executing the same binds the said corporation to full performance
of all obligations thereunder.

Katherine Vaughn
Assistant Secretary

This 1st day of April, 19 63.

SUBSCRIBED AND SWORN to before me this 1st day of April, 19 63.

Ruth A. [Signature]
Notary Public

* Indicate whether lease, bond, or assignment.

** Indicate whether tribal or allotted.

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit 'B' to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract (M) 46

By John E. Hall
John E. Hall
Address Bank of New Mexico Building
Albuquerque, New Mexico

Date April 9, 1963

(Husband)

Lucille T. Hall
Lucille T. Hall (Wife)

Address _____

STATE OF New Mexico)
COUNTY OF Bernalillo) ss.

The foregoing instrument was acknowledged before me this 9th
day of April, 1963, by John E. Hall and Lucille T. Hall

My Commission Expires
2-70-67

Rosemary M. Peice
Notary Public in and for said
County and State

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 17.

MILLS OIL COMPANY

A. V. Strandberg
Vice President

Date Mar. 19, 1962

Address c/o A. V. Strandberg
Conrad, Montana

A. V. Strandberg
(Husband)

Mrs. M. Evelyn Strandberg
(Wife)

Address Conrad, Mont.

Address _____

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____
day of _____, 1962, by _____

My Commission Expires _____

Notary Public in and for said
County and State

WITNESSES COMPANY

P. P. Strandberg
Pres - President

D. to Mar. 19, 1962

c/o P. P. Strandberg
Conrad, Montana

P. P. Strandberg
(Husband)

Mrs. M. Evelyn Strandberg
(Wife)

Conrad, Mont.

Address _____

STATE OF Montana)
COUNTY OF Conrad) ss.

The foregoing instrument was acknowledged before me this 19th
day of March, 1962, by P. P. Strandberg
and M. Evelyn Strandberg

My Commission Expires
Jan 1, 1964

Frank C. Kucsek
Notary Public in and for said
County and State



ILLEGIBLE

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 42.

By Violet Craig Ripley
Violet Craig Ripley

Date 3/21/62

Address Post Office Box 1337
Santa Fe, New Mexico

[Signature]
(Husband)

(Wife)

Address _____

Address _____

STATE OF)
COUNTY OF) ss.

The foregoing instrument was acknowledged before me this _____
day of _____, 1962, by _____

My Commission Expires _____

Notary Public in and for said
County and State

Violet Craig Ripley
Violet Craig Ripley

Date 3/21/62

Address Post Office Box 1337

Santa Fe, New Mexico

[Signature]
(Husband)

(Wife)

Address _____

Address _____

STATE OF _____
COUNTY OF _____

ss.

The foregoing instrument was acknowledged before me this 21st
day of March, 1962, by Violet Craig Ripley

My Commission Expires _____

My Commission Expires March 3, 1963

[Signature]
Notary Public in and for said
County and State

ILLEGIBLE



CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract .

By _____

Date March 20, 1962

Address _____

Herman Runkoff
Herman Runkoff (Husband)

Juanita Runkoff
Juanita Runkoff (Wife)

Address P. O. Box 1337

Santa Fe, New Mexico

Address P. O. Box 1703

Santa Fe, New Mexico

STATE OF)
COUNTY OF) ss.

The foregoing instrument was acknowledged before me this _____
day of _____, 1962, by _____

My Commission Expires _____

Notary Public in and for said
County and State

By _____

Date March 20, 1962

Address _____

Herman Renkoff
Herman Renkoff (Husband)

Juanita Renkoff
Juanita Renkoff (Wife)

Address P. O. Box 1237

Santa Fe, New Mexico

Address P. O. Box 1703

Santa Fe, New Mexico

STATE OF New Mexico)
COUNTY OF Santa Fe) ss.

The foregoing instrument was acknowledged to me this 21st
day of March, 1962, by Herman Renkoff and
Juanita Renkoff

My Commission Expires
1/27/66

Laurel L. Anderson
Notary Public in and for said
County and State

ILLEGIBLE

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 49.

By Wilson Oil Company
Parker Wilson, President

[Signature]

Date 3/7/62

P. O. Box 627
Address Santa Fe, New Mexico

(Husband)

(Wife)

Address _____

Address _____

STATE OF New Mexico }
COUNTY OF Santa Fe } ss.

The foregoing instrument was acknowledged before me this 7th
day of March, 1962, by Parker Wilson
President, Wilson Oil Company

My Commission Expires
My Commission Expires Sept. 21, 1964

[Signature]
Notary Public in and for said
County and State

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 53.

By 
George E. Conley

Date 3/9/62

Address P. O. Box 611
Santa Fe, New Mexico

(Husband)

(Wife)

Address _____

Address _____

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____
day of _____, 1962, by _____

My Commission Expires _____

Notary Public in and for said
County and State

By 
George E. Conley

Date 3/9/62

Address P. O. Box 611
Santa Fe, New Mexico

(Husband)

(Wife)

Address

STATE OF New Mexico)
COUNTY OF Bernalillo) ss.

The foregoing instrument was acknowledged before me this 16th
day of March, 1962, by George E. Conley

My Commission Expires
My Commission Expires Nov. 15, 1964

Elizabeth J. Elden
Notary Public and for said
Territory and State



ILLEGIBLE

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 54.

By Eugenia Bate *Eugenia Bate*
Widow

Date 3-22-62

Address P. O. Box 161
Santa Fe, New Mexico

(Husband)

(Wife)

Address _____

Address _____

STATE OF)
COUNTY OF) ss.

The foregoing instrument was acknowledged before me this _____
day of _____, 1962, by _____

My Commission Expires _____

Notary Public in and for said
County and State

By Eugenia Bate, widow
Eugenia Bate

Date 3-22-62

Address P. O. Box 161
Santa Fe, New Mexico

(Husband)

(Wife)

Address _____

Address _____

STATE OF ARIZONA)
COUNTY OF YAVAPAI) ss.



The foregoing instrument was acknowledged before me this 22nd
MARCH, 1962, by Eugenia Bate

Commission Expires
OCT 25, 1962

Laura R. Upton
Notary Public in and for said
County and State

ILLEGIBLE

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 55.

By _____

Date March 15, 1962

Address _____

R. E. McKenzie, Jr.
(Husband)

R. E. McKenzie, Jr.

Agatha P. McKenzie
(Wife)

Agatha P. McKenzie

Address 2909 Morilla, N.E.

Albuquerque, New Mexico

Address _____

STATE OF New Mexico)
COUNTY OF Bern.) ss.

The foregoing instrument was acknowledged before me this 15th
day of March, 1962, by R. E. McKenzie, Jr.
Agatha P. McKenzie

My Commission Expires
July 6, 1964

Patricia Sprague
Notary Public in and for said
County and State

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 56.

IMPERIAL CORPORATION

By Desa, Juan
President

Date April 5, 1962

Address 704 Sims Building
Albuquerque, New Mexico

(Husband)

(Wife)

Address _____

Address _____

STATE OF)
)
COUNTY OF) ss.

The foregoing instrument was acknowledged before me this _____
day of _____, 1962, by _____

My Commission Expires

Notary Public in and for said
County and State

IMPERIAL CORPORATION

By Dudley Cornell
President

Date April 5, 1962

Address 704 Sims Building
Albuquerque, New Mexico

(Husband)

(Wife)

Address _____

Address _____

STATE OF New Mexico)
COUNTY OF Bernalillo) ss.

The foregoing instrument was acknowledged before me this 5th

day of April, 1962, by Dudley Cornell,
President of Imperial Corporation, a New Mexico Corporation,
on behalf of said Corporation.

My Commission Expires
My Commission Expires Feb. 15, 1964

Lugh L. Snow
Notary Public in and for said
County and State

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 57 & 58

By _____

Address _____

Date March 9, 1962

Laurence G. Harris
Laurence G. Harris (Husband)

Marion V. Harris
Marion V. Harris (Wife)

Address Post Office Box 1714

McCall, New Mexico

Address _____

STATE OF NEW MEXICO)
COUNTY OF Chaves) ss.

The foregoing instrument was acknowledged before me this 9th
day of March, 1962, by Laurence G. Harris and
Marion V. Harris, his wife

My Commission Expires
May 4, 1963

Eleanor Helen Hall
Notary Public in and for said
County and State

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 59.

By *R. M. Young, Jr.*
Carl J. Young

Date March 21st, 1962

Address Post Office Box 1234
Santa Fe, New Mexico

(Husband)

(Wife)

Address _____

Address _____

STATE OF)
)
COUNTY OF) ss.

The foregoing instrument was acknowledged before me this _____
day of _____, 1962, by _____

My Commission Expires

Notary Public in and for said
County and State

Date March 21st 1962-

By *R. M. Young, Jr.*
Adele J. Young

Address Post Office Box 1234
Santa Fe, New Mexico

(Husband)

(Wife)

Address _____

Address _____

STATE OF New Mexico)
COUNTY OF Santa Fe) ss.

The foregoing instrument was acknowledged before me this 21st
day of March, 1962, by R. M. Young, Jr.
and Adele J. Young

My Commission Expires
March 23, 1964

Dorothy Gonzalez
Notary Public in and for said
County and State

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 60.

SEIEMEX, INC.

By President

Robert L. Bunnell

Date March 9, 1962

Address P.O. Box 205-9
Santa Fe, New Mexico

(Husband)

(Wife)

Address _____

Address _____

STATE OF NEW MEXICO }
COUNTY OF SANTA FE } ss.

The foregoing instrument was acknowledged before me this 9th
day of MARCH, 1962, by ROBERT L. BUNNELL, President
of SEIEMEX, INC., a New Mexico Corporation, on behalf of said
corporation.

My Commission Expires

Laura M. Wesley
Notary Public in and for said
County and State

ILLEGIBLE

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 62

By _____

Address _____

Date March 19th, 1962

Walter L. Morrison
(Husband)

Walter L. Morrison

Kathleen Morrison
(Wife)

Kathleen Morrison

Address 1620 Vermont Street

Houston, Texas

Address _____

STATE OF Colorado)
City and) ss.
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 19th
day of March, 1962, by Walter L. Morrison
and his wife Kathleen Morrison

My Commission Expires
March 14, 1963

[Signature]
Notary Public in and for said
County and State

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 62.

By Ted A. Beach
Ted A. Beach

Date March 30, 1962

Address Petroleum Club Building
Denver, Colorado

(Husband)

(Wife)

Address _____

Address _____

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____
day of _____, 1962, by _____

My Commission Expires _____

Notary Public in and for said
County and State

B. Ted A. Beach
Ted A. Beach

Date March 30, 1962

A. Petroleum Club Building
Denver, Colorado

(Husband)

(Wife)

Address _____

Address _____

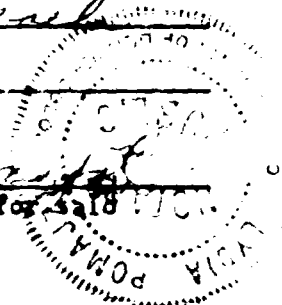
STATE OF Colorado } ss.
City and County of Denver }

The foregoing instrument was acknowledged before me this 30th
day of March, 1962, by Ted A. Beach

My Commission Expires

July 14, 1962

[Signature]
Notary Public in and for the State of
County and State



CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 62.

By Dix R. Turnbow

Dix R. Turnbow

Date April 14, 1962

Address Post Office Box 1564

Denver 1, Colorado

(Husband)

Virginia E. Turnbow
(Wife)

Address _____

Address _____

STATE OF)
COUNTY OF) ss.

The foregoing instrument was acknowledged before me this _____
day of _____, 1962, by _____

My Commission Expires

Notary Public in and for said
County and State

My Commission expires April 9, 1966

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 63.

By _____

Date 3/20/62

Address _____

~~F. M. Ammerman~~ (Husband)

Rosalie A. Ammerman
~~Rosalie Ammerman~~ (Wife) Widow

Address 5145 Argus Drive

Eagle Rock, California

Subscribing Witness
Robert J. Ammer

Address _____

STATE OF)
COUNTY OF) ss.

The foregoing instrument was acknowledged before me this _____
day of _____, 1962, by _____

My Commission Expires _____

Notary Public in and for said
County and State

By _____

Date 3/29/62

Address _____

~~For Mrs. Amerman (Husband)~~

Rosalie A. Amerman
Rosalie Amerman ~~(Husband)~~ a widow

Address 5145 Argus Drive

Eagle Rock, California

Subscribing Notary
Philip D. Jones

Address _____

STATE OF CALIFORNIA,

County of Los Angeles

STATE OF

GOVERNMENT

On this 20th day of March, A.D., 1962, before me,

Michael M. Crawford, a Notary Public in and for the

County of Los Angeles, duly commissioned and sworn, personally appeared

Robert T. Smith

known to me to be the person whose name is subscribed to the within instrument, as

a witness thereto, who being by me duly sworn, deposes and says: That he resides in

Los Angeles, California, and that he was present

and saw Rosalie Amerman personally,

known to him to be the person whose name is subscribed to the

within and correct instrument, signed and acknowledged to said

agent that he executed the same; and that said agent subscribed his name thereto

as a witness.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and

year in this certificate first above written.

Michael M. Crawford

Michael M. Crawford, Notary Public for the County of Los Angeles, State of California

My Commission Expires

Notary Public - Voluntary Form 308

County of Los Angeles Expires Dec. 11, 1963

30808

ILLEGIBLE

By Dix R. Turnbow
Dix R. Turnbow

Date April 11, 1962

Address Post Office Box 1564
Denver 1, Colorado

(Husband)

Virginia E. Turnbow
(Wife)

Address _____

Address _____

STATE OF Colorado }
City of Denver } ss.
COUNTY OF Denver }

The foregoing instrument was acknowledged before me this 11th
day of April, 1962, by Dix R. Turnbow
and Virginia E. Turnbow his wife

My Commission Expires _____
Notary Public in and for said
County and State
Wm J Pittman

My Commission expires April 9, 1966

ILLEGIBLE

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 64.

By W. R. [Signature] Pres.
Daipert Oil [Signature] Corporation

Date 3-19-62

Address 92 Fidelity Union ^{Life} Bldg
Dallas 1, Texas

(Husband)

(Wife)

Address _____

Address _____

STATE OF)
COUNTY OF) ss.

The foregoing instrument was acknowledged before me this _____
day of _____, 1962, by _____

My Commission Expires _____

Notary Public in and for said
County and State

By W. L. Todd, Jr.
Dalport Oil ~~Company~~ Corporation
President

Date 3-19-62

Life
Address 930 Fidelity Union ~~Bank~~ Building
Dallas 1, Texas

(Husband)

(Wife)

Address _____

Address _____

STATE OF TEXAS)
COUNTY OF DALLAS) ss.

The foregoing instrument was acknowledged before me this 19th
day of March, 1962, by W. L. Todd, Jr. President
Dalport Oil Corporation

My Commission Expires

4-1-63

Winnie McLaughlin
Notary Public in and for said Winnie McLaughlin
County and State

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 67 & 68

By Joanne F. Angstman

Date April 9, 1962

Address Box 1606

Santa Fe, New Mexico

By Joanne Hildenbrand
Joanne Hildenbrand
formerly Joanne F. Angstman
20 Colleen Crescent S.W.
Calgary, Alberta, Canada
(Husband)

Fred A. Hildenbrand
(Wife) Husband

Address _____

Address _____

STATE OF)
COUNTY OF) ss.

The foregoing instrument was acknowledged before me this _____
day of _____, 1962, by _____

My Commission Expires _____

Notary Public in and for said
County and State

By Joanne F. Angstman

Date APRIL 9th, 1962

~~XX~~
~~XX~~

By Joanne Hildenbrand
Joanne Hildenbrand, formerly
Joanne F. Angstman
20 Colleen Crescent S.W.
Calgary, Alberta, Canada
(Wife)

Fred A. Hildenbrand
(Husband)

Address _____

Address _____

~~STATE OF~~
PROVINCE OF ALBERTA) ss.
~~COUNTRY OF~~ CANADA)

The foregoing instrument was acknowledged before me this 9th
day of APRIL, 1962, by JOANNE HILDENBRAND and
FRED A. HILDENBRAND (Her husband)

My Commission Expires
AT THE PLEASURE OF THE
LIEUT. GOV. OF ALBERTA

M. A. Tutman
Notary Public in and for the
Province of Alberta, Dominion of Canada
PROVINCE

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

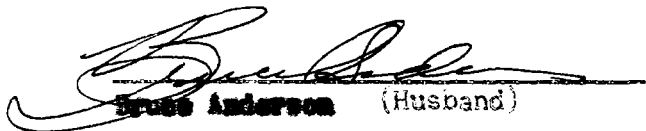
This Consent and Joinder of Unit Agreement pertains to Tract 67 & 68

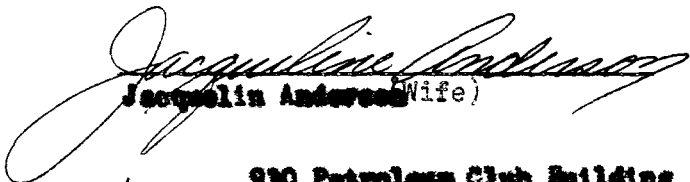
By _____

Address _____

Date _____

March 16, 1962


Bruce Anderson (Husband)


Jacqueline Anderson (Wife)

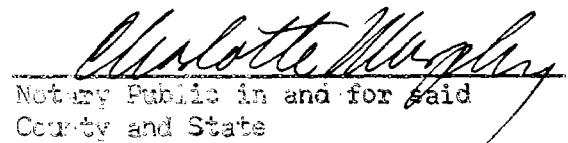
Address 930 Petroleum Club Building
Denver, Colorado

Address _____

STATE OF **COLORADO**)
COUNTY OF **DENVER**) ss.

The foregoing instrument was acknowledged before me this 16
day of March, 1962, by Bruce Anderson and
Jacqueline Anderson

My Commission Expires
Nov. 12, 1962


Notary Public in and for said
County and State

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 65, 66, 70.

By Ewing Wolf
[Signature]

Date March 19, 1962

Address Post Office Box 2002
Denver, Colorado

[Signature]
(Husband)
[Signature]
(Wife)

Address _____

Address _____

STATE OF)
COUNTY OF) ss.

The foregoing instrument was acknowledged before me this _____
day of _____, 1962, by _____

My Commission Expires _____

Notary Public in and for said
County and State

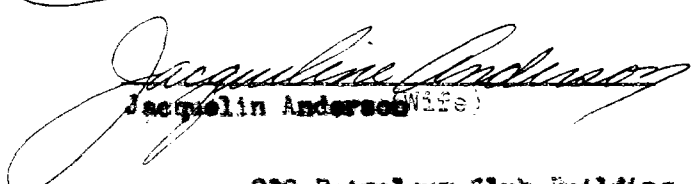
By _____

AND _____

Date _____


Bruce Anderson (Husband)

March 16, 1962


Jacqueline Anderson (Wife)

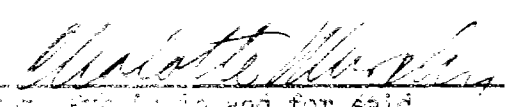
At 930 Petroleum Club Building
Denver, Colorado

Subscribed _____

STATE OF COLORADO)
COUNTY OF DENVER) ss.

The foregoing instrument was acknowledged before me this 16
day of March, 1962, by Bruce Anderson and
Jacqueline Anderson

My Commission Expires
Nov. 12, 1962


Notary Public in and for said
County and State

By Erving Wolf

Date March 19, 1962

Address Post Office Box 2002

Denver, Colorado

(Husband)

(Wife)

Address _____

Address _____

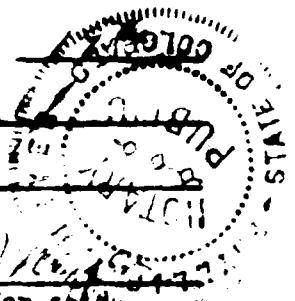
STATE OF Colorado
COUNTY OF Denver } ss.

The foregoing instrument was acknowledged before me this
day of March, 1962, by Erving Wolf

and Joyce Wolf

My Commission Expires
10/4/64

Erving Wolf
Notary Public in and for said
County and State



CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 69 and 71

By E. L. Wyman
E. L. Wyman

Address Beverly Drive
Beverly Hills, California

Date March 19, 1962

(Husband)

(Wife)

Address _____

Address _____

STATE OF California)
COUNTY OF Los Angeles) ss.

The foregoing instrument was acknowledged before me this 19th
day of March, 1962, by E. L. Wyman and R. Wyman

My Commission Expires
IRENE TRITTEL
MY COMMISSION EXPIRES OCT. 2, 1964

Irene Trittel
Notary Public in and for said
County and State

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 72.

By Harry F. Schram
Harry F. Schram

Jacelyn M. Schram

Date 3-21-1962

Address 706 S. Heights Drive
Roswell, New Mexico

(Husband)

(Wife)

Address _____

Address _____

STATE OF _____
COUNTY OF _____

}
} ss.
}

The foregoing instrument was acknowledged before me this _____
day of _____, 1962, by _____

My Commission Expires _____

Notary Public in and for said
County and State

By Harry F. Schram
Harry F. Schram
Jocelyn M. Schram

Date 3-21-1962

Address 706 S. Heights Drive
Roswell, New Mexico

(Husband)

(Wife)

Address _____

Address _____

STATE OF New Mexico)
COUNTY OF Chaves) ss.

The foregoing instrument was acknowledged before me this 21st
day of March, 1962, by Harry F. Schram and
Jocelyn M. Schram

My Commission Expires
2-27-1966

Emerson B. Schuster
Notary Public in and for said
County and State

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract(s) 72

By Ernest A. Hanson
Ernest A. Hanson

Address Post Office Box 1515
Reesville, New Mexico

Date March 21, 1963

(Husband)

Eulah Irene Hanson
Eulah Irene Hanson (Wife)

Address _____

STATE OF NEW MEXICO)
COUNTY OF CHAVES) ss.

The foregoing instrument was acknowledged before me this 21st
day of March, 1963, by Ernest A. Hanson and Eulah Irene Hanson, his wife.

My Commission Expires
MY COMMISSION EXPIRES FEBRUARY 28, 1964

Emerson B. Fodhunter
Notary Public in and for said
County and State

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract(s) 73

By _____

Address _____

Date March 21, 1963

M. W. Coll
(Husband)

Lillian Hinkle Coll
(Wife)

Address Box 1818
Roswell, New Mexico

STATE OF New Mexico)
COUNTY OF Chaves) ss.

The foregoing instrument was acknowledged before me this 21st
day of March, 1963 by M. W. Coll and Lillian Hinkle Coll
husband and wife

My Commission Expires
June 1, 1963

Jean Barton
Notary Public in and for said
County and State

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 75.

By _____

Date March 7, 1962

Address _____

Hoover H. Wright
Hoover H. Wright (Husband)

Betty Ruth Wright
Betty Ruth Wright (Wife)

Address P.O. Box 2124

Santa Fe New Mexico

Address _____

STATE OF **New Mexico** }
COUNTY OF **Santa Fe** } ss.

The foregoing instrument was acknowledged before me this 7th
day of March, 1962, by Hoover H. Wright and
Betty Ruth Wright, his wife

My Commission Expires
2/18/63

[Signature]
Notary Public in and for said
County and State

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 76.

By _____

Date 3-19-62

Address _____

Lester C. Hotchkiss
(Husband)

Lester C. Hotchkiss

Alpha L. Hotchkiss
(Wife)

Alpha L. Hotchkiss

Address 1949 W. Van Ness Boulevard

Fresno 4, California

Address _____

STATE OF)
COUNTY OF) ss.

The foregoing instrument was acknowledged before me this _____
day of _____, 1962, by _____

My Commission Expires _____

Notary Public in and for said
County and State

By _____

Date 3-19-62

Address _____

Lester C. Hotchkiss
(Husband)
Lester C. Hotchkiss

Alpha L. Hotchkiss
(Wife)
Alpha L. Hotchkiss

Address 4949 N. Van Ness Boulevard
Fresno 4, California

Address _____

STATE OF California)
COUNTY OF Fresno) ss.

The foregoing instrument was acknowledged before me this 19th
day of March, 1962, by
Lester C. Hotchkiss and Alpha L. Hotchkiss,

My Commission Expires
My Commission Expires February 19, 1964

Allean N. Bero
Notary Public for and for said
County and State
ALLEAN N. BERO

ILLEGIBLE

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 77.

By _____

Date April 2, 1962

Address _____

Raymond Chorney
Raymond Chorney (Husband)
Jean Chorney
Jean Chorney (Wife)

Address P. O. Box 144

Casper, Wyoming

Address _____

STATE OF **WYOMING**)
COUNTY OF **NATRONA**) ss.

The foregoing instrument was acknowledged before me this 2nd
day of April, 1962, by Raymond Chorney and Jean Chorney,
his wife,

My Commission Expires
December 30, 1963

Charles M. Bucher
Notary Public in and for said
County and State

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 48, and 78

By Roy L. Flood
Roy L. Flood

Date 3-9-62

Address 611 South Missouri
Roswell, New Mexico

(Husband)

(Wife)

Address _____

Address _____

STATE OF **NEW MEXICO**)
COUNTY OF **CHAVES**) ss.

The foregoing instrument was acknowledged before me this 9th
day of March, 1962, by Roy L. Flood

My Commission Expires
Feb. 28, 1966

Emerson B. Tedhunter
Notary Public in and for said
County and State

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 50, 51, 52 & 79.

By _____

Date 3-16-62

Address _____

Vincent Cuccia (Husband)

Louise Cuccia (Wife)

Address P. O. Box 247

Ontario, California

Address _____

STATE OF California) ss.
COUNTY OF Orange)

The foregoing instrument was acknowledged before me this 16th
day of March, 1962, by Vincent and
Louise Cuccia

My Commission Expires
Doreen Smith
My Commission Expires Nov. 2, 1965

Doreen Smith
Notary Public in and for said
County and State

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit 'B' to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract(s) 82

By Rennie Landow
Terrace Post Office N.M.

~~Jack Nogale~~
Jack Nogale

Date March 24, 1962

Simon Trading Post
Cuba, New Mexico

Joe C. Landow
(Husband)

Deborah R. Landow
(Wife)

Address _____

STATE OF Nebraska)
COUNTY OF Douglas) ss.

The foregoing instrument was acknowledged before me this 31
day of March, 1962, by Jack Nogale

My Commission Expires
Oct 1, 1967

W. H. Litzmore
Notary Public in and for said
County and State

NEW MEXICO

STATE OF NEW MEXICO }
COUNTY OF SANDOVAL } ss.

The foregoing instrument was acknowledged before me this 24th day of March, 19 62 by Bennie Sandoval

Sherrell L. Brumhall
Notary Public in and for said
County and State

My Commission expires March 12, 1966

STATE OF NEW MEXICO }
COUNTY OF SANDOVAL } ss.

The foregoing instrument was acknowledged before me this 3rd day of April, 19 62 by Joe C. Sandoval

Sherrell L. Brumhall
Notary Public in and for said
County and State

My Commission expires March 12, 1966

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 19 _____ by _____.

Notary Public in and for said
County and State

My Commission expires _____

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 82.

(Right Thumb Print)



By Louis Cayadillo
Hoshkait Hosa or Louis Cayadillo
int: Pat Johnsons Cuba New Mex.

