ty of San Juan 88. STATE OF NEW MEXICO. 16. 19

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### THE STATE OF NEW MEXICO COUNTY OF SAN JUAN

#### ASSIGNMENT

IEN BY THESE PRESENTS: (ON CANHI

at, in consideration of the sum of One Dollar (\$1.00) and other good wable consideration, the receipt and sufficiency of which are hereby acknowledged, STANOLIND OIL AND GAS COMPANY, a corporation, and EARL A. HENSON and WM. V. MONTIN (hereinafter referred to as "Assignors"), do hereby bargain, sell, assign, transfer and convey unto LLOYD D. LOCKE and LLOYD B. TAYLOR, doing business as and under the name of Locke-Taylor Drilling Company, their respective heirs and assigns (hereinafter referred to as "Assignees"), all of the Assignors' right, gas and mineral lease. interest in and to the following described oil, ing lend situated in San Juan County, New Mexico, to vit iolind Lease No. 7446

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ofar as said lease covers the following described land in said County and State, **C** 170

The East Half of the Northeast Quarter (E/2 of NE/4), the Southwest Quarter of the Northeast Quarter (SW/4 of NE/4), and 13 acres in the South part of the Northwest Quarter of the Northeast Quarter of Section 23, T-29-N, R-13-W, FROM THE SURFACE THEREOF DOWN TO THE BASE OF THE PICTURED CLIFFS FORMATION

said lease and land above described as to the depth hereinabove specified, being s hereinafter referred to as the "lease acreage"), subject to the following covenants and conditions:

1. In addition to any and all other overriding royalties, production payments and other encumbrances to which said lease acreage may be subject, the Assignar hereby excepts and reserves unto themselves, their respective successors, heir and assigns, in the proportion of one half (1/2) to Stanolind Oil and Gas Comp

one fourth (1/4) to Earl A. Benson, and one fourth (1/4) to Wm. V. Montin, the

following overriding royalty:

1.22

(a) Five percent of eight-eighths (5% of 8/8) of all oil, distillate, condensate and other liquid hydrocarbons produced and saved from said lease acreage under said lease, or any extensions or renewals thereof, which shall be delivered free of all cost and expense, except taxes on production, at the well or wells on said lease acreage or, at the Assignors' option, to the credit of the Assigners into the pipe line to which said well or wells may be connected;

(b) Five percent of eight-eighths (5% of 8/8) of all gas and casinghead gas produced and saved from said lease adreage under said lease, or any extensions or renewals thereof, the market value (at the well)
of Which shall be paid to the Assignors free of all cost and expense, expert taxes on production.

In addition to the foregoing overriding royalty and to any other preoduction pa lties, pr other end y be subject, the Assignors hereby except and rese heir respective successors, heirs and assigns, in the proportion of one half (1/2) to Stanolind Oll and Gas Company, one fourth (1/4) to Earl A: Benson, and h (1/4) to Wm. V. Montin, five cent of eight-eighths 59 68,878) e of . distillate, condens asinghead gas an n ha ubstances produced and saved from said lease acreage under said lease, or any lon or renewal thereof, until the Assignors, their successors, heirs or , shall have received therefrom, free of all costs, excenses and char OT ORVER ant and ope rations, the net to al sum of One The Nine Rife Ninety Five Dollars (\$1,995.00) in excess of taxes on productions provided, at the option of the Assignors, the above specified portion of seld production, it, shall be delivered to the Assignors free of said costs, expenses and at the well or wells on said lease acreage or, at the Assig 13<sup>1</sup> 0 to the credit of the Assignors into the pipe line to which said well

\* 3. With respect to the overriding royalty and production payment herein excepted and reserved by the Assignors, the Assignors and the Assignees agree, as follows:

De Conte

(a) That oil and gas used in drilling and operations on said lease ,
 acreage and in the handling of production therefrom shall be deducted before said overriding royalty and said production payment are computed.

(b) That the Assignees shall furnish to the Assignors authentic itemized monthly reports of all production from said lease acreage, such reports to be mailed not later than the fifteenth day of the

month following that for which the report is made. 4. As to any wells drilled on said lease acreage by the A

said wells and the derrick floor at all reasonable times and, updu request of the Assignors, shall furnish to the Assignors well samples of all corestand cuttings controlitively taken, unless the Assignors themselves elect to take such samples, and, should request of the Assignors, the Assignees shall furnish to the Assignors conferent any electrical well formation surveys made.

1.5. In the event dust the essignees should electric surrender 10 with abandon or release ell or any of their rights in said serie access or all in the Assignees shell noric their rights in said serie from size 10, with envence of such surrender receivering abandonment or release and, ar requested no to do by the Assignees the Assignees immediately shall reactive such as said lease screeger or duch periodered, to the Assignees.

6. This assignment is made subject to all the terms and the excess, and inmitted covenants and conditions of the above described less, indofer as it cover the said lease acreage, which terms, covenants and conditions the Assignes, here? Hereby essume and agree to perform with respect to the said lease acreage. Said terms covenants and conditions, insofer as the said lease acreage is concerned, shall, of binding on the Assignees, not only in favor of the lessors and their heirs and assigns, but also in favor of the Assignors and their successors, heirs and assigns.

de without warranty of any kind assign (. This Assignors have heretofore, as owners of the aforesaid lease, es that cartain Unit Acreament for the Development and Opera tion of the Gelle of Cone 11 d under the Act anyon Area dated Novemb ir 1, 1950; for February 25, 1920, wherein Earl A. Benson and Wm. V. Montin are named Unit Operators signors have also executed that certain Unit Accounting Agreement under - Agreement dated January 15, 1951. The land covered by said lease is within bounderies of the unit area of said Unit Agreement, but is not yet within an participating area formed or designated thereunder. The lesson

refused to execute said Unit Agreement. Assignors make no representation or warranty as to whether the said lease acreage is or is not committed to or affected by said Unit Agreement or Unit Accounting Agreement by reason of the execution by Assignors of the instruments above referred to, or either of them,

and Assignees accept this Assignment without prejudice to their right to contend that the lease acreage herein assigned is acquired free from the provisions of said Unit Agreement and Unit Accounting Agreement, but in the event said lease accept shall be found to be subject to the terms of said agreements, Assignees accept said lease acreage subject to all the terms and provisions of said agreement

All notices, reports and other communications required or permitted to be given with respect to the rights or interests herein. lesired erved, shall be de ed to he re been properly gi in delive bw regicte personally red mail or telegr or sent with all fully prepaid, and addressed to the Assignors and Assign 47.27 s follows:

#### Assignors:

Stanolind Oil and Gas Company.
 Oil and Ges Building
 P. 0, Box 1410
 Fort Worth, Texas

Benson-Montin 316 Petroleum Building Oklahoma City, Oklahoma

#### Assignees:

f Locke-Taylor Drilling Company 407 North Allen Farmington, New Mexico

Same and

10. The terms, covenants and conditions hereof shall be binding upon, and shall inure to the benefit of the Assignors and Assignees, the successors and assigns of Stanolind Oil and Gas Company, and the respective heirs, administrators, executors, devisees, representatives and assigns of the other parties hereto; and such terms, covenants and conditions shall be covenants running with the land above described and the lease acreage herein assigned and with each transfer or assignment of said land or lease acreage.

TO HAVE AND TO HOLD said lease acreage unto the Assignees, their respective heirs and assigns, subject to the terms, covenants and conditions hereinabove set

forth. EXECUTED THIS 23M day of a Q Į. HAR LIDA Soh m 7 A WM. V. MONTIN MONTIN ATTEST ecretar

STATE OF U COUNTY OF C

STANOLIND OIL AND GAS COMPANY 10) dn R

On this day of <u>u</u>, 1953, before me personally appear EARL A. BENSON and wife, <u>vv</u>, <u>ren</u>, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that the executed the same as their free act and deed.

IN UTTESS METEOF, I have hereunto set my hand and affixed my seal on This 5 the day and year first above written.

My Commission Expires:

Notary Public in and for £\*\*\* County, No A. . . .

STATE OF

COUNTY OF C. ....

On this day of 1, 1953, before me personally appeared. Mi. V. MONTIN and wife, <u>it in the source</u>, to me known to be the persons described in and who executed the foregoing instrument, end acknowledged that they executed the same as their free act and deed.

this, the day and year first above written.

My Commission Expires:

Notary Public in and for C ... County, 112

THE STATE OF TEXAS

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COUNTY OF TARRANT

#### 1953

On this 232 day of 1953, before me appeared Say that he is the Attorney in Fact of Stanolind Oil and Gas Company, and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said <u>C 2 Kelloccol</u> acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS MEEREOF, I have hereunto set my hand and affixed my seal on this, the day and year first above written. PPE

**.**W B Notary Public in and for Tarrant County, Texas

My Comultigion Expires:



6-1-53 4





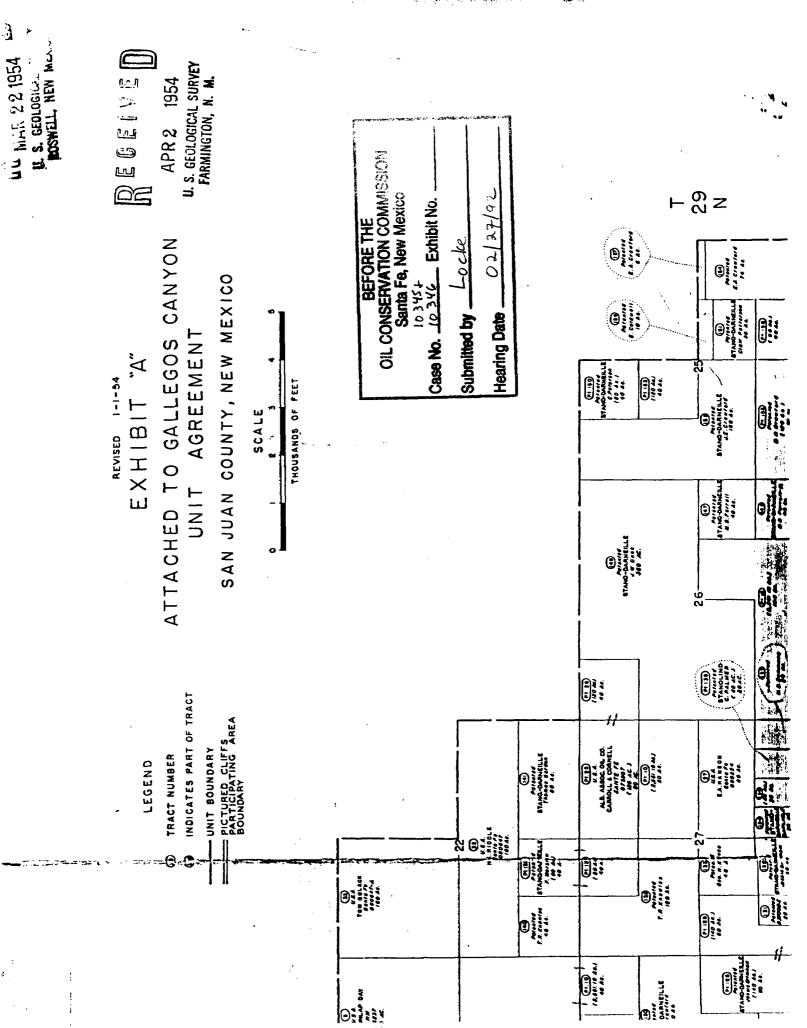
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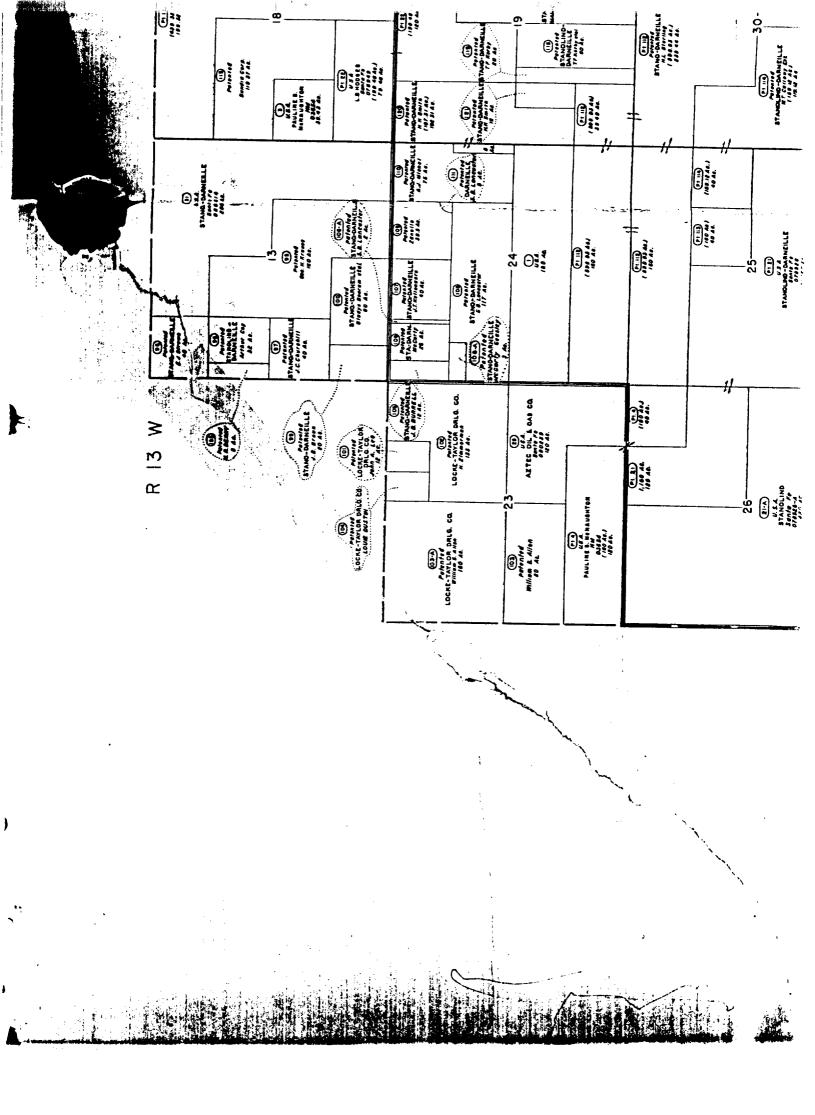
STATE OF NEW MEXICO COUNTY OF SAN JUAN IN I hypery cartify that the foregoing <u>MAUGUMENT</u> is a true copy of the original on file in my said office this <u>SINO</u> day of <u>AUUU</u> 19 9/ <u>AUUU</u> Banduj MAUJ, GOWN, Deputy

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BEFORE THE L CONSERVATION COMMISSION
Sanaro
NO. 10344 Exhibit No
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THIS AGREEMENT entred	into this the	_20th	-day of Pebr	uary, 194	7
erween Holen Simpern	u and R. J.	Zimnerman	<del>1, her husban</del>	d-BOI-452-Farmington, hereinafter called lessor,	
nd Charles New	bold of Azte	c, New Mer	ci oo	inafter called lessee, does witness:	
hereby grants, leases and lets unto t	and agreements herein to leases for the purpos , building tanks, storir aufacture all of such s	utar constitued to the of mining and the og oit, building po- ubstances, and for	be performed by the less openning for and produ- over stations, telephone bousing and boarding e	Dollers (# 1.00	2
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2. This leave shall remain in r any of them is or can be produced 5. The leave shall deliver to t equal one-sighth part of all all pro royalty the markes price for all of 4. The leave shall pay leaver, only is found, and where not sold such well shall be hald to be a pro well on the leaved premises for sto well, the use of sold gas to be at r used by the leave for the manufact is sold by the leave of the manufact is sold by the leave of the manufact is sold by the leave for the manufact is sold by the leave of the manufact is and the the mark and its succe leave, regardlers of changes of own operate as rental and cover the pri and upon like payments or tenders restant payment or tender of rentals is such payment or tender of rentals is such payment or tender of rentals is helse on this land, the leave shall by dent in this event the provided the (and in this event the proceeding p	a credit of the lessor as inced and saved from ( ike grade and gravity in as coyairy, one eighth hall pay Fifry (\$50.00) hucing well under para- es and inside lights in a lassor's sole rick and are of gasoline, or any one-eighth of the proce- g of a well for oil or en, unless the lesses shall the the save shall the the save shall the the lesses shall the the lesses shall the commencement of asformed terming me the commencement of a the manner provided discovery of oil or gas these begins or resume regraphs hereof govern	s royaky, free of of the leased premises prevailing on the of of the proceeds fi Dollars per annu- graph numbered in principal dwe expense. The lass other product, as i leds of the tale the gas are not comm ll, on or before on ent and shall conti- n the oil and gas, Th 1 rty Set concernant of utiling operations and incustancy, d interprotage are previded Norwith above shall be bi- on this land and d operations for the es the payment of ung the payment of	con, in the pipe line to s, or at lesse's option, mi- lay such oil is run into the form the sale of the gas, im as royalty from auch two hereof. The lessor to ling house on said land the as shall pay to the lessor royalty, one-eighth of the reof. tenced on said land on the second of the second of the second of the term of the second the rentals in the mann- of rentals and the manne- of rentals and the manne- second of the second of the second of the second of the second of the second of the the rentals in the manne- of rentals and the manne- second of the second of the second of the second of the second of the second of the the rentals in the manne- of rentals and the manne- second of the second of	as such, for gas from wells where gas well, and while such royalry is so paid is have gas free of charge from any gas by making his own connections with the for gas produced from any cil well and market value of such gas. If shid ga or bel re one year from this date, this bay or tender to the lessor or for the $18000 \pm 1000 \pm 10000$ which shill any and all sums payable under this e thereunder, the sum of any and all sums payable under this e thereunder, the sum of any and all sums payable under this e thereunder. In like manner red for like periods successively. First the lessor, or his successor in interest, isses, executors and administrators of ase, the lessee shall drill a dry hole, or be commenced by the next ensuing er and effect thereof shall continue in	l payments or tenders may be made b signee thereof, mailed or delivered
7. In case taid baser owns a life royalties and rentals herein provide ad fas. 8. The issues shall have the riferon the wells of the lessor. When its operation to growing crops or without written consent of the less chinery, firmures, houses, buildings 9. If the examp at sinker party and hereof shall strend to the rentals or coyalties shall be binding mene or a certified copy thereof. to the assigned portion at particular to such separate owners in the face shall be assigned as to a part of the less of the less of the stagend to such separate owners in the face shall be assigned as to a part of the less of the stagened by sale, device, or oth lease shall be assigned as to a part of the less in so far as it cover usid tental. If at any time there is no the such as the stagened at the stagened at the stagened at the stagened as to a part of the stagened at t	d for shall be paid to the ist to use, free of cost, required by lessor, the said land. No well as required by lessor, the said land. No well as reactions structures plo hereto is assigned (and seirs, executors, admini- on the lesses until after la case lesses until after lesse and all royalties a proportions that the se opart of the lesses to o rwise, or to furnish sep r as to parts of the la gareas to defend he is or other here satisting, read to the rights of an r hen, any royaky or r	he said iessor only gas, oil and water lessoe chall bury p hall be drilled no be right at any rim iced on said premi d the privilege of istrators, successor r notice to the less his lease, in whole he date of assignme eafter be owned in herrange owned by fiset wells on sepa arrate measuring o above described lan of the rent due fro behalf of said part itle to the lend he levied, or assenting to be contrary.	In the proportion which found on said land fo ipe lines below plow depi ater than 200 fact to the e during or after the erg ses, including the right to assigning in whole or in a and assigns, but no cha es and it has been furnis- or in part, lease shall be int. severally or in separate shall be treated as an er each such separate own rate tracts into which the r receiving tanks. It is tad, and the holder or own main or them, such def ead fessee or any assign als or royalties, lesses main east in the isree, a court iss, and the holder or own iss, and the isree, a court iss, and the sever a court is on or against the above rein described and agree or or against the above re thereof and may reinb rounder.	part is expressly allowed), the coven- ings of ownership in the land or in the hed with the written transfer or assign- relieved of all obligations with respect tracts, the premises, nevertheless, shall titjary and shall be divided among and trs bears to the entire leased acreage land covered by this lease may be here- hereby agreed that, in the event this mer of any such part or parts shall fail ault shall not operate to defeat or af- se hereof shall make due payment of y withhold payments hereof unless and mon agent to reseive all trayment due	y check or draft of lessee or any on or before the rental paying da

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BEFORE THE CIL CONSERVATION COMMISSION					
Santa Fe, New Mexico					
Case No. 10-346 Exhibit No					
Submitted by					
Hearing Date 2/2/7/9/2					

File: AMR-2411-986.511

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November 10, 1967

In support of this application, the following items are attached hereto and made a part hereof:

- 1. An ownership map showing the boundaries of the Unit Area and the proposed Participating Areas.
- 2. Schedules showing the lands entitled to participation in the unitized substances produced from the Fruitland formation, with the percentage of participation of each tract indicated thereon.
- 3. A geological and engineering report supporting and justifying selection of the Participating Areas.