Date 3-20-1962

Address Torreón Trading Post
Cuba, New Mexico

Deceased
(Wife)

Address _____

Address _____

STATE OF

COUNTY OF

ss.

The foregoing instrument was acknowledged before me this 20
day of March, 1962, by Louis Cayadillo

My Commission Expires
4-6-1962

Pat Johnsons
Notary Public in and for said
County and State

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 82.

Further to Mark
Jerry Norbert
George N. N. N.
Relief Corporation
Lawson M. M.

Date 3-22-62

By light
Ah nos pah or Ye Nos bah

Thumb

Address General Delivery
Cuba, New Mexico

(Husband)

(Wife)

Address _____

Address _____

STATE OF N Mex }
COUNTY OF Sandoval } ss.

The foregoing instrument was acknowledged before me this 22nd
day of March, 1962, by Ye Nos bah or
Ah nos pah

My Commission Expires March 12, 1966

My Commission Expires _____

Sherrell L. Brinkhall
Notary Public in and for said
County and State

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 81 & 82.

By Harding Negale
Harding Negale

Date 3-19-62

Address Pinon Lodge Trading Post
Thoreau, New Mexico

(Husband)

(Wife)

Address _____

Address _____

STATE OF New Mexico
COUNTY OF McKinley } ss.

The foregoing instrument was acknowledged before me this 19th
day of March, 1962, by Harding Negale

My Commission Expires March 12, 1966

My Commission Expires _____

Sherrell L Brumhall
Notary Public in and for said
County and State

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 8 & 82.

By John George
John George

Date 3-19-62

Address Sterlight Trailer Court
Highway East
Gallup, New Mexico

(Husband)

(Wife)

Address _____

Address _____

STATE OF New Mexico)
COUNTY OF San Juan) ss.

The foregoing instrument was acknowledged before me this 19
day of March, 1962, by John George

My Commission Expires
3-14-66

Merrell L. Brushell
Notary Public in and for said
County and State

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 80 & 82.

By Mary Louise George

Mary Louise George

General Delivery

Address _____

Shiprock, New Mexico

Date 3-19-62

(Husband)

(Wife)

Address _____

Address _____

STATE OF N Mex }
COUNTY OF San Juan } ss.

The foregoing instrument was acknowledged before me this 19th
day of March, 1962, by Mary Louise George
new Francis

My Commission Expires March 12, 1966

My Commission Expires _____

Sherrell L. Bamhall
Notary Public in and for said
County and State

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 80 & 82.

By Frank L. George
Frank George

Date March 20, 1962

Address General Delivery
Slickrock, Colorado

(Husband)

(Wife)

Address _____

Address _____

STATE OF Colorado }
COUNTY OF Delaware } ss.

The foregoing instrument was acknowledged before me this 20
day of March, 1962, by Frank L. George

My Commission Expires _____

My Commission expires July 12, 1963

Jim Shaw
Notary Public in and for said
County and State

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 80 & 82.

By Louise George Hayes
Louise George Hayes

Date March 21, 1962

Address General Delivery
Cortez, Colorado

(Husband)

(Wife)

Address _____

Address _____

STATE OF Colo. } ss.
COUNTY OF Montezuma

The foregoing instrument was acknowledged before me this 21st
day of March, 1962, by Louise George Hayes

My Commission Expires _____

Norothy Higman
Notary Public in and for said
County and State Dep't Clerk

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 80 & 82.

By Robbie D. George
Robbie George

Date March 29, 1962

Address Post Office Box 144
Bellmont Rural Station
Flagstaff, Arizona

(Husband)

(Wife)

Address _____

Address _____

STATE OF ILLINOIS }
COUNTY OF COOK } ss.

The foregoing instrument was acknowledged before me this 29th
day of MARCH, 1962, by
ROBBIE D. GEORGE

Mv Commission Expires

Paul E. Wechter
Notary Public in and for said
County and State

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 80 & 82.

By Tom George
Tom George

Date March 21, 1962

Address Post Office Box 144
Bellmont Rural Station
Flagstaff, Arizona

(Husband)

(Wife)

Address _____

Address _____

STATE OF *Oregon*)
COUNTY OF *Clatsop*) ss.

The foregoing instrument was acknowledged before me this 20
day of March, 1962, by Tom George.

My Commission Expires
1 Oct 1963

H. Hamilton Kenney
Notary Public in and for said
County and State

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 80 & 82.

By Amelia George
Amelia George

Date 3-19-62

Address General Delivery
Shiprock, New Mexico

(Husband)

(Wife)

Address _____

Address _____

STATE OF New Mexico
COUNTY OF San Juan ss.

The foregoing instrument was acknowledged before me this 19
day of March, 1962, by Amelia
George

My Commission Expires
3-12-66

Sherrell L. Brumhall
Notary Public in and for said
County and State

CONSENT AND JOINDER IN CABEZON UNIT AGREEMENT
SANDOVAL COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Cabezon Unit Area, Sandoval County, State of New Mexico, by Shell Oil Company, as Unit Operator, dated September 1, 1961 and approved by the Acting Director of the United States Geological Survey on December 5, 1961, receipt of a copy of which is hereby acknowledged, the undersigned owners of lands or interests in lands or royalties or other interests in production covered by the proposed expansion of the Cabezon Unit Area as described in the Revised Exhibit "B" to the said Unit Agreement, hereby severally, each to the extent of his particular ownership or interest, consent to the inclusion of said expansion to the Unit Area, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior, or his duly authorized representative, as applicable to said several lands and interests, agree that the drilling and development requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The undersigned also authorize Unit Operator to attach this Consent to the execution copies of said Unit Agreement.

This Consent and Joinder of Unit Agreement pertains to Tract 33.

By _____

~~Felix Levato~~ _____

Address Cabezon Route
Cuba, New Mexico

Date April 2, 1962

Felix Levato
(Husband)

(Wife)

Address _____

Address _____

STATE OF)
COUNTY OF) ss.

The foregoing instrument was acknowledged before me this _____
day of _____, 1962, by _____

My Commission Expires _____

Notary Public in and for said
County and State

By _____

Felix Levato

Address Cahoon Route

Cuba, New Mexico

Date April 2-1962

Felix Levato
(Husband)

(Wife)

Address _____

Address _____

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this 2nd
day of April, 1962, by Felix Levato

My Commission Expires
Jan 16-1965

[Signature]
Notary Public in and for said Sandoval
County and State of N.M.

1 CONSENT OF WORKING INTEREST OWNERS TO
2 COMMITMENT OF INTERESTS TO THE CABEZON
3 UNIT AND UNIT OPERATING AGREEMENT

4 THE UNDERSIGNED, the present working interest owners
5 under (1) the Unit Agreement for the Development and Operation of
6 the Cabezon Unit Area, County of Sandoval, State of New Mexico,
7 No. 14-08-0001-7820, dated September 1, 1961, approved by the
8 Acting Director of the United States Geological Survey on
9 December 5, 1961, and (2) the Unit Operating Agreement, Cabezon
10 Unit Area, Sandoval County, New Mexico, dated September 1, 1961,
11 do hereby consent and agree to the commitment to each of said
12 agreements of all of the tracts within the expanded unit area
13 covered by said Unit Agreement as outlined in revised Exhibit A
14 and described in revised Exhibit B thereto, which exhibits are
15 attached hereto and hereby incorporated herein.

16 This Agreement may be executed in any number of counter-
17 parts no one of which need be executed by all of the parties with
18 the same force and effect as if all parties had signed the same
19 document and shall be fully binding upon all signatory parties.

20 IN WITNESS WHEREOF, the undersigned have executed this
21 instrument as of this 29 day of March, 1963.

22 THE BRITISH-AMERICAN OIL PRODUCING COMPANY

23 
24 CLAUDE E. LOY ATTORNEY-IN-FACT ^{DTD}

25 P. O. BOX 749
26 DALLAS 21, TEXAS

27 Address:
28 _____
29 _____
30 _____
31 _____
32

NEW MEXICO

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____
_____, 19____, by _____

Notary Public in and for said County and State

My Commission expires _____

STATE OF Texas }
COUNTY OF Dallas } ss.

The foregoing instrument was acknowledged before me this 4th day of April
_____, 1963, by CLAUDE E. LOY
(name of officer), ATTORNEY-IN-FACT (title of officer or agent), of
THE BRITISH-AMERICAN OIL PRODUCING COMPANY (name of corporation), a
Delaware (State or County of incorporation) corporation,
on behalf of said corporation.

Delores Hess DELORES HESS
Notary Public in and for said County and State

My Commission expires June 1, 1963

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss.

The foregoing instrument was acknowledged before me this _____ day of _____
_____, 19____, by _____, as Attorney In Fact on behalf
of Shell Oil Company, a Delaware corporation.

Notary Public in and for said County and State

My Commission expires _____

EVIDENCE OF AUTHORITY OF OFFICERS
TO EXECUTE POWER OF ATTORNEY


I solemnly swear that ROBERT E. KEPKE and MAYO E. McKEOWN were on the 31st day of August, 1959, the duly elected, qualified and acting President and Secretary, respectively, of THE BRITISH-AMERICAN OIL PRODUCING COMPANY, a corporation organized under the laws of the State of Delaware, on which day they executed the Power of Attorney, a true copy of which is attached hereto, giving and granting unto J. L. HOLLIS, W. O. CALLAWAY and CLAUDE E. LOY, jointly, and each of them severally, the power and authority to do and perform the acts and things therein set forth; that they were fully empowered by authority of the Board of Directors of said corporation to execute said instrument, and that their action in executing the same binds the said corporation to full performance of all obligations thereunder.


(Mayo E. McKeown) Secretary

This 4th day of April, 1962.

(Corporate Seal)

Subscribed and sworn to before me this 4th day of
April, 1962.


Notary Public in and for
Dallas County, Texas

DELORES HESS

MY COMMISSION EXPIRES JUNE 1963

CORPORATE RESOLUTION

I, MAYO E. McKEOWN, Secretary of THE BRITISH-AMERICAN OIL PRODUCING COMPANY, a corporation duly organized and existing under the laws of the State of Delaware, and having its principal operating office in the City of Dallas, State of Texas, do hereby certify that I am keeper of the records and minutes of the proceedings of the Board of Directors of said corporation, and that on the 20th day of June, 1958, there was duly and legally held a meeting of said Board of Directors, at which a quorum of the Directors was present and acting throughout, and at said meeting the following resolution was unanimously adopted:

"WHEREAS, at a meeting of this Board of Directors held on the 30th day of April, 1958, a resolution was duly adopted and entered in the Minute Books authorizing and empowering the President of this corporation in its name and under the seal thereof, to grant, sign and deliver such power or powers of attorney to such person or persons as the President may from time to time deem advisable and convenient, to sign, acknowledge and deliver in this corporation's name certain instruments relating to oil and gas leases, as therein more particularly itemized and set forth; and

WHEREAS, in the course of carrying on its business, it is deemed advisable that the aforesaid authority and power of the President of this corporation to grant, sign and deliver power or powers of attorney be enlarged.

NOW, THEREFORE, BE IT RESOLVED:

Any power of attorney which the President of this corporation may have granted, signed and delivered pursuant to the authority and power granted to him in aforesaid resolution of this Board of Directors passed on the 30th day of April, 1958, is hereby ratified and confirmed.

Said resolution of the 30th day of April, 1958, is by the adoption of this resolution superseded.

From and after this date the President of this corporation is hereby authorized and empowered in the name of and under the seal of this corporation to grant, sign and deliver such power or powers of attorney to such person or persons, jointly or severally, as the President may from time to time deem advisable and convenient, to sign, acknowledge and deliver in this corporation's name instruments incident to the carrying on of this corporation's business of dealing in and with lands wherever situated in the various states of the United States of America and the Territory of Alaska containing or believed to contain oil, gas and other minerals; with full power of substitution and revocation as the President may in his discretion deem necessary or expedient."

and I hereby certify that the foregoing is a true, correct and complete copy thereof and that the same has not been altered, amended, rescinded or repealed and is now in full force and effect.

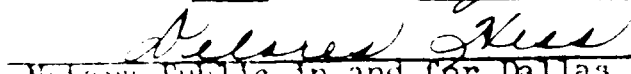
IN WITNESS WHEREOF, I have hereunto set my hand as Secretary of said THE BRITISH-AMERICAN OIL PRODUCING COMPANY, and have attached hereto the official seal of said corporation, this 24th day of

April, 1962.


(Mayo E. McKeown) Secretary

(CORPORATE SEAL)

Subscribed and sworn to before me this 24th day of April, 1962.


Notary Public in and for Dallas
County, Texas

POWER OF ATTORNEY
(With Appointment of New Attorney)

KNOW ALL MEN BY THESE PRESENTS, THAT:

WHEREAS, by a Power of Attorney dated June 20, 1958, THE BRITISH-AMERICAN OIL PRODUCING COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Delaware, having its principal operating office in Dallas, Texas, did make, constitute and appoint J. L. HOLLIS, W. O. CALLAWAY and EDWIN P. DAVIS, jointly, and each of them severally, its true and lawful attorney and attorneys, to sign, acknowledge and deliver in the corporation's name any of the following instruments incident to the carrying on of this corporation's business of dealing in and with lands wherever situated in the various states of the United States of America containing or believed to contain oil, gas and other minerals:

- (1) Oil and gas leases of every type and character in which The British-American Oil Producing Company is named Lessee and its execution thereof is required.
- (2) Assignments of oil and gas leases of every type and character in which The British-American Oil Producing Company is Assignee of an interest and its execution thereof is required.
- (3) Options for assignment of oil and gas leases.
- (4) Applications for extension of oil and gas leases.
- (5) Requests to governmental agencies for approval of assignment of oil and gas leases.
- (6) Federal relinquishment letters.
- (7) Releases of oil and gas leases.
- (8) Unit agreements for the development and operation of oil and gas leases, whether covering Federal lands or otherwise.
- (9) Unit Operating Agreements.
- (10) "Notice of Issuance of Leases" forms and forms of similar nature when required to comply with state or federal laws, rules or regulations.
- (11) Amendments of oil and gas leases, including but not limited to, those relating to correction of land descriptions, the naming of depository banks, rental and acreage matters, corrections or deletions and such other related amendments as may be necessary under existing conditions or circumstances.
- (12) Title curative instruments of every type and character requiring the Joinder of The British-American Oil Producing Company.
- (13) Mortgage or Lien Subordinations of every type and character.
- (14) All instruments relating to the assignment of rentals or royalties by lessors to mortgagees or lienholders.

- (15) Rental division orders.
- (16) Declarations and/or notices to effect pooling, communitization or unitization of oil and gas leases.
- (17) "Change of Depository" forms in connection with oil and gas leases.
- (18) Such bonds and assurances as may be required for the due and faithful performance of each and every contract, agreement or other instrument entered into in the name of the corporation.
- (19) "Designation of Operator" forms in connection with the development and operation of federal oil and gas leases.
- (20) Applications for placing federal leases under Public Law 555.
- (21) Federal and state lease applications.
- (22) Applications for federal exchange leases.
- (23) Acceptances of "Approval--Certification--Determination" forms as required in connection with federal leases.
- (24) "Notice of Issuance of Leases" forms as required by the State of Utah and other states, as necessitated by Public Law 585.
- (25) Right-of-way agreements and surface leases.

granting and giving unto them severally full authority and power to do and perform any and all other acts necessary or incident to the performance and execution of the powers herein expressly granted, with power to do and perform all acts authorized hereby as fully to all intents and purposes as the grantor might or could do, and

WHEREAS, said corporation desires to revoke the powers given to EDWIN P. DAVIS, as aforesaid, and to appoint CLAUDE E. LOY to be its attorney in place of said EDWIN P. DAVIS.

NOW, THEREFORE, said corporation does hereby revoke and make null and void all and singular the powers and authorities by the aforesaid power of attorney given to or conferred upon the said EDWIN P. DAVIS; provided always that the revocation herein contained shall not prejudice or affect anything lawfully done or caused to be done by the said EDWIN P. DAVIS in the exercise of any such powers or authorities as aforesaid prior to this revocation, and does hereby ratify and confirm anything lawfully done by the said EDWIN P. DAVIS in the exercise of any such powers or authorities.

AND, THE BRITISH-AMERICAN OIL PRODUCING COMPANY does by these presents appoint CLAUDE E. LOY its attorney, in its name to exercise and execute all or any of the power or authorities by the said recited power of attorney given or conferred to or upon EDWIN P. DAVIS to all intents and purposes as if the name of CLAUDE E. LOY had been inserted in said recited power of attorney in the place of said EDWIN P. DAVIS named therein.

The Power of Attorney granted to J. L. HOLLIS, W. O. CALLAWAY and CLAUDE E. LOY shall continue until revoked, and it shall have the same force and effect as though special authority was granted to do each such act and to execute each such contract or bond or other instrument separately for each

and every such act so done or contract or bond or instrument
so entered into.

EXECUTED this 31st day of August, 1959.

THE BRITISH-AMERICAN OIL PRODUCING COMPANY

By:

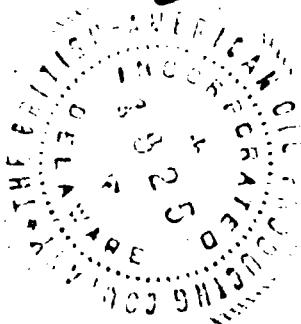

ROBERT E. KEPKE

President

Attest:


MAYO E. MCKEOWN

Secretary



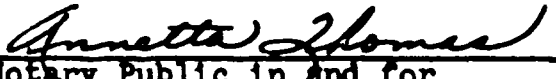
STATE OF TEXAS }
County of Dallas }

(Alabama)

I, Annetta Thomas, a Notary Public in and for said County and State, hereby certify that Robert E. Kepke, whose name as President of The British-American Oil Producing Company, a corporation, is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal of office this 31st day of August, A.D., 1959.

My commission expires:
June 1, 1961.


Notary Public in and for
Dallas County, Texas
Annetta Thomas

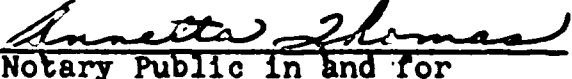
STATE OF TEXAS }
County of Dallas }

(Alaska)

On this the 31st day of August, 1959, before me, Annetta Thomas, the undersigned Notary Public, personally appeared Robert E. Kepke, who acknowledged himself to be the President of The British-American Oil Producing Company, a corporation, and that he, as such President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as President.

In witness whereof I hereunto set my hand and official

My commission expires:
June 1, 1961.


Notary Public in and for
Dallas County, Texas
Annetta Thomas


STATE OF TEXAS }
County of Dallas }

(Arizona)

This instrument was acknowledged before me this 31st day of August, 1959, by Robert E. Kepke, as President of The British-American Oil Producing Company, a corporation.

In witness whereof I hereunto set my hand and official

My commission expires:
June 1, 1961.


Notary Public in and for
Dallas County, Texas
Annetta Thomas

STATE OF TEXAS


(California)

County of Dallas

On this 31st day of August, A.D., 1959, before me, Annetta Thomas, a Notary Public in and for said County and State, personally appeared Robert E. Kepke, known to me to be the President, and Mayo E. McKeown, known to me to be the Secretary of The British-American Oil Producing Company, the Corporation that executed the within Instrument, known to me to be the persons who executed the within Instrument, on behalf of the Corporation herein named, and acknowledged to me that such Corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

My commission expires:
June 1, 1961.


Notary Public in and for
Dallas County, Texas

Annetta Thomas

STATE OF TEXAS


(Colorado)

County of Dallas

The foregoing instrument was acknowledged before me this 31st day of August, 1959, by Robert E. Kepke as President and Mayo E. McKeown as Secretary of The British-American Oil Producing Company, a Delaware corporation.

My notarial commission expires: June 1, 1961.

Witness my hand and official seal.


Notary Public in and for
Dallas County, Texas

Annetta Thomas

STATE OF TEXAS

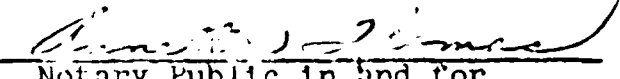
(Florida)

County of Dallas

I hereby certify that on this day before me, an officer duly authorized in the state aforesaid and in the county aforesaid to take acknowledgments, personally appeared Robert E. Kepke and Mayo E. McKeown, to me known and known to be the persons described in and who executed the foregoing instrument as president and secretary, respectively, of the corporation named therein, and severally acknowledged before me that they executed the same as such officers in the name and on behalf of said corporation.

Witness my hand and official seal in the county and state last aforesaid this 31st day of August, A.D., 1959.

My commission expires:
June 1, 1961.


Notary Public in and for
Dallas County, Texas

Annetta Thomas

STATE OF TEXAS }
County of Dallas }

(Illinois)

I, Annetta Thomas, a Notary Public in and for said County and State, do hereby certify that Robert E. Kepke of The British-American Oil Producing Company, to me personally known as the President of The British-American Oil Producing Company, and also known to me as the person whose name is affixed to the foregoing instrument, appeared before me this day in person and acknowledged his signing, sealing and delivering the said instrument as the free and voluntary act of said The British-American Oil Producing Company, for the consideration and purposes therein set forth, and that he was duly authorized to execute the same by the Board of Directors of said corporation.

IN WITNESS WHEREOF, I have set my hand and seal hereto this 31st day of August, 1959.

My commission expires:
June 1, 1961.


Notary Public in and for
Dallas County, Texas


Annetta Thomas

STATE OF TEXAS }
County of Dallas }

(Indiana)

Before me, Annetta Thomas, a Notary Public, this 31st day of August, 1959, personally appeared The British-American Oil Producing Company by Robert E. Kepke and Mayo E. McKeown, its President and Secretary respectively, and acknowledged the execution of the foregoing instrument.

My commission expires:
June 1, 1961.


Notary Public in and for
Dallas County, Texas

Annetta Thomas

STATE OF TEXAS }
County of Dallas }

(Kentucky)

I, Annetta Thomas, a Notary Public, do certify that on this day the foregoing instrument of writing was produced to me in my county by the parties and acknowledged and delivered before me by Robert E. Kepke as President of The British-American Oil Producing Company, a corporation, party thereto, to be the act and deed of said corporation by him as its President and chief officer, thereunto duly authorized, and the seal of said corporation as affixed to said deed was attested and proven before me by Mayo E. McKeown as its secretary.

Given under my hand and seal of office this 31st day of August, 1959.

My commission expires:
June 1, 1961.


Notary Public in and for
Dallas County, Texas

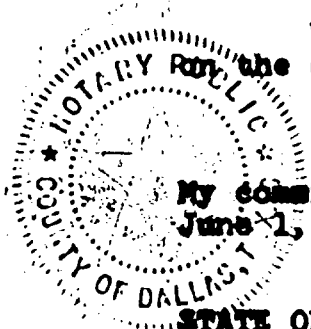
Annetta Thomas

STATE OF TEXAS }
County of Dallas }

(Louisiana)

On this 31st day of August, 1959, before me appeared Robert E. Kepke, to me personally known, who being by me duly sworn did say that he is President of The British-American Oil Producing Company and that the seal affixed to said instrument is the corporate seal of said corporation and that the foregoing instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors and the said Robert E. Kepke acknowledged said instrument to be the free act and deed of said corporation.

Witness my official signature and seal at Dallas, Texas, on the day and month and year first above written.



My commission expires:
June 1, 1961.

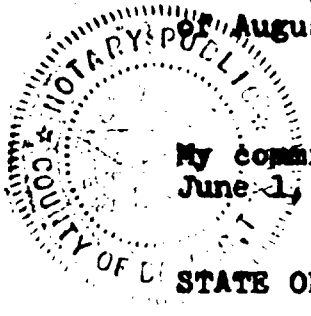
Annetta Thomas
Notary Public in and for
Dallas County, Texas
Annetta Thomas

STATE OF TEXAS }
County of Dallas }

(Mississippi)

Personally appeared before me, Annetta Thomas, a Notary Public in and for the county and state aforesaid, Robert E. Kepke, who is personally known to me, and who acknowledged that he, the said Robert E. Kepke as President of The British-American Oil Producing Company, a corporation organized and existing under the laws of the State of Delaware, signed the above and foregoing instrument and affixed the corporate seal of said company thereto and delivered said instrument on the day and year therein mentioned.

Given under my hand and seal of office this 31st day of August, 1959.



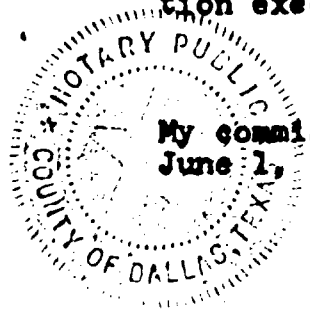
My commission expires:
June 1, 1961.

Annetta Thomas
Notary Public in and for
Dallas County, Texas
Annetta Thomas

STATE OF TEXAS }
County of Dallas }

(Montana)

On this 31st day of August, 1959, before me a Notary Public in and for said County and State, personally appeared Robert E. Kepke, known to me to be the President of The British-American Oil Producing Company, the corporation that executed the within instrument and acknowledged to me that such corporation executed the same.



My commission expires:
June 1, 1961.

Annetta Thomas
Notary Public in and for
Dallas County, Texas
Annetta Thomas

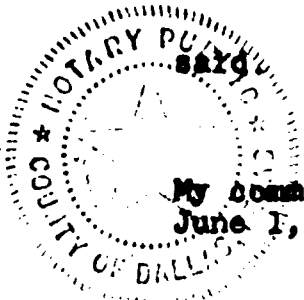
STATE OF TEXAS

(Nebraska)

County of Dallas

On this 31st day of August, 1959, before me, a Notary Public, in and for said county, personally came the above named Robert E. Kepke, President of The British-American Oil Producing Company, who is personally known to me to be the identical person whose name is affixed to the above instrument as President of said corporation and acknowledged the instrument to be his voluntary act and deed and the voluntary act and deed of said corporation.

Witness my hand and notarial seal the date last afore-



My commission expires:
June 1, 1961.

Annetta Thomas
Notary Public in and for
Dallas County, Texas

Annetta Thomas

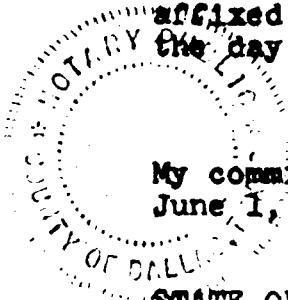
STATE OF TEXAS

(Nevada)

County of Dallas

On this 31st day of August, A.D., 1959, personally appeared before me, Annetta Thomas, a Notary Public in and for Dallas County, Robert E. Kepke, known to me to be the President of The British-American Oil Producing Company on behalf of the corporation that executed the foregoing instrument and upon oath, did depose that he is the officer of said corporation as above designated; that he is acquainted with the seal of said corporation and that the seal affixed to said instrument is the corporate seal of said corporation; that the signatures to said instrument were made by officers of said corporation as indicated after said signatures; that the said corporation executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in the County of Dallas, the day and year in this certificate first above written.



My commission expires:
June 1, 1961.

Annetta Thomas
Notary Public in and for
Dallas County, Texas

Annetta Thomas

STATE OF TEXAS

(North Dakota)

County of Dallas

On this 31st day of August, 1959, before me personally appeared Robert E. Kepke known to me to be the President of The British-American Oil Producing Company, the corporation described in and that executed the within instrument, and acknowledged to me that such corporation executed the same.



My commission expires:
June 1, 1961.

Annetta Thomas
Notary Public in and for
Dallas County, Texas

Annetta Thomas

STATE OF TEXAS
County of Dallas

(Oregon)

August 31, A. D., 1959, personally appeared Robert E. Kepke, who being duly sworn, did say that he is the President of The British-American Oil Producing Company, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and he acknowledged said instrument to be its voluntary act and deed. Before me:

My commission expires:
June 1, 1961.

Annetta Thomas
Notary Public in and for
Dallas County, Texas

Annetta Thomas

STATE OF TEXAS
County of Dallas

(South Dakota)

On this the 31st day of August, 1959, before me, Annetta Thomas, the undersigned officer, personally appeared Robert E. Kepke, who acknowledged himself to be the President of The British-American Oil Producing Company, a corporation, and that he as such President, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as President.

In Witness Whereof I hereunto set my hand and official

My commission expires:
June 1, 1961.

Annetta Thomas
Notary Public in and for
Dallas County, Texas

Annetta Thomas

STATE OF TEXAS
County of Dallas

(Utah)

On the 31st day of August, 1959, personally appeared before me, Robert E. Kepke, who, being by me duly sworn did say that he is President of The British-American Oil Producing Company, and that said instrument was signed in behalf of said corporation by authority of its by-laws, and said Robert E. Kepke acknowledged to me that said corporation executed the same.

My commission expires:
June 1, 1961.

Annetta Thomas
Notary Public in and for
Dallas County, Texas

Annetta Thomas

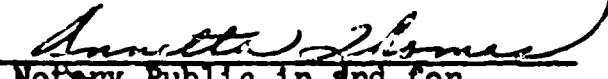
STATE OF TEXAS }
County of Dallas }

(Washington)

On this 31st day of August, A.D., 1959, before me personally appeared Robert E. Kepke, to me known to be the President of the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

In witness whereof, I have hereunto set my hand and affixed my official seal the day and year first above written.

My commission expires:
June 1, 1961.


Notary Public in and for
Dallas County, Texas
Annetta Thomas


STATE OF TEXAS }
County of Dallas }

(Wyoming)

On this 31st day of August, 1959, before me appeared Robert E. Kepke, to me personally known, who, being by me duly sworn, did say that he is the President of The British-American Oil Producing Company, a Delaware corporation, 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 Robert E. Kepke acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and seal this 31st day of August, 1959.

My commission expires:
June 1, 1961.


Notary Public in and for
Dallas County, Texas
Annetta Thomas

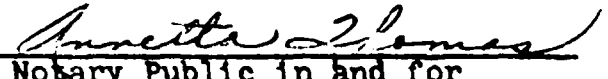
STATE OF TEXAS }
County of Dallas }

(Idaho)

On this 31st day of August in the year 1959, before me Annetta Thomas, a Notary Public, personally appeared Robert E. Kepke, known to me to be the President of The British-American Oil Producing Company that executed the above instrument on behalf of said corporation and acknowledged to me that such corporation executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

My commission expires:
June 1, 1961.


Notary Public in and for
Dallas County, Texas,
Residing at Dallas, Texas.
Annetta Thomas

STATE OF TEXAS
County of Dallas

(Applicable in Oklahoma, Kansas,
Arkansas, Texas and New Mexico)

Before me, the undersigned authority, on this day personally appeared Robert E. Kepke, President of The British-American Oil Producing Company, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the free act and deed of the said The British-American Oil Producing Company, a corporation, and that he having been duly authorized by the Board of Directors of said corporation, executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of such corporation, for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office at Dallas, Texas, this the 31st day of August, A.D., 1959.



My commission expires:
June 1, 1961.

Annetta Thomas
Notary Public in and for
Dallas County, Texas
Annetta Thomas

EXHIBIT "B" OF EXPANDED CABEZON UNIT
Sandoval County, New Mexico

<u>Tract No.</u>	<u>Description of Land</u>	<u>No. of Acres</u>	<u>Serial No. & Date of Lease</u>	<u>Basic Royalty & Percentage</u>	<u>Lessee of Record</u>	<u>O.R.R. & Percentage</u>	<u>Working Interest & Percentages</u>
42	T. 18 N., R. 3 W., N.M.P.M. Sec. 33: SE/4 NE/4	40.00	SF-081171-A 3-1-48 H.B.P.	U.S. - 12½%	Clyde B. Harvey	Gustava Holohav 2%	J. I. Harvey Irma McHenry 1/8%
43	T. 18 N., R. 3 W., N.M.P.M. Sec. 33: W/2, N/2 NE/4, N/2 SE/4, SE/4 SE/4	520.00	SF-081171-K 11-1-51 (Extended to 10-31-63 DO)	U.S. - 12½%	Clyde B. Harvey	Gustava Holohav 2%	Levi A. Hughes James W. Rollins B. A. Dodgen 100%
44	T. 18 N., R. 3 W., N.M.P.M. Sec. 33: SW/4 NE/4	40.00	SF-081171-N 11-1-51 (Extended to 10-31-63 DO)	U.S. - 12½%	Clyde B. Harvey	Gustava Holohav 2%	J. I. Harvey 100%
45	T. 18 N., R. 3 W., N.M.P.M. Sec. 33: SW/4 SE/4	40.00	SF-081171-R 11-1-51 (Extended to 10-31-63 DO)	U.S. - 12½%	Alex J. Keller	Clyde B. Harvey 3% Gustava Holohav 2%	J. I. Harvey 100%
46	T. 17 N., R. 4 W., N.M.P.M. Sec. 12: S/2 Sec. 13: NW/4, S/2	800.00	NM-01923-A 1-1-52 (Extended to 11-30-63)	U.S. - 12½%	Continental Oil Company	John E. Hall 4%	Continental Oil Company 100%
47	T. 17 N., R. 4 W., N.M.P.M. Sec. 23: S/2 NE/4	80.00	NM-02336 3-1-52	U.S. - 12½%	Shell Oil Company	Mills Oil Company & R. V. Strandberg 3%	Shell Oil Company 100%
48	T. 17 N., R. 4 W., N.M.P.M. Sec. 23: N/2 NE/4, S/2 NW/4 Sec. 24: NW/4	320.00	NM-04514 7-1-53	U.S. - 12½%	Shell Oil Company*	R. L. Flood 4%	Shell Oil Company 100%

EXHIBIT "B" OF EXPANDED CABEZON UNIT (Contd.)
Sandoval County, New Mexico

Tract No.	Description of Land	No. of Acres	Serial No. & Date of Lease	Basic Royalty & Percentage	Lessee of Record	O.R.R. & Percentage	Working Interest & Percentages
49	T. 17 N., R. 3 W., N.M.P.M. Sec. 6: Lots 5, 7, E/2 SW/4, SE/4	320.33	NM-012751 9-1-53	U.S. - 12½%	Shell Oil Company*	Wilson Oil Company 2% Herman Renkoff 2% Violet Craig Ripley 1%	Shell Oil Company 100%
50	T. 17 N., R. 3 W., N.M.P.M. Sec. 8: SW/4	160.00	NM-023907 2-1-57	U.S. - 12½%	Shell Oil Company*	L. C. Hotchkiss 3%	Shell Oil Company 100%
51	T. 17 N., R. 3 W., N.M.P.M. Sec. 7: Lot 1, NE/4 NW/4, Lot 3	120.15	NM-024422 9-1-56	U.S. - 12½%	Shell Oil Company*	V. Cuccia 3%	Shell Oil Company 100%
52	T. 17 N., R. 4 W., N.M.P.M. Sec. 11: NE/4 Sec. 12: S/2 N/2 Sec. 23: SE/4	480.00	NM-027999 11-1-56	U.S. - 12½%	Shell Oil Company*	V. Cuccia 3%	Shell Oil Company 100%
53	T. 18 N., R. 3 W., N.M.P.M. Sec. 32: NW/4 NW/4, SE/4 NW/4	80.00	NM-028098 5-1-58	U.S. - 12½%	Shell Oil Company*	V. Cuccia 3%	Shell Oil Company 100%
54	T. 18 N., R. 3 W., N.M.P.M. Sec. 32: NE/4 NW/4, SW/4 NW/4	80.00	NM-028098-A 5-1-58	U.S. - 12½%	Shell Oil Company*	G. E. Conley 3%	Shell Oil Company 100%
55	T. 17 N., R. 4 W., N.M.P.M. Sec. 1: S/2 SE/4	80.00	NM-029030 9-1-57	U.S. - 12½%	Shell Oil Company*	Eugenia Bate 5%	Shell Oil Company 100%
56	T. 18 N., R. 3 W., N.M.P.M. Sec. 32: N/2 SE/4, SW/4 SE/4	120.00	NM-031267 5-1-58	U.S. - 12½%	Shell Oil Company*	R. E. McKenzie, Jr. 5%	Shell Oil Company 100%
57	T. 18 N., R. 3 W., N.M.P.M. Sec. 31: NE/4 SE/4 Sec. 32: N/2 SW/4 T. 17 N., R. 3 W., N.M.P.M. Sec. 5: Lots 1, 2, S/2 NE/4, S/2 NW/4 Sec. 8: N/2	680.07	NM-031471 10-1-58	U.S. - 12½%	Shell Oil Company*	Imperial Corporation 5%	Shell Oil Company 100%

EXHIBIT "B" OF EXPANDED CABEZON UNIT (Contd.)
Sandoval County, New Mexico

3

<u>Tract No.</u>	<u>Description of Land</u>	<u>No. of Acres</u>	<u>Serial No. & Date of Lease</u>	<u>Basic Royalty & Percentage</u>	<u>Lessee of Record</u>	<u>O.R.R. & Percentage</u>	<u>Working Interest & Percentages</u>
58	T. 17 N., R. 3 W., N.M.P.M. Sec. 5: Lots 3, 4	79.97	NM-034552 11-1-58	U.S. - 12 $\frac{1}{2}$ %	Shell Oil Company*	Marion V. Harris 4%	Shell Oil Company 100%
59	T. 17 N., R. 3 W., N.M.P.M. Sec. 6: Lots 1, 2, 3, 4, 5, SE/4 NW/4, S/2 NE/4	320.35	NM-034609 6-1-59	U.S. - 12 $\frac{1}{2}$ %	Shell Oil Company*	Marion V. Harris 4%	Shell Oil Company 100%
60	T. 17 N., R. 3 W., N.M.P.M. Sec. 4: Lots 1, 2, 3, 4, S/2 N/2	320.76	NM-038089 12-1-58	U.S. - 12 $\frac{1}{2}$ %	Shell Oil Company*	R. M. Young 4%	Shell Oil Company 100%
61	T. 18 N., R. 3 W., N.M.P.M. Sec. 32: SE/4 SE/4	40.00	NM-038417 6-1-59	U.S. - 12 $\frac{1}{2}$ %	Senemex Inc.	None	Senemex Inc. 100%
62	T. 18 N., R. 3 W., N.M.P.M. Sec. 31: S/2 SE/4	80.00	NM-043265 7-1-58	U.S. - 12 $\frac{1}{2}$ %	Beard Oil Company et al	None	Beard Oil Company et al 100%
63	T. 17 N., R. 3 W., N.M.P.M. Sec. 9: NE/4 NE/4, SW/4 NE/4	80.00	NM-044572 6-1-59	U.S. - 12 $\frac{1}{2}$ %	Transmountain Production Company	Walter L. Morrison 4-3/10% Dix R. Turnbow 1/2 of 1% Ted A. Beach 1/5 of 1%	Transmountain Production Company 100%
64	T. 17 N., R. 3 W., N.M.P.M. Sec. 5: N/2 SW/4	80.00	NM-045913 4-1-59	U.S. - 12 $\frac{1}{2}$ %	Shell Oil Company**	R. M. Amerman 3% Rosalie A. Amerman	Shell Oil Company 100%
65	T. 17 N., R. 3 W., N.M.P.M. Sec. 5: S/2 SW/4 Sec. 7: N/2 NE/4	160.00	NM-045915 5-1-59	U.S. - 12 $\frac{1}{2}$ %	Shell Oil Company*	Dalport Oil Company 3%	Shell Oil Company 100%
66	T. 17 N., R. 4 W., N.M.P.M. Sec. 1: N/2 SE/4	80.00	NM-053078 7-1-59	U.S. - 12 $\frac{1}{2}$ %	Shell Oil Company*	Erving Wolf 5%	Shell Oil Company 100%

EXHIBIT "B" OF EXPANDED CABEZON UNIT (Contd.)
Sandoval County, New Mexico

Tract No.	Description of Land	No. of Acres	Serial No. & Date of Lease	Basic Royalty & Percentage	Lessee of Record	O.R.R. & Percentage	Working Interest & Percentages
67	T. 17 N., R. 4 W., N.M.P.M. Sec. 23: N/2 NW/4, N/2 SW/4	160.00	NM-050870-A 7-1-59	U.S. - 12 $\frac{1}{2}$ %	Shell Oil Company*	Bruce Anderson 3%	Shell Oil Company 100%
68	T. 18 N., R. 3 W., N.M.P.M. Sec. 31: NW/4 SE/4	40.00	NM-063610 7-1-60	U.S. - 12 $\frac{1}{2}$ %	Bruce Anderson	J. F. Angstman 1/2 of 1%	Bruce Anderson 100%
69	T. 17 N., R. 3 W., N.M.P.M. Sec. 4: SW/4 SW/4, SE/4 SE/4	80.00	NM-063848 2-1-60	U.S. - 12 $\frac{1}{2}$ %	Shell Oil Company*	Bruce Anderson & Jacqueline Anderson 4-1/2% Joan F. Angstman 1/2 of 1%	Shell Oil Company 100%
70	T. 17 N., R. 4 W., N.M.P.M. Sec. 14: S/2 N/2, S/2	480.00	NM-067537 2-1-60	U.S. - 12 $\frac{1}{2}$ %	Shell Oil Company*	E. L. Wyman 5%	Shell Oil Company 100%
71	T. 17 N., R. 4 W., N.M.P.M. Sec. 11: S/2 Sec. 14: N/2 N/2	480.00	NM-067544 2-1-60	U.S. - 12 $\frac{1}{2}$ %	Shell Oil Company*	E. Wolf 5%	Shell Oil Company 100%
72	T. 18 N., R. 3 W., N.M.P.M. Sec. 32: NE/4, S/2 SW/4	240.00	NM-079563 9-1-60	U.S. - 12 $\frac{1}{2}$ %	Shell Oil Company*	E. L. Wyman 5%	Shell Oil Company 100%
73	T. 17 N., R. 3 W., N.M.P.M. Sec. 8: SE/4	160.00	NM-082403-A 4-1-60	U.S. - 12 $\frac{1}{2}$ %	Shell Oil Company	Mrs. Joan Chorney 3%	Shell Oil Company 100%
74	T. 17 N., R. 3 W., N.M.P.M. Sec. 9: W/2 NW/4, NW/4 NE/4	120.00	NM-0100758 7-1-60	U.S. - 12 $\frac{1}{2}$ %	Shell Oil Company	Harry F. Schram 5%	Shell Oil Company 100%
75	T. 17 N., R. 3 W., N.M.P.M. Sec. 4: N/2 S/2, SE/4 SW/4, SW/4 SE/4 Sec. 5: SE/4 Sec. 7: Lots 2, 4, SE/4 NW/4, S/2 NE/4, E/2 SW/4, SE/4	840.05	NM-0103246 9-1-60	U.S. - 12 $\frac{1}{2}$ %	Shell Oil Company*	L. H. Coll 5% of 80% of reserves until depleted.	Shell Oil Company 100%

EXHIBIT "B" OF EXPANDED CABEZON UNIT (Contd.)
Sandoval County, New Mexico

4

Tract No.	Description of Land	No. of Acres	Serial No. & Date of Lease	Basic Royalty & Percentage	Lessee of Record	O.R.R. & Percentage	Working Interest & Percentages
67	T. 17 N., R. 4 W., N.M.P.M. Sec. 23: N/2 NW/4, N/2 SW/4	160.00	NM-050870-A 7-1-59	U.S. - 12 $\frac{1}{2}$ %	Shell Oil Company*	Bruce Anderson 3%	Shell Oil Company 100%
68	T. 18 N., R. 3 W., N.M.P.M. Sec. 31: NW/4 SE/4	40.00	NM-063610 7-1-60	U.S. - 12 $\frac{1}{2}$ %	Bruce Anderson	J. F. Angstman 1/2 of 1%	Bruce Anderson 100%
69	T. 17 N., R. 3 W., N.M.P.M. Sec. 4: SW/4 SW/4, SE/4 SE/4	80.00	NM-063848 2-1-60	U.S. - 12 $\frac{1}{2}$ %	Shell Oil Company*	Bruce Anderson & Jacqueline Anderson 4-1/2% Joan F. Angstman 1/2 of 1%	Shell Oil Company 100%
70	T. 17 N., R. 4 W., N.M.P.M. Sec. 14: S/2 N/2, S/2	480.00	NM-067537 2-1-60	U.S. - 12 $\frac{1}{2}$ %	Shell Oil Company*	E. L. Wyman 5%	Shell Oil Company 100%
71	T. 17 N., R. 4 W., N.M.P.M. Sec. 11: S/2 Sec. 14: N/2 N/2	480.00	NM-067544 2-1-60	U.S. - 12 $\frac{1}{2}$ %	Shell Oil Company*	E. Wolf 5%	Shell Oil Company 100%
72	T. 18 N., R. 3 W., N.M.P.M. Sec. 32: NE/4, S/2 SW/4	240.00	NM-079563 9-1-60	U.S. - 12 $\frac{1}{2}$ %	Shell Oil Company*	E. L. Wyman 5%	Shell Oil Company 100%
73	T. 17 N., R. 3 W., N.M.P.M. Sec. 8: SE/4	160.00	NM-082403-A 4-1-60	U.S. - 12 $\frac{1}{2}$ %	Shell Oil Company	Mrs. Joan Chorney 3%	Shell Oil Company 100%
74	T. 17 N., R. 3 W., N.M.P.M. Sec. 9: W/2 NW/4, NW/4 NE/4	120.00	NM-0100758 7-1-60	U.S. - 12 $\frac{1}{2}$ %	Shell Oil Company	Harry F. Schram 5%	Shell Oil Company 100%
75	T. 17 N., R. 3 W., N.M.P.M. Sec. 4: N/2 S/2, SE/4 SW/4, SW/4 SE/4 Sec. 5: SE/4 Sec. 7: Lots 2, 4, SE/4 NW/4, S/2 NE/4, E/2 SW/4, SE/4	840.05	NM-0103246 9-1-60	U.S. - 12 $\frac{1}{2}$ %	Shell Oil Company*	L. H. Coll 5% of 80% of reserves until depleted.	Shell Oil Company 100%

EXHIBIT "B" OF EXPANDED CABEZON UNIT (Contd.)
Sandoval County, New Mexico

Tract No.	Description of Land	No. of Acres	Serial No. & Date of Lease	Basic Royalty & Percentage	Lessee of Record	O.R.R. & Percentage	Working Interest & Percentages
76	T. 17 N., R. 3 W., N.M.P.M. Sec. 9: E/2 NW/4, SE/4 NE/4	120.00	NM-0108640 4-1-61	U.S. - 12½%	Pauline Swinehart	None	Pauline Swinehart 100%
77	T. 17 N., R. 4 W., N.M.P.M. Sec. 11: NW/4	160.00	NM-0153836 7-1-61	U.S. - 12½%	Shell Oil Company*	Hoover H. Wright & Betty Ruth Wright 1%	Shell Oil Company 100%
78	T. 17 N., R. 4 W., N.M.P.M. Sec. 23: S/2 SW/4 Sec. 24: E/2, SW/4	560.00	NM-0253784 7-1-53	U.S. - 12½%	Shell Oil Company	R. L. Flood 5%	Shell Oil Company 100%
37 FEDERAL TRACTS		8,641.66	ACRES OR 90.00% OF THE UNIT AREA				
79	T. 17 N., R. 3 W., N.M.P.M. Sec. 18: Lots 1, 2, E/2 NW/4 Tract #2	159.96	14-20-0603-6861 Amelia George Tom George Robbie George Frank George Louise George Hayes John George Mary Louise George	12½% - 6/24 - 3/24 - 3/24 - 3/24 - 3/24 - 3/24 - 3/24	Shell Oil Company	None	Shell Oil Company 100%
80	T. 17 N., R. 3 W., N.M.P.M. Sec. 18: Lots 3, 4, E/2 SW/4 Tract #3	160.05	14-20-0603-6862 Harding Negale (All)	12½%	Shell Oil Company	None	Shell Oil Company 100%

EXHIBIT "B" OF EXPANDED CABEZON UNIT (Contd.)
Sandoval County, New Mexico

6

Tract No.	Description of Land	No. of Acres	Serial No. & Date of Lease	Basic Royalty & Percentage	Lessee of Record	O.R.R. & Percentage	Working Interest & Percentage
81	T. 17 N., R. 4 W., N.M.P.M. Sec. 12: NE/4 Tract #10	160.00	24-20-0003-6808 Bah ntaga pah or Ta ne a bah Ah nwa pah or Ye vwa bah Hosh kait hosa or Louie Tayadita Harding Negale Amelia George Tom George Robbie George Frank George John George Louise George Hayes Mary Louise George	12 1/2% - 7 1/4/320 - 7 1/4/320 - 7 1/4/320 - 7 1/4/320 - 6/320 - 3/320 - 3/320 - 3/320 - 3/320 - 3/320 - 3/320 - 3/320	Shell Oil Company	None	Shell Oil Company 100%
3 INDIAN TRACTS 480.01 ACRES OR 1.54% OF THE UNIT AREA							
82	T. 17 N., R. 3 W., N.M.P.M. Sec. 18: E/2	320.00	3-17-66	Felix Lovato 12 1/2%	Shell Oil Company	None	Shell Oil Company 100%
83	T. 17 N., R. 4 W., N.M.P.M. Sec. 12: N/2 N/2	160.00	12-1-66	None	Romelia Garcia Maestas	None	Romelia Garcia Maestas 100%
2 FEE TRACTS 480.00 ACRES OR 1.54% OF THE UNIT AREA							

*Assignments to SHELL OIL COMPANY being filed with the Bureau of Land Management for approval.

Total Forty-two (42) tracts 9,601.69 ACRES IN EXPANDED CABEZON AREA.



SHELL OIL COMPANY

Post Office Box 1200
Farmington, New Mexico

Subject: Cabezon Unit
14-08-0001-7820
Sandoval County, New Mexico
Preliminary Request for
Approval of Proposed Expansion
of Cabezon Unit

The Director
United States Geological Survey
Washington 25, D. C.

Through

Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Gentlemen:

Please refer to the Unit Agreement covering the Cabezon Unit No. 14-08-0001-7820, Sandoval County, New Mexico, dated September 1, 1961, and approved by the Director of the United States Geological Survey December 5, 1961.

We propose to expand our Cabezon Unit in order that we may drill a stratigraphic test on the flank of the Pennsylvanian structure. We feel that this movement down flank of structure will greatly increase our potential in exploring for a more favorable porosity. This proposed Pennsylvanian test will be located in the NE/4 SW/4 of Section 8, or in the SW/4 SW/4 of Section 7, Township 17 North, Range 3 West, N.M.P.M., Sandoval County, New Mexico; this being dependant upon further geological studies.

We would appreciate your granting preliminary approval to our proposal to expand the Cabezon Unit.

The Director
United States Geological Survey

2

Through

Supervisor
United States Geological Survey

Following your preliminary approval we shall submit formal notices of the proposed expansion to all parties of interest in the Cabezon Unit. After the prescribed thirty-day waiting period we shall furnish you with copies of all replies received in response to our Notice of Proposed Expansion and make formal application for the expansion of the Cabezon Unit.

For your convenience in considering our request, we attach the following:

1. Exhibit "A" - Map showing the present Unit and proposed expanded Unit outline with various lease data.
2. Exhibit "B" - Lease data on the proposed expanded Cabezon Unit.
3. Exhibit "C" - Notice of Proposed Expansion of the Cabezon Unit Area.
4. Exhibit "D" - Map of the Basal Pennsylvanian structure showing Cabezon Unit and Proposed Expanded Cabezon Unit.

Should other information be desirable, please let us know.

Very truly yours,

SHELL OIL COMPANY



F. W. Nantker
Division Land Manager

PLG:GC

Attachments

NOTICE OF PROPOSED EXPANSION OF
CABEZON UNIT AREA

TO THE DIRECTOR OF THE UNITED STATES GEOLOGICAL SURVEY, THE COMMISSIONER OF PUBLIC LANDS OF NEW MEXICO, THE OIL CONSERVATION COMMISSION OF NEW MEXICO, THE LESSEES, LESSORS, WORKING INTEREST OWNERS AND OTHER PARTIES WHO HAVE EXECUTED THE UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE CABEZON UNIT AREA, AND ALL LESSEES, LESSORS, WORKING INTEREST OWNERS, AND OTHER PARTIES HAVING AN INTEREST WITHIN THE PROPOSED EXPANDED AREA.

The undersigned SHELL OIL COMPANY, as UNIT OPERATOR, hereby notifies you that it proposes to expand the area (hereinafter referred to as "Unit Area") subject to the UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE CABEZON UNIT, COUNTY OF SANDOVAL, STATE OF NEW MEXICO, No. 14-08-0001-7820, and approved by the Director of the United States Geological Survey December 5, 1961, the expansion to become effective upon approval of the Director. The expanded Unit will contain 32,344.26 acres, more or less, of which 9,601.69 acres will be additional (hereinafter called "additional lands") due to the expansion herein requested.

A plat outlining the present boundaries of the Unit Area and the lands to be added thereto as a result of such expansion is attached hereto. Said lands to be added to the Unit are within the outlined area shown on the attached plat. The undersigned has previously obtained preliminary concurrence of the United States Geological Survey to the aforesaid expansion of the Unit Area.

In accordance with Section 2 of said Unit Agreement, if you have any objections to such expansion of the Unit Area, such objections must be delivered in writing to the undersigned at Post Office Box 1200, Farmington, New Mexico within thirty (30) days.

SHELL OIL COMPANY

By *J. W. Matthews*
Division Land Manager

Dated *March 6*, 1962

GEOLOGICAL REPORT FOR CABEZON UNIT

The Cabezon Unit is located in the southeastern portion of the San Juan Basin in Sandoval County, twenty-two miles southwest of Cuba, New Mexico. The general area can be reached on State Highway 44.

Stratigraphy

The oldest rocks exposed in the Cabezon Area are sands and shales of Cretaceous age. The lithology of the pre-Cretaceous strata was determined from the Shell Wright 41-26 well located within the Unit Area in Section 26, T. 17 N., R. 3 W., N.M.P.M.

Precambrian System - This system is granite, as indicated by samples and cores from wells in this general area.

Mississippian System - The Mississippian is erratic in its occurrence, ranging in thickness from 0 to 100', but where present, consists of limestone. It is absent in the Shell Wright well.

Pennsylvanian System - The Madera and Sandia formations constitute the Pennsylvanian strata in this area. The Sandia is a marine sequence of varicolored shales, sandstones and some limestones. The marine Madera formation includes limestones, dolomites, shales and sandstones. Some oil shows have been reported from these strata. The Pennsylvanian is expected to be approximately 1100 feet thick.