The Participating Areas and their proposed effective dates are predicated upon the knowledge and information obtained on the completion in paying quantities of Unit Wells Nos. 220, 255, 256, and 261.

Applicant respectfully requests that the Director approve the herein above selection of lands.

Dated this 10th day of November, 1967.

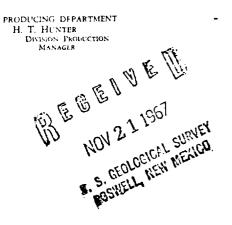
Respectfully submitted,

PAN AMERICAN PETROLEUM CORPORATION

J. B. Richart

Attachments

**PAN AMERICAN PETROLEUM CORPORATION** 



(6)

Washington 25, D. C.

THROUGH:

United States Geological Survey

Regional Oil & Gas Supervisor

United States Geological Survey

FOR: 1397 1 66

SECURITY LIFE BUILDING DENVER, COLORADO 80202

November 10, 1967

DISTRICT SUPERINTENDENTS W. M. JONES A. E. PIPER T. M. CURTIS JOINT INTEREST SUPERINTENDENT S. B. RICHARDS

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File: AMR-2411-986.511

Re: Application for Approval of Initial Participating Area and First, Second and Third Enlargements for the Fruitland Formation, Gallegos Canyon Unit, San Juan County, New Mexico

> Commissioner of Public Lands (3) State of New Mexico Capital Annex Building Santa Fe, New Mexico

All Working Interest Owners Gallegos Canyon Unit (See Attached Addressee List)

P. O. Box 1857
Roswell, New Mexico
Oil Conservation Commission (3)
State of New Mexico
Capital Annex Building
Santa Fe, New Mexico

Scheduite 1 and

Gentlemen:

Director

Pan American Petroleum Corporation, as Unit Operator for the Gallegos Canyon Unit Agreement, approved by the Director of the U. S. Geological Survey, Effective July 25, 1951, pursuant to the provisions of Section 10 thereof, respectfully submits for the approval of said Director the selection of the following described lands to constitute the Initial Participating Area and First, Second, and Third Enlargements thereof for the Fruitland Formation, to wit:

Initial Participating Area:	E/2 Section 13 - T28N - R12W
First Enlargement	W/2 Section 18 - T28N - R11W
Second Enlargement :	W/2 Section 13 - T28N - R12W
Third Enlargement :	E/2 Section 18 - T28N - R11W

Area	Effective Date	Acres In Revision	Total Acres
Initial	June 14, 1966	320	320
lst Enlargement	October 1, 1966	315.68	635.68
2nd Enlargement	January 1, 1967	320	955.68
3rd Enlargement	May 1, 1967	320	1275.68

11 5...... 10 -11.5 RECEIVED DEC 8 1967 POCKET File: AMR-2411-986.511

- 3 -

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November 10, 1967

m Ardahen APPROVED

ACTINGDirector, United States Geological Survey (Subject to like approval by appropriate State officials)

(

DEC 1 5 1967 Date

APPROVED

Commissioner of Public Lands (Subject to like approval of USGS and Oil Conservation Commission)

APPROVED (

Oil Conservation Commission (Subject to like approval of USGS and Commissioner of Public Lands)

Date Moruher 20, 1967

Date Nov 20, 1967\_

Sa	BEFORE THE ERVATION COMMON
	346 Exhibit No.
Submitted by .	02/27/92

BEFORE THE	
 OIL CONSERVATION COMMISSION Santa Fe, New Mexico 103454	
Case No/0346 Exhibit No	584 Hot
Submitted by	Tek Fax Tek
Hearing Date $02(27/92)$	

5847 San Felipe Suite 3600 Houston, Texas 77057 Telephone: (713) 780-5000 Fax (713) 780-5273 Telex 9108813603

October 31, 1990



Mrs. Louise Locke c/o Don Locke 1391/2 E. 2nd Rifle, Colorado 81650

Re: Offer to Purchase Leasehold Interest Gallegos Canyon Unit San Juan County, New Mexico

Dear Mr. Locke:

BHP Petroleum (Americas) Inc. (BHP) offers to purchase from Mrs. Louise L. Locke one hundred percent (100%) of Mrs. Locke's right, title and interest in and to the following described oil and gas lease insofar as such lease covers and affects those certain depths from the surface down to the Base of the Pictured Cliffs formation.

		AC	RES
LESSOR	LEGAL DESCRIPTION	GROSS	NET
William B. Allen and Melba J. Allen, his wife and Eula L. Allen, a widow	<u>T29N, R13W</u> Section 23: NW1/4	160.00	160.00

This offer is subject to the following terms and conditions:

- 1. The purchase price for the above described lease is \$20,000.00, payable at closing for assignment of all of Mrs. Locke's right, title and interest in such lease from the surface down to the base of the Pictured Cliffs formation.
- 2. The effective date of the proposed transaction will be October 31, 1990.
- 3. Closing for the transaction contemplated herein shall take place by overnight delivery of a properly executed assignment in a form substantially identical to the assignment enclosed herewith, from you as Mrs. Locke's Attorney-in-Fact to BHP and the delivery of funds by check from BHP on or before November 20, 1990.
- 4. This offer is subject to BHP's review of and satisfaction with title to Mrs. Locke's leasehold interest including any contractual obligations or other salient factors affecting such title.

Mr. Don Locke October 31, 1990 Page 2

5. At any time and from time to time after the effective date hereof, upon BHP's request, you, as Mrs. Locke's Attorney-in-Fact, agree to execute, acknowledge and deliver or cause to be delivered, all further documents or instruments necessary to complete the transaction contemplated herein.

If the foregoing terms and conditions are acceptable, please so indicate by signing in the space provided below and returning one signed duplicate of this letter by November 9, 1990.

Thank you in advance for your prompt reply. Please call if BHP can be of any further assistance.

Very truly yours,

BHP-PETROLEUM (AMERICAS) INC.

Kunhandt

Donald Reinhardt Senior Landman Inland Business Unit

DR/1d Enclosure

ACCEPTED AND AGREED TO this day of November, 1990.

By:

Don Locke Attorney-in-Fact

#### RICHARD T.C. TULLY, P.A.

ATTORNEY AT LAW 111 NORTH ORCHARD AVENUE Post office Box 268 Farmington, New Mexico 87499-0268

RICHARD T.C. TULLY MICHAEL CUNNINGHAM 505-327-3388

June 20, 1991

Robert G. Stovall, Esq. General Counsel New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, NM 87504

Frank T. Chavez Supervisor and Oil & Gas Inspector New Mexico Oil Conservation Division 1000 Rio Brazos Road Aztec, NM 87410

LO	122 FE, NEW MEXICO 345 +
Submitted by _	
Hearing Date _	02/27/92

**BEFORE THE** 

OIL CONSERVATION COMMIN

Ron Fellows Area Manager Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401

Re: Locke-Taylor Drilling Company Tycksen #1 Well, Gallegos Canyon Unit #391 Well, and Gallegos Canyon Unit #390 Well San Juan County, New Mexico

Gentlemen:

This lawfirm represents Louise Y. Locke who is the owner of the operating rights from the surface to the base of the Pictured Cliffs Formation of the N/2 of Section 23, T-29-N, R-13-W, N.M.P.M., San Juan County, New Mexico. The Howard Tycksen Pooled Unit #1 Well, with a N/2 of Section 23 dedication, is located in the NE/4 of Section 23, and has been producing from the Fruitland Formation since April 19, 1954 (over 37 years). The N/2 of Section 23 from the surface to the base of the Pictured Cliffs Formation and the Howard Tycksen Pooled Unit #1 Well have never been committed to the Gallegos Canyon Unit.

BHP Petroleum (Americas) Inc. has filed Applications for Permit to Drill the Gallegos Canyon Unit #391 and #390 Wells, with both wells to be Fruitland Formation wells.

Robert G. Stovall, Esq. Frank T. Chavez Ron Fellows June 20, 1991 PAGE TWO

BHP has located the Gallegos Canyon Unit #391 Well in the NE/4 of Section 23; the Well has been drilled to total depth, but not completed; and it has an E/2 of Section 23 dedication. The Gallegos Canyon Unit #390 Well has been located in the SW/4 of Section 23; it has a W/2 of Section 23 dedication; but we do not know the status of the drilling of this well.

The wellhead for the Gallegos Canyon Unit #391 Well is located approximately 130 feet from the wellhead of the Howard Tycksen Pooled Unit #1 Well, and approximately 100 feet from the meterhouse of the Howard Tycksen Pooled Unit #1 Well.

Our client has notified BHP of the trespass in the NE/4 of Section 23, but the attempts to negotiate a settlement have come to a standstill. BHP does recognize the ownership of come to a standstill. BHP does recognize the ownership of Louise Y. Locke from the surface to the base of the Pictured Cliffs Formation in the N/2 of Section 23.

The Fruitland Formation ownership of our client in the N/2 of Section 23 brings into question the E/2 and the W/2 dedications of the Gallegos Canyon Unit #391 and #390 Wells because our client owns 100% of the N/2, or 50% in the E/2 and 50% in the W/2 of Section 23.

This letter is to request the NMOCD and the BLM to cease all further operations of BHP for the Gallegos Canyon Unit #391 and #390 Wells until this trespass matter is resolved. In particular, our client is concerned that if BHP completes the Gallegos Canyon #391 Well in the NE/4 that these activities and operations will adversely affect the Howard Tycksen Pooled Unit #1 Well.

Please advise if we can provide further information or assistance in securing the cessation of any further operations of BHP for these two wells until the trespass matter is resolved.

Sincerely, Quil J. C. July Richard T. C. Tully

RTCT:sak

Louise Y. Locke cc: c/o Don Locke 139-1/2 East 2nd Street Rifle, CO 81650

S155/52532L

5847 San Felipe Suite 3600 Houston, Texas 77057 Telephone: (713) **780-5000** FAX (713) 780-5273 Telex 9108813603

BHP Petroleum

June 18, 1991

#### GALLEGOS CANYON UNIT WORKING INTEREST OWNERS (See Attached Address List)

Re: Amended 1991 Plan of Development Gallegos Canyon Unit San Juan County, NM

Ladies and Gentlemen:

Please find attached a copy of BHP's Amended 1991 Plan of Development for the Gallegos Canyon Unit. You will note this amended plan is designed to further facilitate the evaluation of Fruitland coal seam gas and Pictured Cliffs gas. Please note also a new location for the GCU #398.

It is BHP's intention to submit the Amended Plan of Development to the Bureau of Land Management as soon as possible. Please advise of any comments or suggestions regarding the Plan of Development. If BHP has not heard from you by July 4, 1991, we will assume you have no objections and will file the plan with BLM.

Should you have any questions or desire additional information, please do not hesitate to contact me.

Very truly yours,

BHP\PETROLEUM (AMERICAS) INC.

rdd Keinhardt

Donald Reinhardt Senior Landman Inland Business Unit

DR:CFL

Enclosures

BEFORE THE OIL CONSERVATION COMMISSION Santa Fe, New Mexico 103454	
Case No. 10346 Exhibit No.	
Submitted by Locke	·
Hearing Date 02/27/92	

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## WORKING INTEREST OWNERS

Gallegos Canyon Unit

Amoco Production Company ATTN: Southern Div. Land Manager P. O. Box 800 Denver, CO 80201

Dugan Production Corporation P. O. Box 208 Farmington, NM 87401

Paul Slayton P. O. Box 2035 Roswell, NM 88201

Fina Oil & Chemical Company ATTN: Kevin Pfister 1004 N. Big Spring P. O. Box 2990 Midland, TX 79702

Donald S. Fulsaas Individually and as Executor of Russell Fulsaas Estate 4865 Lowry Road Oakland, CA 94605

Marilyn A. Fulsaas 2440 Bryant Street Palo Alto, CA 94301

Richard M. Fulsaas West 1417 Kiernan Spokane, WA 99250

MMH Trust P. O. Box 489 Roswell, NM 88202-0489

Maalfred S. Johnson and Harold K. Johnson Estate 643 Montezuma Court Walnut Creek, CA 94598

Margaret C. Johnson 1114 Laurel Drive Lafayette, CA 94549

Maryan Klinger Trust 4777 Grouse Run, No. 140 Stockton, CA 95207

Dorothy E. Mengotto 19100 Crest Avenue, No. 10 Castrol Valley, CA 94546

Meridian Oil Production, Inc. P. O. Box 4289 Farmington, NM 87499

Conoco, Inc. ATTN: Administrative Manager 3817 NW Expressway Oklahoma City, OK 73112

Arley P. Geniusz Trust 1405 E. Central Road, Apt. 120C Arlington Heights, IL 60005

Weig Family Trust 6633 Minnehaha Avenue Lincolnwood, IL 60646

Texaco, Inc. ATTN: Joint Operations P. O. Box 46555 Denver, CO 80201-6555

Marbob Energy Corporation P. O. Drawer 217 Artesia, NM 88211-0217

Total Minatome Corporation P. O. Box 4326 Houston, TX 77210

Wood Oil Company 3100 Mid-Continent Tower Tulsa, OK 74103

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# FAX MESSAGE

PLEASE DELIVER

TO: Mrs Mon CopyeeOFFICE:  $BHP - 303 \cdot 832 - 5042$  prover, coFROM: Ga.(Heller)OFFICE: FRADATE: 7/11/89NUMBER OF PAGES: 37W[C.S]

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1034	RVATION COMMISSION I Fe, New Mexico
Submitted by	
Hearing Date	02/27/92

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RECEIVED OCT 2.5 1990 IBU LAND DEPI

October 19, 1990

BHP Petroleum Inc. Attn: Donald Reinhardt 5847 San Felipe, Suite 3600 Houston, TX 77057

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Re: Gallegos Canyon Unit GCU #385 NE/4 NE/4 Section 13 T29N-R13W GCU #391 NE/4 NE/4 Section 23 T29N-R13W San Juan County, New Mexico

Dear Donald:

Enclosed please find an executed copy of BHP's drilling AFE for each of the two captioned wells. Enclosed also is Meridian's Well Requirement Sheet for the two wells. Meridian respectfully requests that BHP provide the data as outlined on said requirement sheet.

If you have any questions in this regard, please contact the undersigned at 505-326-9758.

Very truly yours, John F. Zent Area Landman

JF2:11

Enclosure

GCU #386, GCU 391 ID#1+40

OIL CONSER	EFORE THE VATION COMMISSION Fe, New Mexico 4 C— Exhibit No.
Submitted by	Lucke
assuing Date	02/27/92



**Amoco Production Company** 

Amoco Building P.O. Box 591 Tulsa, Oklahoma 74102

August 19, 1975

FILE: E-31-85

Locke Taylor Drilling Company 801 Second Avenue Durango, Colorado 81301

Dear Sirs:

In regard to your phone call on the 18th of August, 1975, concerning the Tycksen (formerly called Dustin Pool Gas Unit) property. Our records indicate we have not received any payment for our interest since 1971. We have a 1/2 of 5% of 8/8 ORI and a production payment of 1/2 of 5% of 8/8 until \$997.50 is paid, which indicates a balance of \$754.33 due us.

This interest is from the surface to the base of the Pictured Cliffs Formation. We understand the wells are still productive. When may we receive our interest due us?

Sincerely yours,

NEEK

J. C. Doak Int

LRB:kh/2766 Attachments

San Jos	BEFORE THE ERVATION COMMISSION Ta Fe, New Mexico Y 5 4 Y 6 Exhibit No
Submitted by	Locke
Hearing Date	02/27/92

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,	THE ON ADT	transfer of ∎ Thursday Thursday of		EST OF UNIT	1	29-	
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A		nquerque		9 UNIT NUMBER:	<u>асств. 7215</u>	LAND	127289 -
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Sec. 14	FIELD OR BLOCK		ignated)	STATE	New Mexico		19.113
		cke-Taylor Dril	ling Company		I 1.0390625%		
•	CONTRACT	UNIT AGREEMENT (DECLARATION) (	DATED 9-30-53	DATE APP ROVED		EFFECTIVE DATE OF UNIT	9-30-53
7	SPACING ORDER NO.	OPERATING AGREEMENT DATED	3	PREEFRENTIA	RIGHT TO PURCHASE:	YES NO	
3 A 4 🚺		······································	CO-OWNER'S NAME		······································		INTERES
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12	DRILLING OBLIGATION	······					ACRES
	DRILLING OBLIGHTION						
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15	DESCRIPTION OF ACREAGE:					NET BOO	к 0,00
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22 23							·
24	SPECIAL PROVISIONS:						
25					Surveyed		•
28				Leasecall	•		
27	Lease No. &	Name E/D	Interest	Acres	To Unit		ption to Un
28	Dodbo nos d		111001000				
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Locke Exhibits A through P Except for N and Q Incomplete Set

GENERAL OFFICES 316 19 PETROLEUM BUILDING OKLAHOMA CITY, OKLAHOMA PHONE 7-8844

OIL PRODUCERS AND OPERATORS November 8, 1952

WH. V. MONTIN

The United States Geological Survey Washington, District of Columbia

Via

The United States Geological Survey Roswell, New Mexico

> Ke: Gallegos Canyon Unit, San Juan County, New Mexico.

RESELVE No. 10 102

U. S. GEDECCIONE SURVEY

ROSWELL, NEW MEXICO

#### Gentlemen:

Benson and Montin and Stanolind Oil and Gas Company would like to withdraw tract 102 from the Gallegos Canyon Unit Agreement. This tract is located in the N/2 of Section 23, Township 29N, Range 13W and contains 133 acres. We have tried unsuccessfully to obtain the royalty owner's commitment of this tract to the Unit.

Well spacing for Pictured Cliffs production in this area is 320 acres per well. The remaining 187 acres in the N/2 of this section, which is required for a well spacing unit, has been leased by an independent operator who prefers not to join the Unit, and whose royalty owner absolutely refuses to become a party to the Unit. This operator, Locke-Taylor Drilling Company, proposed the drilling of a Pictured Cliffs well in the N/2 of Section 23 last June and requested that we farm out to them our 133 acres inasmuch as they preferred not to join the Unit and since it was impossible to obtain the unitization commitment of any of the royalty owners owning land in the N/2 of Section 23.

We felt that it was advantageous to the Unit from the standpoint of information obtained to have a well drilled at this location and both Stanolind and Benson and Montin, working interest owners of tract 102, agreed to farm out their interest to Locke-Taylor for this proposed test. However, since this tract had been committed to the Gallegos Canyon Unit insofar as working interest was concerned, we realized that some legal action might be required to withdraw this land from the Unit Agreement. We solicited an opinion from Mr. Canfield of the USGS Roswell office, who referred us to Mr. Duncan of the USGS Mashington office.

It happened that Mr. Duncan was at that time visiting in Farmington and we were able to discuss this matter with him. Kr. Duncan advised us that ordinarily the USGS does not consider a tract fully committed to a unit, unless the royalty owners commit their interest as well as the working interest owner's, and that as such, tract 102 would not be considered fully committed to the Unit. He further said that he was of the opinion that we could fare out the tract, insofar as the USCS was concerned and that he felt the USGS would offer no objection. Er. Duncan advised us that when we were ready to make the final assignments of our interests, it would be well to direct a letter to the USOS, setting cut our problem and

> NOTED NOV 10 1952 3431

requesting any proceedings that the USGS might at that time require. Locke-and Taylor have now completed their obligation to Eenson and Montin and Stanolind, and have earned a working interest in tract 102. Accordingly, we wish to follow Mr. Duncan's suggestion and request herewith instructions as to how we should proceed to officially remove tract 102 from the Gallegos Canyon Unit Agreement, insofar as the USGS is concerned.

> Very truly yours, BENSON AND MONTIN,

by:

Albert R. Greer, Field Sup't.

ARG/mp

cc: United States Geological Survey Farmington, New Mexico Att'n: Mr. Phil McGrath

> Stanolind Oil and Gas Company Albuquerque, New Mexico Att'n: Mr. Ben Kee

Benson and Montin Oklahoma City, Oklahoma

San 101	BEFORE THE ERVATION COMMI ta Fe, New Mexico 3 Y 5 + 3 Y 6 Exhibit No.	ssioi A
Submitted by	Locke	
Hearing Date _	02/27/92	03

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STANDARD FORM NO. 64

# Office Memorandum • UNITED STATES GOVERNMENT

TO : Oil & Gas Supervisor, Roswell, New Mexico FROM : District Engineer, Farmington, New Mexico

subject: Gallegos Canyon Unit, I-Sec. No. 844, and Rincon Unit, I-Sec. No. 916 - offsets and non-unit wells within unit areas.

Attached plats show wells offsetting the subject units with the initial production of the wells. The attached list gives the operator, well name and number, location and tie-in or first delivery date.