Permian System - The Permian is a sequence of sandstone, red-brown siltstones and shales, largely non-marine, and marine carbonates and evaporite beds. We anticipate a total Permian section of about 1450 feet underlying the Cabezon Unit.

Triassic System - Included in the Triassic are the continental Chinle formation consisting of red shale, and the basal Aqua Zarca, a sandstone and conglomerate series. This system is expected to be about 1030 feet thick in this area.


Jurassic System - The Jurassic Glen Canyon Group and Carmel formations are expected to be very thin if present in the area. The porous Entrada sandstone, which is expected to be approximately 100 feet thick, produced oil in the Media field. The Morrison formation, the uppermost part of the Jurassic system, consists of continental sands and shales. The Jurassic is essentially a non-marine section and is expected to be about 1150 feet thick.

Cretaceous System - Cretaceous sediments in the area are expected to be about 2400 feet thick. This system is a sequence of marine and continental sands and shales and includes many intervals that are productive of oil and gas in fields to the north.

Structure

The structure map accompanying this report is based entirely on detailed reflection seismic data. The contours, which are not corrected to a geologic marker, are on a seismic reflection near the top of the Precambrian, but are considered to adequately represent the configuration of the top of the Precambrian granite. Correction of this map to the top of the granite, in our opinion, would not materially change the configuration of the contours. Prior to the drilling of Shell's Wright 41-26 well in Section 26, T. 17 N., R. 3 W., N.M.P.M., the contours were considered to represent the base of the Pennsylvanian section. The original Unit outline was based on the amount of areal closure at this horizon, but as a result of our Unit well and additional seismic work, we now think additional Pennsylvanian section is present on the flanks of the Precambrian high.

Shell Oil Company plans to drill an 8050-foot Precambrian test on the northwest flank of the structure in the expanded Unit outline in accordance with the attached Request for Designation of Expanded Unit Area. We think this well must be drilled downdip and outside of the original Unit outline in order to encounter all the additional objective section anticipated. A well in the expanded Unit is expected to adequately test the hydrocarbon potential of the northwest flank of the Cabezon structure.



E. G. Hoskins
District Geologist

EGH:MPD

Enclosure:
Basement Structure Map

UNIT OPERATING AGREEMENT

CABEZON UNIT AREA

COUNTY OF SANDOVAL

STATE OF NEW MEXICO

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Exhibit 4—Part 1—Drilling of Exploratory Wells (referred to in Sections 9.1, 10.2, 11.2, 11.7 and 12.2D). Part 2—Attempted Completion, Deepening, Plugging Back and Abandonment (referred to in Section 11.1).	
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UNIT OPERATING AGREEMENT

CABEZON

UNIT AREA

STATE OF NEW MEXICO

COUNTY OF SANDOVAL

THIS AGREEMENT made as of the 1st day of September, 1961,
by and among the parties who execute or ratify this agreement or a counterpart hereof,

WITNESSETH:

WHEREAS, the Parties have entered into that certain UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE Cabazon UNIT AREA, County of Sandoval, State of New Mexico, dated as of the 1st day of September, 1961, and hereinafter referred to as the "Unit Agreement", covering the lands described in Exhibit 1, hereto attached, which lands are referred to in the Unit Agreement and in this agreement as the "Unit Area";

WHEREAS, the Parties enter into this agreement pursuant to Section 7 of the Unit Agreement, NOW, THEREFORE, in consideration of the mutual agreements herein set forth, it is agreed as follows:

ARTICLE 1 DEFINITIONS

1.1 **Unit Agreement Definitions.** The definitions contained in the Unit Agreement are adopted for all purposes of this agreement. In addition, each term listed below shall have the meaning stated therefor, whenever used in this agreement.

1.2 **"Unit Operator"** means Shell Oil Company, a Delaware Corporation and its successors, as the Unit Operator designated in accordance with the Unit Agreement, acting in that capacity and not as an owner of Working Interest.

1.3 **"Party"** means a party to this agreement, including the Party acting as Unit Operator when acting as an owner of Working Interest.

1.4 **"Costs"** means all costs and expenses incurred in the development and operation of the Unit Area pursuant to this agreement or the Unit Agreement and all other expenses that are herein made chargeable as Costs, determined in accordance with the accounting procedure set forth in Exhibit 2 attached hereto, which shall govern in all matters covered thereby, except that in event of inconsistency between said accounting procedure and this agreement, this agreement shall control.

1.5 **"Committed Working Interest"** means a Working Interest which is shown on Exhibit B to the Unit Agreement as owned by a Party and which is committed to the Unit Agreement. Whenever reference is made to a Party "in" or "within" the Unit Area, a participating area, or other area designated pursuant to this agreement, such reference shall mean a Party owning a Committed Working Interest in lands within such area.

1.6 **"Acreage Basis"**, when used to describe the basis of participation by the Parties within the Unit Area, a participating area, or other area designated pursuant to this agreement in voting, Costs, or Production, means participation by each such Party in the proportion that the acreage of its Committed Working Interests in such area bears to the total acreage of the Committed Working Interests of all such Parties therein. For the purposes of this definition, (a) the acreage of the working interest in a tract within the Unit Area shall be the acreage of such tract as set forth in Exhibit B to the Unit Agreement, and (b) if there are two or more undivided working interests in a tract, there shall be apportioned to each such working interest that proportion of the acreage of the tract that such working interest bears to the entire working interest in the tract.

1.7 **"Production"** means all Unitized Substances produced and saved from the Unit Area except so much thereof as is used in the conduct of operations under the Unit Agreement and this agreement.

1.8 **"Lease Burdens"** means the royalty reserved to the lessor in an oil and gas lease, an overriding royalty, a production payment and any similar burden, but does not include a carried working interest, a net profits interest or any other interest which is payable out of profits.

1.9 **"Drilling Party"** means the Party or Parties obligated to bear the Costs incurred in Drilling, Deepening or Plugging Back a well in accordance with this agreement at the commencement of such operation.

1.10 **"Non-Drilling Party"** means a Party who has had the optional right to participate in the Drilling, Deepening or Plugging Back of a well and who has elected not to participate therein.

1.11 **"Drill"** means to perform all operations reasonably necessary and incident to the Drilling of a well, including preparation of roads and drill site, testing, and, if productive of Unitized Substances, completing and equipping for production, including flow lines, treaters, separators and tankage, or plugging and abandoning, if dry.

1.12 **"Deepen or Plug Back"** means to perform all operations reasonably necessary and incident to Deepening or Plugging Back a well, testing, and, if productive of Unitized Substances, completing or recompleting and equipping for production, including flow lines, treaters, separators and tankage, or plugging and abandoning, if dry.

1.13 **"Initial Test Well"** means a test well specifically provided for in Section 9 of the Unit Agreement and described in Exhibit 3 attached hereto.

1.14 **"Subsequent Test Well"** means a test well Drilled after the Drilling of the Initial Test Well or Wells, and before discovery of Unitized Substances in paying quantities in the Unit Area.

1.15 **"Development Well"** means a well Drilled within a participating area and projected to the pool or zone for which the participating area was established.

1.16 **"Exploratory Well"** means a well other than a Development Well Drilled after discovery of Unitized Substances in paying quantities in the Unit Area.

1.17 **"Approval of the Parties"** or **"Direction of the Parties"** mean an approval, authorization or direction which receives the affirmative vote specified in Section 14.2 of the Parties entitled to vote on the giving of such Approval or Direction.

1.18 **"Salvage Value"** of a well means the value of the materials and equipment in or appurtenant to the well determined in accordance with Exhibit 2, less the reasonably estimated Costs of salvaging the same and plugging the well.

1.19 Each Party is herein referred to by the neuter pronoun "it".

ARTICLE 2

NO LIABILITY FOR DRILLING, DEEPENING OR PLUGGING BACK WELLS WITHOUT CONSENT

2.1 **No Liability Without Consent.** No party shall be liable without its consent for any portion of the Costs of Drilling, Deepening or Plugging Back a well except as provided in Section 10.4 with respect to Required Wells, and except as provided in Article 13 dealing with Investment Adjustment. Nothing herein shall be construed to relieve a Party of any obligation assumed by it pursuant to Exhibit 3 to participate in the Costs of the Initial Test Well.

ARTICLE 3

INITIAL TEST WELL

3.1 **Location.** Unit Operator shall begin to Drill the Initial Test Well within the time required by Section 9 of the Unit Agreement or any extension thereof at the location specified in Exhibit 3 attached hereto.

3.2 **Costs of Drilling.** Subject to the Investment Adjustment provisions of Article 13 the Costs of Drilling the Initial Test Well shall be shared by the Parties in the manner and in the proportions specified in said Exhibit 3.

ARTICLE 4 SUBSEQUENT TEST WELLS

4.1 **Right to Drill.** The Drilling of any Subsequent Test Well shall be on such terms and conditions as the Parties shall agree; provided, however, that in the absence of agreement, such wells may be Drilled under the provisions of Article 9 dealing with Exploratory Wells.

ARTICLE 5 ESTABLISHMENT, REVISION AND CONSOLIDATION OF PARTICIPATING AREAS

5.1 **Proposal.** Unit Operator shall initiate each proposal for the establishment or revision of a participating area by submitting the proposal in writing to each Party at least ¹⁵ days before filing the same with the Director. The date of proposed filing must be shown on the proposal. If the proposal receives the Approval of the Parties within the proposed participating area, then such proposal shall be filed on the date specified in the notice.

5.2 **Objections to Proposal.** Prior to the proposed filing date any Party may submit to all other Parties written objections to such proposal. If, despite such objections, the proposal receives the Approval of the Parties within the proposed participating area, then the Party making the objections may renew the same before the Director.

5.3 **Revised Proposal.** If the proposal does not receive the Approval of the Parties within the proposed participating area, then Unit Operator shall submit a revised proposal taking into account the objections made to the first proposal. If no proposal receives the Approval of the Parties within ³⁰ days from the submission of the first proposal, then Unit Operator shall file with the Director a proposal reflecting as nearly as practicable the various views expressed by the Parties.

5.4 **Rejection by Director.** If a proposal filed by Unit Operator, as above provided, is rejected by the Director, Unit Operator shall initiate a new proposal in the same manner as provided in Section 5.1, and the procedure with respect thereto shall be the same as in the case of an initial proposal.

5.5 **Consolidation.** Two or more participating areas may be combined as provided in the Unit Agreement.

ARTICLE 6 APPORTIONMENT OF COSTS AND OWNERSHIP AND DISPOSITION OF PRODUCTION AND PROPERTY

6.1 **Apportionment and Ownership Within Participating Area.** Except as otherwise provided in Article 8 dealing with Development Wells, Part 1 of Exhibit 4 dealing with Exploratory Wells, and Part 2 of Exhibit 4 dealing with Attempted Completion, Deepening and Plugging Back:

A. **Costs.** All Costs incurred in the development and operation of a participating area for or in connection with production of Unitized Substances from any pool or zone for which such participating area is established shall be borne by the Parties within such participating area on an Acreage Basis determined as of the time such Costs are incurred.

B. **Production.** All Production from a participating area shall be allocated in accordance with the Unit Agreement to the tracts of land within such participating area. That portion of such Production which is allocated to any such tract shall be owned by the Party or Parties having Committed Working Interest or Interests therein in the same manner and subject to the same conditions as if actually produced from such tract through a well thereon, and as if this agreement and the Unit Agreement had not been executed.

C. **Property.** All materials, equipment and other property, whether real or personal, the cost of which is chargeable as Costs and which have been acquired in connection with the development or operation of a participating area shall be owned by the Parties within such participating area on an Acreage Basis.

6.2 **Ownership and Costs Outside Participating Area.** If a well completed as a producer is not included within a participating area, such well, the Production therefrom, and the materials and equipment therein or appurtenant thereto shall be owned by the Party or Parties who constituted the Drilling Party for such well, and all Costs incurred in the operation of the well shall be charged to and borne by such Party or Parties, and all Lease Burdens payable in respect of Production from the well shall be borne and paid by such Party or Parties. If the Drilling Party comprises two or more Parties, apportionment among them of ownership, Costs and Lease Burdens shall be in the same proportions that they bore the Costs incurred in Drilling the well.

6.3 **Taking in Kind.** Each Party shall currently as produced take in kind or separately dispose of its share of Production and pay Unit Operator for any extra expenditure necessitated thereby. Except as otherwise provided in Section 15.5 dealing with Liens, each Party shall be entitled to receive directly payment for its proportionate share of the proceeds from the sale of its share of Production, and on all purchases or sales each Party shall execute any division order or contract of sale pertaining to its interest.

6.4 **Failure to Take in Kind.** If any Party fails so to take or dispose of its share, Unit Operator shall have the right for the time being and subject to revocation at will by the Party owning same to purchase for its own account or sell to others such share at not less than the market price prevailing in the area and not less than the price Unit Operator receives for its share of Production, subject to the right of such Party to exercise at any time its right to take in kind or separately dispose of its own share of Production not previously taken by Unit Operator or delivered to others pursuant to this Section 6.4.

6.5 **Surplus Materials and Equipment.** Materials and equipment acquired by the Parties, or any of them pursuant to this agreement, may be classified as surplus by Unit Operator when deemed by it to be no longer needed in operations hereunder, by giving to each Party owning an interest therein written notice thereof. Such surplus materials and equipment shall be disposed of as follows:

A. Each Party owning an interest therein shall have the right to take in kind its share of surplus tubular goods and other surplus items which are susceptible of division in kind, by written notice given to Unit Operator within thirty (30) days after classification thereof as surplus, except that such right shall not apply to junk or to any item (other than tubular goods) having a replacement cost less than one thousand dollars (\$1,000).

B. Surplus materials and equipment not divided in kind (other than junk and any item other than tubular goods having a replacement cost of less than one thousand dollars (\$1,000)) shall be offered to the Parties owning interests therein and sold to the highest bidder or bidders.

C. Surplus materials and equipment not disposed of in accordance with the preceding provisions of this section shall be disposed of by Unit Operator for the best prices obtainable.

ARTICLE 7 PLANS OF DEVELOPMENT

7.1 **Wells and Projects Included.** Each plan for the development and operation of the Unit Area which is submitted by Unit Operator to the Supervisor in accordance with the Unit Agreement shall make provision only for such Drilling, Deepening and Plugging Back operations and such other projects as Unit Operator has been authorized to conduct by the Parties chargeable with the Costs incurred therein.

7.2 **Notice of Proposed Plan.** At least ten (10) days before submitting any such proposed plan to the Supervisor, Unit Operator shall give each Party written notice thereof, together with a copy of the proposed plan.

7.3 **Notice of Approval or Disapproval.** If and when a proposed plan has been approved or disapproved by the Supervisor, Unit Operator shall give prompt written notice thereof to each Party. In the case of disapproval, Unit Operator shall state in such notice the reasons therefor.

7.4 **Amendments.** If any Party or Parties shall have elected to proceed with Drilling, Deepening or Plugging Back operation in accordance with the provisions of this agreement, and such operation is not provided for in the then current plan of development as approved by the Supervisor, Unit Operator shall either (a) request the Supervisor to approve an amendment to such plan which will provide for the conduct of such operation, or (b) request the Supervisor to consent to such operation, if his consent is sufficient.

7.5 **Cessation of Operations Under Plan.** If any such plan as approved by the Supervisor provides for the cessation of any Drilling or other operations therein provided for on the happening of a contingency and if such contingency occurs, Unit Operator shall promptly cease such Drilling or other operations and shall not incur any additional Costs in connection therewith unless and until such Drilling or other operations are again authorized in accordance with this agreement by the Parties chargeable with such Costs.

ARTICLE 8 DRILLING OF DEVELOPMENT WELLS

8.1 Purpose and Procedure. It is the purpose of this Article to set forth the procedure for Drilling a Development Well otherwise than by the written consent of all Parties within the participating area involved. The Drilling of a Development Well pursuant to the procedure herein set forth shall, however, be subject to such Drilling receiving the Approval of the Parties, unless the Drilling of the proposed well is necessary to prevent the loss of Committed Working Interest in the tract of land on which the proposed well is to be Drilled. Vote by any Party in favor of Approval of the Drilling of any such well shall not, however, be deemed an election by such Party to participate in the Costs thereof, but will mean only that such Party considers the Drilling of the well consistent with the ordinary development of the participating area involved and has no objection to the Drilling thereof.

8.2 Notice of Proposed Drilling. Subject to the provisions of Section 8.1, any Party within a participating area may propose the Drilling of a Development Well therein by giving to each of the other Parties within the participating area written notice specifying the location, depth and estimated cost of the proposed well, which location shall conform to any applicable spacing pattern theretofore adopted or then being followed, or an authorized exception thereto.

8.3 Response to Notice. Within thirty (30) days after receipt of such notice, each Party within such participating area shall advise all other Parties therein, in writing, whether or not it wishes to participate in Drilling the proposed well. If all the Parties within such participating area so advise that they wish to participate therein, the proposed well shall be Drilled by Unit Operator for the account of all the Parties within the participating area. If any Party fails to respond to such notice within said thirty (30) day period, it shall be deemed to have elected not to participate in Drilling the proposed well.

8.4 Notice of Election to Drill. Unless all Parties within the participating area agree to participate in response to said notice, then within fifteen (15) days after expiration of said period of thirty (30) days, each Party within the participating area who then desires to have the proposed well Drilled shall give to all other Parties within the participating area written notice of election to proceed with the Drilling of said well. Failure to give such notice shall be deemed an election not to participate in Drilling said well.

8.5 Effect of Election to Drill. If one or more, but not all of the Parties within the participating area so elect to proceed, Unit Operator shall Drill the well for the account of such Party or Parties, who shall constitute the Drilling Party.

8.6 Subsequent Election. If election to Drill the proposed well is made, any Party within the participating area who has not previously elected to participate therein may do so by written notice given to all other Parties within the participating area at any time before operations for Drilling the well are commenced, in which event such Party shall be included in the Drilling Party. However, such Party shall be bound by any and all Directions and Approvals theretofore given by the Drilling Party concerning the Drilling of the well.

8.7 Rights and Obligations of Drilling Party and Non-Drilling Parties. Whenever a Development Well is Drilled otherwise than for the account of all Parties within the participating area involved, the provisions of Article 12 dealing with Rights and Obligations of Drilling Party and Non-Drilling Parties shall be applicable.

ARTICLE 9 EXPLORATORY WELLS

9.1 Procedure for Drilling. The Drilling of Exploratory Wells shall be governed by the provisions of Part 1 of Exhibit 4 hereto attached and made a part hereof.

ARTICLE 10 REQUIRED WELLS

10.1 Definition. For the purpose of this Article a well shall be deemed a required well if the Drilling thereof is required by the final order of an authorized representative of the Department of Interior. Such an order shall be deemed final upon expiration of the time allowed for appeal therefrom without the commencement of appropriate appeal proceedings or, if such proceedings are commenced within said time, upon the final disposition of the appeal. Whenever Unit Operator receives any such order, it shall promptly mail a copy thereof to each of the other Parties; if any such order is appealed, the Party appealing shall give prompt written notice thereof to each of the other Parties, and upon final disposition of the appeal, Unit Operator shall give each of the other Parties prompt written notice of the result thereof.

10.2 Election to Drill. Any Party desiring to Drill, or participate in the Drilling of, a required well shall give to Unit Operator written notice thereof within thirty (30) days after the order requiring such well becomes final or within such lesser time as may be required by such order. If such notice is given within said period, Unit Operator shall Drill the required well for the account of the Party or Parties giving such notice, who shall bear all Costs incurred therein, provided, however, that if the Required Well is a Development Well it shall not be drilled unless it receives the Approval of the Parties. The rights and obligations of such Party or Parties with respect to the ownership of such well, the operating rights therein, the Production therefrom and the bearing of Costs incurred therein shall be the same as if the well had been Drilled for the account of such Party or Parties under Article 8 dealing with Development Wells, if the same is a Development Well, or Article 9 dealing with Exploratory Wells, if the same is an Exploratory Well or a Subsequent Test Well.

10.3 Alternatives to Drilling. If no Party elects to Drill a required well within the period allowed for such election, and if any of the following alternatives is available, the first such alternative which is available shall be followed:

A. Compensatory Royalties. If compensatory royalties may be paid in lieu of Drilling the well and if payment thereof receives, within said period, the Approval of the Parties who would be chargeable with the Costs incurred in Drilling the well, if the well were Drilled as provided in Section 10.4, Unit Operator shall pay such compensatory royalties for the account of said Parties; or

B. Contraction. If the Drilling of the well may be avoided, without other penalty, by contraction of the Unit Area, Unit Operator shall make reasonable effort to effect such contraction with the approval of the Director; or

C. Termination. If the required well is a Subsequent Test Well, the Parties shall join in termination of the Unit Agreement in accordance with its provisions.

10.4 Required Drilling. If none of the foregoing alternatives is available, Unit Operator shall Drill the required well under whichever of the following provisions is applicable:

A. Development Well. If the required well is a Development Well, it shall be Drilled by Unit Operator for the account of all Parties within the participating area in which the well is Drilled; or

B. Exploratory Well. If the required well is an Exploratory Well, it shall be Drilled by Unit Operator for the account of the Party or Parties who would be obligated to bear the Costs thereof in accordance with Part 1 of Exhibit 4.

ARTICLE 11 ATTEMPTED COMPLETION, DEEPENING, PLUGGING BACK AND ABANDONMENT

11.1 Procedure. The attempted completion, Deepening, or Plugging Back of any well not completed as a producer, the abandonment of a producing well and the Deepening or Plugging Back of any well abandoned in the stratum in which it was completed as a producer, shall be governed by the provisions of Part 2 of Exhibit 4 hereto attached and made a part hereof.

ARTICLE 12 RIGHTS AND OBLIGATIONS OF DRILLING PARTY AND NON-DRILLING PARTY

12.1 Scope of Article. Subject to such contrary or inconsistent provisions, if any, as are contained in Exhibit 4, the rights and obligations of the Drilling Party and Non-Drilling Party in respect of a well which is Drilled, Deepened, Plugged Back or completed otherwise than for the account of all Parties entitled to participate therein, shall be governed by the succeeding provisions of this article.

12.2 Relinquishment of Interest by Non-Drilling Party. When a well is Drilled, Deepened, Plugged Back or completed otherwise than for the account of all Parties entitled to participate therein, each Non-Drilling Party shall be deemed to have relinquished to the Drilling Party all of its operating rights and working interest in and to such well. In the case of a Deepening or Plugging Back, if a Non-Drilling Party owned an interest in the well immediately prior to the Deepening or Plugging Back, the Drilling Party shall pay to such Non-Drilling Party its share of the Salvage Value of the well, such payment to be made at the time the well is taken over by the Drilling Party for Deepening or Plugging Back.

12.3 Reversion of Relinquished Interest. If the well is completed as a producer of Unitized Substances, and if the well is a Development Well, or results in the establishment or enlargement of a participating area to include such well, then the operating rights and working interest relinquished by a Non-Drilling Party shall revert to it at such time as the proceeds or market value of that portion of the Production obtained from the well after such relinquishment which is allocated to the acreage of such Non-Drilling Party in the participating area involved (after deducting from such proceeds or market value all Lease Burdens and all taxes upon or measured by Production that are payable up to such time on said portion of the Production from such well) shall equal the total of the following:

A. 100% of that portion of the Costs incurred in operating the well after such relinquishment, and up to such time, that would have been charged to such Non-Drilling Party if the well had been Drilled, Deepened, Plugged Back or completed for the account of all Parties entitled to participate therein.

B. 200% of that portion of the Costs incurred in Drilling, Deepening, Plugging Back or completing the well that would have been charged to such Non-Drilling Party if the well had been Drilled, Deepened, Plugged Back or completed for the account of all Parties entitled to participate therein.

However, if a Deepening or Plugging Back is involved (1) any payment made to such Non-Drilling Party as its share of the Salvage Value of the well in accordance with Section 12.2 shall be added to and deemed part of the Costs incurred in operating the well, for the purposes of Subdivision A above, and (2) if such Non-Drilling Party did not participate in the initial Drilling of the well, but the Drilling Party did participate therein, and if the interest relinquished by such Non-Drilling Party upon the initial Drilling of the well had not reverted to it before such Deepening or Plugging Back, then, for the purposes of Subdivision B above, there shall be added to and deemed part of the Costs incurred in the Deepening or Plugging Back, the then unrecovered portion of the Costs incurred in the initial Drilling of the well down to the pool or zone in which such well is completed as a producer.

12.4 Effect of Reversion. From and after reversion to a Non-Drilling Party of its relinquished interest in a well, such Non-Drilling Party shall share, on an Acreage Basis in the ownership of the well, the operating rights and working interest therein, the materials and equipment in or pertaining to the well, the Production therefrom and the Costs of operating the well.

12.5 Rights and Obligations of Drilling Party. The Drilling Party for whom a well is Drilled, Deepened, Plugged Back or completed shall pay and bear all Costs incurred therein, and shall own the well, the materials and equipment in the well or pertaining thereto, and the production therefrom, subject to reversion to each Non-Drilling Party of its relinquished interest in the well. If the well is a Development Well, or results in the establishment or enlargement of a participating area to include the well, then, until reversion to a Non-Drilling Party of its relinquished interest, the Drilling Party shall pay and bear (a) that portion of the costs incurred in operating the well that otherwise would be chargeable to such Non-Drilling Party, and (b) all Lease Burdens that are payable in respect of that portion of the Production from such well which is allocated to the acreage of such Non-Drilling Party. If the Drilling Party includes two (2) or more Parties, the burdens imposed upon and the benefits accruing to the Drilling Party shall be shared by such Parties on an Acreage Basis among themselves.

ARTICLE 13

ADJUSTMENT ON ESTABLISHMENT OR CHANGE OF PARTICIPATING AREA

13.1 When Adjustment Made. Whenever, in accordance with the Unit Agreement, a participating area is established or revised by contraction or enlargement, and whenever two or more participating areas are combined (the participating area resulting from such establishment, revision or combination being hereinafter referred to as a "resulting area") an adjustment shall be made in accordance with the succeeding provisions of this Article 13, as of the date on which the establishment, revision or combination that creates such resulting area becomes effective, such date being hereinafter referred to as the "effective date" of such resulting area.

13.2 Definitions. As used in this Article 13:

A. "Useable well" within a resulting area means a well which is either (1) completed in and capable of producing unitized substances from a pool or zone for which such resulting area is created, or (2) used as a disposal well, injection well or otherwise, in connection with the production of Unitized Substances from such resulting area.

B. "Intangible value" of a useable well within a resulting area means the amount of Costs incurred in Drilling such well, or Deepening it, down to the deepest pool or zone for which such resulting area is created, and which contribute to the Production of Unitized Substances therefrom and which are properly classified as intangible costs in conformity with accounting practices generally accepted in the industry, reduced at the following rates for each month during any part of which such well has been operated prior to the effective date of such resulting area:

(1) One-half of one per cent ($\frac{1}{2}$ of 1%) per month for a cumulative total of 150 months, and

(2) None per cent (0%) per month for each month in excess of said cumulative total.