LOCK ER

November 24, 1952

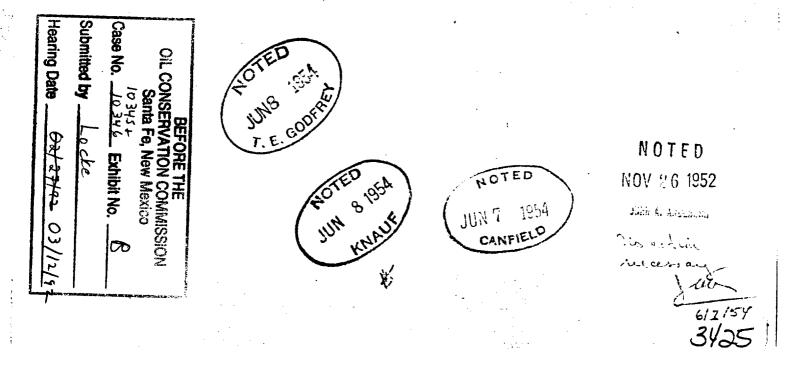
P. T. McGrath

DATE:

PTMcGra th:jhb

Encl: Attached list of units I-Sec. No. 844 and No. 916 (Non-unit wells).

26 U. S. GEOLOGICAL SURVEY ROSWELL, NEW MEXICO



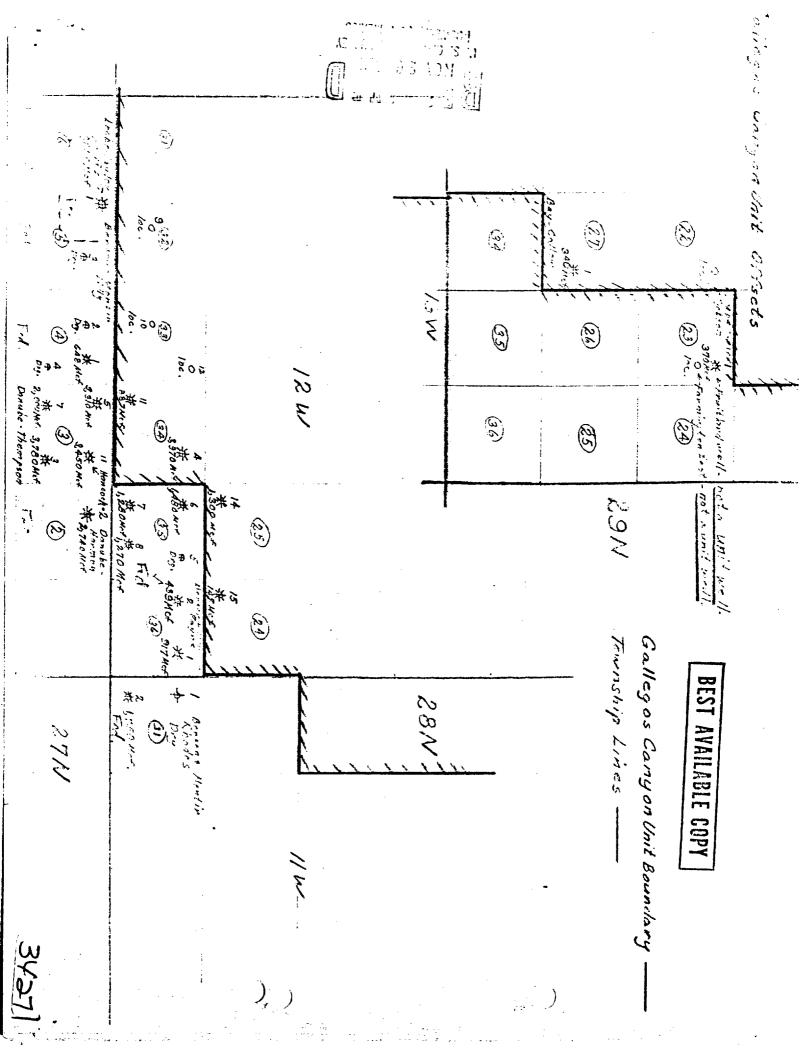
	Robert Mead #1-B Scott	* * * * *		n n n n n		Lowry et al Opr. Acct.	#	Locke & Taylor	James D. Hancock & Co.Ltd	* * *	3 3 2	11 11 11	Danube Oil Co.	N N N	N N N	21 U U	1	11 11 11 11 11	=	Benson & Montin, Inc.	Bay Petroleum Co.	Operator:
#1-D Scott		n 21~1#	#1-43 "	#9-37 "	#8 <b>-</b> 36 "	#i-lut Doswell	#1 Tyckson	#1 Foutz ~Tr. 162	• #23	#2 Harmon	#3 <b>n</b>	#7 n	#5 Thompson	#2 Rhodes	#8 u	n 14	#6 w	#2 n	#1 Payne	#1 Lilly	#1 Callow	Well Number & Name:
14, T. 26 N.		SWH sec. 14. T. 26 N. R. 7 W.	SWA sec. 13, T. 26 N., R. 7 W.	SW <sup>1</sup> / <sub>4</sub> sec. 5, T. 26 N., R. 6 W.	NE4 sec. 5, T. 26 N., R. 6 W.	SW <sup>4</sup> / <sub>2</sub> sec. 34, T. 27 N., R. 6 W.	NE <sub>4</sub> sec. 23, T. 29 N., R. 13 W.	NW <sup>1</sup> / <sub>4</sub> sec. 5, T. 27 N., R. 12 W.	NE3 sec. 3, T. 27 N., R. 12 W.	NW <sup>4</sup> sec. 2, T. 27 N., R. 12 W.	SE <sup>1</sup> / <sub>2</sub> sec. 3, T. 27 N., R. 12 W.	SW <sup>±</sup> sec. 3, T. 27 N., R. 12 W.	NW <sup>1</sup> / <sub>4</sub> sed. 3, T. 27 N., R. 12 W.	SW <sup>1</sup> / <sub>2</sub> sec. 31, T. 28 N., R. 11 W.	SE <sup>1</sup> / <sub>4</sub> sec. 36, T. 28 N., R. 12 W.	SW <sup>4</sup> / <sub>4</sub> sec. 35, T. 28 N., R. 12 W.	NW4 sec. 35, T. 28 N., R. 12 W.	NW <sup>4</sup> / <sub>4</sub> sec. 36, T. 28 N., R. 12 W.	• 12	sec. 4, T. 27 N., B	SE <sup>1</sup> / <sub>4</sub> sec. 27, T. 29 N., R. 13 W.	Location:
						Will tie-in week of Nov. 24.	Not Producing	3-28-52	7-13-52	1-6-52	<b>1-5-5</b> 2	4-1-52	2-28-52	10-13-52	9-18-52	9-18-52	9-18-52	9-21-52	10113-52	11-14-52	Not Producing	Tie-in or first delivery date:

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County cliSan Juan I hareby could that this instrument was filed for record on the second s

Probate Ciert and ex-offinio Recorde

WHEREAS, Lloyd D. Locke and Lloyd B. Taylor, doing business under the name and style of Locke-Taylor Drilling Company, of Farmington, New Mexico, are the owners and holders of that certain oil and gas lease executed and delivered by William S. Allen and Melva J. Allen, husband and wife, and Ula Allen, a widow, lessors, dated and executed December 13, 1951, reference to which is more particularly made in that certain instrument recorded in Book 186 at page 178 of the records in the office of the County Clerk and Recorder of San Juan County, New Mexico, covering and ambracing the following described land situate in said San Juan County, to-wit:

The NW<sup>1</sup>, Sec. 23, Twp. 29N, Rge. 13W, N.M.P.M., containing 160 acres, more or less; and,

WHEREAS, the said Lloyd D. Locke and Lloyd B. Taylor, doing business under the name and style of Locke-Taylor Drilling Company, of Farmington, New Mexico, are the owners and holders of that certain oil and gas lease executed and delivered by John A. Lee and Elinore K. Lee, husband and wife, lessors, to Lloyd D. Locke and Lloyd B. Taylor, which said lease is recorded in Book 192 at Page 161 of the public records in the office of the County Clerk and Recorder of San Juan County, New Mexico, covering and ambracing the following described lands situate in San Juan County, New Mexico, to-wit:

Beginning at a point on the North line of Sec. 23, 40 rods E. from the NW corner of the NEt of said section, thence S. 746.8 feet, thence E. 770 feet, thence N. 746.8 feet, thence W. 770 feet, to place of beginning, all in Twp. 29N, Rge. 13W, N.M.P.M., containing 12 acres, more or less; and,

WHEREAS, Lloyd D. Locke and Lloyd B. Taylor, doing business under the name and style of Locke-Taylor Drilling Company, of Farmington, New Mexico, are the owners and holders of that certain oil and gas lease executed and delivered by Helen Zimmerman and R. J. Zimmerman, husband and wife, on February 20, 1947, to Charles Newbold, Aztec, New Mexico, which said lease is recorded in Book 125 and Page 153 of the public records of San Juan County, New Mexico, and which said lease was assigned to said Lloyd D. Locke

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Lock-Echibit ""

and Lloyd B. Taylor, dba Locke-Taylor Drilling Company, insofar as said lease pertains to and covers the oil and gas and petroleum products to and including the Pictured Cliffs formation and all other geological formations lying and being lesser in depth than the Pictured Cliffs formation, covering the following described land situate in the County of San Juan, New Mexico, to-wit:

The E2 of the NEL, the SWL of the NEL and 13 acres in the south part of the NWL of the NEL, all in Sec. 23, Twp. 29N, Rge. 13W, N.M.P.M., containing 133 acres, more or less; and

WHEREAS, B. E. Dustin and Ruth Dustin, husband and wife, and Louis Dustin, a widow, executed and delivered to Earl A. Benson and William V. Montin, of Oklahoma Gity, Oklahoma, that certain oil and gas lease dated the 21st day of April, 1951, which said lease is recorded in Book 175 at Page 137 of the Public records in the office of the County Clerk and Recorder of San Juan County, New Mexico, and the said Earl A. Benson and William V. Montin, joined by their respective wives, executed and delivered to Lloyd D. Locke and Lloyd B. Taylor, doing business under the name and style of Locke-Taylor Drilling Company, of Farmington, New Mexico, an assignment of the aforesaid oil and gas lease to and including the Pictured Cliffs formation and any and all geological formations situated at a lesser depth than the Pictured Cliffs formation, as to the following described lands situate and being in San Juan County, New

Beginning at the NW corner of the NEt of Sec. 23, Twp. 29N, Rge. 13W, N.M.P.M., thence South 60 rods; thence east 40 rods; thence North 60 rods; thence West 40 rods to the place of beginning, containing 15 acres, more or less; and,

WHEREAS, it is specifically provided in each of the aforesaid oil and gas leases, or amendments thereto, that the owners of said respective oil and gas leases at any time, and from time to time, may pool or unitize all or any part or parts of the lands embraced in said respective

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leases, as is more particularly set out in said respective leases; and the said Lloyd D. Locké and Lloyd B. Taylor, doing business under the name and style of Locke-Taylor Drilling Company, joined by Stanolind Oil and Gas Company, q corporation, and joined by said Earl A. Benson and William V. Montin, joined by their respective wives, have elected to pool or unitize all of the lands embraced in said several respective leases under a unitized drilling unit, embracing the N<sup>1</sup>/<sub>2</sub> of Sec. 23, Twp. 29N, Rge. 13W, N.M.P.M., to conform with the spacing rules and regulations provided by the Oil Conservation Commission of the State of New Mexico.

23-13

NOW, THEREFORE, we, the said Lloyd D. Locke and Lloyd B. Taylor doing business under the name and style of Locke-Taylor Drilling Company, of Farmington, New Mexico, and said Stanolind Oil and Ges Company, a corporation, and joined by said Earl A. Benson and William V. Montin, so by these presents unitize and pool all and singular the lands embraced in said respective oil and gas leases, as hereinabove more particularly described, into one drilling unit and acreage pool for the purpose of operating and drilling, producing and marketing eff., gas, and hydrocarbon substances from the said lands embraced in said above mentioned leases, embracing and covering all and singular the following described lands situate in San Juan County, New Mexico, as one drilling unit or pool, to-wit:

The N<sup>1</sup><sub>2</sub> of Sec. 23, Twp, 29N, Rge. 13W, N.M.P.M., containing 320 acres, more or less.

PROVIDED, HOWEVER, that this Pooling Designation and Declaration shall apply to and be binding upon said Stanolind Oil and Gas Company, a corporation, and Earl A. Benson and William V. Montin as embracing and pertaining to only those geological formations lying in and above the Pictured Cliffs formation.

IT HEREBY IS FURTHER DECLARED by the said Lloyd D. Locke and Lloyd Be Taylor, dba Locke-Taylor Drilling Company, and said Stanolind Oil and

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Ges Company, a corporation, and said Earl A. Benson and William V. Montin, that all of the production of gas and hydrocarbon substances produced and saved from any and all wells drilled on the said hereinabove described lands be, and they hereby are unitized and pooled under one unit of lands, provided, however, that such unitization shall apply only to the Pictured Cliffs formation and other formations of lesser depth or depths than the Pictured Cliffs formation insofar as the same pertains to said lands embraced in the aforesaid lease to said Stanolind Cil and Gas Company, a corporation, and the lands embraced in said lease to Earl A. Benson and William V. Montin, more particularly hereinabove described.

IN WITNESS WHEREOF, the said Lloyd D. Locke and Lloyd B. Taylor have hereunto set their hands this <u>So</u> day of <u>Sept.</u>, 1953, and said Stanolind Oil and Gas Company, a corporation, has caused its name to be hereto subscribed and attested by its duly authorized and acting officials, this <u>Hith</u> day of <u>Causers</u>, 1955, and said Earl A. Benson and William V. Montin have hereunto set their hands this <u>30<sup>±</sup></u> day of <u>October</u>, 1953.

Nock LOCKE

LLOYD B. TAYLOR

WK

STANOLIND OIL & GAS, COMPANY ATTORNEY-IN-PACT

U enon EARL A. M

WILLIAM V. MONTIN

5-1

STATE OF COLORADO

SS.

On this  $30^{-1}$  day of <u>September</u>, 1953, before me personally appeared Lloyd D. Locke, to me known to be the person named in and who signed the foregoing instrument, and he acknowledged that he signed the same as his free act and deed.

W.  $Co_{C}$  [9] IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above in this certificate written.

Nay M. Coon

23.2

My Commission Expires:

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211 114

July 25 1956

STATE OF COLORADO ) ) SS. COUNTY OF LA PLATA )

On this <u>so</u> day of <u>settimeter</u>, 1953, before me personally appeared Lloyd B. Taylor, to me known to be the person named in and who signed the foregoing instrument, and he acknowledged that he signed the same as his free act and deed.

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

Nay M. Goon

S.A

My Commission Expires:

uly 25 1916

STATE OF TEXAS ) ) SS. COUNTY OF TARRANT )

Commission Expires:

23-8

On this <u>14</u> day of <u>Mercomber</u>, <u>1953</u>, before me appeared <u>S. J. Bellound</u>, to me personally known, who, being by me duly sworn did say that he is the Attorney in Fact of Stanolind Oil and Gas Company, and that the seal affixed to said Instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said <u>S. M. Konford</u> acknowledged said instrument to be the free act and deed of said corporation.

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

Notary Public in and for Tarrant County, Texas

6 A

STATE OF OKLAHOMA ) ) SS' COUNTY OF OKLAHOMA )

On this  $30^{24}$  day of <u>Orthus</u>, 1953, before me personally appeared Earl A. Benson, to me known to be the person named in and who signed the foregoing instrument, and he acknowledged that he signed the same as his free act and deed.

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

Lucile Notary Public

23-3

SIN Commission Expires:

Ain. 3. 1957

CITSTATE OF OKLAHOMA

LANO

COUNTY OF OKLAHOMA

On this  $3c^{2t}$  day of <u>Ortokes</u>, 1953, before me personally appeared William V. Montin, to me known to be the person named in and who signed the foregoing instrument, and he acknowledged that he signed the same as his free act and deed.

SS.

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

ssion Expires: 1957

10 Notary Public

STATE OF NEW MEXICO Son COUNTY OF SAN JUAN Son I horpby sertify that the foregoing *LOUCHUS Messignatures* is a true cosy of the original on file in my said office this 2210 day of Cara Son July 1991 Cara Son Jone Megalip Wera Son Jone Megalip

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fa, New Mexico
Case No. 10345 Case No. 10344 Exhibit No
Submitted by
Hearing Date _ 2/29/92 03/12/12

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UIL CONSERVATION COMMISSION Santa Fe, New Mexico 10345 Case No. <u>10346</u> Exhibit No. <u>D</u>		
Submitted by Lock 140 Hearing Date $\frac{2/2\pi/97}{97}$ 03/12/92	<b>`</b> .	
AMENDHENT TO OIL AND GAS LEASE LINGTON TO ANTICIPAL		1.
STATE OF MEW MEXICO ) COUNTY OF SAN JUAN		1000 - 100 - 10 - 1
KNOW ALL MEN BY THESE PRESENTS:		
THAT WHEREAC, on the 20th day of February , 1947, Helen Zimmwemen and R. J. Zimmermen, her husbend		

. . .

as Lessor, did execute and deliver an oil and gas lease to **Charles Newhold** as Lessee, covering the following described land situated in the County of San Juan, State of New Mexico, to wit:

> The East one-half of the Northeast Quarter (15, 1852); Southwest Quarter of the Northeast Quarter ( $\overline{od}_{*}$  MSE) and Thirteen (13) acres in the South part of the Northwest Quarter of the Northeast Quarter, all in Section 23, Township Twenty Mins (29) North, Range 13 Vest. San Juan County, New Maxico, containing 137 Acres more or less.

said lease having been recorded in Volume 122 at Page 153 of the Records of San Juan County, New Mexico; and

WHEREAS, the above described lease is in full force and effect and is presently owned and held by Stanoliwi Cil and Gan Company, and Looks-Taylor Drilling Co., Stanolind Oil and Oas Company and Benson & Montin, and

WHEREAS, the undersigned parties are the owners of all or a part of the oil and gas in and under the above described land, subject to said lease, and desire to amend and supplement said lease so as to include the additional provisions hereinafter set forth;

NOW THEREFORE, in consideration of the premises and the sum of One Dollar (\$1.00) and other good and valuable considerations in hand paid to the undersigned parties by Stanolind Gil and Gas Company, the receipt and sufficiency of which are hereby acknowledged, the undersigned parties do hereby and by these presents amend and supplement the above described oil and gas lease so as to include therein the following:

"Lessee is hereby given the power and right, at any time during the term of this lease, as to all or any part of the land described herein and as to any one or more of the formations thereunder and the minerals therein or produced therefrom, at its option and without Lessor's joinder or further consent, to pool and unitize the leasehold estate and the Lessor's royalty estate created by this lease with the rights of any third parties in all or any part of the land described herein, and with any other land, lands, lease, leases, mineral and royalty rights, or any of them, adjacent, adjoining or located within the immediate vicinity of the land covered by this lease, whether owned by Lessee or some other person, firm or corporation, so as to create by such pooling and unitization, one or more drilling or production units. Each such drilling or production unit shall not exceed 320 acres, whether created for the purpose of drilling for or producting oil, gas, casinghead gas or casinghead gasoline, or any combination of such minerals, therefren, except that larger units may be created to conform to the spacing

Juace No 74443

EXHIBIT "F"

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or well unit patterns prescribed by State or Federal authorities having jurisdiction in the premises. The commencement, drilling, completion of or production from a well on any portion of a unit created hereunder, including the completion of a well capable of producing gas only from which gas is not being sold or used, shall for all purposes, except the payment of royalties, have the same effect upon the terms and provisions of this lease, as if a well were commenced, drilled, completed producing, or capable of producing gas only and shut-in (gas not being sold or used) on the land embraced by this lease. As to each such unit so created by Lessee, Lessor agrees to accept and shall receive out of the production or the proceeds from the production from such unit, such portion of the royalties elsewhere herein specified as the number of acres out of this lease placed in any such unit bears to the total number of acres included in such unit; provided, however, that, anything to the contrary contained in this lease notwithstanding, in the event a well capable of producing gas only is completed on a unit created hereunder and gas is not sold or used from said well, Lessor agrees to accept and shall receive as royalty, an amount equal to One Dollar (\$1.00) for each. acre herein recited to be covered by this lease, payable annually at the end of each year during which such gas is not sold or used, and while said royalty is so paid or tendered, this lease shall continue in full force and effect and said well shall be considered a producing well under the paragraph hereof setting forth the term of this lease. The Lessee may place and use on each unit created hereunder common measuring and receiving tanks for production from such unit. If Lessee does create any such unit or units under the cption herein granted, then Lessee shall execute in writing and file for record in the Gounty or Counties in which each such unit or units created hereunder may be located, an instrument identifying and describing each such unit o

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CONSIGNATION OF

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SHALL APPLY TO THE PRESENT WILL NOW IN PRODUCTION AS TO PAST SHUT IN PAYAGUTS. Except as herein amended and supplemented, the terms and provisions of the above described lease shall remain in full force and effect as originally written. This instrument shall be binding upon all of the parties who sign the same regardless of whether it is signed by all of the parties owning interests in the oil and gas in and under the above described land. This amendment may be executed in as many counterparts as deemed necessary, and, when so executed shall have the same effect as if all parties had executed the same instrument.

EXECUTED THIS / day of Octaher, 1954

Helen Zemmermen

RJ Pennel A. J. Zimmorman

We the undersigned, Howard N. Typksen and Zelma H. Typksen present owners of a n undivided one -half  $(\frac{1}{2})$  intrest in and to the above described tract approve this Amendment to to the lease.

Ur rd N. Tycksen Ľ Ľ m NB ma H. Tyokseź

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STATE OF OREGON

countries multinesnel

On this <u>1.3'</u> day of <u>C.C.</u> 1954, before me appeared Helen Zimmerman and R. J. Zimmernam, her husband, to me known to the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my notarial seal the day and year first above written.

Notary Public 3ici

My commission expires 10-10-55

STATE OF NEW MEXICO )

COUNTY OF SAN JUAN

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On this <u>15</u> day of <u>1644</u> 1954, befores me personally appeared Howard N. Tyckson and Zelma H. Tyckson, his wife, to <u>me known</u> to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act abd deed.

IN WITNESS WHEREOF, I have set me official signature and affixed my notarial seal the day and year first above written.

Mar Notary Public

Ny commission expires  $4\pi6$  24 - 1956 PLAN OF DEVELOPMENT FOR THE CALENDAR YEAR 1955 PICTURED CLIFFS ZONE - GALLEGOS CANYON UNIT SAN JUAN COUNTY, NEW MEXICO

TO: The Oil and Gas Supervisor (6) United States Geological Survey Roswell, New Mexico

> Commissioner of Public Lands (3) State of New Mexico Santa Fe, New Mexico

Oil Conservation Commission (3) State of New Mexico Santa Fe, New Mexico

In compliance with the Section 9 of the Gallegos Canyon Unit Agreement dated November 1, 1950, Stanolind Oil and Gas Company, as successor Unit Operator to Benson-Montin, on behalf of itself and all other owners of oil and gas leases or of operating rights under oil and gas leases covering lands committed to the Gallegos Canyon Unit, hereby submits a Plan of Development for the Pictured Cliffs Zone of said Gallegos Canyon Unit as follows:

1. <u>Description of Participating Area in Pictured Cliffs Zone</u>: The participating area for the Pictured Cliffs Zone is comprised of the following described acreage:

> <u>T-27-N. R-12-W</u>: Section 4 Section 5, NE/4 <u>T-28-N. R-11-W</u>: Section 31, S/2 <u>T-28-N. R-12-W</u>: All of Sections 7 through 10 and 14 through 36 W/2 Section 11 <u>T-28-N. R-13-W</u>: All of Sections 12, 13, and 24 E/2 of Section 11 E/2 of Section 14 <u>T-29-N. R-12-W</u>: All of Sections 19 and 29 through 33 <u>T-29-N. R-13-W</u>: All of Sections 19 and 29 through 33

All of Sections 24, 25, 26, 35, and 36

All located in San Juan County, New Mexico comprising approximately 25,785 acres.

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	BEFORE THE	
	OIL CONSERVATION COMMISSION	ŝ
	Santa Fe, New Mexico	
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	Case No. 10346 Exhibit No. E	
the second se	Submitted by Lode	
	Az/15/	
-	Hearing Date 02/27/42 03/12/	[ 1
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2. <u>Past Development History of Pictured Cliffs Zone</u>: Sixty-eight wells have now been drilled in the Gallegos Canyon Unit. The following tabulation reflects the current status of development for the unit:

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Well	Location	Completion Date	Initial Potential (MCF)	Remarks *
GCU #1	SW 19-29N-12W	9-28-51	1475	
GCU #2	SW 35-29N-12W	11-1-51	Dry Holé	Outside Participating Area
GCU #3	SW 24-28N-12W	11-1-51	550	
GCU #4	NE 34-28N-12W	11-1-51	3970	
GCU #5	NE 13-28N-13W	11-1-51	4830	
GCU #6	SW 22-28N-12W	2-8-52	2830	
GCU #7	NE 30-28N-12W	11-1-51	750	
GCU #8	SW 22-28N-12W	12-7-51	125(Dakota)	Non-commercial determina- tion for Dakota approved by U.S.G.S. Well being operated on lease basis as V. W. McManus (Dakota) #1.
GCU #9	SW 32-28N-12W	2-6-53	1210	
GCU #10	SW 33-28N-12W	1-23-53	2519	
GCU #11	SW 34-28N-12W	10-28-52	887	· · · · · · · · · · · · · · · · · · ·
GCU #12	NE 33-28N-12W	1-23-53	2930	÷
GCU #13	SW 27-28N-12W	- 11-13-52	2305	
GCU #11	SW 26-28N-12W	10-28-52	1300	
GCU #1	5 SW 25-28N-12W	10-28-52	147	<b>,</b>
GCU #16	5 NE 27-28N-12W	9-19-52	2265	
GCU #17	7 Sec. 28-28N-12	2W 8-18-52	6035	· · · ·
GCU #1	8 NE 21-28N-12W	4-3-53	2486	
GCU #1	9 NE 20-28N-12W	8-25-53	3120	
GCU #2	0 SW 17-28N-12W	3-16-53	2215	
GCU #2	1 SW 18-28N-12W	2-26-53	7672	•
GCU #2	2 NE 18-28N <b>-12W</b>	2-22-53	2580	
' GCU #2	3 SW 13-28N <b>-13</b> W	3-17-53	1604	· · ·
3CU #2	4 SE 34-28N-12W	1-23-53	3590	
GCU #2	5 SW 26-29N-13W	6-29-53	87	
GCU #2	6 NE 25-29N-13W	9-26-53	134	
GCU #2	:7 SW 30-29N-12H	5-6-53	Dry Hole	Initial Participating Area. Temporarily Abandoned. (PC)

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		Page 3	
GCU #28 NE 30-29N-12W	6-26-53	734	
GCU #29 SW 32-29N-12W	9-22-53	Dry Hole	Initial Participating Area. Plugged and Abandoned.
GCU #30 SE 33-28N-12W	5-17-53	1885	
GCU #31 NW 34-28N-12W	4-3-53	1130	
GCU #32 SW 7-28N-12W	8-18-53	2310	
GCU #33 SW 21-28N-12W	9-12-53	3400	•
GCU #34 Sec. 28-28N-12W	6-29 <b>-</b> 53	1951	•
GCU #35 Sec.20-28N-12W	9-12-53	5020	
GCU #36 NE 19-28N-12W	9-12-53	4593	. ·
GCU #37 SW 19-28N-12W	9-11-53	1350	· • ·
GCU #38 NE 24-28N-13W	8-25-53	1230	
GCU #39 SW 16-28N-12W	8-18-53	1120	
GCU #40 NE 29-28N-12W	9-12-53	3165	
GCU #41 NE 32-28N-12W	6-26-53	1470	
GCU #42 SW 12-28N-13W	10-31-53	3120	
CCU #43 NE 14-28N-13W	11-16-53	1930	
GCU #44 SW 35-29N-13W	12-10-53	2172	
GCU #45 SW 29-28N-12W	12-10-53	887	
GCU #46 NE 17-28N-12W	10-15-53	Dry Hole	Initial Participating Area. Permanently Abandoned.
GCU #48 SW 30-28N-12W	1-4-54	768	
GCU #49 NE 31-28N-12W	11-29-53	1050	
GCU #50 SW 21-28N-12W	8-15-53	Dry Hole	Shallow test Farmington Sand. Plugged and Abandoned.
GCU #51 NE 36-28N-12W	9-19-52	917	First Enlargement Participating Area. (PC)
GCU #52 NW 36-28N-12W	9-10-52	449	Ditto Above.
GCU #53 SW 36-28N-12W	10-19-54	1250	Ditto Above.
GCU #54 SE 36-28N-12W	3-17-54	196	Ditto Above.
GCU #55 Sec.35-28N-12W	12-18-52	2100	Ditto Above.
GCU #56 NW 35-28N-12W	9-18-52	1480	Ditto Above.
GCU #57 SW 35-28N-12W	8-18-52	1280	Ditto Above.
GCU #58 SE 35-28N-12W	9-10-52	1270	Ditto Above.
GCU #59 SW 31-28N-11W	10-10-52	1750	Ditto Above.
CCU #60 SE 31	10-10-52 11-13-53	971 648	Ditto Above. Ditto Above.
GCU #61 NE 4-27N-12W	·		•

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	GCU #62	NW 4-27N-12W	12-30-52	3400	Ditto Above
	GCU #63	NE 5-27N-12W	12-10-52	2658	Ditto Above
	GCU #64	SE 4-27N-12W	12-30-52	2658	Ditto Above
	GCU #65	SW 36-29N-13W	5-27-54	1020	
	GCU #66	NE 35-29N-13W	4-7-54	2516	
	GCU #67	NE 22-28N-12W	4-9-54	350	
	GCU #68	NE 14-28N-12W	5-29-54	113	
1	GCU #69	NE 28-29N-12W	10-11-54	205	Outside Pictur

Outside Pictured Cliffs Participating Area.

#All wells are in Initial Participating Area Pictured Cliffs Formation unless shown otherwise.

The Texas Company completed their Navajo "A" No. 1 in the NE of Section 6, T-27-N, R-12-W on December 14, 1953, for a potential of 1350 MCFD outside of the unit area. An application for an enlargement of the unit area and the Pictured Cliffs Participating Area to include the acreage proven productive by this well is pending approval of the U. S. Geological Survey.

3. <u>Proposed Additional Wells</u>: Based on our present interpretation of the Pictured Cliffs production trend, only two locations offer drilling prospects for 1955. Accordingly, the Unit Operator proposes to drill the following two Pictured Cliffs locations during 1955:

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SW/4 Sec. 24, T-28-N, R-13-W Tr 6

SW/4 Sec. 31, T-28-N, R-12-W

This drilling program has received sufficient concurrence under provisions of Paragraph 5 of the Unit Accounting Agreement to constitute approval by the working interest owners in the unit.

4. <u>Well Casing Program</u>: The well casing program will generally follow the program currently used in the Pictured Cliffs wells in San Juan County, including such surface casing and other casing as may be required by the Supervisor, the Commissioner, and the Commission, or as set forth in approvals of the applicable U.S.G.S. and State of New Mexico forms. The producing string of casing may be set and cemented either on top or through or partially through the producing zone.

5. <u>Off-set Obligations</u>: The Unit Operator on behalf of the owners of working, royalty, and other interests, in the Gallegos Canyon Unit, will take appropriate and adequate measures to prevent drainage from lands subject to the Gallegos Canyon Unit Agreement, by wells on lands not subject to said agreement or pursuant to applicable regulations, will pay a fair and reasonable compensatory royalty as provided in Section

#### Page 5

15 of the Gallegos Canyon Unit Agreement.

6. <u>Further Development</u>: This Plan of Development for the Pictured Cliffs Zone shall constitute the future drilling obligations of the Unit Operator pursuant to the provisions of the Gallegos Canyon Unit Agreement for the Pictured Cliffs Zone for the period ending December 31, 1955. It is further agreed that prior to the expiration of this Plan of Development another plan of development shall be submitted to the above named addressed for further development of the unit.

7. Effective Date: This Plan of Development shall be effective January 1, 1955.

8. <u>Modifications</u>: It is understood that portions of the Plan of Development herein outlined are dependent upon certain information to be obtained prior and subsequent to drilling and other contingencies such as availability of well casing; and for these reasons this Plan of Development may be modified from time to time with the approval of the Supervisor, the Commissioner, and the Commission, to meet changing conditions. Submitted this \_\_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_.

STANOLIND OIL AND GAS COMPANY, Unit Operator

	Attorney-in-fact					
		•				
APPROVED:	Regional Oil and Gas Supervisor			•		
	United States Geological Survey					
DATE:						
				•		
APPROVED:				•		
	Commissioner of Public Lands State of New Mexico			· .		
	State of New Mexico		· · · ·			
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DATE:	······································		•			
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APPROVED:						
AFFRUIDUI	Secretary Director		•			
	New Maxico Oil Conservation Comm	ission	•	•		
DATE:		:	· ·			
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WORKING INTEREST OWNERS GALLEGOS CANYON UNIT SAN JUAN COUNTY, NEW MEXICO

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Mid-Continent Petroleum Corporation P. O. Box 381 Tulsa, Oklahoma

Aztec Oil and Gas Company 920 Mercantile Securities Building Dallas, Texas

Albuquerque Associated Oil Co. Albuquerque, New Mexico

Mr. L. B. Hodges Roswell, ビベ 67 New Mexico

Miss Elma R. Jones 764 Twentieth Avenue San Francisco, California

Miss Pauline S. McNaughton 1423 Madison Street Oakland, California

The Texas Company P. O. Box 2332 Houston, Texas

Mr. Glenn J. Smith lst. National Bldg. Tulsa, Oklahoma

New Mexico Natural Gas Company Box 553 Sheboygan, Wisconsin

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Brookhaven Oil Company P. O. Box 644 Albuquerque, New Mexico

Mr. L. M. Johnson Box 594 Greensboro, N. C.

Mr. E. H. Colby 118 Woodstock Crystal Lake, Illinois

Texas Pacific Coal and Oil Co. P. O. Box 2110 Fort Worth, Texas

Mr. George J. Darnielle 3251 Coldwater Canyon North Hollywood, California

Devonian Gas and Oil Company 1103 House Building Pittsburg, Pennsylvania

Mr. Edward J. Johnson 223 Greenbank Avenue Fiedmont 10, California

## PAN AMERICAN PETROLEUM CORPORATION

P. 0. Box 480, Farmington, New Mexico December 20, 1960 TERAS PACIFIC FORL AND DE CHERRE RECEIVED

File:

Subject:

E-917-416

1961 Plan of Development Mar S Libit Marshall Gallegos Canyon Unit San Juan County, New Mexico

DEC 2 S 1060

The Oil and Gis Supervisor (6) United States Geological Survey Roswell, N W llexd.co

Commission Commissioner of Public Lands (3) State of New Mexico. Santa Fe, New Mexico

DEC 20 ISSU Oil Conservation Commission (3) State of New Mexico Santa Fe, New Mexico

All Working Interest Owners Gallegos Canyon Unit (See Attached Addressee List)

# Gentlemen

.K. 87.

In compliance with Section 9 of the Gallegos Canyon Unit Agreement dated November 1, 1950, designated I-Sec. No. 844, Pan American Petroleum Corporation, as Unit Operator, respectfully submits for your approval a Plan of Development for the calendar year 1961. The recommended 1961 Plan of Development has been approved by a majority of the Working Interest Owners as provided by the Unit Operating Agreement.

<u>History of Past Development</u> - There has been, to date, a total of 86 wells drilled in the Gallegos Canyon Unit. Of these, 67 are Pictured Cliffs producers, 4 are Gallup-Dakota duals, 1 a single Dakota completion well, 2 Gallup wells, 1 Fruitland completion, and 11 wells that are either dry holes or abandoned Pictured Cliffs wells.

An initial Gallup Participating Area has been established for cial production from Gallegos Canyon Unit No. 83. The performance allup completions are being carefully observed inasmuch as infor-available indicates that the Gallup may prove to be non-commercial ompletions. One Gallup completion has already been classified cial (Gallegos Canyon Unit No. 84), and application has been made -Commercial determination of the Gallup in the Gallegos Canyon 65 and 87, and in all probability, applications will also be the non-commercial determination for the two remaining Gallup the com of other G mation now in these o non-comment for the no Units No. made for completion

A non-commercial determination application has also been made for the Fruitland formation in Gallegos Canyon Unit No. 77.

An initial Dakota Participating Area has been approved as well as a First Enlargement thereof, and application has been filed for a Second Enlargement of the Gallegos Canyon Unit Dakota Participating Area.

I MA EX. F

The Oil and Gas Supervisor Commissioner of Public Lands Oil Conservation Commission All Working Interest Owners

December		
File: E-9		
Subject:	1961 Plan of Development	
	Gallegos Canyon Unit	
	San Juan County, New	
	Mexico	

Attached is a tabulation showing wells by producing formation, production data, etc., for the Gallegos Canyon Unit.

Proposed Additional Wells - It is planned to drill six additional Dakota wells during 1961, the location of which will be around the perimeter of the Gallegos Canyon Unit Area. We propose to drill no additional Pictured Cliffs wells during 1961 in view of the high risk involved insofar as further development of this zone is concerned. Prospects for further Gallup development in the Unit Area will be determined from information derived from the drilling of Dakota wells, inasmuch as the Gallup development and/or exploration.

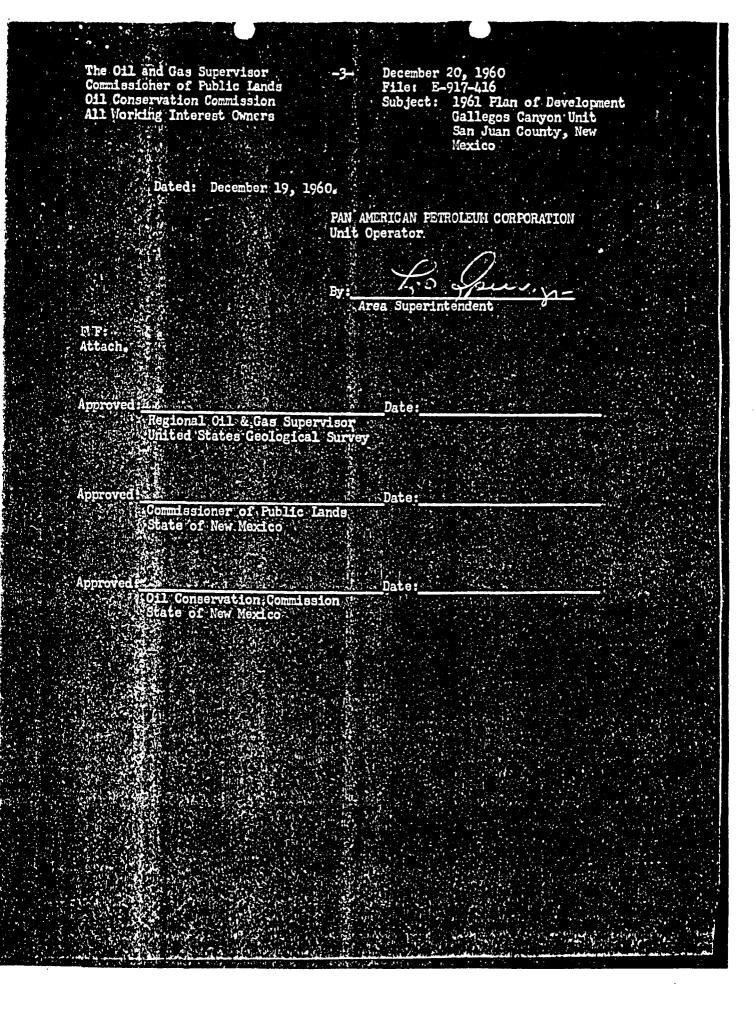
Well'Casing Program - The well casing program will generally follow the program currently used in similar wells in San Juan County, including such surface casing and other casing as may be required by the Supervisor, the Commissioner and the Commission, or as set forth in approvals of the applicable U.S.G.S. and State of New Mexico forms. The producing string of casing may be set and cemented on top, partially through or completely through the producing zone.

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Further Development - This plan of development shall constitute the drifting obligations of the Unit Operator under the terms of the Gallegos Canyon Unit Agreement for the period ending December 31, 1961. Before this plan expires, another plan for further development of the unit area will be submitted.

<u>Modifications</u> - It is understood that this plan of development is dependent upon certain information to be obtained prior to and subsequent to drilling, and upon other contingencies, such as availability of well casing; therefore, this plan of development may be modified from time to time to meet changing conditions.

January 1, 1961.