C. "Tangible property" serving a resulting area means any kind of tangible property (whether or not in or pertaining to a well) which has been acquired for use in or in connection with the Production of Unitized Substances from such resulting area or any portion thereof, and the cost of which has been charged as Costs pursuant to this agreement.

D. "Value" of tangible property means the amount of Costs incurred therefor, including Costs incurred in the construction or installation thereof (excepting installation costs properly classified as part of the intangible costs incurred in connection with a well) reduced, in the case of tangible property which is generally regarded as depreciable, at such reasonable rates of depreciation as receive the Approval of the Parties within such resulting area, for the period of time between the acquisition date thereof and the effective date of such resulting area.

13.3 Method of Adjustment on Establishment or Enlargement. As promptly as reasonably possible after the effective date of a resulting area created by establishment or enlargement of a participating area, and as of such effective date an adjustment shall be made in accordance with the following provisions except to the extent otherwise specified in Section 13.6.

A. The intangible value of each useable well within such resulting area on the effective date thereof shall be credited to the Party or Parties who own such well immediately prior to such effective date, in proportion to their respective interests in such well immediately prior to such effective date. The total amount so credited as the intangible value of useable wells shall be charged to all parties within the resulting area on an Acreage Basis.

B. The value of each item of tangible property serving the resulting area on the effective date thereof shall be credited to the Party or Parties who own such item immediately prior to such effective date, in proportion to their respective interests in such item immediately prior to such effective date. The total amount so credited as the value of tangible property shall be charged to all Parties within the resulting area on an Acreage Basis.

C. If a resulting area, on the effective date thereof, is served by any tangible property or useable well, which also serves another participating area or other participating areas, the value of such tangible property and useable well (including intangible value thereof) shall be determined in accordance with Subdivision D of Section 13.2, and such value may be fairly apportioned between such resulting area and such other participating area or areas, provided that such apportionment receives Approval of the Parties in each participating area concerned. That portion of the value of such tangible property and useable well (including intangible value thereof) which is so apportioned to the resulting area shall be included in the adjustment made as of the effective date of such resulting area in the same manner as the value of tangible property serving only the resulting area.

D. The credits and charges above provided for shall be made by Unit Operator, in such manner that an adjustment shall be made for the intangible value of useable wells separate and apart from an adjustment for the value of tangible property. On each such adjustment, each Party who is charged an amount in excess of the amount credited to it, shall pay to Unit Operator the amount of such excess, which shall be considered as Costs chargeable to such Party for all purposes of this agreement, and such amount, when received by Unit Operator, shall be distributed or credited to the Parties who, in such adjustment, are credited with amounts in excess of the amounts charged to them respectively.

13.4 Method of Adjustment on Contraction. As promptly as reasonably possible after the effective date of any contraction of a participating area, an adjustment shall be made with each Party owning a Committed Working Interest in land excluded from the participating area by such contraction (such Committed Working Interest being hereinafter in this section referred to as "excluded interest") in accordance with the following provisions:

A. An adjustment for intangibles shall be made in accordance with Subdivision B hereof and a separate adjustment for tangibles shall be made in accordance with Subdivision C hereof.

B. Such party shall be credited with the sum of (1) the total amount theretofore charged against such Party in respect of its excluded interest in accordance with the accounting procedure set forth in Exhibit 2 as intangible Costs incurred in the development and operation of the participating area prior to the effective date of such contraction, plus (2) the total amount charged against such Party in respect of such excluded interest as intangible value of useable wells in any previous adjustment or adjustments made upon the establishment or revision of such participating area. Such Party shall be charged with the sum of (1) the market value of that portion of the Production from such participating area which, prior to the effective date of such contraction, is delivered to such Party in respect of such excluded interest, less the amount of Lease Burdens and taxes paid or payable on said portion, and (2) the total amount credited to such Party in respect of such excluded interest as intangible value of useable wells, in any previous adjustment or adjustments made upon the establishment or revision of such participating area. Any difference between the amount of said credit and the amount of said charge shall be adjusted as hereinafter provided.

C. Such Party shall be credited with the sum of (1) the total amount theretofore charged against such Party in respect of its excluded interest, in accordance with the accounting procedure set forth in Exhibit 2, as Costs other than intangible Costs incurred in the development and operation of the participating area prior to the effective date of such contraction, plus (2) the total amount charged against such Party in respect of its excluded interest as value of tangible property in any previous adjustment or adjustments made upon the establishment or revision of such participating area, plus (3) the excess, if any, of the credit provided for in Subdivision B of this Section over the charge provided for in said Subdivision B. Such Party shall be charged with the sum of (1) the excess, if any, of the charge provided for said Subdivision B, over the credit therein provided for, plus (2) the total amount credited to such Party in respect of its excluded interest as value of tangible property in any previous adjustment or adjustments made upon the establishment or revision of such participating area.

D. If the charge provided for in Subdivision C of this Section is equal to or greater than the credit therein provided for, no adjustment shall be made with such Party. However, if the credit provided for in said Subdivision C is in excess of the charge therein provided for, such excess shall be charged on an Acreage Basis against the Parties who remain in the participating area after such contraction, and shall be paid by said Parties to Unit Operator upon receipt of invoices therefor. Such payments, when received by Unit Operator, shall be paid by it to the Party owning such excluded interest.

13.5 Ownership of Wells and Tangible Property. From and after the effective date of a resulting area, all useable wells within such resulting area and all tangible property serving such resulting area shall be owned by the Parties within such area on an Acreage Basis, except that (a) in the case of tangible property serving a participating area or participating areas in addition to the resulting area, only that undivided interest therein which is proportionate to that portion of the value thereof which is included in the adjustment above provided for shall be owned by the parties within the resulting area on an Acreage Basis, and (b) if a Party within the resulting area was a Non-Drilling Party for a well which is a useable well within such resulting area on the effective date thereof, and if the relinquished interest of such Non-Drilling Party in such well has not reverted to it prior to such effective date, the Drilling Party for such well shall own the interest therein that would otherwise be owned by such Non-Drilling Party, until reversion to such Non-Drilling Party of its relinquished interest in such well.

13.6 Relinquished Interests of Non-Drilling Parties. If the interest relinquished by a Non-Drilling Party in a well which is a useable well within a resulting area on the effective date thereof has not reverted to it prior to such effective date then insofar, and only insofar, as relates to such well, the adjustments provided for in Section 13.3 shall be subject to the following provisions, wherein the sum of the intangible value of such well, plus the value of the tangible property in or pertaining thereto, is referred to as the "value" of such well:

A. The Drilling Party for such well shall be charged with that part of the value of the well that would otherwise be chargeable to such Non-Drilling Party in respect of (1) such Non-Drilling Party's Committed Working Interest or Interests in the participating area in which the well was Drilled, as such participating area existed when the Drilling of the well was commenced, if the well was Drilled as a Development Well, or (2) the Committed Working Interest or Interests of such Non-Drilling Party which entitled it to participate in the Drilling, Deepening, Plugging Back, or Completion of the well, if it was Drilled, Deepened, Plugged Back or Completed, otherwise than as a Development Well. However, such Non-Drilling Party shall be charged with such part, if any, of the value of such well as is chargeable to it, in accordance with Subdivisions A and B or Section 13.3, in respect of its Committed Working Interests other than those referred to in (1) or (2) above.

B. If that part of the value of such well which would have been credited to such Non-Drilling Party, if the well had been Drilled, Deepened, Plugged Back or Completed for the account of all Parties entitled to participate therein, exceeds the amount provided in Subdivision A above to be charged against the Drilling Party, such excess shall be applied against the reimbursement to which the Drilling Party is entitled out of Production that would otherwise accrue to such Non-Drilling Party. Any balance of such excess over the amount necessary to complete such reimbursement shall be credited to such Non-Drilling Party.

ARTICLE 14

SUPERVISION OF OPERATIONS BY PARTIES

14.1 Right of Supervision. Each operation conducted by Unit Operator under this agreement or the Unit Agreement shall be subject to supervision and control in accordance with the succeeding provisions of this article by the Parties who are chargeable with the Costs thereof.

14.2 Voting Control. In the supervision of an operation conducted by Unit Operator, the Parties chargeable with the Costs of such operation shall have the right to vote thereon in proportion to their respective obligations for such Costs. The Parties having the right to vote on any other matter shall vote thereon on an Acreage Basis. Except as provided in the Unit Agreement and except as otherwise specified herein (particular reference being made to Section 25.1, Consent Required to Commence Secondary Recovery and Pressure Maintenance; Section 27.1, Surrender or Release Within Participating Area, and that portion of Part 2, Exhibit 4 relating to Abandonment of producing wells outside of a participating area), the affirmative vote of Parties having sixty-five per cent (65%) or more of the voting power on any matter which is proper for action by them shall be binding on all Parties entitled to vote thereon; provided, however, that if one Party voting in the affirmative has sixty-five per cent (65%) or more but less than one hundred per cent (100%) of the voting power, the affirmative vote of such Party shall not be binding on the Parties entitled to vote thereon unless its vote is supported by the affirmative vote of at least one additional Party; and provided further, that if one Party voting in the negative or failing to vote has more than thirty-five per cent (35%) but less than fifty per cent (50%) of the voting power, the affirmative vote of the Parties having a majority of the voting power shall be binding on all Parties entitled to vote unless there is a negative vote of at least one additional Party. In the event only two Parties are entitled to vote, the vote of the one with the greater interest shall prevail. If only one Party is entitled to vote, such Party's vote shall control. A Party failing to vote shall not be deemed to have voted either in the affirmative or negative. Any Approval or Direction provided for in this agreement which receives the affirmative vote above specified shall be deemed given by and shall be binding on all Parties entitled to vote thereon, except where the vote of a larger percentage is specifically required.

14.3 Meetings. Any matter which is proper for consideration by the Parties or any of them, may be considered at a meeting held for that purpose. A meeting may be called by Unit Operator at any time and a meeting shall be called by Unit Operator upon written request of any Party or Parties having thirty-five per cent (35%) or more of the voting power on each matter to be considered at the meeting. At least ten (10) days in advance of each meeting, Unit Operator shall give each Party entitled to vote thereat written notice of the time, place and purpose of the meeting.

14.4 Action Without Meeting. In lieu of calling a meeting, Unit Operator may submit any matter which is proper for consideration by the Parties, or any of them, by giving to each such Party written notice by mail or telegraph (or telephone confirmed in writing not later than the next business day), describing in adequate detail the matter so submitted. Each Party entitled to vote on any matter so submitted shall communicate its vote thereon to Unit Operator by mail or telegraph, (or telephone, confirmed in writing not later than the next business day), within such period as may be designated in the notice given by Unit Operator (which period shall not be less than ten (10) nor more than thirty (30) days) provided, however, that if within ten (10) days after submission of such matter, request is made for a meeting in accordance with Section 14.3, such matter shall be considered only at a meeting called for that purpose. If a meeting is not required, then, at the expiration of the period designated in the notice given by it, Unit Operator shall give to each Party entitled to vote thereon written notice stating the tabulation and result of the vote.

14.5 Representatives. Promptly after execution of this agreement, each Party by written notice to all other Parties shall designate a representative authorized to vote for such Party, and may designate an alternate who is authorized to vote for such Party in the absence of its representative. Any such designation of a representative or alternate representative may be revoked at any time by written notice given to all other Parties, provided such notice designates a new representative or alternate representative as the case may be. In addition, any corporate Party may vote through its President, or any of its Vice Presidents, and a Party which is a partnership may vote through any of its partners.

14.6 Audits. An audit shall be made of Unit Operator's records and books of account pertaining to operations hereunder whenever the making of such audit receives the Approval of the Parties (other than the Party acting as Unit Operator) chargeable with the Costs incurred during the period covered by the audit, except that such audit shall not be made more often than once each six months. Such audit shall be made by auditors in the employ of said Parties, and the allowance to be made to each Party furnishing an auditor shall be determined by the Approval of said Parties; such allowances shall be paid by said Parties in proportion to their respective participations among themselves in Costs incurred during the period covered by the audit.

14.7 Extraneous Projects. Nothing contained in this agreement shall be deemed to authorize the Parties, by vote or otherwise, to act on any matter or authorize any expenditure unless such matter or expenditure relates to the conduct of operations authorized by the Unit Agreement or this agreement.

ARTICLE 15

UNIT OPERATOR'S POWERS AND RIGHTS

15.1 In General. Subject to the limitations provided for in this agreement, all operations authorized by the Unit Agreement and this agreement shall be managed and conducted by Unit Operator. Unit Operator shall have exclusive custody of all materials, equipment and any other property used in connection with any operation on the Unit Area.

15.2 Employees. All individuals employed by Unit Operator in the conduct of operations hereunder shall be the employees of Unit Operator alone, and their working hours, rates of compensation and all other matters relating to their employment shall be determined solely by Unit Operator.

15.3 Non-Liability. Unit Operator shall not be liable to any other Party for anything done or omitted to be done by it in the conduct of operations hereunder except in case of bad faith.

15.4 Force Majeure. The obligations of Unit Operator hereunder shall be suspended to the extent that, and only so long as, performance thereof is prevented by fire, action of the elements, strikes or other differences with workmen, acts of civil or military authorities, acts of the public enemy, restrictions or restraints imposed by law or by regulation or order of governmental authority, whether federal, state or local, inability to obtain necessary rights of access, or any other cause reasonably beyond control by Unit Operator, whether or not similar to any cause above enumerated. Whenever performance of its obligations is prevented by any such cause, Unit Operator shall give notice thereof to the other Parties as promptly as reasonably possible.

15.5 Lien. Each of the other Parties hereby grants to Unit Operator a lien upon its Committed Working Interests, its interest in all jointly owned materials, equipment and other property and its interest in all Production, as security for payment of Costs chargeable to it, together with any interest payable thereon. Unit Operator shall have the right to bring any action at law or in equity to enforce collection of such indebtedness with or without foreclosure of such lien. In addition, upon default by any Party in the payment of Costs chargeable to it, Unit Operator shall have the right to collect and receive from the purchaser or purchasers thereof the proceeds of such Party's share of Production, up to the amount owing by such Party plus interest at the rate of six per cent (6%) per annum until paid; each such purchaser shall be entitled to rely on Unit Operator's statement concerning the existence and amount of any such default.

15.6 Advances. Unit Operator, at its election, shall have the right from time to time to demand and receive from the other Parties chargeable therewith payment in advance of their respective shares of the estimated amount of the Costs to be incurred during any month, which right may be exercised only by submission to each such Party of a properly itemized statement of such estimated Costs, together with an invoice for its share thereof. Each such statement and invoice for the payment in advance of estimated Costs for any month shall be submitted on or about the twentieth (20th) day of the next preceding month. The amount of each such invoice shall be payable within fifteen (15) days after the mailing thereof, and thereafter shall bear interest at the rate of six per cent (6%) per annum until paid. Proper adjustment shall be made monthly between such advances and Costs, to the end that each Party shall bear and pay its proportionate share of Costs incurred and no more. Unit Operator may request advance payment or security for the total estimated Costs to be incurred in a particular Drilling, Deepening or Plugging Back operation and notwithstanding any other provision of this agreement shall not be obligated to commence such operation unless and until such advance payment is made or Unit Operator is furnished security acceptable to it for the payment thereof by the Party or Parties chargeable therewith.

15.7 Use of Unit Operator's Drilling Equipment. Any Drilling, Deepening or Plugging Back operation conducted hereunder may be conducted by Unit Operator by means of its own tools and equipment provided that the rates to be charged and the applicable terms and conditions are set forth in a form of drilling contract which receives the Approval of the Party or Parties chargeable with the Costs incurred in such operation, except that in any case where the Unit Operator alone constitutes the Drilling Party, such form shall receive the approval of the Parties within the participating area, or other designated area for such well, prior to the commencement of such operation.

15.8 Rights as Party. As an owner of Committed Working Interest, the Party acting as Unit Operator shall have the same rights and obligations hereunder as if it were not the Unit Operator. In each instance where this agreement requires or permits a Party to give a notice, consent or approval to the Unit Operator, such notice, consent or approval shall be deemed properly given by the Party acting as Unit Operator if and when given to all other Parties entitled to give or receive such notice, consent or approval.

ARTICLE 16

UNIT OPERATOR'S DUTIES

16.1 Specific Duties. In the conduct of operations hereunder, Unit Operator shall:

A. Drilling of Wells. Drill, Deepen or Plug Back a well or wells only in accordance with the provisions of this agreement;

B. Compliance with Laws and Agreements. Comply with the provisions of the Unit Agreement, all applicable laws and governmental regulations (whether federal, state or local), and Directions by the Parties pursuant to this agreement; in case of conflict between such Directions and the provisions of the Unit Agreement or such laws or regulations, the provisions of the Unit Agreement or such laws or regulations shall govern;

C. Consultation with Parties. Consult freely with the Parties within the area affected by any operation hereunder, and keep them advised of all matters arising in operations hereunder which Unit Operator deems important, in the exercise of its best judgment;

D. Payment of Costs. Pay all Costs incurred in operations hereunder promptly as and when due and payable, and keep the Committed Working Interests and all property used in connection with operations under this agreement free from liens which may be claimed for the payment of such Costs, except any such lien which it disputes, in which event Unit Operator may contest the disputed lien upon giving written notice thereof to the Parties affected thereby;

E. Records. Keep full and accurate records of all Costs incurred, and controllable materials and equipment, which records, and receipts and vouchers in support thereof, shall be available for inspection by authorized representatives of the other Parties at reasonable intervals during usual business hours at the office of Unit Operator;

F. Information. Furnish to each of the other Parties who makes timely written request therefor (1) copies of Unit Operator's authorizations for expenditure or itemizations of estimated expenditures in excess of five thousand Dollars (\$ 5,000.00), (2) copies of all drilling reports, well logs, basic engineering data, tank tables, gauge reports and run tickets, (3) reports of stock on hand at the first of each month, and (4) samples of cores or cuttings taken from wells Drilled hereunder, to be delivered at the well in containers furnished by the Party requesting same, and (5) such other and additional information or reports as may be required by Direction of the Parties within the area affected;

G. Access to Unit Area. Permit each of the other Parties, through its duly authorized employees or agents, but at such Party's sole risk and expense, to have access to the Unit Area at all times, and to the derrick floor of each well Drilled or being Drilled hereunder, for the purpose of observing operations conducted hereunder and inspecting

materials, equipment or other property used in connection with operations under this agreement, and to have access at reasonable times to information and data in the possession of Unit Operator concerning the Unit Area.

16.2 Insurance.

A. **Unit Operator's.** Unit Operator shall comply with the Workmen's Compensation Law of the state in which the Unit Area is located. Unit Operator shall also maintain in force at all times with respect to operations hereunder such other insurance, if any, as may be required by law. In addition, Unit Operator shall maintain such other insurance, if any, as is described in Exhibit 5 hereto attached or as receives the Approval of the Parties from time to time. Unit Operator shall carry no other insurance for the benefit of the Parties except as above specified. Upon written request of any Party, Unit Operator shall furnish evidence of insurance carried by it with respect to operations hereunder.

B. **Contractor's.** Unit Operator shall require all contractors engaged in operations under this agreement to comply with the Workmen's Compensation Law of the state in which the Unit Area is located and to maintain such insurance as is required by Direction of the Parties.

C. **Automotive Equipment.** In the event Automobile Public Liability insurance is specified in said Exhibit 5 or subsequently receives the Approval of the Parties, no direct charge shall be made by Unit Operator for premiums paid for such insurance for Operator's fully owned automotive equipment.

16.3 Non-Discrimination. In connection with the performance of work under this agreement, the Unit Operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Unit Operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the nondiscrimination clause.

The Unit Operator agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

16.4 Drilling Contracts. Each Drilling, Deepening or Plugging Back operation conducted hereunder, and not performed by Unit Operator with its own tools and equipment in accordance with Section 15.7 dealing with Use of Unit Operator's Drilling Equipment, shall be performed by a reputable drilling contractor having suitable equipment and personnel under written contract between Unit Operator and the contractor, at the most favorable rates and on the most favorable terms and conditions bid by any such contractor after soliciting bids, if bids are obtainable, but otherwise at rates and on terms and conditions receiving the Approval of the Parties.

16.5 Uninsured Losses. Any and all payments made by Unit Operator in the settlement or discharge of any liability to third persons (whether or not reduced to judgment) arising out of an operation conducted hereunder and not covered by insurance herein provided to be maintained by Unit Operator shall be charged as Costs and borne by the Party or Parties for whose account such operation was conducted.

**ARTICLE 17
LIMITATIONS ON UNIT OPERATOR**

17.1 Specific Limitations. In the conduct of operations hereunder, Unit Operator shall not, without first obtaining the Approval of the Parties:

A. **Change in Operations.** Make any substantial change in the basic method of operation of any well, except in the case of an emergency.

B. **Limit on Expenditures.** Undertake any project reasonably estimated to require an expenditure in excess of five thousand Dollars (\$ 5,000.00); provided, however, that (1) Unit Operator is authorized to make all usual and customary operating expenditures that are required in the normal course of producing operations, (2) whenever Unit Operator is authorized to conduct a Drilling, Deepening or Plugging Back operation, or to undertake any other project, in accordance with this agreement, Unit Operator shall be authorized to make all reasonable and necessary expenditures in connection therewith and (3) in case of emergency, Unit Operator may make such immediate expenditures as may be necessary for the protection of life or property, but notice of such emergency shall be given to all other Parties as promptly as reasonably possible.

C. **Partial Relinquishment.** Make any partial relinquishment of its rights as Unit Operator or appoint any sub-operator.

D. **Settlement of Claims.** Pay in excess of Five Hundred Dollars (\$500.00) in the settlement of any claim (other than Workmen's Compensation claims) for injury to or death of persons, or for loss of or damage to property.

E. **Determinations.** Make any of the determinations provided in the Unit Agreement to be made by Unit Operator, except as otherwise specified in this agreement.

**ARTICLE 18
TITLES**

18.1 Representations of Ownership. Each Party represents to all other Parties that to the best of its knowledge and belief its ownership of Working Interests in the Unit Area is that set out in Exhibit B of the Unit Agreement. If it develops that any such ownership is incorrectly stated, the rights and responsibilities of the Parties shall be governed by the provisions of this Article 18, but such erroneous statement shall not be a cause for cancelling or terminating this agreement.

18.2 Title Papers to be Furnished.

A. **Lease Papers.** Each Party, after executing this agreement, shall upon request promptly furnish Unit Operator, and any other Party requesting same, with photostatic copies of all leases, assignments, options and other contracts which it has in its possession relating to its Committed Working Interests.

B. **Title Papers for Initial Test Well.** Promptly after the effective date of this agreement each Party within the area described as the Title Examination Area in Exhibit 3 shall at its own expense furnish Unit Operator with the following title material relating to all lands within such area in which it owns Committed Working Interests covering the same:

- (1) Abstracts of title based upon the county records certified to current date,
- (2) All lease papers, or photostatic copies thereof, mentioned in Section 18.2A which the Party has in its possession, and which have not been previously furnished to Unit Operator,
- (3) Copies of any title opinions which the Party has in its possession,
- (4) If federal lands are involved, status reports of current date setting forth the entries found in the district land office and the Washington, D. C. land office of the Bureau of Land Management for the lands involved, and also a certified copy of the serial register for the federal leases involved,
- (5) If state lands are involved, status reports of current date showing the entries pertaining to the land involved found in the records of such state,
- (6) If Indian lands are involved, status reports for the land involved showing the entries found in the office of the Superintendent of the Indian Agency and the area office for such Indian lands and in the Bureau of Indian Affairs in Washington, D. C.

C. **Title Papers for Subsequent Wells.** Any Party who proposes the Drilling of a Subsequent Test Well or Exploratory Well shall, at the time of giving notice for such proposed well, designate a title examination area not exceeding 2,500.00 acres and not including any lands within a participating area. When the drilling of a Development Well receives the Approval of the Parties within the participating area in which it is located, a title examination area which covers lands outside any participating area may be designated by the Approval of such Parties. Each Party within any such title examination area shall at its own expense and upon request furnish Unit Operator with the title materials listed in Section 18.2B not previously furnished, relating to all lands within such area in which it owns Committed Working Interests.

D. **Title Papers on Establishment or Enlargement of a Participating Area.** Upon the establishment or the enlargement of a participating area, each Party shall promptly at its own expense furnish Unit Operator all the title materials listed in Section 18.2B relating to all its Committed Working Interests in the lands lying within such participating area as established or enlarged.

18.3 Title Examination. Unit Operator shall, without charge to the other Parties, conduct the examination of the title papers received pursuant to Section 18.2 B, C and D, and shall distribute copies of its title opinions to all Parties as soon as they are prepared. After a title examination has been completed and a reasonable time not exceeding thirty (30) days has been allowed for any necessary curative work, Unit Operator shall submit to each Party a report concerning the title examination with written recommendation for approval or disapproval of the title to each Committed Working Interest involved. Such curative work as is performed to meet title requirements concerning a Committed Working Interest shall be performed by and at the expense of the Party claiming such interest.

Operator

18.6 Withdrawal from Drilling Party. Any Party included in the Drilling Party for a well for which title examination is made as above provided, who has disapproved title to a Committed Working Interest which has been examined in connection with the Drilling of such well may withdraw from the Drilling Party by giving written notice of such withdrawal to all other Parties included in the Drilling Party within fifteen (15) days after the recommendation of the ~~Unit Operator~~ on a title examination made in connection with the Drilling of the well, and the drilling of such well shall not be commenced until the expiration of said fifteen (15) day period.

Unit

In the event any Party so withdraws, the proposed well shall not be drilled unless within fifteen (15) days after the giving of such notice of withdrawal, a Party or Parties included in the Drilling Party agrees in writing to bear that proportion of the Costs incurred in Drilling such well that would have been borne by the withdrawing Party.

18.7 Approval of Titles on Establishment or Enlargement of a Participating Area. Within fifteen (15) days after the receipt of the recommendation of the ~~Unit Operator~~ on title examination made upon the establishment or enlargement of a participating area, each Party within the participating area as established or enlarged shall notify each of the other Parties therein whether it accepts or rejects title to each Committed Working Interest within such participating area as established or enlarged. Any Party rejecting title shall state the reasons therefor in writing.

If title to a Committed Working Interest is rejected by any Party by notice given as above provided, the Parties within the participating area as established or enlarged shall vote in accordance with Article 14 dealing with Supervision of Operations by Parties, on the Approval of such title. If, on such vote, the title receives the Approval of the Parties, such title shall be deemed Approved; if not, it shall be deemed disapproved. If no Party has rejected title to a Committed Working Interest by notice given as above provided, then title to such interest shall be deemed Approved without vote of the Parties.

18.8 Effect of Disapproval of Title on Establishment or Enlargement of Participating Area. If title to the Committed Working Interest in a tract within a participating area is disapproved as provided in Section 18.7, the Party claiming such Committed Working Interest may, within thirty (30) days after such disapproval provide indemnity in such terms and in such amount as receives the Approval of the Parties (other than the indemnifying Party) within such participating area, on an Acreage Basis among themselves. In the absence of such indemnity, the proceeds of the Production from such tract or of the Production allocated thereto (whichever is the greater) to the extent attributable to such Committed Working Interest, after deducting Lease Burdens payable thereon, shall be paid to Unit Operator and held in suspense until title to such Committed Working Interest receives the Approval of the Parties within such participating area or until such time as such Committed Working Interest is lost through title failure; provided, however, that Unit Operator shall apply such proceeds in payment of Costs incurred in the development or operation of such participating area to the extent chargeable in respect of such Committed Working Interest.