# STATISTICAL REVIEW OF OPERATIONS GALLEGOS CANYON UNIT DECEMBER 1, 1960

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Total Wells Drilled In Unit Unit Area	86 43,146.82	aores
Pictured Cliffs Statistics		
Pictured Cliffs Participating Area Total Wells Drilled Dry Holes	78 10	acres
Producing Wells as of 12-1-60 Temporarily Abandoned Wells Current Production	67 1	
October, 1960. November, 1960. Cumulative Production to 12-1-60	161,901 92,365 26,878,991	MCF .
Dakota Statistics		
Dakota Participating Area Proposed Second Enlargement Total Wells Drilled	3,840 11,027.02	
Producing Wells Current Production	1	
October, 1960 November, 1960 Cumulative Production to 12-1-60	13,265 12,927 200,076	MCF
<u>Qallup Statistics</u>		
Gallup Participating Area Total Mells Drilled Producing Wells	360 6 6	acres
Producing Wells Current Production October, 1960 November, 1960	6;036	bbls./oil
Cumulative Production to 12-1-60	77,963	bbls./oil bbls./oil
Fruitland Statistics		
Total Wells Drilled Current Production	<b>1</b>	(Non-Commercial)
October, 1960 November, 1960	5,854 3;356	MCF
Cumulative Production to 12-1-60	32,792	MUT

# MAILING LIST OF "ORKING INTEREST OINERS GALLIGOS CANYON UNIT AREA SAN JUAN COUNTY, NEW MEXICO

woltheven Oll Company D. Hoz 396 Arizona

te 1 stal Lake, Illinois

. H. and Dyvena Crawford

orge J. Darneille 521 Bordley louston, Texas Ernest A. Hanson ( P. O. Box 852 Rosvell, New Mexico

L. B. Hodges, P. O. Box 671 Nosvell, New Mexico dward J. Johnson 23 Greenbank Avenue iedmont 10, California

Southern Union Cas Company Fidelity Union Tower Building 1507 Pacific/Avenue Dallas, Texas Atta: Dr W. Whitlow.

Elma R. Jones 764 Twentieth Avenue San Francisco, California

Nathan Kessler 5900 States Drive Cakland, California 1...>

George H. Krause, et al P. O. Box 1107 Colorado Springs, Colorado

Delta Oil Company of Utah 26C6 Oak Lawn Avenue Dallas 19, Texas

El Paso Natural Gas Company P. O. Box 1492 El Paso, Texas

N. H. and Eula Stark Route 3 Farmington, New Mexico

Petro-Atlas Inc. 2000 National Bank of Tulsa Building Tulsa 3, Oklahoma

John J. Redfern, Jr. P. O. Box 1747 Nidland, Texas

H. K. Riddle 65 East 4th South Salt Lake City, Utah

Robb Vocds 501 W. Grand River' Street Clinton, Missouri

Skelly Oil Company Tulsa 2, Oklahoma Attn: Mr. D. E. Smith

Summit Oil Company Fidelity Union Tower Building 1507 Pacific Ayenue Dallas, Texas

Sunray Hid-Continent Oil Company P. C. Box 2692 Denver 1; Colcrado Attn: Hr. A. V. Wadman

Olen F. Featherstone Roswell Petroleum Building Roswell, New Maxico

Locke-Taylor Drilling Co. 801 Second Avenue Durango, Colorado Texaco, Inc. P. O. Box 3109 Hidland, Texas

-2-

Texas Facific Coal and Oil Company P. O. Box 2110 Fort Worth 1, Texas

John H. Trigg P. O. Box 6529 Roswell, New Me ico

Wood Oil Company Room 800, Midstates Building Tulsa, Oklahomu.

Note.

Stary.

Tom Bolack 1010 N. Dustin Farmington, New Nexico

BEF	ORE THE
OIL CONSERV	VATION COMMISSION
Santa I	Fe, Nuw Mexico
Case No. 1074	16 Exhibit No. F
Submitted by	Locke
Hearing Date	03/12/92

One Civic Center Plaza 1560 Broadway Suite 1900 Denver, Colorado 30202 Telephone (303) 863-3500 DEX: (303) 832-5042

August 18, 1989



Amoco Production Company Post Office Box 800 Denver, CO 80201

Attn: Leon Thurmon

RE: 1989 Plan of Development and 1988 Review of Operations Gallegos Canyon Unit Pictured Cliffs, Farmington and Fruitland Formations San Juan County, New Mexico

Gentlemen:

Attached are BHP's 1989 Plan of Development and 1988 Review of Operations for those lands which BHP sub-operates in the Gallegos Canyon Unit. BHP requests that you review and submit the plan at your earliest convenience to the five agencies listed on this attachment due to a September 10, 1989 deadline.

Should you have questions or comments in connection with the plan, please contact the undersigned. Also, to enable BHP to track the progress of its plan, please provide a copy of your submittal to BHP at the time of submission to the various agencies.

Very truly yours,

BHP PETROLEUM (AMERICAS) INC. nu

Donald Wood Engineering Manager Rocky Mountain Region

DW:PWA:gb

BEFORE THE OIL CONSERVATION COMMISSION Santa Fe, New Mexico	
Case No. 103 (6 Exhibit No	
Submitted by	
Hearing Date 03/12/4	2
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Date

Bureau of Land Management P. O. Box 1449 Santa Fe, NM 87501 Bureau of Land Management P. O. Box 6770 Albuquerque, NM 87197-6770

New Mexico State Land Office Oil & Gas Development P. O. Box 1148 Santa Fe, NM 87501-1148 Oil & Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, NM 87501

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Office of District Engineer Bureau of Land Management 1235 La Plata Highway Farmington, NM 87401

RE: 1989 Plan of Development and 1988 Review of Operations Gallegos Canyon Unit Pictured Cliffs, Farmington and Fruitland Formations San Juan County, New Mexico

Gentlemen:

Amoco Production Company, as Operator of the Gallegos Canyon Unit, on behalf of BHP Petroleum (Americas), Inc., the Sub-Operator of certain unit lands, submits the following 1988 Review of Operations and proposed 1989 Plan of Development.

#### 1988 Review of Operations

Total cumulative and 1988 production for those wells operated by BHP Petroleum (Americas) Inc. within the Gallegos Canyon Unit is summarized below.

Formation	1988 Production 12/31/88, MMCF	Cum. Production 12/31/88, MMCF	
Pićtured Cliffs	3,758.277	83,680.877	
Fruitland	505.093	2,834.143	
Farmington	3.231	54.772	

1989 Plan of Development Gallegos Canyon Unit Page 2

BHP completed five (5) Pictured Cliffs wells and recompleted one (1) Fruitland well during 1988. The following table provides information for each of these wells.

<u>Well</u> #	Location	Spud Date	Comp. Date	Perforations	Initial Rate
		Dual			
331	29-29N-12W	Recomp.	7/6/88	936'-948' Fruit	230 M/D
363 `	26-29N-14W	5/11/88	5/27/88	1572 <b>'-</b> 1584" PC	275 M/D
364	25-29N-13W	4/26/88	5/23/88	1210'-1226' PC	414 M/D
365	25-29N-13W	4/30/88	5/25/88	1246'-1266' PC	465 M/D
367	31-29N-12W	5/3/88	5/26/88	1455'-1470' PC	543 M/D
368	26-28N-12W	5/6/88	7/13/88	1589'-1618' PC	210 M/D

## 1989 Plan of Development

BHP proposes to drill five (5) Fruitland coal seam wells and six (6) Fruitland coal seam/Fruitland sandstone dual wells as shown on the attached map and tabulated below.

Well	Location	Formation(s)
381	NE Sec. 20-29N-12W	Fruitland Coal
382	SW Sec. 13-29N-13W	Fruitland Coal
383	NE Sec. 18-29N-12W	Fruitland Coal
384	NE Sec. 21-29N-12W	Fruitland Coal
385	SW Sec. 17-29N-12W	Fruitland Coal
373	SWSW Sec. 12-28N-13W	Fruitland Coal/Fruitland Sd.
375	SENE Sec. 17-28N-12W	Fruitland Coal/Fruitland Sd.
377	NE Sec. 24-29N-13W	Fruitland Coal/Fruitland Sd.
378*	SE Sec. 34-28N-12W	Fruitland Coal/Fruitland Sd.
379	NE Sec. 30-28N-12W	Fruitland Coal/Fruitland Sd.
380	SW Sec. 23-28N-12W	Fruitland Coal/Fruitland Sd.

\*Exception location for coal seam gas well for which BHP intends to apply for an exception to allow dual completion.

Drilling will commence upon all formal approvals including AFE's. These locations are limited to the lands which BHP sub-operates and do not include any wells which would require submittal by Amoco to the unit working interest owners.

In addition to the above drilling, BHP will recomplete the GCU #340 well located SWNW Section 24-T29N, R13W, in the Fruitland Sand situated at 917'-934'. This well was originally completed as a Pictured Cliffs well, but water production and related trucking costs have resulted in uneconomic operations.

1989 Plan of Developm t Gallegos Canyon Unit Page 3

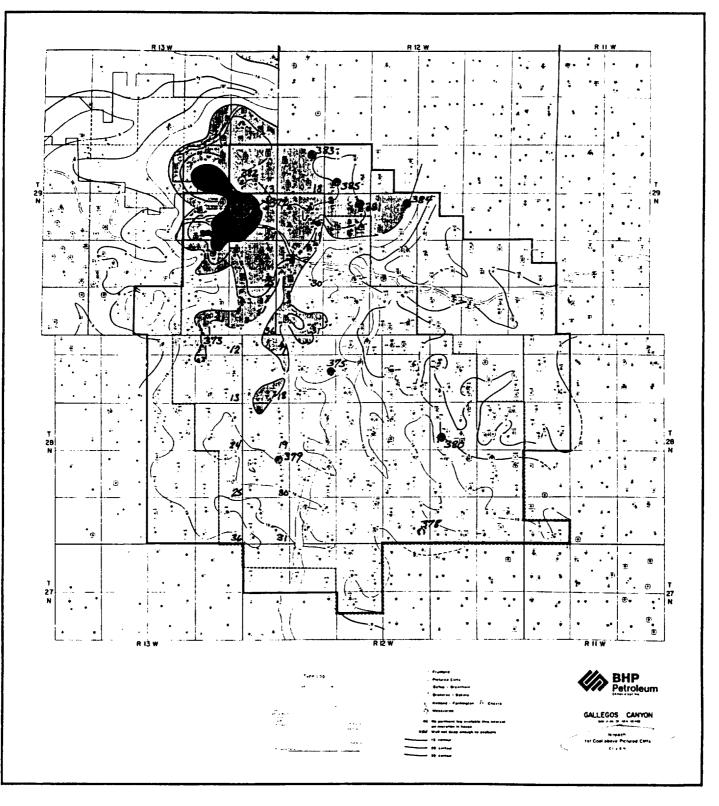
We respectfully submit this Plan of Development and request your approval at your earliest convenience. Please provide notice to both Amoco and BHP upon approval of the plan.

Very truly yours,

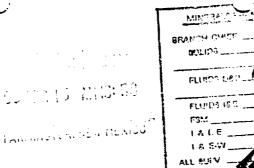
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AMOCO PRODUCTION COMPANY

cc: BHP Petroleum (Americas) Inc. 1560 Broadway, Suite 1900 Denver, Colorado 80202



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FRED

Americas 5847 San Felipe Suite 3600 Houston, Texas 77057 Telephone: (713) 780-5000 Fax (713) 780-5273 Telex 9108813603



April 16, 1990

Bureau of Land Management P.O. Box 1449 Santa Fe, NM 87501

New Mexico State Land Office Oil & Gas Development P.O. Box 1148 Santa Fe, NM 87501-1148

Bureau of Land Management Office of District Engineer 1235 LaPlata Highway Farmington, NM 87401 Bureau of Land Management P.O. Box 6770 Albuquerque, NM 87197-6670

State of New Mexico Oil Conservation Commission P.O. Box 2088 Santa Fe, NM 87501

Re: 1989 Review of Operations 1990 Plan of Development Gallegos Canyon Unit Pictured Cliffs, Fruitland, and Farmington Formations San Juan County, New Mexico

#### Gentlemen:

As a sub-operator of certain unit lands within the Gallegos Canyon Unit located in San Juan County, New Mexico, BHP Petroleum (Americas) Inc.(BHP P(A)) submits for your review and approval the following 1989 Review of Operations and the 1990 Plan of Development.

#### **1989 REVIEW OF OPERATIONS**

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For the BHP P(A) operated unit wells within the Gallegos Canyon Unit, the production of gas and water by reservoir for 1989 and on a cumulative basis to 12/31/89 is shown in Table I. A production curve for the summation of all unit wells is attached.

BEFORE THE OIL CONSERVATION COMMISSION Santa Fe, New Mexico			
Case No	3454 <b>Exhibit No.</b>	<u>H</u>	
Submitted by	Locke		
Hearing Date	02/27/92	03/12/	92

# TABLE I1989 PRODUCTION AND CUMULATIVE PRODUCTION

	1989 Production		Cumulative	Production
<u>Formation</u>	<u>Gas, MMCF</u>	<u>Water, BW</u>	Gas, MMCF	<u>Water, BW</u>
Pictured Cliffs	4,063.621	208,946	87,744.498	2,966,431
Fruitland	510.330	15,812	3,344.473	63,766
Farmington	2.227	80	56.999	80

The only development action taken by BHP P(A) in 1989 was the recompletion of the GCU No. 340. This well, located in the SW NW of section 24 T29N-R13W, had an initial test rate of 596 MCFD from Fruitland sand perfs at 917'-934'. The drilling program proposed in the 1989 Plan of Development was not commenced in 1989 due to rig availability and permitting problems. As is further discussed in the 1990 Plan of Development, this program has been partially carried over into the 1990.

#### **1990 PLAN OF DEVELOPMENT**

In 1990, BHP P(A) proposes to drill 37 wells and recomplete 3 existing wells. Well number, location, and objective formation for these wells is summarized in Table II and Table III and also shown on the attached plat. Well numbers 373, 375, 379, and 380 proposed in the 1989 Plan of Development have been deferred to a later date pending further evaluation of the Fruitland Coal in the southern half of the Unit.

Commencement of this work will begin upon formal approval of AFEs, permits, and any applicable location exceptions.

We respectfully submit this Plan of Development and request your approval at your earliest convenience. Please provide both BHP P(A) and the Unit operator, Amoco Production Company, notice of approval of this plan.

Thank you.

Very truly yours,

BHP Petroleum (Americas) Inc.

Youl C. Bertosta

Paul C. Bertoglio Sr. Petroleum Engineer Inland Business Unit

cc: Amoco Production Company 1670 Broadway P.O. Box 800 Denver, CO 80201 Attn: Rocky Mountain Land Manager

APR 26 1990

Chief, Branch of Mineral Resources Fermington Resource Area in A-Slago

TABLE II 1990 PROPOSED DRILLING WELLS

••••

Well No.	Location	<u>Primary Objective</u>
377	SE SW Sec. 24 29N-13W	Fruitland Coal
378	NE SW Sec. 34 28N-12W	Fruitland Coal
381/	SE NE Sec. 20 29N-12W	Fruitland Coal
382-	SE SW Sec. 13 29N-13W	Fruitland Coal
383 —	NW NE Sec. 18 29N-12W	Fruitland Coal
384	SW SW Sec. 21 29N-12W	Fruitland Coal
385	SW SW Sec. 17 29N-12W	Fruitland Coal
386 —	NE NE Sec. 13 29N-13W	Fruitland Coal
387 🛥	SW SW Sec. 18 29N-12W	Fruitland Coal
388	SW NE Sec. 17 29N-12W	Fruitland Coal
389 -	SW NE Sec. 21 29N-12W	Fruitland Coal
390 🌱	SE SW Sec. 23 29N-13W	Fruitland Coal
391-+	<b>NE</b> NE Sec. 23 29N-13W	Fruitland Coal
392	SW SW Sec. 26 29N-12W	Fruitland Coal
393	SE SW Sec. 25 29N-12W	Fruitland Coal
394	SE SW Sec. 30 29N-12W	Fruitland Coal
395	NW NE Sec. 30 29N-12W	Fruitland Coal
396	NE SW Sec. 35 29N-12W	Fruitland Coal
397	NE SW Sec. 36 29N-12W	Fruitland Coal
500 <sup>°</sup>	NE NW Sec. 13 29N-13W	Pictured Cliffs
501 /	NW SE Sec. 13 29N-13W	Pictured Cliffs
502 (	SW NW Sec. 18 29N-12W	Pictured Cliffs
503	SW SE Sec. 18 29N-12W	Pictured Cliffs
504	NE NW Sec. 17 29N-12W	Pictured Cliffs
505	NE SE Sec. 17 29N-12W	Pictured Cliffs
506 /	NW SW Sec. 16 29N-12W	Pictured Cliffs
507	NW NW Sec. 20 29N-12W	Pictured Cliffs
508	NW NW Sec. 21 29N-12W	Pictured Cliffs
509	NE NW Sec. 28 29N-12W	Pictured Cliffs
510	NW NE Sec. 28 29N-12W	Pictured Cliffs
511	NW NW Sec. 26 29N-12W	Pictured Cliffs
512	NW SE Sec. 26 29N-12W	Pictured Cliffs
513	SE NE Sec. 34 29N-12W	Pictured Cliffs
514	SW SE Sec. 34 29N-12W	Pictured Cliffs
515	SE NE Sec. 35 29N-12W	Pictured Cliffs
516	NW SW Sec. 7 28N-11W	Pictured Cliffs
517	SE NE Sec. 18 28N-11W	Pictured Cliffs

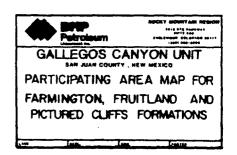
## TABLE III **1990 PROPOSED RECOMPLETIONS**

<u>Well No.</u>	Location	Objective Zone
28	NE NE Sec. 30 29N-12W	Fruitland Sand
274	SE SE Sec. 20 28N-12W	Fruitland Coal
319	SE NW Sec. 30 28N-12W	Fruitland Coal

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	# 370	· .	7384	87	• •	•		29 N
	# 77	420 41575		FETURED CLIFFS PARTICIP NOUNH FOURTH FALANGE PERATED BY GHP TO BASE	ATING AREA	•	•	
	#376 #397			+ +513	215/2 • 13/5 ▲ •	· · · ·		
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· · · · · · ·	: : :	• •. •.	•		FRUITLAND PARTICIPATIR AREA "A" THROUGH STHIRD ENLARGEMENT (AMOCO-OPERATOR)	577	•	•.
		PARMINGTON ING AREA A	• • •			•	•	• 1 2
· · · ·	INITIAL PRUITLAND		<i>x</i> .	• •		•	•	• N
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•				• • •	• • •	•	: ·	•

Fruitland Sand
 Fruitland Coal
 Pictured Cliffs





5847 San Felipe Suite 3600 Houston, Texas 77057 Telephone: (713) **780-5000** Fax (713) 780-5273 Telex 9108813603

July 23, 1990



Mr. Robert Hopkins Meridian Oil Production, Inc. P. O. Box 4289 Farmington, NM 87499

Re: Proposed Development Wells Gallegos Canyon Unit San Juan County, NM

Dear Mr. Hopkins:

BHP Petroleum (Americas) Inc. proposes the drilling of the following wells in Gallegos Canyon Unit on drilling blocks in which Meridian owns a leasehold interest:

Well Name	Location	Drilling Block	Primary Objective	
GCU #386 GCU #391 GCU #392 GCU #393 GCU #394 GCU #395 GCU #396 GCU #397 GCU #500 GCU #501 GCU #501 GCU #511 GCU #513 GCU #514 GCU #515	NE/4 NE/4 Sec. 13-T29N, R13W NE/4 NE/4 Sec. 23-T29N, R13W SW/4 SW/4 Sec. 26-T29N, R13W SE/4 SW/4 Sec. 25-T29N, R13W SE/4 SW/4 Sec. 30-T29N, R12W NW/4 NE/4 Sec. 30-T29N, R12W NW/4 NE/4 Sec. 30-T29N, R13W NE/4 SW/4 Sec. 36-T29N, R13W NE/4 SW/4 Sec. 13-T29N, R13W NE/4 NW/4 Sec. 13-T29N, R13W NE/4 NW/4 Sec. 28-T29N, R13W NE/4 NW/4 Sec. 26-T29N, R13W SE/4 NE/4 Sec. 34-T29N, R13W SW/4 SE/4 Sec. 34-T29N, R13W SW/4 SE/4 Sec. 35-T29N, R13W	E/2 Sec. 13-T29N, R13W E/2 Sec. 23-T29N, R13W W/2 Sec. 26-T29N, R13W W/2 Sec. 25-T29N, R13W W/2 Sec. 30-T29N, R12W E/2 Sec. 30-T29N, R12W E/2 Sec. 35-T29N, R13W W/2 Sec. 36-T29N, R13W W/4 Sec. 13-T29N, R13W NW/4 Sec. 28-T29N, R13W NW/4 Sec. 26-T29N, R13W NW/4 Sec. 34-T29N, R13W NE/4 Sec. 34-T29N, R13W NE/4 Sec. 35-T29N, R13W	Fruitland Coal Fruitland Coal Fruitland Coal Fruitland Coal Fruitland Coal Fruitland Coal Fruitland Coal Fruitland Coal Fruitland Coal Fruitland Coal Pictured Cliffs Pictured Cliffs Pictured Cliffs Pictured Cliffs Pictured Cliffs Pictured Cliffs Pictured Cliffs Pictured Cliffs	(all in the

Enclosed for Meridian's consideration are two copies each of AFEs for each of the proposed wells. Please advise within thirty (30) days whether or not Meridian wishes to participate in any of the above described wells.

Very truly yours,

Reinhurdt Nother

Donald Reinhardt Landman Inland Business Unit

DR:CFL

Enclosures

BEFORE THE OIL CONSERVATION COMMISSION Santa Fe, New Mexico 103454 Case No. 10346 Exhibit No. 1	
Submitted by Lock	
tearing Date	٢2
	OIL CONSERVATION COMMISSION Santa Fe, New Mexico 103454 Case No. <u>10346</u> Exhibit No. <u>I</u> Submitted by <u>Lock</u>

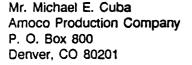
August 10, 1990

Telephone: (713) 780-5000 AUG 1 3 1996 (x (713) 780-5273 Provide a state of the sta Lock Et.

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5847 San Felipe Suite 3600 Houston, Texas 77057



BHP Petroleum

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Re: Proposed Farmout Wells Farmout Contract dated October 20, 1989 Gallegos Canyon Unit San Juan County, NM

Dear Mr. Cuba:

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BHP Petroleum (Americas) Inc. is required to drill a total of fifteen wells during calendar year 1990 in order to maintain its rights under an amended Farmout Contract with Amoco dated October 20, 1989. BHP has staked and is now permitting the below listed wells which it intends to drill under the terms of the said farmout.

Well	Location	Objective
GCU #386	NE/4 NE/4 Section 13-T29N, R13W	Fruitland Coal $\int a^{\hat{U}} + \frac{1}{2}$
GCU #387	SW/4 SW/4 Section 18-T29N, R12W	Fruitland Coal
GCU #388	SW/4 NE/4 Section 17-T29N, R12W	Fruitland Coal
GCU #390	SE/4 SW/4 Section 23-T29N, R13W	Fruitland Coal Fruitland Coal Fruitland Coal Pictured Cliffs
	NE/4 NE/4 Section 23-T29N, R13W	Fruitland Coal
GCU #500	NE/4 NW/4 Section 13-T29N, R13W	Pictured Cliffs
GCU #501	NW/4 SE/4 Section 13-T29N, R13W	Pictured Cliffs
GCU #502	Lot 2, Section 18-T29N, R12W	Pictured Cliffs Ur
GCU #503	SW/4 SE/4 Section 18-T29N, R12W	Pictured Cliffs
GCU #504	NE/4 NW/4 Section 17-T29N, R12W	Pictured Cliffs
GCU #505	NE/4 SE/4 Section 17-T29N, R12W	Pictured Cliffs
GCU #506	NW/4 SW/4 Section 16-T29N, R12W	Pictured Cliffs
GCU #507	NW/4 NW/4 Section 20-T29N, R12W	Pictured Cliffs
GCU #509	NE/4 NW/4 Section 28-T29N, R12W	Pictured Cliffs
GCU #510	NW/4 NE/4 Section 28-T29N, R12W	Pictured Cliffs
GCU #511	NW/4 NW/4 Section 26-T29N, R12W	Pictured Cliffs
GCU #512	NW/4 SE/4 Section 26-T29N, R12W	Pictured Cliffs
GCU #513	SE/4 NE/4 Section 34-T29N, R12W	Pictured Cliffs
GCU #514	SW/4 SE/4 Section 34-T29N, R12W	Pictured Cliffs
GCU #515	SE/4 NE/4 Section 35-T29N, R12W	Pictured Cliffs
GCU #516	Lot 4 Section 7-T28N, R11W	Pictured Cliffs

In addition to the wells described above, BHP will also resume operations on the GCU #382 which were suspended in July due to the lack of a certain drilling permit from the City of Farmington, New Mexico. The necessary permit has been issued and operations will resume once a drilling rig arrives. Once the GCU #382 is completed, a request for an assignment of leasehold will be submitted for the interest earned in the drilling of the first five wells.

As noted above, the wells listed above are being permitted now. Please review the list and advise as soon as possible should Amoco has any objections to any of the proposed wells or locations.

Amoco Production Company Page 2 August 10, 1990

We appreciate your continued support in this project. Please let us know if we can be of any additional assistance.

Very truly yours,

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winhardt

Donald Reinhardt Landman Inland Business Unit

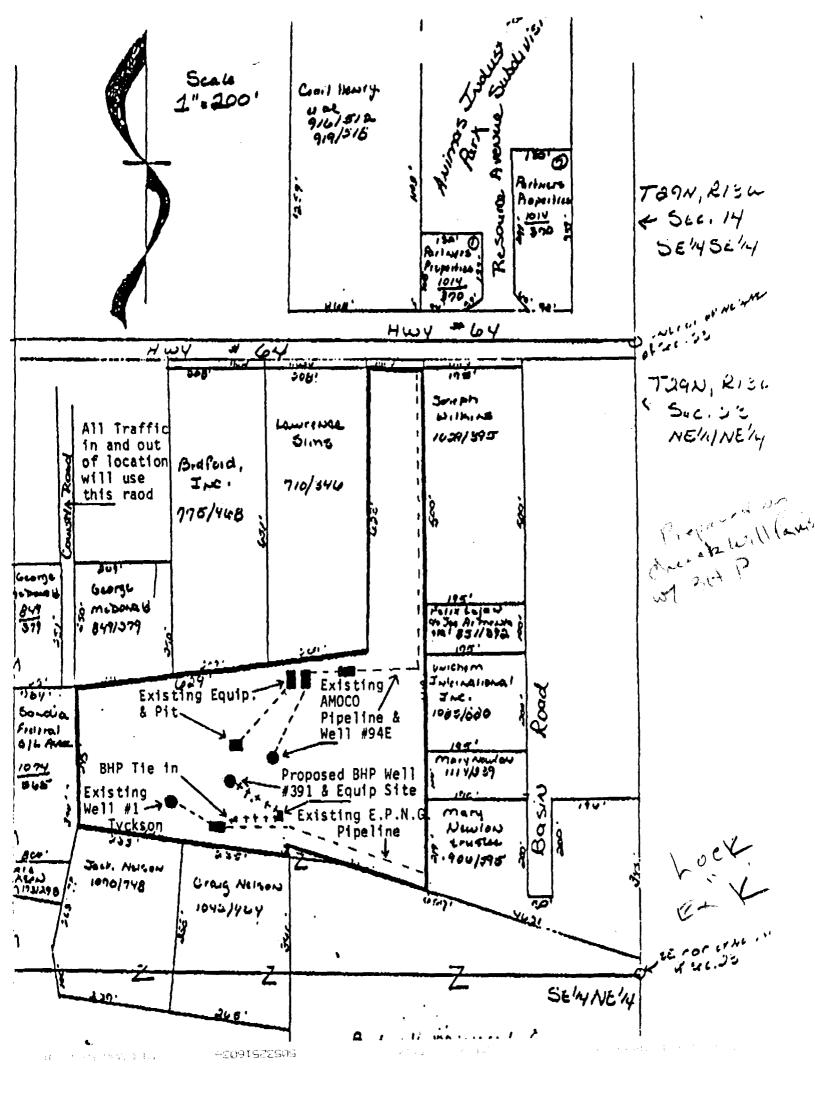
2.

DR:CFL

cc: <u>BHP Petroleum (Americas) Inc.</u> Lee McLean Jason Edgington Bob McNeil Randall Davis

OIL CONSE Sant	BEFORE THE ERVATION COMMISS In Fo, New Mexico	<b>`</b>	
Case No. 103	YG Exhibit No.		1
Submitted by	Locke		
Hearing Date	02/27/92	03/1	192

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BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 103454 Exhibit No. K
Submitted by
Hearing Date 02/27/42 03/12/12



#### AUTHORITY FOR EXPENDITURE Inland Business Unit (Drilling, Workovers, Recomp.'s, Etc.)

Acct. Form 19

ontract/Agreement No	Land Lease N	lo		Budget Year 1991
	Date			
allegos Canyon Unit No.390	spect Nome			V NO. <u>NMOO300039</u> rea <u>FA106</u>
ield of Area Basin Fruitland Field	Location SE/SW Section 23 T29N			County and State an Juan, New Mexico
Ype of AFE Drill, Complete, Equip	Development (X) Exploratory () AAPG Class:	Formation & Fruitland Co		Expected Production Gas - ( X )
ast Well on Lease Yes ( ) No			1640 '	0il - ( )
Project Description: (To Include S Drill, complete, and equip a 1	pecial Provisions and Remarks) 640 foot Fruitland Coal well at the r	eferenced location.		BHP Interest           BPO         100.00           NRI         76.75           APO         NI.           NRI         NRI
	ESTIMATED CO	STS		
COMPANY	WORKING INTEREST OR ALLOCATION %		NG WELLS	OTHER
SHP Petroleum	To Csg. Pt. Aft. Csg. Pt.	Dry Hole 43,655	Produ 132,1	cer Total Cost
Total	100	43,655	132,1	30
Less: Contributions		( - 0 - )	( - 0	- )(
Net Costs		43,655	132,1	30
repared by Paul C. Bertoglic	, RB	Date May 14,	1990*	
Recommended:	<u> </u>	Dutotay_14,	1000	
Operations Date	Land Date N	Marketing Da	ate (	
······	······································			
Jan Scar 6-4-40				······································
	Approve	d <i>QMEdque</i>	fon	
	ecognized that the amounts provi			
uthorization shall extend to the et out.	actual costs incurred in conductin	g the operation spe	cified, eith	er more or less than he
Company	Ву		<b>Fitle</b>	Date
	PROJECT JUSTIF	ICATION		
3HP Net Working Interest: 100%	Before Payout 100%		ter Payout	
BHP Net Revenue Interest: 76.75% Expected Benefits: Net Increase in	Before Payout 76.75% Ultimate Recovery 0	Bbls. 52	the second s	MM
Net Increase in Future Cash Flow (Before Investment) \$ Net Present Value \$ <u>305,415 (ATAX)</u>	1,112,528 (BTAX)	Bbls/D154 Net Cash Flo		MCF/D stment) \$645,492 (ATAX)
	Con 14 Of Discours			



DETAILED COST ESTIMATE DK.LLING, RECOMPLETIONS AND WORKOVERS

Lease Name & Well No. Gallegos Canyon Unit No. 390

AFE No. 9101208

Location \_ SE/SW Section 23 T29N - R13W

# County and State San Juan, New Mexico

Loca	ation _ SE/SVV Section 23 1291	- HISW
	<del></del>	INTANC
		Gross Cost
<u>co</u>	<u>DE 4527-20</u>	To Csg Pt.
01	Rotary Footage	
	<u>_1,640</u> ft. @ \$ <u>9.00</u>	\$ <u>14,760</u>
02	Rotary Daywork	
	2_days WDP @ \$_4,000_da	y <u>8,000</u>
	days WOPD @ \$day	/
03		·
	Rotary Turnkey	
	Drilling Deals (W.I.)	·
	Rental Tools/Equipment	1,500
	Rig Move	
	Inspection Services	
	Trucking/Boats	2,000
	Personnel Transportation	
	Power/Fuel	
	Drlg Mud & Additives	2,000
	Drill Bits/Reamers	
16		1,200
	Mud Logging	
18		4,000
	DST's/Surveys	
	Cement & Cementing	2,000
29	•	
30	~ ~ ~	0.500
31		2,500
32	Geological Dria Darmita (Raada	
34	Drlg Permits/Bonds	
35	Drlg Title Opinion	
36		
	Right of Way/Damages	2,000
38		- <u></u>
	Overhead - Drig	
	Material & Supplies	4.000
42 43		1,200
	Contract Labor Other Drilling Costs	
44	Supplemental	······
	Total TCP	\$ 41,660
	BHP Net	\$ <u>41,660</u> \$ <u>41,660</u>
	DHF Net	<u>41,000</u>
	TANGIBLE DR	
CC	DE_4515-10 X-on	TCP
<u>~~</u>	Hand	
01	Installation Cost	\$ 250
	Casinghead	500
	Cond./Surface Csg	
07	<u>120</u> ft <u>7* 23# K-55</u>	
	@\$ <u>10.37</u> ft	1.245
10		
	ft	
	@\$t	
	ft	
	@\$ ft	
	Supplemental	
	Total Tangible TCP	\$ <u>1,995</u>
	BHP Net	\$ 1,995
	2	*
	Total Drilling Cost TCP	\$ 43,655
	BHP Net Cost TCP	
		* <u></u>
DD		

GIBLE DRILLING COSTS		<b></b>
	Gross	<b>.</b> .
CODE 4527-30	Completion (	<u>Josts</u>
01 Completion Rig 03 Camp Expense	\$7,500	
04 Wireline Services		
07 Rental Tools/Equipmen	t <u>1,000</u>	
09 Inspection Services	- · · · · · · · · · · · · · · · · · · ·	
10 Trucking/Boats	2,000	
11 Personnel Transportation	on	
12 Power/Fuel		
14 Drill Bits/Reamers		
15 Completion Fluids		
16 Water	1,000	
18 Cased Hole Logs 19 Perforate	1 500	
20 Well Surveys & Testing	1,500	
21 Acidize & Frac	17,500	
22 Cement & Cementing	5,000	
23 Squeeze Jobs		****
30 Engr. & Consulting		
31 Location Dirtwork/Cln. I	Up <u>1,500</u>	
37 ROW/Damages		
40 Overhead - Completion		
41 Material & Supplies	2,000	··
42 Co. Labor/Supervision	1,500	
43 Contract Labor 45 Other Completion Cost		
Supplemental	5	
Total Comp	. Costs \$ <u>40,500</u>	
	P Net \$ 40,500	
	X-on	
CODE 4515-20	Hd Comp. Co	sts
01 Installation Costs	\$	
02 Sucker Rods	1,500	
03 Btm Hole Pump	1,200	
04 Pumping Unit	5,000	
05 Prime Mover	7,500	
06 Wellhead/Tree	2,500	
07 Casing:		
<u> </u>	1.5# J-55	
ft		
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<u>t</u>	_	
@\$ft		
08 Tubing:		
<u> </u>		
@\$ <u>3.00</u> ft	4,575	·····
09 Hyd. & Other Pmp Equ	uip	
20 Packers	<u> </u>	
23 Other Well Equipment		
CODE_4515-21		
01 Installation Costs	\$5,000	
11 Tanks	1,500	
12 Buildings	<u> </u>	
13 Compressors		
14 Elec Line & Equip.		
15 Sepr. & Treaters	2,500	
16 Line Pipe	5,000	
17 Dehy. Equipment		
18 Other Lse Equipment		·
19 Misc Valves & Ftgs.	2,000	
Supplemental		
Total Tang Comp		•
BH	P NET \$ <u>47,975</u>	
TOTAL WELL COS	TS GROSS \$ 132,130	
	P NET \$ 132,130	
		<u> </u>

PR-44 (Rev. 10-84)

Paul C. Bertoglio

PREPARED BY:

OIL CONSERV Santa F	ORE THE ATION COMMISSION e, New Mexico	
Submitted by	Locke	
Hearing Date	02/27/92 03/1	2/92

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- 28



# AUTHORITY FOR EXPENDITURE Inland Business Unit (Drilling, Workovers, Recomp.'s, Etc.)

Acct. Form 19

Operator <u>BHP PETROLEUM (AM</u>			<u> </u>	AFE No.	9101209
C-EXRM0 Contract/Agreement No. <u>C-EXRM0</u>	02634 02709 Land Lease No	0	E	Budget Year	1991
Project must be commenced by:	Date December 31, 1990	, , ,			
Lease Name & Well No. Pros	pect Name Gallegos Canyon		Activity	No. NMO	03100391
Gallegos Canyon Unit No.391	spect NoPR350028		Focal Are		
Field or Area Basin Fruitland Field	Location NE/NE Section 23 T29N	- R13W		ounty and Sta Juan, New M	
Type of AFE Drill, Complete, Equip	Development (X) Exploratory ()	Formation & Fruitland Co	Depth pal - ±1170'	Expected Production	
Last Well on Lease Yes ( ) No (	AAPG Class:	Well TD -	1350•	50' Gas - (X) Oil - ()	
Project Description: (To Include Sp	pecial Provisions and Remarks)		11	BHP I BPO	nterest
Drill, complete, and equip a 13	350 foot Fruitland Coal well at the ro	eferenced location.		* W.I. <u>62</u> NRI <u>48</u>	
*Interest subject to partner of	elections.			APO W.1 NRI	
·····	ESTIMATED CO	STS	······································		·····
COMPANY	WORKING INTEREST OR ALLOCATION X	DRILLI	NG WELLS		OTHER
BHP Petroleum	To Csg. Pt. Aft. Csg. Pt. 62.50	Dry Hole 25,653	Produce 79,528		otal Cost
Meridian Oil Production, Inc.	37.50	15,392	47,717	, ,	
	_		ļ		<u></u>
	· · · · · · · · · · · · · · · · · · ·		 		
<u> </u>		· · · · · · · · · · · · · · · · · · ·			····-
Total	100.00	41,045	127,24	5	
Less: Contributions	<u> </u>	( - 0 - )	( - 0 -	) (	)
Net Costs		41,045	127,24	5	
Prepared by Paul C. Bertoglio	PCB	DateMay 14,	1990		
Recommended:					
Operations Date	Land Date M	larketing Da	ate <u> </u>	echnology	, Date 7 <u>S/39/9</u> 0
Sam Lean 6-4-90		Ome			
	Approved	QM Edgin	igon_	6	<u> 5 90</u> Date
	cognized that the amounts provid actual costs incurred in conducting				
MERIDIAN OIL	By R. chin Cognitat				10/17/90
Company		T	ïtle		Date
	PROJECT JUSTIFIC	CATION			
BHP Net Working Interest: 62.50% BHP Net Revenue Interest: 48.75%	Before Payout 62.5% Before Payout 48.75%			52.50% 48.75%	
Expected Benefits: Net Increase in U	Itimate Recovery0	Bbis. 335			MMCF
Net Increase in C Future Cash Flow (Before Investment) \$_	706,655 (BTAX)	bls/D99 Net Cash Flor	w (After Investr	MCF/D nent) \$10,0	003 (ATAX)
Net Present Value \$ 193,944 (ATAX)	@ <u>14</u> % Discount (ATAX)		-	- Years 1.922	
	100 %		, ayout	- Months	



-

Lease Name & Well No. <u>Gallegos Canyon Unit No. 391</u> AFE No. <u>9101209</u>

ocation <u>NE/NE Section 23 T29N</u>	- R13W	County and State	San Juan, New Mexi
	INTANGIBL	E DRILLING COSTS	
	Gross Cost		Gross
<u>ODE 4527-20</u>	To Csg Pt.	CODE 4527-30	Completion Co
I Rotary Footage		01 Completion Rig	\$ <u>7,500</u>
_ <u>1,350</u> _ft. @ <b>\$</b> _9.00	\$ <u>12,150</u>	03 Camp Expense	
2 Rotary Daywork	·	04 Wireline Services	······
_2_days WDP @ \$_4,000_day	/ 8,000	07 Rental Tools/Equipment	1,000
days WOPD @ \$day		• •	
		09 Inspection Services	
3 Drillsite Camp Expense		10 Trucking/Boats	2,000
5 Rotary Turnkey		11 Personnel Transportation	
5 Drilling Deals (W.I.)		12 Power/Fuel	
7 Rental Tools/Equipment	1,500	14 Drill Bits/Reamers	
B Rig Move		15 Completion Fluids	
9 Inspection Services		16 Water	1,000
0 Trucking/Boats	2,000	18 Cased Hole Logs	
	2,000		1 500
Personnel Transportation		19 Perforate	1,500
2 Power/Fuel	<u></u>	20 Well Surveys & Testing	<u></u>
3 Drlg Mud & Additives	2,000	21 Acidize & Frac	17,500
4 Drill Bits/Reamers	·	22 Cement & Cementing	5,000
6 Water	1,200	23 Squeeze Jobs	
7 Mud Logging		30 Engr. & Consulting	
B Open Hole Logs	4,000	31 Location Dirtwork/Cln. Up	1,500
0 DST's/Surveys		37 ROW/Damages	
			<u></u>
2 Cement & Cementing	2,000	40 Overhead - Completion	
4 Cores		41 Material & Supplies	2,000
9 Directional Drilling		42 Co. Labor/Supervision	1,500
0 Engineering & Consulting		43 Contract Labor	
1 Location Dirtwork/Cln Up	2,500	45 Other Completion Costs	
2 Geological		Supplemental	
<b>.</b>			a 6 40.500
4 Drlg Permits/Bonds		Total Comp. Cost	
5 Drlg Title Opinion		BHP Net	\$ <u>25,312</u>
6 Stake/Survey Location	500	X-	on
7 Right of Way/Damages	2,000	CODE 4515-20	Id Comp. Cos
8 Well Control Insurance		01 Installation Costs	\$ 1,500
0 Overhead - Drlg		02 Sucker Rods	1,500
1 Material & Supplies		03 Btm Hole Pump	1,200
2 Co. Labor/Supervision	1,200	04 Pumping Unit	5,000
	1,200		
3 Contract Labor		05 Prime Mover	7,500
4 Other Drilling Costs		06 Wellhead/Tree	2,500
Supplemental		07 Casing:	
Total TCP	\$39,050	<u>1,350</u> ft <u>4 1/2" 10.5# J</u> -	55
BHP Net	\$ 24,406	@\$ 5.00 ft	
	·	ft	-
	LUNG COSTS	@\$^tt	
TANGIBLE DRI			-
<u>ODE 4515-10</u> X-on	TCP	ft	
Hand		@\$ft	6,750
1 Installation Cost	\$ <u>250</u>	08 Tubing:	
6 Casinghead	500	1,250ft 2 3/8* 4.7# J-5	5
7 Cond./Surface Csg		@\$ 3.00 ft	
ft <u>7° 23# K-55</u>		09 Hyd. & Other Pmp Equip.	
@\$_10.37 ft	1,245	20 Packers	-
	1,240		
0 Inter./Liner Csg		23 Other Well Equipment	
ft			
@\$ft		<u>CODE 4515-21</u>	
ft		01 Installation Costs	\$5,000
@\$		11 Tanks	1,500
- · · _	<del></del>	12 Buildings	
Supplemental		13 Compressors	<b></b>
Supplemental	<b>A A O D A</b>		<b></b>
Total Tangible TCP	\$ <u>1,995</u>	14 Elec Line & Equip.	
BHP Net	\$ <u>1,247</u>	15 Sepr. & Treaters	2,500
		16 Line Pipe	5,000
Total Drilling Cost TCP	\$	17 Dehy. Equipment	
BHP Net Cost TCP	\$\$	18 Other Lse Equipment	
UNP NEL CUSE ICP	Ψ <u></u>		
		19 Misc Valves & Ftgs.	2,000
		Supplemental	
		Total Tang Comp. Cost	\$ <u>45,700</u>
		BHP NET	
			1055 ¢ 107 045
REPARED BY: <u>Paul C. Berto</u>	P _	TOTAL WELL COSTS GF BHP NET	