18.9 Failure of Title to Committed Working Interest. If title to a Committed Working Interest fails in whole or in part, such Committed Working Interest shall no longer be subject to this agreement and the following provisions shall apply:

A. Loss of Production. The Party whose title has failed shall not be entitled to receive, after the date of such title failure, any Production that would otherwise accrue to such interest. If Unit Operator holds in suspense in accordance with Section 18.8 the proceeds of any Production on account of such Committed Working Interest, such proceeds shall be distributed either to the Parties or to others as their respective interests may appear.

B. Loss of Ownership in Wells and Property. Such interest as the Party claiming such Committed Working Interest may have in wells, materials, equipment and other property on account of such Committed Working Interest shall pass to and vest in the other Parties owning the same in proportion to their respective interests therein among themselves.

C. Liabilities to Third Parties. Any liability to account to third parties for prior production of Unitized Substances which arises by reason of such title failure shall be borne by the Parties in the same proportions in which they shared in such prior Production. Any and all other liabilities to third parties shall be borne by the Party claiming the Committed Working Interest title to which has failed.

D. Reimbursement for Investment. If at the time of such title failure the tract affected thereby is within a participating area, the Party whose Committed Working Interest therein has been lost shall be credited with the same amount as would be credited to it for the interest owned by it, by reason of such Committed Working Interest, in useable wells and tangible property within such participating area (other than useable wells and tangible property located on the tract affected by the title failure, to the extent affected by the title failure) if at such time an investment adjustment were made for the participating area in accordance with Section 13.3 dealing with Method of Adjustment. If the amount so credited is in excess of the proceeds or market value of that portion of the Production from such participating area which was received by such Party prior to the title failure, by reason of such Committed Working Interest after deducting Lease Burdens paid in respect of said portion, then after such title failure such Party shall (1) be entitled to that portion of the Production from such participating area as then constituted or thereafter revised which it would have received had title to such Committed Working Interest not failed, less Lease Burdens payable on said portion and (2) be charged with a like portion of its Costs incurred in the operation of wells within such participating area, until such time as the proceeds or market value of said portion of Production, less said portion of operating Costs, shall equal such excess; provided, however, that such Party shall not have any voice in the conduct or supervision of operations within such participating area or in any revision of such participating area other than such as it may be entitled to by reason of ownership of Committed Working Interests within the participating area that are not affected by the title failure.

18.10 Joinder by True Owner. A true owner of a working interest title to which has failed may join in this Agreement or enter upon a separate operating agreement with the Parties to this agreement upon such terms and conditions as receive the Approval of the Parties within the Unit Area.

ARTICLE 19

UNLEASED INTERESTS

19.1 Treated as Leased. If a Party owns in fee all or any part of the oil and gas rights in any tract within the Unit Area which is not subject to any oil and gas lease, or other contract in the nature thereof, such Party shall be deemed to own a Committed Working Interest in such tract and also a royalty interest therein in the same manner as if such Party's oil and gas rights in such tract were covered by the form of oil and gas lease attached hereto as Exhibit 6.

19.2 Execution of Lease. In any provision hereof where reference is made to an assignment or conveyance by any Party of its Committed Working Interest to any other Party, such references as to any Party owning an unleased interest shall be interpreted to mean that such Party shall execute an oil and gas lease to such other Party on the form attached hereto as Exhibit 6, which shall satisfy the requirement for assignment or conveyance of a Committed Working Interest.

ARTICLE 20
RENTALS AND LEASE BURDENS

20.1 Rentals. Each Party shall be obligated to pay any and all rentals and other sums (other than Lease Burdens) payable upon or in respect of its Committed Working Interests, subject, however, to the right of each Party to surrender any of its Committed Working Interests in accordance with Article 27. Upon request, each Party shall furnish to Unit Operator satisfactory evidence of the making of such payments. However, no Party shall be liable to any other Party for unintentional failure to make any such payments provided it has acted in good faith.

20.2 Lease Burdens. The Party or Parties entitled to receive the Production allocated to a tract of land within a participating area shall be obligated to make any and all payments, whether in cash or in kind, accruing to any and all Lease Burdens, net profits interests, carried interests and any similar interest payable in respect of such Production or the proceeds thereof, except as provided in Article 22 dealing with Withdrawal of Tracts and Uncommitted Interests. The Party or Parties entitled to receive the Production from a well completed as a producer but not included within a participating area shall be obligated to pay all Lease Burdens payable in respect of such Production and each such Party shall be obligated to pay any net profits interest, carried interest and similar interests payable in respect of its share of such production.

20.3 Loss of Committed Working Interest. If a Committed Working Interest is lost through failure to make any payment above provided to be made by the Party owning the same, such loss shall be borne entirely by such Party; provided, however, if the Committed Working Interest so lost covers land within a participating area the provisions of Subdivisions A, B, C and D of Section 18.9 dealing with Failure of Title to Committed Working Interest shall apply.

ARTICLE 21
TAXES

21.1 Payment. Any and all ad valorem taxes payable upon the Committed Working Interests (and upon Lease Burdens which are not payable by the owners thereof) or upon materials, equipment or other property acquired and held by Unit Operator hereunder, and any and all taxes (other than income taxes) upon or measured by Unitized Substances produced from the Unit Area which are not payable by the purchaser or purchasers thereof or by the owner of Lease Burdens, shall be paid by Unit Operator as and when due and payable.

21.2 Apportionment. Taxes upon materials, equipment and other property acquired and held by Unit Operator hereunder shall be charged to and borne by the Parties owning the same in proportion to their respective interests therein. All other taxes paid by Unit Operator shall be charged to and borne by the Parties in proportion to their ownership in the Committed Working Interests or Unitized Substances (as the case may be) upon which or in respect of which such taxes are paid. All reimbursements from owners of Lease Burdens, whether obtained in cash or by deduction from Lease Burdens, on account of any taxes paid for such owners shall be paid or credited to the Parties in the same proportions as such taxes were charged to such Parties.

21.3 Transfer of Interests. In the event of a transfer by one Party to another under the provisions of this agreement of any Committed Working Interest or of any interest in any well or in the materials and equipment in any well or in the event of the reversion of any relinquished interest as in this agreement provided the taxes above mentioned assessed against the interest transferred or reverted for the taxable period in which such transfer or reversion occurs shall be apportioned between such Parties so that each shall bear the percentage of such taxes which is proportionate to that portion of the taxable period during which it owned such interest.

21.4 Notices and Returns. Each Party shall promptly furnish Unit Operator with copies of notices, assessments, levies or tax statements received by it pertaining to the taxes to be paid by Unit Operator. Unit Operator shall make such returns, reports and statements as may be required by law in connection with any taxes above provided to be paid by it and shall furnish copies to the parties upon request. It shall notify the Parties of any tax which it does not propose to pay before such tax becomes delinquent.

ARTICLE 22
WITHDRAWAL OF TRACTS AND UNCOMMITTED INTERESTS

22.1 Limitation on Right of Withdrawal. Not less than five (5) days before filing the Unit Agreement for final Departmental approval, Unit Operator shall notify each Party in writing of intention to file, specifying in such notice, to the best of Unit Operator's knowledge, the status of ownership of unitized lands and Lease Burdens on Production therefrom. If the owner of any substantial interest in a tract within the Unit Area has then failed or refused to join in the Unit Agreement, the Party or Parties owning Committed Working Interests in such tract shall have the right to withdraw such tract from the Unit Area in accordance with the Unit Agreement; provided, however, that such right shall not be exercised until after at least ten (10) days prior written notice to all other Parties within the Unit Area and such right shall not be exercised if within said period of ten days the non-withdrawal of such tract receives the Direction of the Parties who at the time of the giving of such notice have executed this agreement.

22.2 The Effect of Non-Withdrawal at Direction of Parties. If the non-withdrawal of a tract receives the Direction of the Parties as above provided and if such tract is included within a participating area, the following provisions shall apply:

A. Any and all payments and liabilities to the owners of uncommitted interests in such tract that are in excess of the payments that would accrue to such owners had they executed the Unit Agreement shall be borne and shared on an Acreage Basis by the Parties within the participating area in which the tract is located.

B. If the payments that would accrue to the owners of uncommitted interests in such tract if they had joined in the Unit Agreement are in excess of the payments actually accruing to them such excess shall be shared by all Parties within the participating area on an Acreage Basis.

22.3 Voluntary Non-Withdrawal. If the Party or Parties owning Committed Working Interests in a tract voluntarily fails to exercise the right to withdraw such tract in accordance with the Unit Agreement, all payments and liabilities accruing to the owners of uncommitted interests in such tract shall be paid and borne by such Party or Parties.

ARTICLE 23
COMPENSATORY ROYALTIES

23.1 Notice. Whenever demand is made in accordance with the Unit Agreement for the payment of compensatory royalties, Unit Operator shall give written notice thereof to each Party affected by the demand, as hereinafter provided.

23.2 Demand for Failure to Drill a Development Well. If the demand for compensatory royalty results from the failure to Drill a Development Well and such well is not drilled, then Unit Operator shall pay such compensatory royalty. Such payment shall be charged as Costs incurred in operations within such participating area.

23.3 Demand for Failure to Drill a Well Other than a Development Well. If the demand for compensatory royalty results from the failure to Drill a well other than a Development Well and an election to Drill in order to avoid payment of Compensatory Royalties is not made by any Party owning a Committed Working Interest in the tract upon which such a well may be Drilled, then Unit Operator shall pay such compensatory royalty. Such payment shall be chargeable to and borne by the Parties who would be obligated to bear the Costs of such well if the well were Drilled as a Required Well in accordance with Section 10.4B.

ARTICLE 24
SEPARATE MEASUREMENT AND SALVAGE

24.1 Separate Measurement. If a well completed as a producer of Unitized Substances is in or included in a participating area but is not owned on an Acreage Basis by all the Parties within such participating area and if, within thirty (30) days after request by any interested Party, a method of measuring the Production from such well without necessitating additional facilities does not receive the Approval of the Parties, then Unit Operator shall install such additional tankage, flow lines or other facilities for separate measurement of the Unitized Substances produced from such well as Unit Operator may deem suitable. The Costs of such facilities for separate measurement shall be charged to and borne by the Drilling Party for such well and treated as Costs incurred in operating such well notwithstanding any other provisions of this agreement.

24.2 Salvaged Materials. If any materials and equipment are salvaged from a well completed as a producer after being Drilled, Deepened or Plugged Back otherwise than for the account of all the Parties entitled to participate therein before reversion to the Non-Drilling Parties of their relinquished interests in the well, the proceeds derived from sale

thereof, or, if not sold, the Salvage Value thereof, shall be treated in the same manner as proceeds of Production from such well for the purpose of determining reversion to Non-Drilling Parties of their relinquished interests in such well.

ARTICLE 25

SECONDARY RECOVERY AND PRESSURE MAINTENANCE

25.1 **Consent Required.** Unit Operator shall not undertake any program of secondary recovery or pressure maintenance involving injection of gas, water or other substance by any method, whether now known or hereafter devised, without first obtaining the consent of not less than.....Parties in the aggregate owning not less than.....
ninety per cent (.....**90**.....%) of the Committed Working Interests on an Acreage Basis in the participating area affected by any such program. After the Parties have voted to undertake a program of secondary recovery or pressure maintenance in accordance with this section, the conduct of such a program shall be subject to supervision by the Parties by vote as set forth in Article 14.

25.2 **Above Ground Facilities.** This agreement shall not be deemed to require any Party to participate in the construction or operation of any gasoline plant, sulphur recovery plant, dewaxing plant or other above ground facilities to process or otherwise treat Production, other than such facilities as may be required for treating Production in ordinary lease operations and such facilities as may be required in the conduct of operations authorized under Section 25.1.

ARTICLE 26

TRANSFERS OF INTEREST

26.1 **Restriction on Zone Transfers.** No Party shall assign, mortgage or transfer its Committed Working Interest in any tract committed to this agreement as to less than all formations underlying said tract without first receiving the Approval of the Parties within the Unit Area; provided, however, that such restriction shall not apply to a transfer by any Party of any part of its Committed Working Interest in any tract or tracts after the Drilling of the Initial Test Well or Wells and prior to the discovery of Unitized Substances in paying quantities under a farmout arrangement in consideration of the Drilling of a well within the Unit Area, free of expense to the other Parties, and upon the further condition that if such well results in the Production of Unitized Substances in paying quantities, such well and the Production therefrom will be shared by the Parties within the participating area established for such well in the same manner as if the well had been Drilled for the account of all Parties within such participating area.

26.2 **Sale by Unit Operator.** If Unit Operator sells all its Committed Working Interests, it shall resign and a new Unit Operator shall be selected as provided in the Unit Agreement.

26.3 **Assumption of Obligations.** No transfer of any Committed Working Interests shall be effective unless the same is made expressly subject to the Unit Agreement and this agreement and the transferee agrees in writing to assume and perform all obligations of the transferor under the Unit Agreement and this agreement insofar as relates to the interest assigned, except that such assumption of obligations shall not be required in case of a transfer by mortgage or deed of trust as security for indebtedness.

26.4 **Effective Date.** A transfer of Committed Working Interests shall not be effective as between the Parties until the first day of the month next following the delivery to Unit Operator of the original or a certified copy of the instrument of transfer conforming to the requirements of Section 26.3. In no event shall a transfer of Committed Working Interests relieve the transferring Party of any obligations accrued hereunder prior to said effective date, for which purpose any obligation assumed by the transferor to participate in the Drilling, Deepening or Plugging Back of a well prior to such effective date shall be deemed an accrued obligation.

ARTICLE 27

RELEASE FROM OBLIGATIONS AND SURRENDER

27.1 **Surrender or Release Within Participating Area.** A Committed Working Interest covering land within a participating area shall not be surrendered except with the consent of all Parties within such participating area. However, a Party who owns a Committed Working Interest in land within a participating area and who is not at the time committed to participate in the Drilling, Deepening or Plugging Back of a well within such participating area may be relieved of further obligations with respect to such participating area as then constituted by executing and delivering to Unit Operator an assignment conveying to all other Parties within such participating area all Committed Working Interests owned by such Party in lands within the participating area, together with the entire interest of such Party in any and all wells, materials, equipment and other property within or pertaining to such participating area.

27.2 **Procedure on Surrender Outside Participating Area.** Whenever a Party desires to surrender its Committed Working Interest in any tract which is not within any participating area, such Party shall give to all other Parties written notice thereof describing such Committed Working Interest. The Parties receiving such notice, or any of them, shall have the right at their option to take from the Party desiring to surrender an assignment of such Committed Working Interest by giving to the Party desiring to surrender written notice of election so to do within thirty (30) days after receipt of the notice of the desire to surrender. If such election is made as above provided, the Party or Parties taking the assignment (which shall be taken by them in proportion to the acreage of their Committed Working Interests among themselves in the Unit Area) shall pay to the assigning Party its share of the Salvage Value of any wells owned by the Parties and then located on the land covered by such Committed Working Interest, which payment shall be made on receipt of the assignment. If no Party elects to take such assignment within such thirty (30) day period, then the Party or Parties owning such Committed Working Interest may surrender the same if surrender thereof can be made in accordance with the Unit Agreement.

27.3 **Accrued Obligations.** A Party making an assignment or surrender in accordance with Section 27.1 or 27.2 shall not be relieved of its liability for any obligation accrued hereunder at the time the assignment or surrender is made, or of obligation to bear its share of the Costs incurred in any Drilling, Deepening or Plugging Back operation in which such Party has elected to participate prior to the making of such assignment or surrender, except to the extent that the Party or Parties receiving such assignment shall assume, with the Approval of the Parties, any and all obligations of the assigning Party hereunder and under the Unit Agreement.

ARTICLE 28

SEVERAL, NOT JOINT LIABILITY

28.1 **Liability.** The liability of the Parties hereunder shall be several and not joint or collective. Each Party shall be responsible only for its obligations as herein set out.

28.2 **No Partnership Created.** It is not the intention of the Parties to create, nor shall this agreement or the Unit Agreement be construed as creating a mining or other partnership or association between the Parties, or to render them liable as partners or associates.

28.3 **Election.** Each of the Parties hereby elects to be excluded from the application of Subchapter K of Chapter 1 of Subtitle A of the Internal Revenue Code of 1954 or such portion or portions thereof as may be permitted or authorized by the Secretary of the Treasury of the United States or his delegate insofar as such Subchapter or any portion or portions thereof may be applicable to the Parties. If any present or future income tax laws of the state or states in which the Unit Area is located, or any future income tax law of the United States, contain, or shall hereafter contain, provisions similar to those contained in the Subchapter of the Internal Revenue Code of 1954 above referred to under which a similar election is permitted, each of the Parties hereby elects to be excluded from the application of such laws. Accordingly, each Party hereby authorizes and directs Unit Operator to execute such an election or elections on its behalf and file the same with the proper administrative office or agency. If requested by Unit Operator, each Party agrees to execute and join in such instruments as are necessary to make such elections effective.

ARTICLE 29

NOTICES

29.1 **Giving and Receipt.** Except as otherwise specified herein, any notice, consent or statement herein provided or permitted to be given by Unit Operator or a Party to the Parties shall be given in writing by United States mail or by telegraph, properly addressed to each Party to whom given, with postage or charges prepaid, or by delivery thereof in person to the Party to whom given; however, if delivered to a corporate Party, it shall not be deemed given unless delivered personally to an executive officer of such Party or to its representative designated pursuant to Section 14.5 dealing with Representatives. A notice given under any provision hereof shall be deemed given only when received by the Party to whom such notice is directed, except that any notice given by United States registered mail or by telegraph,

properly addressed to the Party to whom given with all postage and charges prepaid, shall be deemed given to and received by the Party to whom directed forty-eight (48) hours after such notice is deposited in the United States mails or twenty-four (24) hours after such notice is filed with an operating telegraph company for immediate transmission by telegraph, and also except that a notice to Unit Operator shall not be deemed given until actually received by it.

29.2 Proper Addresses. Each Party's proper address shall be deemed to be the address set forth under or opposite its signature hereto unless and until such Party specifies another post office address within the continental limits of the United States by not less than ten (10) days prior written notice to all other Parties.

ARTICLE 30

EXECUTED IN COUNTERPARTS AND RATIFICATION

30.1 Counterparts. This agreement may be executed in counterparts and all such counterparts taken together shall be deemed to constitute one and the same instrument.

30.2 Ratification. This agreement may be executed by the execution and delivery of a good and sufficient instrument of ratification, adopting and entering into this agreement. Such ratification shall have the same effect as if the Party executing it had executed this agreement or a counterpart hereof.

ARTICLE 31

SUCCESSORS AND ASSIGNS

31.1 Covenants. This agreement shall be binding on and inure to the benefit of all Parties signing the same, their heirs, devisees, personal representatives, successors and assigns and their successors in interest, whether or not it is signed by all the Parties listed below. The terms hereof shall constitute a covenant running with the lands and the Committed Working Interests of the Parties.

ARTICLE 32

HEADINGS FOR CONVENIENCE

32.1 Headings. The table of contents and the headings used in this agreement are inserted for convenience only and shall be disregarded in construing this agreement.

ARTICLE 33

RIGHT OF APPEAL

33.1 Not Waived. Nothing contained in this agreement shall be deemed to constitute the waiver by any Party of any right it would otherwise have to contest the validity of any law or any order or regulation of governmental authority (whether federal, state or local) relating to or affecting the conduct of operations within the Unit Area or to appeal from any such order.

ARTICLE 34

SUBSEQUENT JOINDER

34.1 Prior to the Commencement of Operations. Prior to the commencement of operations under the Unit Agreement, all owners of Working Interests in the Unit Area who have joined in the Unit Agreement shall be privileged to execute or ratify this agreement.

34.2 After Commencement of Operations. After commencement of operations under the Unit Agreement, any Working Interest in land within the Unit Area which is not then committed hereto may be committed to this agreement and to the Unit Agreement upon such reasonable terms and conditions as may receive the Approval of the Parties.

ARTICLE 35

CARRIED INTERESTS

35.1 Treatment of. If any working interest shown on Exhibit B of the Unit Agreement and committed thereto is a carried working interest, such interest shall, if the carrying party executes this agreement be deemed to be, for the purpose of this agreement, a Committed Working Interest owned by the carrying party.

ARTICLE 36

EFFECTIVE DATE AND TERM

36.1 Effective Date. This agreement shall become effective on the effective date of the Unit Agreement except that the provisions of Section 22.1 dealing with Limitation on Right of Withdrawal shall be operative prior to such effective date.

36.2 Term. The term of this agreement shall be the same as the term of the Unit Agreement and shall terminate concurrently therewith.

36.3 Effect of Termination. Termination of this agreement shall not relieve any Party of its obligations then accrued hereunder. Notwithstanding termination of this agreement the provisions hereof relating to the charging and payment of Costs and the disposition of materials and equipment shall continue in force until all materials and equipment owned by the Parties have been disposed of and until final accounting between Unit Operator and the Parties. Termination of this agreement shall automatically terminate all rights and interests acquired by virtue of this agreement in lands within the Unit Area except such transfers of Committed Working Interests as have been evidenced by formal written instruments of transfer.

36.4 Effect of Signature. When this agreement is executed by two Parties, execution by each shall be deemed consideration for execution by the other and each Party theretofore or thereafter executing this agreement shall thereupon become and remain bound hereby until the termination of this agreement. However, if the Unit Agreement does not become effective within twelve (12) months from and after the date of this agreement, then at the expiration of said period, this agreement shall terminate.

ARTICLE 37
OTHER PROVISIONS

Other provisions, if any, are:

- 37.1 The terms and provisions of Section 26.1 of Article 26 hereof shall not apply to any assignments or transfers made pursuant to contractual commitments existing prior to the effective date hereof.

IN WITNESS WHEREOF, this agreement has been executed by the under-
signed parties, as of the day and year first above written.

Date of Execution:

SHELL OIL COMPANY

Address:

1008 West Sixth Street

Los Angeles 54, California

By

Manager, Land Department

As Unit Operator and Working Interest Owner

Date of Execution:

CONTINENTAL OIL COMPANY

Address:

P. O. Box 1121

Durango, Colorado

By

Attest:

Date of Execution:

THE BRITISH-AMERICAN OIL PRODUCING
COMPANY

Address:

Denver Club Building

Denver, Colorado

By

Attest:

Date of Execution:

DELHI-TAYLOR OIL CORPORATION

Address:

Fidelity Union Tower

Dallas, Texas

By

Attest:

Date of Execution:

TRANSMOUNTAIN PRODUCTION COMPANY

Address:

800 Jacinto Building

Houston, Texas

By

Attest:

Date of Execution:

ELIZABETH ANN ELLIOTT

Address:

P. O. Box 703

Roswell, New Mexico

FRANK O. ELLIOTT, HER HUSBAND

IN WITNESS WHEREOF, this agreement has been executed by the under-
signed parties, as of the day and year first above written.

Date of Execution:

SHELL OIL COMPANY

Address:

1008 West Sixth Street

Los Angeles 54, California

By

Manager, Land Department

As Unit Operator and Working Interest Owner

Date of Execution:

CONTINENTAL OIL COMPANY

March 2, 1961

Address:

P. O. Box 1121

By

M. E. Thrash
Attorney in Fact

ATTEST:

CITY & } ss.
COUNTY OF DENVER }

On this 26th day of February, 1961,
before me, the undersigned Notary Public, personally appeared
M. E. THRASH, personally known to me to be and who, being by
me duly sworn, did say that he is the person who is described
in the within and foregoing instrument as Attorney in Fact of
CONTINENTAL OIL COMPANY, a Delaware corporation, and who, as
such Attorney in Fact, subscribed, signed and executed said
instrument and he duly acknowledged to me that as such Attorney
in Fact he subscribed, signed and executed said instrument as
his free and voluntary act and deed on behalf of and as the
free and voluntary act and deed of said CONTINENTAL OIL COMPANY,
as principal, and for the purposes therein contained and by
authority of a resolution of its Board of Directors.

My commission expires 10-10-64.

Witness my hand and official seal.

W. E. Thrash
Notary Public (Signature)

Notary's Name (Typed or Printed)

Denver, Colorado

Notary's Residence (Typed or
Printed)

Date of Execution:

$\frac{1}{2} \left(\frac{1}{2} \right) = \frac{1}{4}$

By

Manager, Land Department

Date of Execution:

Address:

By

ATTEST:

Date of Execution:

THE BRITISH-AMERICAN OIL PRODUCING
COMPANY

November 22, 1961
Address:

By

Address :

~~Denver Club Building~~

P. O. BOX 749
DALLAS, TEXAS

~~Denver, Colorado~~

ATTEST :

ATTORNEY-IN-FACT

Date of Execution:

DELHI-TAYLOR OIL CORPORATION

Address :

By

Fidelity Union Tower

ATTEST:

Dallas, Texas

Date of Execution:

TRANSMOUNTAIN PRODUCTION COMPANY

Address:

By

800 Jacinto Building

ATTEST:

Houston, Texas

ELIZABETH ANN ELLIOTT

Date of Execution:

Address _____

FRANK C. ELLIOTT, HER HUSBAND

P. O. Box 703

205-411, New Mexico

IN WITNESS WHEREOF, this agreement has been executed by the under-
signed parties, as of the day and year first above written.

Date of Execution:

SHELL OIL COMPANY

1002 West Sixth Street

By _____

Manager, Land Department

Los Angeles 54, California

As Unit Operator and Working Interest Owner

Date of Execution:

CONTINENTAL OIL COMPANY

Address: _____

By _____

P. O. Box 1121

ATTEST: _____

Durango, Colorado

Date of Execution:

THE BRITISH-AMERICAN OIL PRODUCING
COMPANY

Address: _____

By _____

Denver Club Building

ATTEST: _____

Denver, Colorado

Date of Execution:

DELHI-TAYLOR OIL CORPORATION

11-22-61
Address: _____

By _____

Vice President

Fidelity Union Tower

ATTEST: _____

Assistant Secretary

Dallas, Texas

Date of Execution:

TRANSMOUNTAIN PRODUCTION COMPANY

Address: _____

By _____

600 Jacinto Building

ATTEST: _____

Houston, Texas

Date of Execution:

ELIZABETH ANN ELLIOTT

Address: _____

FRANK C. ELLIOTT, HER HUSBAND

P. O. Box 703

Boswell, New Mexico

IN WITNESS WHEREOF, this agreement has been executed by the under-
signed parties, as of the day and year first above written.

Date of Execution:

SHELL OIL COMPANY

Address:

668 West Sixth Street

Los Angeles 54, California

By

Manager, Land Department

As Unit Operator and Working Interest Owner

Date of Execution:

CONTINENTAL OIL COMPANY

Address:

P. O. Box 1121

Durango, Colorado

By

ATTEST:

Date of Execution:

THE BRITISH-AMERICAN OIL PRODUCING
COMPANY

Address:

Denver Club Building

Denver, Colorado

By

ATTEST:

Date of Execution:

DELHI-TAYLOR OIL CORPORATION

Address:

Fidelity Union Tower

Dallas, Texas

By

ATTEST:

Date of Execution:

TRANSMOUNTAIN PRODUCTION COMPANY

Address:

800 Jacinto Building

Houston, Texas

By

ATTEST:

Date of Execution:

November 15, 1961

Address:

P. O. Box 703

Roswell, New Mexico

ELIZABETH ANN ELLIOTT

Elizabeth Ann Elliott

FRANK O. ELLIOTT, HER HUSBAND

Frank O. Elliott

Date of Execution:

11-21-61

Address:

330 West I Street
Ontario, California

Date of Execution:

Address:

P. O. Box 416
Santa Fe, New Mexico

Date of Execution:

Address:

4949 North Van Ness Blvd.
Fresno 4, California

Date of Execution:

Address:

337 Pierpont Avenue
Salt Lake City, Utah

Date of Execution:

Address:

4317 Vantage Avenue
North Hollywood, California

Date of Execution:

Address:

P. O. Box 2124
Santa Fe, New Mexico

Date of Execution:

Address:

810 Midland Savings Building
Denver 2, Colorado

Date of Execution:

Address:

Box 53
Evergreen, Colorado

Hazel J. Cuccia

George Cuccia, her husband

George E. Conley

Lester C. Hotchkiss

Alpha L. Hotchkiss, his wife

B. J. Bradshaw

F. J. Bradshaw, her husband

Anthony P. Hebner

Anne Herta Hebner, his wife

Hoover H. Wright

Betty Ruth Wright, his wife

I. H. Cunningham

Berval C. Cunningham, his wife

Paul F. Catterson

Mary E. Catterson, his wife

Date of Execution:

Hazel J. Cuccia

Address:

330 West I Street
Ontario, California

George Cuccia, her husband

Date of Execution:

George E. Conley

11-16-61
Address:

P. O. Box ~~45~~ 611
Santa Fe, New Mexico

Date of Execution:

Lester C. Hotchkiss

Address:

4949 North Van Ness Blvd.
Fresno 4, California

Alpha L. Hotchkiss, his wife

Date of Execution:

B. J. Bradshaw

Address:

337 Pierpont Avenue
Salt Lake City, Utah

F. J. Bradshaw, her husband

Date of Execution:

Anthony P. Hebner

Address:

4317 Vantage Avenue
North Hollywood, California

Anne Herta Hebner, his wife

Date of Execution:

Hoover H. Wright

Address:

P. O. Box 2124
Santa Fe, New Mexico

Betty Ruth Wright, his wife

Date of Execution:

I. H. Cunningham

Address:

810 Midland Savings Building
Denver 2, Colorado

Berval C. Cunningham, his wife

Date of Execution:

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Address:

Box 58
Evergreen, Colorado

Mary E. Catterson, his wife

Date of Execution:

Hazel J. Cuccia

Address:

330 West I Street
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George Cuccia, her husband

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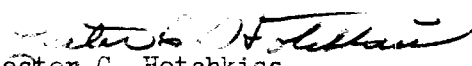
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Mary E. Catterson, his wife

EXHIBIT 1

ATTACHED TO AND MADE A PART OF THE UNIT OPERATING
AGREEMENT FOR THE CABEZON UNIT AREA, SANDOVAL COUNTY,
NEW MEXICO, DATED THE 1ST DAY OF SEPTEMBER, 1961.

Unit Area: The area specified on the plat attached to the related Unit Agreement and marked Exhibit "A" is hereby designated and recognized as constituting the Unit Area.

Exhibit "A" shows in addition to the boundary of the Unit Area, the identity of tracts and leases in said area to the extent know to the Unit Operator.

Attached to and made a part of Unit Operating Agreement

Cabezon Unit Area, Sandoval County, New Mexico,
dated September 1, 1961

ACCOUNTING PROCEDURE

(UNIT AND JOINT LEASE OPERATIONS)

I. GENERAL PROVISIONS

1. Definitions

"Joint property" as herein used shall be construed to mean the subject area covered by the agreement to which this "Accounting Procedure" is attached.

"Operator" as herein used shall be construed to mean the party designated to conduct the development and operation of the subject area for the joint account of the parties hereto.

"Non-Operator" as herein used shall be construed to mean any one or more of the non-operating parties.

2. Statements and Billings

Operator shall bill Non-Operator on or before the last day of each month for its proportionate share of costs and expenditures during the preceding month. Such bills will be accompanied by statements, reflecting the total costs and charges as set forth under Subparagraph C below:

A. Statement in detail of all charges and credits to the joint account.

B. Statement of all charges and credits to the joint account, summarized by appropriate classifications indicative of the nature thereof.

C. Statements as follows:

(1) Detailed statement of material ordinarily considered controllable by operators of oil and gas properties;

(2) Statement of ordinary charges and credits to the joint account summarized by appropriate classifications indicative of the nature thereof; and

(3) Detailed statement of any other charges and credits.

3. Payments by Non-Operator

Each party shall pay its proportion of all such bills within fifteen (15) days after receipt thereof. If payment is not made within such time, the unpaid balance shall bear interest at the rate of six per cent (6%) per annum until paid.

4. Adjustments

Payment of any such bills shall not prejudice the right of Non-Operator to protest or question the correctness thereof. Subject to the exception noted in Paragraph 5 of this section I, all statements rendered to Non-Operator by Operator during any calendar year shall conclusively be presumed to be true and correct after twenty-four (24) months following the end of any such calendar year, unless within the said twenty-four (24) month period Non-Operator takes written exception thereto and makes claim on Operator for adjustment. Failure on the part of Non-Operator to make claim on Operator for adjustment within such period shall establish the correctness thereof and preclude the filing of exceptions thereto or making of claims for adjustment thereon. The provisions of this paragraph shall not prevent adjustments resulting from physical inventory of property as provided for in Section VI, Inventories, hereof.

5. Audits

A Non-Operator, upon notice in writing to Operator and all other Non-Operators, shall have the right to audit Operator's accounts and records relating to the accounting hereunder for any calendar year within the twenty-four (24) month period following the end of such calendar year, provided, however, that Non-Operator must take written exception to and make claim upon the Operator for all discrepancies disclosed by said audit within said twenty-four (24) month period. Where there are two or more Non-Operators, the Non-Operators shall make every reasonable effort to conduct joint or simultaneous audits in a manner which will result in a minimum of inconvenience to the Operator.

II. DEVELOPMENT AND OPERATING CHARGES

Subject to limitations hereinafter prescribed, Operator shall charge the joint account with the following items:

1. Rentals and Royalties

Delay or other rentals, when such rentals are paid by Operator for the joint account; royalties, when not paid directly to royalty owners by the purchaser of the oil, gas, casinghead gas, or other products.

2. Labor

A. Salaries and wages of Operator's employees directly engaged on the joint property in the development, maintenance, and operation thereof, including salaries or wages paid to geologists and other employees who are temporarily assigned to and directly employed on a drilling well.

B. Operator's cost of holiday, vacation, sickness and disability benefits, and other customary allowances applicable to the salaries and wages chargeable under Subparagraph 2 A and Paragraph 11 of this Section II. Costs under this Subparagraph 2 B may be charged on a "when and as paid basis" or by "percentage assessment" on the amount of salaries and wages chargeable under Subparagraph 2 A and Paragraph 11 of this Section II. If percentage assessment is used, the rate shall be based on the Operator's cost experience.

C. Costs of expenditures or contributions made pursuant to assessments imposed by governmental authority which are applicable to Operator's labor cost of salaries and wages as provided under Subparagraphs 2 A, 2 B, and Paragraph 11 of this Section II.

3. Employee Benefits

Operator's current cost of established plans for employees' group life insurance, hospitalization, pension, retirement, stock purchase, thrift, bonus, and other benefit plans of a like nature, applicable to Operator's labor cost, provided that the total of such charges shall not exceed ten per cent (10%) of Operator's labor costs as provided in Subparagraphs A and B of Paragraph 2 of this Section II and in Paragraph 11 of this Section II.

4. Material

Material, equipment, and supplies purchased or furnished by Operator for use of the joint property. So far as it is reasonably practical and consistent with efficient and economical operation, only such material shall be purchased for or transferred to the joint property as may be required for immediate use; and the accumulation of surplus stocks shall be avoided.

5. Transportation

Transportation of employees, equipment, material, and supplies necessary for the development, maintenance, and operation of the joint property subject to the following limitations:

A. If material is moved to the joint property from vendor's or from the Operator's warehouse or other properties, no charge shall be made to the joint account for a distance greater than the distance from the nearest reliable supply store or railway receiving point where such material is available, except by special agreement with Non-Operator.

- B. If surplus material is moved to Operator's warehouse or other storage point, no charge shall be made to the joint account for a distance greater than the distance from the nearest reliable supply store or railway receiving point, except by special agreement with Non-Operator. No charge shall be made to the joint account for moving material to other properties belonging to Operator, except by special agreement with Non-Operator.

6. Service

- A. Outside Services:
The cost of contract services and utilities procured from outside sources.
- B. Use of Operator's Equipment and Facilities:
Use of and service by Operator's exclusively owned equipment and facilities as provided in Paragraph 5 of Section III entitled "Operator's Exclusively Owned Facilities."

7. Damages and Losses to Joint Property and Equipment

All costs or expenses necessary to replace or repair damages or losses incurred by fire, flood, storm, theft, accident, or any other cause not controllable by Operator through the exercise of reasonable diligence. Operator shall furnish Non-Operator written notice of damages or losses incurred as soon as practicable after report of the same has been received by Operator.

8. Litigation Expense

All costs and expenses of litigation, or legal services otherwise necessary or expedient for the protection of the joint interests, including attorneys' fees and expenses as hereinafter provided, together with all judgments obtained against the parties or any of them on account of the joint operations under this agreement, and actual expenses incurred by any party or parties hereto in securing evidence for the purpose of defending against any action or claim prosecuted or urged against the joint account or the subject matter of this agreement.

- A. If a majority of the interests hereunder shall so agree, actions or claims affecting the joint interests hereunder may be handled by the legal staff of one or more of the parties hereto; and a charge commensurate with cost of providing and furnishing such services rendered may be made against the joint account; but no such charge shall be made until approved by the legal departments of or attorneys for the respective parties hereto.
- B. Fees and expenses of outside attorneys shall not be charged to the joint account unless authorized by the majority of the interests hereunder.

9. Taxes

All taxes of every kind and nature assessed or levied upon or in connection with the properties which are the subject of this agreement, the production therefrom or the operation thereof, and which taxes have been paid by the Operator for the benefit of the parties hereto.

10. Insurance and Claims

- A. Premiums paid for insurance required to be carried for the benefit of the joint account, together with all expenditures incurred and paid in settlement of any and all losses, claims, damages, judgments, and other expenses, including legal services, not recovered from insurance carrier.
- B. If no insurance is required to be carried, all actual expenditures incurred and paid by Operator in settlement of any and all losses, claims, damages, judgments, and any other expenses, including legal services, shall be charged to the joint account.

11. District and Camp Expense (Field Supervision and Camp Expense)

A pro rata portion of the salaries and expenses of Operator's production superintendent and other employees serving the joint property and other properties of the Operator in the same operating area, whose time is not allocated directly to the properties, and a pro rata portion of the cost of maintaining and operating a production office known as Operator's Division Office office located at or near Farmington, New Mexico (or a comparable office if location changed), and necessary suboffices (if any), maintained for the convenience of the above-described office, and all necessary camps, including housing facilities for employees if required, used in the conduct of the operations on the joint property and other properties operated in the same locality. The expense of, less any revenue from, these facilities should be inclusive of depreciation or a fair monthly rental in lieu of depreciation on the investment. Such charges shall be apportioned to all properties served on some equitable basis consistent with Operator's accounting practice.

Costs to be apportioned on a well basis, with one (1) drilling well being equal to six (6) producing wells.

12. Administrative Overhead

Operator shall have the right to assess against the joint property covered hereby the following management and administrative overhead charges, which shall be in lieu of all expenses of all offices of the Operator not covered by Section II, Paragraph 11, above, including salaries and expenses of personnel assigned to such offices, except that salaries of geologists and other employees of Operator who are temporarily assigned to and directly serving on the joint property will be charged as provided in Section II, Paragraph 2, above. Salaries and expenses of other technical employees assigned to such offices will be considered as covered by overhead charges in this paragraph unless charges for such salaries and expenses are agreed upon between Operator and Non-Operator as a direct charge to the joint property.

WELL BASIS (Rate Per Well Per Month)

Well Depth	DRILLING WELL RATE	PRODUCING WELL RATE (Use Completion Depth)		
	Each Well	First Five	Next Five	All Wells Over Ten
0- 7,000'	\$ 250	50	40	30
7,000-11,000'	350	60	50	40
over 11,000'	450	75	60	50

- A. Overhead charges for drilling wells shall begin on the date each well is spudded and terminate when it is on production or is plugged, as the case may be, except that no charge shall be made during the suspension of drilling operations for fifteen (15) or more consecutive days.
- B. In connection with overhead charges, the status of wells shall be as follows:
- (1) Injection wells for recovery operations, such as for repressure or water flood, shall be included in the overhead schedule the same as producing oil wells.
 - (2) Water supply wells utilized for water flooding operations shall be included in the overhead schedule the same as producing oil wells.
 - (3) Producing gas wells shall be included in the overhead schedule the same as producing oil wells.

- (4) Wells permanently shut down but on which plugging operations are deferred shall be dropped from the overhead schedule at the time the shutdown is effected. When such wells are plugged, overhead shall be charged at the producing well rate during the time required for the plugging operation.
- (5) Wells being plugged back, drilled deeper, or converted to a source or input well shall be included in the overhead schedule the same as drilling wells.
- (6) Temporarily shut-down wells (other than by governmental regulatory body) which are not produced or worked upon for a period of a full calendar month shall not be included in the overhead schedule; however, wells shut in by governmental regulatory body shall be included in the overhead schedule only in the event the allowable production is transferred to other wells on the same property. In the event of a unit allowable, all wells capable of producing will be counted in determining the overhead charge.
- (7) Wells completed in dual or multiple horizons shall be considered as two wells in the producing overhead schedule.
- (8) Lease salt water disposal wells shall not be included in the overhead schedule unless such wells are used in a secondary recovery program on the joint property.
- C. The above overhead schedule for producing wells shall be applied to the total number of wells operated under the Operating Agreement to which this accounting procedure is attached, irrespective of individual leases.
- D. It is specifically understood that the above overhead rates apply only to drilling and producing operations and are not intended to cover the construction or operation of additional facilities such as, but not limited to, gasoline plants, compressor plants, repressuring projects, salt water disposal facilities, and similar installations. If at any time any or all of these become necessary to the operation, a separate agreement will be reached relative to an overhead charge and allocation of district expense.
- E. The above specific overhead rates may be amended from time to time by agreement between Operator and Non-Operator if, in practice, they are found to be insufficient or excessive.

13. Operator's Fully Owned Warehouse Operating and Maintenance Expense

(Describe fully the agreed procedure to be followed by the Operator.)

None

14. Other Expenditures

Any expenditure, other than expenditures which are covered and dealt with by the foregoing provisions of this Section II, incurred by the Operator for the necessary and proper development, maintenance, and operation of the joint property.

III. BASIS OF CHARGES TO JOINT ACCOUNT

1. Purchases

Material and equipment purchased and service procured shall be charged at price paid by Operator after deduction of all discounts actually received.

2. Material Furnished by Operator

Material required for operations shall be purchased for direct charge to joint account whenever practicable, except that Operator may furnish such material from Operator's stocks under the following conditions:

A. New Material (Condition "A")

- (1) New material transferred from Operator's warehouse or other properties shall be priced f.o.b. the nearest reputable supply store or railway receiving point, where such material is available, at current replacement cost of the same kind of material. This will include material such as tanks, pumping units, sucker rods, engines, and other major equipment. Tubular goods, two-inch (2") and over, shall be priced on car-load basis effective at date of transfer and f.o.b. railway receiving point nearest the joint account operation, regardless of quantity transferred.
- (2) Other material shall be priced on basis of a reputable supply company's preferential price list effective at date of transfer and f.o.b. the store or railway receiving point nearest the joint account operation where such material is available.
- (3) Cash discount shall not be allowed.

B. Used Material (Condition "B" and "C")

- (1) Material which is in sound and serviceable condition and is suitable for reuse without reconditioning shall be classed as Condition "B" and priced at seventy-five per cent (75%) of new price.
- (2) Material which cannot be classified as Condition "B" but which,
 - (a) After reconditioning will be further serviceable for original function as good secondhand material (Condition "B"), or
 - (b) Is serviceable for original function but substantially not suitable for reconditioning,
 shall be classed as Condition "C" and priced at fifty per cent (50%) of new price.
- (3) Material which cannot be classified as Condition "B" or Condition "C" shall be priced at a value commensurate with its use.
- (4) Tanks, buildings, and other equipment involving erection costs shall be charged at applicable percentage of knocked-down new price.

3. Premium Prices

Whenever materials and equipment are not readily obtainable at the customary supply point and at prices specified in Paragraphs 1 and 2 of this Section III because of national emergencies, strikes or other unusual causes over which the Operator has no control, the Operator may charge the joint account for the required materials on the basis of the Operator's direct cost and expense incurred in procuring such materials, in making it suitable for use, and in moving it to the location, provided, however, that notice in writing is furnished to Non-Operator of the proposed charge prior to billing the Non-Operator for the material and/or equipment acquired pursuant to this provision, whereupon Non-Operator shall have the right, by so electing and notifying Operator within 10 days after receiving notice from the Operator, to furnish in kind, or in tonnage as the parties may agree, at the location, nearest railway receiving point, or Operator's storage point within a comparable distance, all or part of his share of material and/or equipment suitable for use and acceptable to the Operator. Transportation costs on any such material furnished by Non-Operator, at any point other than at the location, shall be borne by such Non-Operator. If, pursuant to the provisions of this paragraph, any Non-Operator furnishes material and/or equipment in kind, the Operator shall make appropriate credits therefor to the account of said Non-Operator.

4. Warranty of Material Furnished by Operator

Operator does not warrant the material furnished beyond or back of the dealer's or manufacturer's guaranty; and in case of defective material, credit shall not be passed until adjustment has been received by Operator from the manufacturers or their agents.

5. Operator's Exclusively Owned Facilities

The following rates shall apply to service rendered to the joint account by facilities owned exclusively by Operator:

- A. Water, fuel, power, compressor and other auxiliary services at rates commensurate with cost of providing and furnishing such service to the joint account but not exceeding rates currently prevailing in the field where the joint property is located.

- B. Automotive equipment at rates commensurate with cost of ownership and operation. Such rates should generally be in line with the schedule of rates adopted by the Petroleum Motor Transport Association, or some other recognized organization, as recommended uniform charges against joint account operations and revised from time to time. Automotive rates shall include cost of oil, gas, repairs, insurance, and other operating expense and depreciation; and charges shall be based on use in actual service on, or in connection with, the joint account operations. Truck and tractor rates may include wages and expenses of driver.
- C. A fair rate shall be charged for the use of drilling and cleaning-out tools and any other items of Operator's fully owned machinery or equipment which shall be ample to cover maintenance, repairs, depreciation, and the service furnished the joint property; provided that such charges shall not exceed those currently prevailing in the field where the joint property is located. Pulling units shall be charged at hourly rates commensurate with the cost of ownership and operation, which shall include repairs and maintenance, operating supplies, insurance, depreciation, and taxes. Pulling unit rates may include wages and expenses of the operator.
- D. A fair rate shall be charged for laboratory services performed by Operator for the benefit of the joint account, such as gas, water, core, and any other analyses and tests; provided such charges shall not exceed those currently prevailing if performed by outside service laboratories.
- E. Whenever requested, Operator shall inform Non-Operator in advance of the rates it proposes to charge.
- F. Rates shall be revised and adjusted from time to time when found to be either excessive or insufficient.

IV. DISPOSAL OF LEASE EQUIPMENT AND MATERIAL

The Operator shall be under no obligation to purchase interest of Non-Operator in surplus new or secondhand material. The disposition of major items of surplus material, such as derricks, tanks, engines, pumping units, and tubular goods, shall be subject to mutual determination by the parties hereto; provided Operator shall have the right to dispose of normal accumulations of junk and scrap material either by transfer or sale from the joint property.

1. Material Purchased by the Operator or Non-Operator

Material purchased by either the Operator or Non-Operator shall be credited by the Operator to the joint account for the month in which the material is removed by the purchaser.

2. Division in Kind

Division of material in kind, if made between Operator and Non-Operator, shall be in proportion to their respective interests in such material. Each party will thereupon be charged individually with the value of the material received or receivable by each party, and corresponding credits will be made by the Operator to the joint account. Such credits shall appear in the monthly statement of operations.

3. Sales to Outsiders

Sales to outsiders of material from the joint property shall be credited by Operator to the joint account at the net amount collected by Operator from vendee. Any claims by vendee for defective material or otherwise shall be charged back to the joint account if and when paid by Operator.

V. BASIS OF PRICING MATERIAL TRANSFERRED FROM JOINT ACCOUNT

Material purchased by either Operator or Non-Operator or divided in kind, unless otherwise agreed, shall be valued on the following basis:

1. New Price Defined

New price as used in the following paragraphs shall have the same meaning and application as that used above in Section III, "Basis of Charges to Joint Account."

2. New Material

New material (Condition "A"), being new material procured for the joint account but never used thereon, at one hundred per cent (100%) of current new price (plus sales tax if any).

3. Good Used Material

Good used material (Condition "B"), being used material in sound and serviceable condition, suitable for reuse without reconditioning:

- A. At seventy-five per cent (75%) of current new price if material was charged to joint account as new, or
- B. At sixty-five per cent (65%) of current new price if material was originally charged to the joint property as secondhand at seventy-five per cent (75%) of new price.

4. Other Used Material

Used material (Condition "C"), at fifty per cent (50%) of current new price, being used material which:

- A. After reconditioning will be further serviceable for original function as good secondhand material (Condition "B"), or
- B. Is serviceable for original function but substantially not suitable for reconditioning.

5. Bad-Order Material

Material and equipment (Condition "D"), which is no longer usable for its original purpose without excessive repair cost but is further usable for some other purpose, shall be priced on a basis comparable with that of items normally used for that purpose.

6. Junk

Junk (Condition "E"), being obsolete and scrap material, at prevailing prices.

7. Temporarily Used Material

When the use of material is temporary and its service to the joint account does not justify the reduction in price as provided in Paragraph 3 B, above, such material shall be priced on a basis that will leave a net charge to the joint account consistent with the value of the service rendered.

VI. INVENTORIES

1. Periodic Inventories, Notice and Representation

At reasonable intervals, inventories shall be taken by Operator of the joint account material, which shall include all such material as is ordinarily considered controllable by operators of oil and gas properties.

Written notice of intention to take inventory shall be given by Operator at least thirty (30) days before any inventory is to begin so that Non-Operator may be represented when any inventory is taken.

Failure of Non-Operator to be represented at an inventory shall bind Non-Operator to accept the inventory taken by Operator, who shall in that event furnish Non-Operator with a copy thereof.

2. Reconciliation and Adjustment of Inventories

Reconciliation of inventory with charges to the joint account shall be made by each party at interest, and a list of overages and shortages shall be jointly determined by Operator and Non-Operator.

Inventory adjustments shall be made by Operator with the joint account for overages and shortages, but Operator shall be held accountable to Non-Operator only for shortages due to lack of reasonable diligence.

3. Special Inventories

Special inventories may be taken, at the expense of the purchaser, whenever there is any sale or change of interest in the joint property; and it shall be the duty of the party selling to notify all other parties hereto as quickly as possible after the transfer of interest takes place. In such cases, both the seller and the purchaser shall be represented and shall be governed by the inventory so taken.

EXHIBIT NO. 3

UNIT OPERATING AGREEMENT
CABEZON UNIT AREA
SANDOVAL COUNTY, NEW MEXICO

1. Location: The location of the Initial Test Well shall be on some portion of the following described tract of land, to wit:

T. 17 N., R. 3 W., N.M.P.M.
Section 26: NE/4 NE/4

provided, however, that in the event it becomes necessary, in the opinion of the Unit Operator, to change said location, such change may be made with the approval of the parties in accordance with Article 14.2 hereof.

2. Projected Depth: Said Initial Test Well shall be drilled with due diligence, in a good and workmanlike manner, in accordance with Section 9 of the Unit Agreement.
3. Costs of Drilling Initial Test Well: Subject to the investment adjustment provisions of Article 13 hereof, all costs of drilling the Initial Test Well shall be borne by the Parties within the designated Title Examination Area, hereinafter described, on an Acreage Basis, except as otherwise agreed by Shell Oil Company and the other Committed Working Interest Owners. Any cash contributions towards the cost of drilling the Initial Test Well received by Unit Operator shall be shared on an Acreage Basis by the Parties paying the costs of the well.
4. Title Examination Area: The following described lands are designated as the Title Examination Area for the said Initial Test Well:

T. 17 N., R. 3 W., N.M.P.M.
Section 23: S/2 SE/4
Section 24: SW/4 SW/4
Section 25: W/2 NW/4
Section 26: NE/4

Title shall be examined to all lands included in the Title Examination Area and acceptance of Title to such lands by Shell Oil Company shall be sufficient for drilling the Initial Test Well, provided however that no such approval of title shall be binding upon the other Working Interest Owners for purposes of allocation of costs hereunder unless title is approved as provided in Section 18.7 of Article 18.

EXHIBIT 4

Attached to and made a part of that certain agreement entitled Unit
Operating Agreement Cabazon

Unit Area, County of Sandoval, State of New Mexico

Dated the 1st day of September, 19 61

PART 1

DRILLING OF EXPLORATORY WELLS

1. **Notice of Proposed Drilling.** Any Party desiring the Drilling of an Exploratory Well on land in which it owns a Committed Working Interest shall designate an area, herein called a Drilling Block, not to exceed.....360.....acres, which, on the basis of available geological information will, in its judgment, be proved productive by the drilling of such well. Unit Operator and each Party within the Drilling Block shall be furnished with a plat and description of the area so designated, together with written notice of the location, objective formation, maximum depth, and estimated cost of the proposed well. The location of the proposed well shall conform to any applicable spacing pattern then existing or an authorized exception thereto. The Drilling Block shall include no land in an established participating area for the objective formation for the well to be drilled thereon nor any land included in a proposal therefor filed with the Director, nor any land within an active, previously designated Drilling Block for such formation. The Drilling Block shall be considered active for ninety (90) days after the designation thereof and if a well is commenced thereon within such period until either:

A. The completion of the well, if it is completed otherwise than as a producer of unitized substances in paying quantities, or;

B. The filing with the Director of a proposal for the establishment or revision of a participating area if the drilling of the well results in the filing of such proposal.

2. **Basis of Participation.** Each Party within the Drilling Block shall be entitled to participate in the Costs of the proposed well on an Acreage Basis, but shall be required to do so only if it notifies the other Parties of its willingness so to participate as hereinafter in this Article provided.

3. **Exclusion of Land From Proposed Drilling Block.** Within thirty (30) days after receipt of such notice, any part of the land included in the proposed Drilling Block may be excluded therefrom at the Direction of the Parties therein. In such event the proposed Drilling Block as reduced by the exclusion of such land shall be established as the Drilling Block. In the absence of any such Direction then at the expiration of said period, the proposed Drilling Block shall be established as the Drilling Block.