PR-44 (Rev. 10-84)

BEFORE THE	
OIL CONSERVATION COMMISSION	
Santa Fe, New Mexico	1
Case No. $\frac{103YS4}{103YC}$ Exhibit No. $L-2$	
Submitted by	
Hearing Date	192

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	ALTER, ALCONOMIC AND A DESCRIPTION OF A DESCRIPANTE A DESCRIPANTE A DESCRIPTIONO OF A DESCRIPTION OF A DESCR
	DEEODE THE
	OIL CONSERVATION COMMISSION Santa Fe, New Mexico 10345+ Case No. <u>10346</u> Exhibit No. <u>M-</u>
	Submitted by
	Hearing Date 02/27/92 03/11/92
BHP PETROLEUM (AMERICAS) INC	
5847 San Felipe, Suite 3600	
Houston, Texas 77057	
Telephone (713) 780-5000	
Fax (713) 780-5461	
1 ax (115) 100-5401	$\checkmark$ $\checkmark$ $\checkmark$

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## FACSIMILE TRANSMISSION

Date:	December 11, 1990 Richard Tully
To:	Richard Tully
Company:	Allorney (505) 377- 3388
Phone Number:	(505) 377- 3388
Fax Number:	(505) 327-7483
	Duril Dir H
From:	Jonald Keinhardt
Phone Number:	Donald Reinhurdt (713) 780-5443
Number of Pages Including This Cover Sheet:	8
Comments:	The following are copies of instrumenta-
	affecting fourse booke 's wirking interest
	The following are copies of instrumenta affecting house hocke's wirking interest in the histly Sec. 23 Tagis, RIBIN Don Locke-
	asked me to tax you copies in order to assist you in your reciew of title, Please call if we can be of any additional help. was sent from a Xerox 295, telephone number (713) 780-5461.
This transmission	was sent from a Xerox 295, telephone number (713) 780-5461.

If there are any problems with transmission, please call Carolyn Lindsey at (713) 780-5027.

5847 San Felipe Suite 3600 Houston, Texas 77057 Telephone: (713) 780-5000 Fax (713) 780-5273 Telex 9108813603

December 11, 1990

I



Mr. Don Locke 139 1/2 2nd Rifle, Colorado 81650

Offer to Purchase Leasehold Interest San Juan County, New Mexico

Dear Mr. Locke:

Enclosed for your information are copies of instruments affecting title to Louise Locke's working interest in the NW/4 Section 23-T29N, R13W, San Juan County, New Mexico. The instruments were copied for BHP by its New Mexico attorney from materials being examined for a title opinion which is yet unfinished. Copies of these instruments are being faxed today to Richard Tully in Farmington. Please let me know if I can be of any additional assistance.

Very truly yours,

einhardt

Donald Reinhardt Senior Landman

	L. L. A.R. LET. M.	
	BEFORE THE OIL CONSERVATION COMMISSION	
Contraction of the	Santa Fe, New Mexico	
	Case No. 103YG Exhibit No. <u>M-2</u>	
	Submitted by <u>Lock</u>	
The second se	Hearing Date 02/2762 03/2/	· ~

#### FARMOUT CONTRACT

THIS AGREEMENT, made and entered into the 20th day of October, 1989, by and between AMOCO PRODUCTION COMPANY, a corporation, authorized to do business in the State of New Mexico, whose mailing address is P. O. Box 800, Denver, Colorado 80201, hereinafter referred to as "Amoco" or "Nonoperator," and BHP PETROLEUM (AMERICAS) INC., a corporation, authorized to do business in the State of New Mexico, whose mailing address is 5847 San Felipe, Suite 3600, Houston, Texas 77057, hereinafter referred to as "Operator";

WITNESSETH, THAT:

WHEREAS, Amoco is the owner of a working interest in certain oil and gas leases within the areas outlined in Exhibit "A" covering land situated in San Juan County, State of New Mexico (said leases and land, insofar as said leases cover the oil and gas mineral rights lying in and under land within the outlined areas where Amoco owns a working interest, hereinafter sometimes being referred to as the "lease acreage"); and,

WHEREAS, Amoco has agreed to assign to Operator and Operator has agreed to accept from Amoco, the hereinafter specified interest in the lease acreage, upon and subject to the reservations, terms, covenants and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements hereinafter contained (including all those set out in the exhibits attached hereto, said exhibits being hereby incorporated herein by reference and made a part hereof for all purposes), it is hereby agreed by and between the parties hereto as follows:

BEFORE THE OIL CONSERVATION COMPLEX 24 Santa ha, sapa sa 10345 J Case No. 10346 Automotion Submitted by Locke Hearing Date 03 [12/82 The second in the second state of a second state of the second state of the second state of the second state of

## 1. <u>CALENDAR YEAR 1989 TEST WELLS</u>:

Operator, not later than December 31, 1989, shall commence the actual drilling of at least five (5) Test Wells at locations satisfactory to Amoco on tracts of the lease acreage or land pooled therewith with at least three (3) of said Test Wells to be located on spacing units approved by the State of New Mexico where the lease acreage is one hundred percent (100%) of the working interest therein. It thereafter shall prosecute the drilling of each of said wells diligently, without unnecessary delay and in a good and workmanlike manner to a depth not greater than the base of the Pictured Cliffs formation. Operator shall initially complete each of said Test Wells in the Fruitland Coal formation with due diligence.

## 2. CALENDAR YEAR 1990 TEST WELLS:

Operator, between January 1, 1990, and December 31, 1990, shall commence the actual drilling of at least fifteen (15) Test Wells at locations satisfactory to Amoco on tracts of the lease acreage or land pooled therewith. It thereafter shall prosecute the drilling of each of said wells diligently, without unnecessary delay and in a good and workmanlike manner to a depth not greater than the base of the Pictured Cliffs formation. Operator shall complete each of said wells with due diligence with at least five (5) of said Test Wells being initially completed in the Fruitland Coal formation.

3. <u>TEST WELLS IN SUBSEQUENT CALENDAR YEARS</u>:

Operator, in each calendar year subsequent to 1990, shall commence the actual drilling of at least ten (10) Test Wells at locations satisfactory to Amoco on tracts of the lease acreage or land pooled therewith until it has drilled sufficient Test Wells to earn rights in all of the lease acreage. If thereafter shall prosecute the drilling of each of said well, diligently, without

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# 7. <u>TITLES</u>:

Nonoperator does not warrant the title to the leases or lease acreage covered by this contract, but it shall upon request furnish to Operator such abstracts and other title papers as it has in its files, together with photostats of the basic leases and all intermediate assignments thereof. There shall be no obligation on the part of Nonoperator to purchase new or supplemental abstracts, nor to do any curative work in connection with the title to said lease acreage.

#### 8. DEFAULT:

If Operator fails to comply with drilling requirements of this contract. Amoco's sole remedy shall be the termination of this contract as to all undrilled lands and wells.

# 9. ASSIGNABILITY AND EFFECT OF CONTRACT:

Operator shall not assign this Contract in whole or in part without the prior written consent thereto of Nonoperator. The terms, covenants, and conditions of this contract shall be binding upon, and shall inure to the benefit of the parties hereto and their respective successors and assigns; and said terms, covenants and conditions shall be covenants running with the land covered hereby and the leasehold estate therein and with each transfer or assignment of said land or leasehold estate.

# 10. DRILLING AND COMPLETION OF THE TEST WELLS:

Operator shall notify Nonoperator immediately when the location for each Test Well is staked, when the material for the drilling thereof is moved to the location and when actual drilling is commenced. After actual drilling has been commenced and continuing until Operator has completed each Test Well as a producer, has plugged and abandoned it as a dry hole, or has relinquished operations to Nonoperator under this Article, Operator shall furnish to Nonoperator daily reports as to the progress of drilling, as well as

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#### 21. NOTICES:

Except as herein otherwise expressly provided, any notice or other communication required or permitted hereunder shall be deemed to have been properly given or delivered when delivered personally or by telegraph, or registered mail to a party hereto at its address as shown on page 1 hereof. The date of service by mail shall be the date on which such written notice or other communication is deposited in the United States Post Office, addressed as above provided. Each party hereto shall have the right to change its address for all purposes of this article by notifying the other party hereto thereof in writing.

22. FINAL AGREEMENT:

This Farmout Contract is the final agreement between the parties hereto and supersedes all prior negotiations and agreements, whether written or oral.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

AMOCO PRODUCTION COMPANY

woman ey in-Fact M. By  $\underbrace{1}_{Its}$ 

BHP PETROLEUM (AMERICAS) INC.

By <u>Colul-Contine</u> &

FWW/TLE 101789 CON779

÷,

STATE OF COLORADO)CITY AND: ss.COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 20th day of October , 1989, by G. W. Chipman as Attorney-in-Fact on behalf of AMOCO PRODUCTION COMPANY, a Delaware corporation.

WITNESS my hand and official seal.

n Shitemb-Public - Lelin m Notary

My Commission expires: My Commission expires October 23, 1991

STATE OF TEXAS

COUNTY OF HARRIS

SS.

):

)

The foregoing instrument was acknowledged before me this <u>/3th</u> day of <u>December</u>, 1989, by <u>Robert J. McNeil</u>, as Attorney-in-Fact of BHP PETROLEUM (AMERICAS) INC., a corporation.

WITNESS my hand and official seal.

HENRIETTA HAGAN Notary Public STATE OF TEXAS My Comm. Exp. Dec. 30, 1989 Commission expires: My

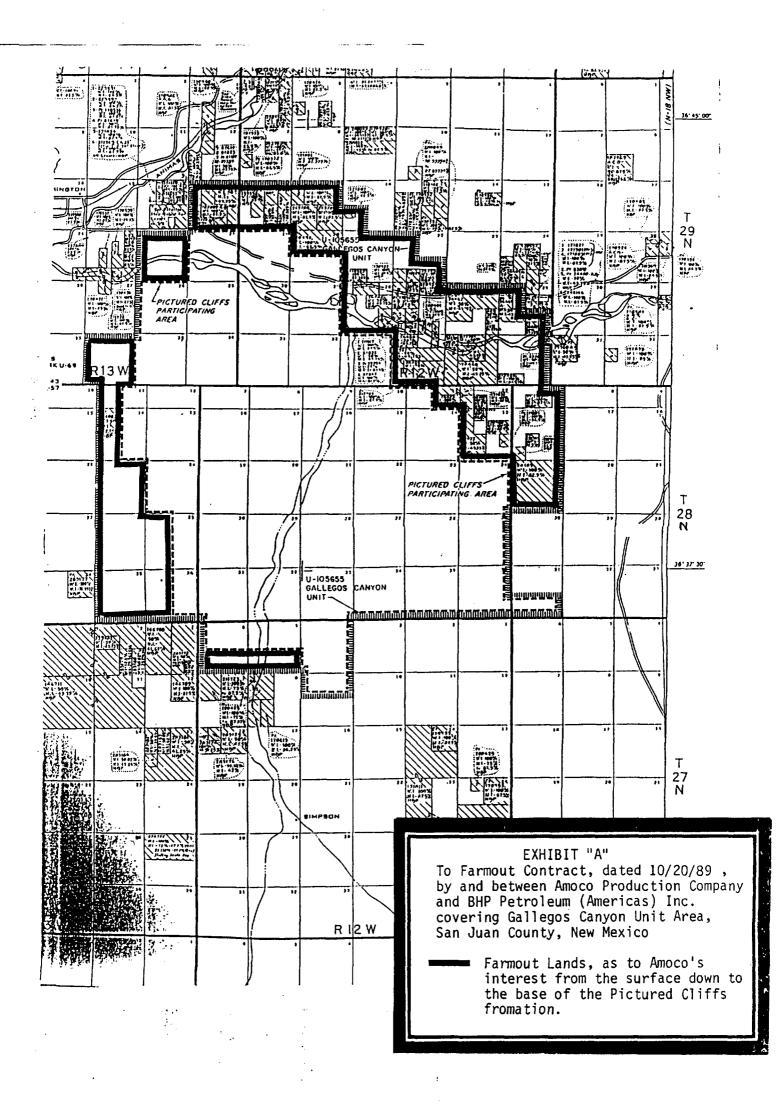
12/30/89

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Herriette 7. Notary Fublic

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EXHIBIT "A" (see below)



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#### EXHIBIT "B"

STATE OF NEW MEXICO ) : SS COUNTY OF SAN JUAN )

#### ASSIGNMENT

KNOW ALL MEN BY THESE PRESENTS:

THAT, in consideration of the sum of One Dollar (\$1.00) and other good and valuable considerations, the receipt and the sufficiency of which are hereby acknowledged, AMOCO PRODUCTION COMPANY, a corporation, whose mailing address is P. O. Box 800, Denver, Colorado 80201, hereinafter referred to as "Assignor," hereby does bargain, sell, assign, transfer and convey unto BHP PETROLEUM (AMERICAS) INC., a corporation, whose mailing address is 1560 Broadway, Suite 1900, Denver, Colorado 80202, hereinafter referred to as "Assignee," all of its right, title and interest in and to the working interest in the oil and gas lease(s) described on Exhibit "A," attached and made a part hereof, insofar as said lease(s) covers the oil and gas mineral rights lying in and under the land specifically described opposite the separate designation of each lease on said Exhibit "A" from the surface thereof down to a depth of \_\_\_\_\_ feet (the total depth drilled in the applicable test well to be inserted) (said lease(s) and land, insofar as said lease(s) covers oil and gas mineral rights assigned hereby hereinafter sometimes being referred to as the "lease acreage") subject to the following terms, covenants and conditions:

1. The lease acreage covered hereby is assigned by Assignor and accepted by Assignee subject to the overriding royalties, production payments, net profits obligations, carried working interests and other payments out of or

with respect to production which are of record and with which said lease acreage is encumbered; and Assignee hereby assumes and agrees to pay, perform or carry, as the case may be, each of said overriding royalties, production payments, net profits obligations, carried working interests and other payments out of or with respect to production to the extent that the same are or remain a burden on the lease acreage herein assigned.

2. Assignor hereby excepts and reserves unto itself, its successors or assigns, the following overriding royalty:

(a) Nine and one-half percent of eight-eighths (9.5% of 8/8) of the proceeds of the sale, or if no sale of the market value at the well, of all gas produced and saved through a gas well, which shall be paid to the Assignor free of all cost and expense, except taxes on production;

(b) Nine and one-half percent of eight-eighths (9.5% of 8/8) of all condensate and distillate produced and saved through a gas well or through a gas distillate well which shall be delivered free of all cost and expense, except taxes on production, at the well or, at the Assignor's option, to the credit of the Assignor into the pipeline to which said well may be connected;

(c) Nine and one-half percent of eight-eighths (9.5% of 8/8) of all oil and other liquid hydrocarbons produced and saved through an oil well, which shall be delivered free of all cost and expense, except taxes on production at the well or, at the Assignor's option, to the credit of the Assignor into the pipeline to which said well may be connected, and,

(d) Nine and one-half percent of eight-eighths (9.5% of 8/8) of the proceeds of the sale, or if no sale, the market value at the well of all casinghead gas produced and saved through an oil well, which shall be paid to Assignor free of all cost and expense, except taxes on production;

3. With respect to the overriding royalty herein excepted and reserved by Assignor, Assignor and Assignee agree, as follows:

(a) That oil and gas used in drilling and operations on the lease acreage and in the handling of production therefrom shall be deducted before said overriding royalty is computed.

(b) Assignee shall furnish to Assignor authentic itemized monthly reports of all production from or attributable to the lease acreage as well as the documented operating costs incurred in connection with

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such production. Such reports shall be mailed to Assignor not later than the fifteenth day of the month following that for which the reports are made. In recognition of the business necessity of receiving these reports in a timely fashion, Assignee, by acceptance of this assignment, agrees to pay as partial liquidated damages to Assignor, the sum of Two Hundred Dollars (\$200.00) for each month or portion thereof that Assignee fails to furnish these reports in a timely manner, together with interest at the highest rate allowed by law plus all costs of collection, including attorneys fees. The foregoing payments shall be in addition to any share of revenue attributable to any interests in the lease acreage owned by Assignor. The liquidated damages provisions of this Article shall not be deemed exclusive and shall not preclude the seeking of other damages for the failure to furnish revenue and expense reports, nor shall they limit the right of Amoco to seek other appropriate damages for the breach of any other terms hereof.

(c) That in the event said lease(s) covers less than all of the oil and gas mineral rights in and to the land covered by this assignment or Assignor owns less than the full working interest therein or if the lease acreage is pooled by valid order of the New Mexico Oil and Gas Commission, said overriding royalty shall be proportionately reduced.

4. Assignor hereby reserves the right to use so much of the surface of the land covered by this Assignment as is reasonably necessary to conduct oil and gas operations to deeper formations.

5. As to any wells which Assignee proposes to drill on said lease acreage after the delivery of this assignment, Assignee shall give Assignor notice thereof prior to commencing the actual drilling of any such wells, shall permit Assignor to have access to said wells and the derrick floors thereof at all reasonable times; upon request of the Assignor, shall furnish to Assignor well samples of all cores and cuttings consecutively taken, unless Assignor elects to take such samples itself and, at the request of Assignor, Assignee shall furnish to Assignor copies of any electrical well formation surveys made.

6. In the event that Assignee should elect to surrender, let expire, abandon or release all or any of Assignee's rights in said lease acreage, or any part thereof, Assignee shall notify Assignor not less than

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thirty (30) days in advance of such surrender, expiration, abandonment or release and, if requested so to do by Assignor, Assignee immediately shall reassign such rights in said lease acreage, or such part thereof, to Assignor.

7. This assignment is made subject to all the terms and express and implied covenants and conditions of the above described lease(s), insofar as said lease(s) covers the oil and gas mineral rights lying in and under that land above described down to the above specified depth, which terms, covenants and conditions Assignee hereby assumes and agrees to perform with respect to said oil and gas mineral rights lying in and under said land. Said terms, covenants and conditions, insofar as the lease acreage is concerned, shall be binding on Assignee, not only in favor of the lessors and their heirs, successors and assigns, but also in favor of Assignor and its successors and assigns.

8. This assignment is made without warranty of any kind, either express or implied, and is subject to that certain Farmout Contract dated October 20, 1989, between Assignor and Assignee.