4. **Preliminary Notice to Join in Drilling.** Within ten (10) days after the establishment of the Drilling Block, each Party within such Drilling Block shall in writing advise all other Parties therein whether or not it wishes to participate in the Drilling of the proposed well. If any Party fails to give such advice within the prescribed time, it shall be deemed to have elected not to participate in Drilling such proposed well. If all the Parties within the Drilling Block so advise that they wish to participate therein, the Unit Operator shall Drill the proposed well for the account of all such Parties.

5. **Notice of Election to Drill.** Unless all Parties within the Drilling Block agree to participate in Drilling such well, then, within fifteen (15) days after the expiration of the ten-day period last above provided in Section 4, each Party within the Drilling Block then desiring to have the proposed well Drilled, shall give to all other Parties therein written notice of its election to proceed with the Drilling of said well. Failure to give such notice shall be deemed an election not to participate in Drilling the well.

6. **Effect of Election to Drill.** If one or more, but not all of the Parties, elect to proceed with the Drilling of the well, Unit Operator shall drill the well for the account of such Party or Parties on an Acreage Basis among themselves who shall constitute the Drilling Party.

Any Party within the Drilling Block who has not previously elected to participate in the proposed well may do so by written notice given to all other Parties within the Drilling Block at any time before operations for the Drilling of the well are commenced, in which event such Party shall be included in the Drilling Party. However, such Party shall be bound by any and all Directions and Approvals theretofore given by the Drilling Party concerning the Drilling of the well.

7. **Rights and Obligations of Drilling Party and Non-Drilling Party.** If the well results in the establishment or enlargement of a participating area to include such well and if by reason thereof there is included in such participating area any land within the Drilling Block in which a Non-Drilling Party owns a Committed Working Interest, then such Non-Drilling Party as of the effective date of such inclusion shall be deemed to have relinquished to the Drilling Party and the Drilling Party shall own all of the operating rights and working interests in such well, and the materials and equipment pertaining thereto, which such Non-Drilling Party would otherwise own, and that portion of production from such well which is allocated to all of the acreage of such Non-Drilling Party within such participating area until such time as the proceeds or market value of said portion of the production from such well (after deducting all Lease Burdens and all taxes upon or measured by production which are payable in respect of said portion up to such time) shall equal the sum of the following:

A. One hundred per cent (100%) of that portion of the Costs incurred in operation of the well up to such time that would have been chargeable to Non-Drilling Party with respect to its Committed Working Interest in the participating area but for the relinquishment aforesaid, and,

B. Two hundred per cent (.....200.....%) of that portion of the Costs incurred by Drilling Party in Drilling the well that would have been chargeable to such Non-Drilling Party had it initially participated in the Drilling of such well on an Acreage Basis and had the Drilling Block included only such of the lands included in the Drilling Block as originally designated which are included within the participating area. At such time the interest relinquished by Non-Drilling Party in such well shall revert to it. Except as above in this section provided the provisions of Article 12 dealing with Rights and Obligations of Drilling Party and Non-Drilling Party shall apply.

8. **Required Drilling.** If an Exploratory Well is Drilled as a required well in accordance with Section 10.4 B, the Drilling block for such well shall consist of all forty acre subdivisions and lots of the Public Land Survey of which more than one-half of the surface area is within a distance of.....2640.....feet from the proposed bottom hole location of such well, but excluding therefrom all lands within a participating area theretofore established for the pool or zone to which the well is to be Drilled.

PART 2

ATTEMPTED COMPLETION, DEEPENING, PLUGGING BACK AND ABANDONMENT

1. **Wells Not Completed as Producers.** The attempted completion, Deepening or Plugging Back of wells not completed as producers at their projected depths, shall be governed by the following provisions, except that said provisions shall not apply to a particular well if every Party entitled to the notice provided for in Subdivision A hereof has consented to abandonment and plugging of such well:

A. **Notice by Unit Operator.** Before abandoning a Development Well which has been Drilled to its projected depth but not completed as a producer, Unit Operator shall give notice thereof to each Party within the participating area involved. After a well other than a Development Well has reached its projected depth and been tested, but before production pipe has been set therein, Unit Operator shall give notice thereof to each Party who participated in Drilling the well, and to each additional Party, if any, who was entitled to participate therein, but elected not to do so. Each notice provided for in this section shall be given by telegraph or telephone.

B. Right to Attempt Completion, Deepen or Plug Back. Each Party who participated in the Drilling of a well concerning which notice is given in accordance with Subdivision A hereof, and any other Party owning a Committed Working Interest in the tract of land on which the well is located, may initiate a proposal to attempt the completion of, or to Deepen or Plug Back such well; provided, however, that if the well was Drilled as a Development Well, a proposal to Deepen or Plug Back the well may be initiated only by a Party owning a Committed Working Interest in the tract of land on which the well is located. In order to be entitled to participate in a proposed operation, a Party must have the right to initiate the same or must own a Committed Working Interest in the Drilling block theretofore established for such well or, if no Drilling block has theretofore been established for such well, in the Drilling Block established for such Deepening or Plugging Back operation as provided in the following paragraph C.

C. Time and Manner of Initiating Proposal. A period of twenty-four (24) hours (exclusive of Saturdays, Sundays and holidays) from and after receipt of the notice referred to in Subdivision A of this paragraph 1 shall be allowed within which a Party may initiate a proposal to complete, Deepen or Plug Back and, except in the case of a proposal to complete a well Drilled as a Development well, designate a Drilling Block for such proposed operation, if one has not previously been designated for such well. Any such proposal shall be initiated by giving notice thereof by telephone or telegraph to each Party entitled to participate in the proposed operation. If no such proposal is initiated within the period allowed therefor, Unit Operator shall abandon and plug the well.

D. Election. If a proposal is initiated each Party entitled to participate in any completing, Deepening or Plugging Back operation proposed in accordance with Subdivision C above shall have a period of twenty-four (24) hours (exclusive of Saturdays, Sundays and holidays) from and after receipt of notice of the initiation of any such operation within which (either at a meeting or by telephone) to establish a Drilling Block if the establishment of a Drilling Block is necessary for the proposed operations (following the same procedures in establishing a Drilling Block as the procedures provided for in Part 1 of the Exhibit 4 for the establishment of a Drilling Block for an Exploratory Well) and to notify Unit Operator by telephone or telegraph whether or not it elects to participate in the proposed operation. The failure of a Party to signify its election within the time required shall be deemed to constitute an election not to participate in the proposed operation.

E. Effect of Election. The Party or Parties electing to participate in an attempt to complete, or to Deepen or Plug Back, a well as above provided shall constitute the Drilling Party for such operation. Each Party who is entitled to make such election but fails to do so as above provided, shall be deemed to have elected not to participate in such operation, and shall be a Non-Drilling Party in respect of such operation. Such operation shall be conducted by Unit Operator for the account of the Party or Parties constituting the Drilling Party on an acreage basis among themselves, subject, however, to the provisions of paragraph 4 of Part 2 of this Exhibit 4, dealing with Conflicts, and paragraph 5 of Part 2 of this Exhibit 4 dealing with Deepening or Plugging Back to Participating Area.

F. Stand-By Rig Time. Stand-by time paid for the rig on a well until expiration of the period of forty-eight (48) hours allowed for the initiation of and election to participate in an attempt to complete, or to Deepen or Plug Back, such well, shall be charged and borne as part of the Costs incurred in Drilling the well. Thereafter such stand-by time shall be charged to and borne by the Party or Parties who elect to participate in the attempt to complete, or to Deepen or Plug Back, the well, whether or not such Party or Parties shall proceed with such operation. However, if the Party or Parties making such election do not proceed with the operation, the Costs incurred in plugging the well shall be charged and borne as part of the Costs incurred in Drilling the well.

2. Abandonment of Producing Wells. A well completed as a producer of Unitized Substances within a participating area shall be abandoned for plugging if and when abandonment thereof receives the Approval of the Parties within such participating area, subject, however, to the provisions of paragraph 3 hereof concerning Deepening, or Plugging Back Abandoned Producing Wells. The abandonment of a well completed as a producer but not included in a participating area shall be governed by the following provisions:

A. Consent Required. Such a well shall not be abandoned for production from the pool or zone in which it is completed except with the consent of all Parties then owning the well.

B. Abandonment Procedure. If the abandonment of such a well receives the Approval of the Parties who own the well, but is not consented to by all such Parties, Unit Operator shall give written notice thereof to each Party then having an interest in the well who did not join in such Approval. Any such non-joining Party who objects to abandonment of the well (herein called non-abandoning Party) may give written notice thereof to all other Parties (herein called abandoning Parties) then having interests in the well, provided such notice is given within thirty (30) days after receipt of the notice given by Unit Operator. If such objection is so made, the non-abandoning Party or Parties shall forthwith pay to the abandoning Parties their respective shares of the Salvage Value of the well. Upon the making of such payment, the abandoning Parties shall be deemed to have relinquished unto the non-abandoning Party or Parties all their operating rights and working interest in the well, but only with respect to the pool or zone in which it is then completed, and all their interest in the materials and equipment in or pertaining to the well. If there is more than one non-abandoning Party, the interest so relinquished shall be owned by the non-abandoning Parties, each in the proportion that its interest in the well bears to the combined interest therein of all non-abandoning Parties immediately prior to such relinquishment.

C. Rights and Obligations of Non-Abandoning Party. After the relinquishment above provided for, such well shall be operated by Unit Operator for the account of the non-abandoning Party or Parties, who shall own all Production therefrom and shall bear all Costs, Lease Burdens and other burdens thereafter incurred in operating the well and plugging it when abandoned (unless the well is taken over for Deepening or Plugging Back as hereinafter provided), and also the Costs of any additional tankage, flow lines or other facilities needed to measure separately the Unitized Substances produced from the well; said operating Costs shall include an overhead charge computed at the highest per well rate applicable to the operation of a single producing well in accordance with Exhibit 2, if such rate is provided.

D. Option to Repurchase Materials. If a well taken over by the non-abandoning Party or Parties as above provided is abandoned for plugging within six (6) months after relinquishment by the abandoning Parties of their interests therein, each abandoning Party shall have the right at its option to repurchase that portion of the materials and equipment salvaged from the well equal to the interest relinquished by it to the non-abandoning Party or Parties, at the value fixed therefor in accordance with Subdivision B of this section. Said option may be exercised only by written notice given to Unit Operator and the non-abandoning Party or Parties within fifteen (15) days after receipt of the notice given by Unit Operator pursuant to paragraph 3 hereof.

3. Deepening or Plugging Back Abandoned Producing Wells. Before abandoning for plugging any well completed as a producer of Unitized Substances, Unit Operator shall, (A) if the well is within a Participating Area, give written notice thereof to the Party or Parties owning Committed Working Interests in the tract of land on which the well is located, or (B) if the well is not within a Participating Area, give written notice thereof to each Party then owning an interest in the well and to each additional Party, if any, owning Committed Working Interests in the tract of land upon which the well is located. If no Drilling Block has previously been established for such well and a Party receiving such notice desires the Deepening or Plugging Back thereof, it shall, within fifteen (15) days after receipt of such notice, proceed with the establishment of a Drilling Block for such well as provided in paragraphs 1 and 3 of Part 1 of this Exhibit 4. Within ten (10) days after receipt of such notice, if a Drilling Block has previously been established for such well, or, if not previously established, within ten (10) days after a Drilling Block is established for such well, the Party desiring the Deepening or Plugging Back of such well shall give notice thereof in accordance with paragraph 4 of Part 1 of this Exhibit 4 and all of the provisions of paragraphs 4, 5 and 6 of Part 1 of this Exhibit 4 shall apply in the same manner as if the proposed Deepening or Plugging Back were the Drilling of an Exploratory Well, subject, however, to the provisions of paragraph 4 of Part 1 of this Exhibit 4, dealing with Conflicts, and paragraph 5 of Part 1 of this Exhibit 4, dealing with Deepening or Plugging Back to a Participating Area. If no Party gives notice of desire to Deepen or Plug Back such well within said period of ten (10) days, or if such notice is given but no Party elects to proceed with the Deepening or Plugging Back of the well within the time limited therefor, Unit Operator shall abandon and plug the well for the account of the Party or Parties owning the well.

4. Conflicts. If conflicting elections to attempt completion, Deepen, or Plug Back are made in accordance with the preceding provisions of Part 2 of this Exhibit 4, preference shall be given first to a completion attempt and then to Deepening. However, if a completion attempt, a Deepening or Plugging Back does not result in completion of the well as a producer, Unit Operator shall again give notice in accordance with Subdivision A of paragraph 1 of Part 2 of this Exhibit 4 before abandoning the well for plugging.

5. Deepening or Plugging Back to Participating Area. If a well within the surface boundaries of a participating area is to be Deepened or Plugged Back to a pool or zone for which such participating area has been established, such op-

eration may be conducted only if it receives the Approval of the Parties within such participating area, and upon such terms and conditions as may be specified in such Approval.

6. Rights and Obligations of Drilling Party and Non-Drilling Parties. Whenever an attempt to complete a well Drilled as a Development Well is made otherwise than for the account of all Parties entitled to participate therein, the provisions of Article 12 dealing with Rights and Obligations of Drilling Party and Non-Drilling Parties shall apply.

Whenever either (1) an attempted completion of a well which was not Drilled as a Development well is made or (2) a well is Deepened or Plugged Back, otherwise than for the account of all Parties entitled to participate therein, the provisions of paragraph 7 of Part 1 of this Exhibit 4 dealing with Rights and Obligations of Drilling Party and Non-Drilling Parties shall apply to the operations conducted the same as if such operations comprised Drilling operations.

EXHIBIT 5

ATTACHED TO AND MADE A PART OF THE UNIT OPERATING
AGREEMENT FOR THE CABEZON UNIT AREA, SANDOVAL COUNTY,
NEW MEXICO.

Unit Operator shall, during all times while operations are conducted hereunder, carry and require all of its contractors and subcontractors to carry comprehensive general liability insurance for the benefit of the Parties hereto, as follows:

- (a) Bodily injury liability insurance with limits of not less than \$100,000.00 for death of or injury to one person and not less than \$300,000.00 for death of or injury to more than one person in any one accident; and property damage liability insurance, with a limit of not less than \$100,000.00 for any one accident, for loss of or destruction of or damage to property.
- (b) Automobile public liability and property damage insurance, if not included in the insurance referred to in subsection (a) above, in like amounts as therein specified.

All premiums applicable to the aforesaid insurance protection shall be chargeable as Costs hereunder. All losses not covered by insurance against the above-mentioned hazards shall be borne by the Party or Parties for whose account operations resulting in such uninsured loss were conducted.

Each Party hereto shall maintain at its own expense and for its sole benefit such fire and extended coverage insurance as it deems necessary.

OIL AND GAS LEASE

THIS AGREEMENT, entered into this..... day of....., 19....., between.....

....., of..... hereinafter called "LESSOR" (whether one or more), and
....., "LESSEE," does witness:

1. That LESSOR, for and in consideration of a rental of..... Dollars (\$.....), paid in advance upon the execution hereof, receipt of which as full and adequate consideration for all rights granted herein is hereby acknowledged, and of the covenants and agreements hereinafter contained to be paid, kept, and performed by LESSEE, has this day granted, demised, leased, and let, and hereby grants, demises, leases, and lets exclusively unto LESSEE for the purpose of investigating, exploring, and prospecting, by geophysical and other methods, and drilling, mining and operating for and producing oil, gas, casinghead gas, and casinghead gasoline, laying pipe lines, building tanks, stations, power lines, telephone lines and other structures thereon to find, produce, save, store, treat, transport, and take care of all of such substances, and for housing and boarding employees in its operations on said land or adjacent land, the following described tract of land in..... County,....., to-wit:

..... and containing..... acres, more or less, and also, in addition to the above described land, any and all other land owned or claimed by LESSOR in said section or sections in which the above described land is situated or in adjoining sections, and adjacent to the above described land.

2. Subject to the other provisions herein contained, this lease shall remain in force for a primary term of ten (10) years from this date (said term being hereinafter referred to as "Primary Term"), and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced from the leased premises, or operations are being prosecuted as hereinafter provided.

3. LESSEE shall deliver to the credit of LESSOR as royalty, free of cost, in the pipe line to which LESSEE may connect its wells, the equal one-eighth part of all oil produced and saved by LESSEE from the leased premises, or, from time to time, at LESSEE'S option, may pay to LESSOR for such one-eighth royalty oil the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks, LESSOR'S interest, in either case, to bear one-eighth of the cost of treating the oil to render it marketable pipe line oil.

4. LESSEE shall pay LESSOR, as royalty, for gas from each well where gas only is found and used by LESSEE off the premises, one-eighth of the market value of such gas at the well. If such gas is sold by the LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale of such gas at the well. LESSOR is to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of said gas to be at LESSOR'S sole risk and expense.

5. LESSEE shall pay LESSOR, as royalty, for gas produced from any oil well and used by LESSEE for the manufacture of gasoline or any other product, one-eighth of the market value of said gas, as such, at the mouth of the well. If said gas is sold by LESSEE, then LESSEE shall pay LESSOR, as royalty, one-eighth of the net proceeds derived from the sale thereof.

6. LESSEE has paid rental hereunder to and including the..... day of....., 19...... If operations for the drilling of a well for oil or gas are not commenced on said land on or before the last mentioned date, LESSEE on or before said date shall pay or tender to LESSOR or to the credit of LESSOR in..... Bank,

at....., or its successors (which bank and its successors are LESSOR'S agent and shall continue as the depository for all rentals and royalty payable hereunder regardless of changes in ownership of said land or of the oil and gas, or of the rentals or royalty to accrue hereunder),

a rental in the sum of..... Dollars (\$.....), which shall cover the privilege of deferring commencement of operations for the drilling of a well for a period of one year from said date. Thereafter, upon the payment or tender in like manner annually of a rental in the same amount, the commencement of operations for the drilling of a well on the leased premises may be further deferred for successive periods of one year each during the Primary Term hereof. All payments or tenders of rental may be made by check or draft of LESSEE, or of any assignee thereof, mailed or delivered to LESSOR, or his assigns, or to said bank on or before such date of payment. If such bank (or any successor bank) shall fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept any payment, LESSEE shall not be held in default for failure to make such payment until thirty (30) days after LESSOR shall deliver to LESSEE a proper recordable instrument naming another bank as agent to receive such payments or tenders. Notwithstanding the death of LESSOR or any successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

7. If, at any time during the Primary Term hereof, LESSEE shall drill a dry hole on said land when oil or gas is not being produced from the leased premises, or if at any time after the discovery of oil or gas on the leased premises production of oil and gas thereon shall cease during the Primary Term hereof, LESSEE, within twelve (12) months from the expiration of the last rental period for which rental was paid or during which oil or gas was produced or drilling operations were in progress, shall either commence operations for the drilling of another well, resume the production of oil or gas, or commence or resume the payment of rentals in the amount and in the manner above provided. And it is agreed that upon such commencement or resumption of the payment of rentals, paragraph 6 hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments. If at the expiration of the Primary Term oil, gas, casinghead gas, or casinghead gasoline is not being produced on said land but LESSEE has commenced operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, this lease shall remain in force so long as such operations are prosecuted with due diligence, and if such operations result in the production of oil, gas, casinghead gas, or casinghead gasoline, so long thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said land. If, after the expiration of the Primary Term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate if LESSEE with due diligence commences operations for repressuring, reworking, drilling, deepening, or plugging back a well thereon, and this lease shall remain in force so long as such operations are prosecuted with due diligence, and if production results therefrom, then as long as thereafter as oil, gas, casinghead gas, or casinghead gasoline is produced from said premises. For the purposes of this paragraph, it is agreed that operations shall be deemed commenced or prosecuted with due diligence so long as there is no delay or cessation thereof for a greater period than sixty (60) consecutive days.

8. LESSEE shall have the right to repressure oil or gas bearing formations by injecting air, liquid or gaseous substances therein, and, in connection therewith, shall be privileged to drill and equip such input and recovery wells, erect and install such structures and equipment, and inject such substances, as LESSEE considers necessary for repressuring purposes. LESSEE shall also have the right to dispose of brine or other waste substances produced by it in its operations on the leased premises by injecting such brine or other waste substances through its well, or wells, drilled on said premises into any subsurface formations other than fresh water bearing formations.

9. In case LESSOR owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid LESSOR only in the proportion which his interest bears to the whole and undivided fee.

10. LESSEE shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of LESSOR. When required by LESSOR, LESSEE shall bury pipe lines below plow depth and shall pay for damage directly and immediately caused by its operations to growing crops theretofore planted on said land. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of LESSOR. LESSEE shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, and other structures or property placed on said premises, including the right to draw and remove all casing.

11. This lease and all of the terms, provisions and covenants hereof shall extend to and be binding on all of the heirs, devisees, executors, administrators, successors and assigns of said LESSOR and said LESSEE. The estate of either party hereto may be assigned in whole or in part but no change of ownership in the land or in the rentals or royalties shall be binding on LESSEE until after it has been furnished with the written transfer or assignment or a certified copy thereof. Regardless of changes of ownership of the said land, or of portions thereof, the leased premises shall be developed and operated as one lease, and there shall be no obligation on LESSEE or its assigns to offset wells on separate tracts into which the land covered by this lease is now or may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

12. It is hereby agreed that, in the event this lease shall be assigned as an entirety or as to a part or as to parts of the above described lands, LESSEE and any subsequent assignor shall be released from all liability hereunder arising or accruing subsequent to the date of such assignment as to the part or parts so assigned, and should the holder or owner of this lease as to any part or parts of the leased premises fail or make default in the payment of the proportionate part of the rental due from him or them, or should such holder or owner fail or make default in any of the covenants, conditions or obligations of this lease, express or implied, such failure or default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which LESSEE or any assignee hereof shall make due payment of said rentals, or otherwise comply with the terms and provisions of this lease. If at any time there be as many as four parties entitled to rentals or royalties, LESSEE may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with LESSEE, a common agent to receive all payments due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

13. LESSEE may at any time surrender this lease as to all or any part of the above described lands by recording a proper instrument of surrender in the office of the..... of said county. Upon surrender as to any part of such lands the rental specified above shall be proportionately reduced on an acreage basis and LESSEE shall have reasonable and convenient easements for then existing pipe lines, pole lines and roadways over the lands surrendered for the purpose of continuing operations on lands retained. It is agreed that this lease shall never terminate or be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions or obligations until it shall have first been finally judicially determined that such failure exists, and any decree of termination, cancellation or forfeiture shall be in the alternative and shall provide for termination, cancellation or forfeiture unless LESSEE comply with the implied covenants, conditions, or obligations breached within a reasonable time to be determined by the court. In the event LESSOR considers that LESSEE has not complied with all its covenants, conditions or obligations hereunder, both express and implied, LESSOR shall notify LESSEE in writing, setting out specifically in what respects it is claimed that LESSEE has breached this contract, and LESSEE shall not be liable to LESSOR for any damages caused by a breach of any such covenant, condition or obligation, express or implied, accruing more than sixty days prior to the receipt by LESSEE of the aforesaid written notice of such breach. Neither the service of said notice nor the doing of any acts by LESSEE aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that LESSEE has failed to perform all its obligations hereunder.

14. LESSOR hereby warrants and agrees to defend the title to the land herein described and agrees that LESSEE, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in the event it exercises such option, LESSEE shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying against the amount required in the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

15. No part of the surface of the leased premises shall, without the consent of the LESSEE, be let, granted, or licensed by the LESSOR to any other party for the erection, construction, location or maintenance of structures, tanks, pits, reservoirs, equipment, machinery, or pipe lines for purpose of or in connection with the exploration, development or operation of or for oil and/or gas on adjacent land or the storage or production of oil and/or gas produced therefrom.

16. This lease shall not be terminated, in whole or in part, nor shall LESSEE be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by or is contrary to or in conflict with or if such failure is the result of, any Federal or State laws, executive orders, rules, or regulations. If, at the end of the Primary Term hereof, such term has not been extended by production or drilling as in this lease provided, and LESSEE, by reason of any of the above recited causes, is unable to drill a well on the leased premises for oil or gas, the Primary Term and the rental provision hereof shall be extended automatically from year to year until the first anniversary hereof occurring ninety (90) or more days following the removal of such delaying cause. During any period that LESSEE is unable to produce and/or market any products from the leased premises by reason of any of the above recited causes, this lease shall remain in full force and effect.

17. LESSEE is hereby given the right at its option, at any time and from time to time, to pool or unitize for development and operation purposes all or any part or parts of the leased premises or rights therein with any other land (whether United States, State, or privately owned) in the vicinity thereof, or with any leasehold, operating or other rights or interests in such other land. LESSEE shall execute and record in the office of the _____ of said County, an instrument identifying the pooled or unitized area. Any well drilled or operations conducted on any part of any lands so pooled or unitized shall be considered a well drilled or operations conducted under this lease, and there shall be allocated to the portion of the leased premises included in any such pooling or unitization such proportion of the actual production from all lands so pooled or unitized as such portion of the leased premises, computed on an acreage basis, bears to the entire acreage of the lands so pooled or unitized. It is understood and agreed that the production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production from the portion of the leased premises included in such pooling or unitization in the same manner as though produced from such portion of the leased premises under the terms of this lease.

18. The parties executing this lease as LESSOR for themselves and their heirs, successors and assigns, hereby expressly release and waive all rights under and by virtue of any homestead exemption laws of said State, insofar as the same may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, this instrument is signed and sealed as of the day and year first above written.

WITNESS: _____(SEAL)

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

Lessor

STATE OF _____ } ss. UTAH—INDIVIDUAL

COUNTY OF _____ }

On the _____ day of _____, 19_____, personally appeared before me

the signer_____ of the above instrument, who acknowledged to me that _____he_____ executed the same.

Notary Public in and for said County and State

Residing at _____

My Commission expires _____

Oil and Gas Lease

FROM	TO	Date _____, 19_____,
		Section _____, Township _____, Range _____
		Number of Acres _____
	County _____	
	STATE OF _____ } ss.	
	County of _____	
This instrument was filed for record on the _____ A.M. _____ P.M.		
	day of _____, 19_____, at _____	
	in Book _____	
	at Page _____, records of this office.	
	County Clerk _____	
	By _____ Deputy	

STATE OF _____ } ss. WYOMING—INDIVIDUAL

COUNTY OF _____ }

On this _____ day of _____, 19_____, before me personally appeared

to me known to be the person or persons described in and who executed the foregoing instrument, and acknowledged that _____he_____ executed the same as his (or her or their) free act and deed.

IN WITNESS WHEREOF, I hereunto set my official hand and seal.

Notary Public in and for said County and State

My Commission expires _____

STATE OF _____ } ss. COLORADO—INDIVIDUAL

COUNTY OF _____ }

The foregoing instrument was acknowledged before me this _____ day of _____, 19_____, by

(if by a natural person or persons insert the appropriate name or names; if by a person acting as a representative or in official capacity, or as attorney in fact, then insert the name of the person as executor, attorney in fact or other capacity or description; if by an officer of a corporation then insert the name of such officer or officers as the president or other officer of such corporation, naming it).

WITNESSETH my hand and official seal.

Notary Public in and for said County and State

My Commission expires _____