9. Assignor reserves and excepts unto itself, its successors and assigns, the option and the exclusive right at any time, at all times and from time to time, to purchase all oil, gas, casinghead gas, and other hydrocarbons produced and saved from said lease acreage. Payment for any oil, distillate, condensate and other liquid hydrocarbons purchased hereunder shall be made at Assignor's posted price, or if Assignor does not post a price then at the prevailing price for production of similar kind and quality in the field where produced on date of delivery. Payment for gas and casinghead gas purchased hereunder shall be made at the wellhead price under contracts for the sale of production of similar kind and quality prevailing in the field at the time such

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		JUSB	C/22/89
BRIEF		_CLH:	8/22/83 west Agent 073279 0838 T: Pan Am wit Op Agent
• <sup>*</sup>		UNIT#:	-073279 0838
		r ROJr EG	1. Fall All lentop Agel
UNIT	AGREEMENT & OPERATING AC		2634
	Effective July 25, 195		PAS
BH mergy	AMOCO (Unit Operator)		veed to ke
		-	PAS Need to ke
Colleges Conver Wedge to			•
Gallegos Canyon Unit An	<u>ea</u> <u>5a</u>	in Juan Count	y, New Mexico
Status:		coducing Unit	
	EF	RG operates p	ortion of unit
		inds from sur	face to the base d Cliffs Formation
	(1	which is coin	cident with the
		Lctured Cliff	
<b></b>		•	43,146.62
Unit Acreage:	Ur	nit comprises	Acoincident with
		ne Dakota P.A	.). Amaco Opertiur
	P	patrand Cliffs	). Amoro Opertium 27, 794.65
Brief Unit History:	Ef	fective Dáte	: 7/25/51
	Pr	coducing Unit	: 9/28/51
	· 1s	st Unit Enlar;	gement: 9/3/53
date	21	nd Unit Enlar;	gement: 3/27/56
/ N Plan	Ап	mendment as to	o Dual Completions: 9/1/60
	As	signment of 3	Production
$\land \heartsuit \land \backsim$			an Am to OILCO, Inc.:
			12/31/65
	Ал	nendment of Sa	ale of
N	Ex	cess Gas:	1/16/68
	C.	mmundedeseta	n of #82 well:
		Jumonittizatio	8/12/68
BEFORE THE	nonkulautau to in ta		
OIL CONSERVATION COMMISSI	)N I		
Santa Fe, New Mexico			
Case No. 10345+ Case No. 10346 Exhibit NoC			

Locke Submitted by \_ 02/27/92 03/12/12 Hearing Date

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Unit Brief Page two

Clinton Purchase of Pan Am Interest: 12/31/69 Amendment to Chargeable Employee Benefits: 1/25/80 Designation of ERG as Sub-operator: 6/19/80 Purchase of Dugan #3 Well: 9/29/80 、 Amendment to Expenditure 5/15/81 Limits: Pooling of Shallow Formations on Lands Operated by ERG: 1/25/82 Amendment to Overhead Rates: 1/1/83 30.53902% (Note currently making offers to buy additional WI - Deuthland P Dakota Operated by AMOCO. Gallup "A"-"B"-"C"-"D" Operated by AMOCO. ( " c" toanswatel 1984) Pictured Cliffs Tota<u>l Acres</u> Eff 23,644.81 Original PA: 9728/51 lst Enlargement : 7/1/53 26,042.82 1/1/56 2nd Enlargement : 26,362.82 3rd Enlargement : 3/1/56 27,002.82 4th Enlargement : 3/27/56 27,794.68 Farmington "A" Original PA: 9/1/81 160.00 Fruitland "A" through Third Enlargement (Operated by AMOCO. 1275.68 acres)

ERG Working/Pooled Interest:

Participating Areas:

Unit Brief Page three

T.A . 2rial Ripharg. 1/1/85 832.56 3 ed 44h 3/1/85 992.56 871/85 1312.56 9/1/85 1448.49 oth

Operating Agreement: Operating Agreement: Orig PA 2/12/85 160 na. 154 Ewlarg. 9/1/85 450 45. 640 AC.

Note:

11100

Special Note:

cc: M. Conlon
 B. Wirth
 J. Bair
 L. Mull
 Geology Dept.
 R. Gillespie/Casper
 D. Smette/Wichita

,
Total Acres
160.00
320.00
160.00
672.56
152.45

No Casing Point Election 150% Non-consent penalty. Most unit operations require consent of 60% WI owners in affected participating area, including the drilling of wells, even if less than 60% actually participate in costs.

Extensive land review as to unit status, check for open acreage, review of leases, etc. done in 1980 by Carl Smith on a contract basis. No recent title available. A few tracts never committed to unit.

Departments which do not have contract or pertinent portions should request same from land.



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT Farmington Resource Area 1235 Laplata Highway Farmington, New Mexico 87401

NERK

Gallegos Canyon Unit (GC) 3180 (019) \*~

JUL. 1 2 1991

Mr. Richard Tully, P.A. P.O. Box 268 Farmington, NM 87499-0268

Dear Mr. Tully:

Your letter of June 20, 1991, requested this office to issue BHP Petroleum, as operator of the Gallegos Canyon Unit, an order to cease all operations on Well No's. 390 and 391 because of your concerns about trespass on patented lands in the N/2 Sec. 23, T. 29 N., R. 13 W. These patented lands are not committed to the Gallegos Canyon Unit.

We are unable to comply with your request for the following reasons. Well No. 391 was drilled in the NE/4 of Sec. 23 on patented lands. The BLM has no jurisdiction on operations on patented or state lands and therefore cannot address your trespass issue. Well No. 390 is currently being drilled on Federal Oil and Gas Lease NM-3654, which is committed to the Gallegos Canyon Unit. Since this well is located in an approved location within the unit, we decline to issue an order to BHP Petroleum to cease all operations.

As you are aware, the NMOCD has established 320 acre spacing for the Fruitland Coal. Both of these wells are being drilled within the established spacing. Upon their completion, BHP will be required to submit communitization agreements (CA's) covering each well. These CA's will allocate production to both the Gallegos Canyon Unit and those patented lands not committed to the unit.

Please call Duane Spencer at 327-5344 if you have any questions concerning this matter.

John Phillips Acting Area Manager

1 Enclosure 1 - Copy of June 20, 1991 Letter

cc: BHP Petroleum (Americas) Inc., 5847 San Felipe, Ste. 3600, Houston, TX 77057-3005 New Mexico Oil Conservation Division, 1000 Rio Brazos Rd., Aztec, NM 87410

	BEFORE THE RVATION CONSIGNATION
Sant	a Fe, New Mexico
Submitted by	Locke
Hearing Date	02/22/92 03/12/122



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT Farmington Resource Area 1235 Laplata Highway Farmington, New Mexico 87401



IN REPLY REFER TO Gallegos Canyon Unit (GC) 3180 (019)

MAR. 1 0 1032

Mr. Richard Tully P.O. Box 268 Farmington, NM 87499-0268

Dear Mr. Tully:

Your letter of March 3, 1992, requested clarification on the commitment status of Tract No. 102 to the Gallegos Canyon Unit. You referred to our letters of July 20, 1991 and Feb. 12, 1992, which contradict each other on this tracts commitment status.

We based our July 20 letter on the information you supplied in your original letter to this office. We assumed that the information you stated in your letter was correct. We regretfully did not do any research on the issue. BHP subsequently requested our determination on the commitment status of Tract No. 102. Since the issue had not been resolved, we researched our unit files. We subsequently determined that the tract was partially committed to the unit and notified BHP of this finding in our Feb. 12, 1992 letter.

For your information, the definition of partially committed (PC) is when the lessor has not committed to the unit, but all the lessees and working interests owners have committed their interests. When this occurs, a well that is drilled on the PC tract can be included in a participating area (PA). However, the working interest owner must allocate the entire production to the PA and also pay the noncommitted parties their just royalty on a leasehold basis.

We hope that this letter clarifies the issue. We regret any problems the contradictions in our letters have caused.

If you have any questions concerning this matter, please call Duane Spencer at (505) 599-8950.

Sincerely,

Mike Pool Area Manager

cc: See Attached List

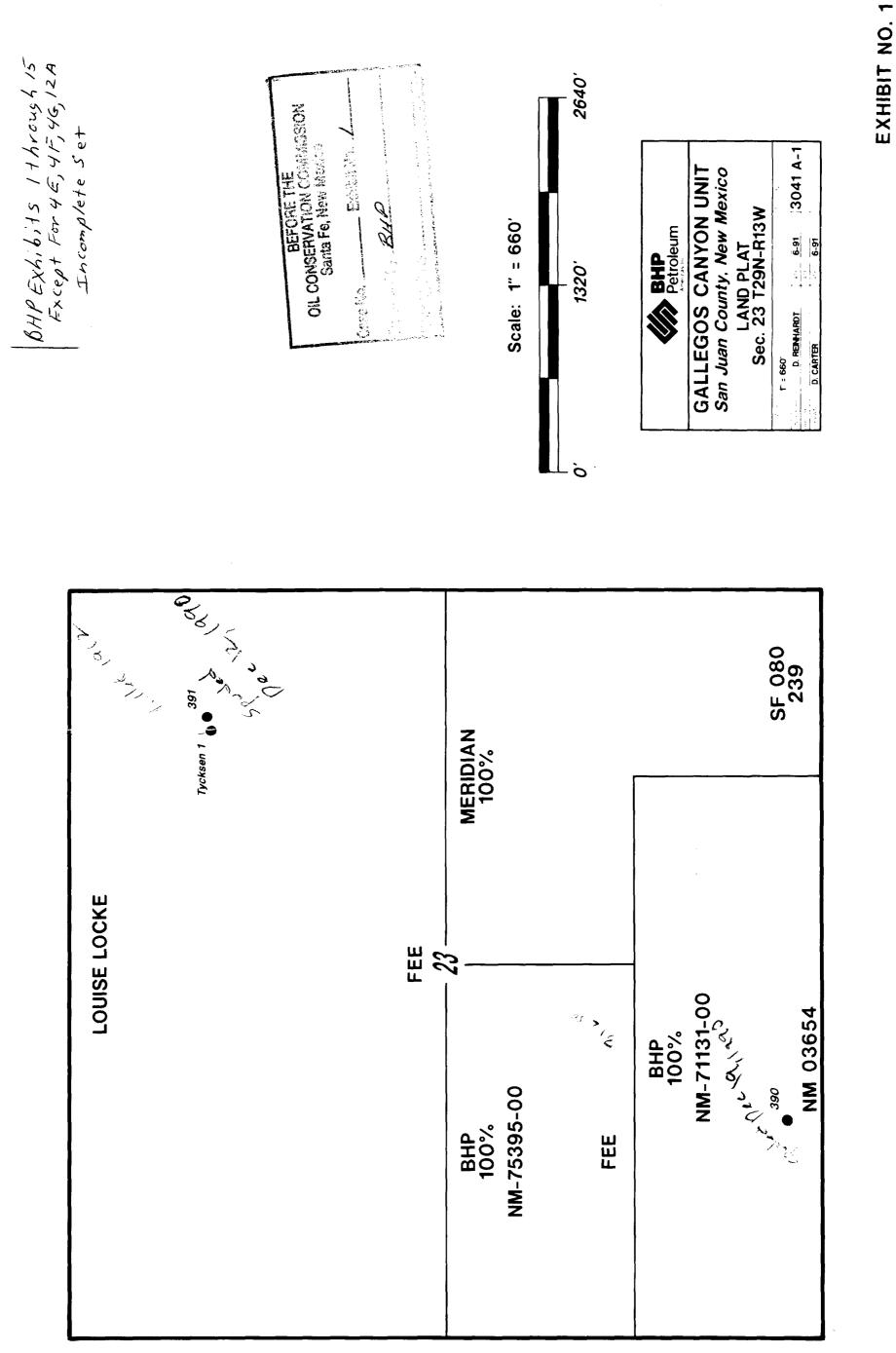
BEI	ORE THE
OIL CONSER	VATION COMMISSION
Santa	Fe, New Mexico
Case No. 103	454 Exhibit No. Q
Submitted by_	Locke
Hearing Date_	03/12/92

BHP Petroleum (Americas) Inc. 5847 San Felipe, Suite 3600 Houston, TX 77057-3005

4 ...

New Mexico Oil Conservation Division 310 Old Santa Fe Trail, Room 206 Santa Fe, NM 87503

New Mexico Oil Conservation Division 1000 Rio Brazos Road Aztec, NM 87410



between Helen Zimmerman and R. J. Zimmerman, her husband Box 452 Farmington; M. hereinafter called lessor,

Charles Newbold of Aztec, New Merico. and ... hereinafter called lessee, does witness:

That lessor, for and in consideration of the sum of One and no/100 Dollars (\$\_\_\_\_00 <u>San Juan</u> \_County, New Mexico, to with the East one-half Northeast of land in.

Quarter; Southwest Quarter of the Nortneast Quarter and Thirtsen agree in the South Part of the Northwest Quarter of the Northeast Quarter.

SSE 23 291 Range 13W 137 

2. This leave shall remain in force for a term of ten (10) years and as long thereafter as out, gas, casinghead gas, casing

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lessor's credit in the \_\_\_\_\_\_ First National \_\_\_\_\_\_ Bank at Farmington, N. M. \_\_\_\_\_, or its successors, which bank and its successors are the lessor's agent and shall continue as the depository of any and all sums payable under this lease, regardless of changes of ownership in said land or in the oil and gas, or in the rentals to accrue thereunder, the sum of \_\_\_\_\_\_

The provent as rental and cover the privilege of deferring the commencement of drilling operations for a period of one year. In like manner and upon like payments or tenders, the commencement of drilling operations for a period of one year. In like manner and upon like payments or tenders, the commencement of drilling operations may be further deferred for like periods successively. The provement are needed of the lesser and the privilege of deferring the commencement, dasis as check at the option of the lesser and the successively. The provement are needed of the lesser and the period of the lesser and the successively. The provement are needed of the lesser and the successively affected to the lesser are dependent of the lesser, or his successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devises, executors and administrators of successor of the lesser, and administrators of successor of the lesser, and administrators of the lesser, and administrators of the lesser, and administrators of the lesser. ed or such person.

6. If at any time prior to the discovery of oil or gas on this land and during the term of this lease, the lesses shall drill a dry hole, or holes on this land, this lease shall not terminate, provided operations for the drilling of a well shall be commenced by the next ensuing rental paying date, or provided the lessee begins or resumes the payment of the rentals in the manner and amount herein above provided; (and in this event the preceding paragraphs hereof governing the payment of rentals and the manner and effect thereof shall continue in

force). 7. In case said 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 to the said lessor only in the proportion which his interest bears to the whole undivid-

force).
7. In case said lessor owns a less interest in the above described land than the entity and undivided fee simple extate cherein, then the ord fee.
8. The lesses shall have the right to use, free of cote, gas, oil and water found on said land for its operations thereon, except water from the well of the lessor. When tequined by less of the less below plow depth and shall prove the water water from the well is of the lessor. When tequined by less of the less of harm now on said premises in the group of the damage stude by the operation to growing crops on shall and. No well shall be drilled masare than 200 keets on the heuse or barn now on said premises thing.
9. If the crates of either party hereo is assigned (and the privilege of assigning in whole or in part is expressly allowed), the coventents of shall extend to the heir, sectures, administrators, in whole or in part, lesses shall be divided among and the test of a saigned portion or portions arking subsequent to the date of catignet.
10. If the lessed premises are now or if area shall hereafiets be write in part, lesses shall be relieved of all obligations with respect to a water cartified corp thereof. In case lesses and all toralities accurate or if area shall hereafiets be write in start, lesses shall be add on the function or portions arking subsequent to the date of catignet.
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EXHIBIT NO. \_ CASE NO. -

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an a	n generalis en en tra general en el me-	R. P. Zimern	<u></u>	TX C
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	74463		×	<u> </u>
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	KNOWLEDGMENT OF	NATURAL PERSON	4	
STATE OF NEW MEXICO	}	• ··		
On this 26th_day of	•	. <u> </u>	<u></u>	4_7, before 1
personally appeared Helon Zin	-		-	
to me known to be the person a descr executed the same as <u>their</u> f IN WITNESS WHEREOF, I h first above written.	ree act and deed.		-	
My Commission expires: March	27th, 1948 MENT OF NATURAL PI		Culpepper	lotary Public
STATE OF NEW MEXICO	J	THE FULL PLANE	S VIIOUUDI	•
	<b>\$ \$3.</b>			
COUNTY OF day of				

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	- Maubald		
	Newbold	which	lessee
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San Jus	LIC County. State of 100 1		
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OPERATE RECEIPTING AND ADDRESS OF THE ADDRESS OF THE

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#### ASSIGNMENT

STATE OF NEW MEXICO

KNOW ALL MEN HT THESE PRESENTS:

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a. Kitel

THAT in consideration of \$1.00 and other good and valuable considerations, the receipt of which is hereby acknowledged, Stanolind Oil and Gas Company, a corporation, hereby does bargain, sell, assign, transfer and convey unto Earl A. Benson and Wm. V. Montin, their heirs and assigns, an undivided 1/2 of all its right, title and interest in and to each of the oil and gas leases described in the Lease Schedule marked Exhibit "A", attached hereto and made a part hereof, insofar as said leases respectively cover the land specifically described in said Lease Schedule, said land being situated in San Juan County, State of New Mexico.

Certain of the leases described in said Lease Schedule are located within the unit area described in that certain Unit Agreement for the Development and Operation of the Gallegos Canyon Unit Area, County of San Juan, State of New Mexico, dated November 1, 1950, which leases have been committed to said Unit Agreement and the Unit Operating Agreement executed by the working interest owners in connection therewith. With respect to such leases so committed, this assignment is expressly made subject to said Unit Agreement and Unit Operating Agreement. This assignment is further made subject to the terms and provisions of that certain agreement made and entered into on the lst day of December, 1949, by and between Stanolind Oil and Gas Company and Earl A. Benson and Wm. V. Montin, which agreement is styled "Contract Providing for the Drilling of Six Test Wells and Assignment of Lease Acreage".

> This assignment is made without warranty of any kind, express or implied. EXECUTED this 14 day of Accember, 1951.

416 44 433 ATTEST Assistant Secretary CLANA?S in the second

STANOLIND OIL in Fact PROV

STATE OF TEXAS

COUNTY OF TARRANT

On this <u>if</u> day of <u>horizontic</u>, 1951, before me appeared <u>lifton</u> <u>A</u>, <u>6 reacc</u>, to me personally known, who, being by me duly sworn did say that he is the Attorney in Fact of Stanolind Oil and Gas Company, and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said <u>John B. 6 reacco</u> acknowledged said instrument to be the free act and deed/of said corporation.

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

L PUBLIC My Commission Expires 6.1.53 

Bille Ada Belle Garliner Notary Public in and for Tarrant gan County, Texas. Ada Bolio Zurtada

7425 148 8-80	EXHIBIT "A" PAGE ONB	STATE OF	NEW MEXICO	COUNTY OF SAN JUAN			
Stanolind			DATE	DEACRIFTION	(County Reco recorded	(County Records) Recorded	78
1-E1111	J. E. Crawford, et ur	<b>Charles Newbo</b> ld	1/30/47	NE/4 SM/4, NM/4 SE/4, W/2 SE/4 SM/4, SM/4 SM/4 Section 24; W/2 NM/4, N/2 SW/4 Section 25; NE/4 SE/4 Section 26-29N-12M	द्रा	161	
74441-B	Mrs. Maud Farrull	Stanolind Oil and Gas Company	10/23/47	E/2 SE/4 Section 26-29M-12M <sup>2</sup>	130	76	
6111E	J. F. Crawford. et ux	Charles Newbold	2/27/47	3/2 NE/4, NW/4 SE/4 Section 28-29N-12H	125	163	
74443	L. V. Goff, et ux	Charles Newbold	1/31/47	NW/4 Section 29; SE/4 SW/4 Section 20- 29N-12W	125	157	
4444	H. H. Smith, et ux	Charles Newbold	2/8/47	W/2 NW/L, W 24 ac. of NW/L SW/L Section 19-29N-12W5 E 5 ac. of SE/L NE/L Sec. 24-29N-13W	125	167	
24145	W. T. Calloway	Charles Newbold	2/11/2	5W/4 NW/4, N/2 SW/4 Section 30-29N-12M 5E/4 NE/4 Section 25-29N-13M	গ্ল	159	
74462	J. W. Doak, et ux	Charles Newbold	1/30/47	E/2 NN/4, NE/4 SW/4, NE/4, SH/4 NW/4, NW/4 SW/4 Section 26-29N-12-M.	5 <b>2</b> 1	155	
74463	Helen Zimmerman, et vir	Charles Newbold	2/20/47	E/2 NE/4, SW/4 NE/4, and 13 ac. in S part NW/4 NE/4 Section 23-29N-13M	521	153	
אידפיי	Daye Miller, et al	Charles Newbold	2/11/47	NW/4 3E/4, 3/2 3E/4, SE/4 5W/4 Section 30-29N-12M	દ્ધા	151	
74465	J. S. Hartman, et al	Charles Newbold	1/31/47	NE/4 SW/4, SEC/4 Section 34; SW/4 NW/4, W/2 SN/4 Section 35-29N-12M	કંશ	671	
74467	Phil Schenck, et ux	Charles Newbold	2/24/47	SW/4 NE/4 Section 25-29N-13M; W/2 SW/4, SE/4 SW/4 Section 29-29N-12M ~	125	277	
24468	J. S. Hartman, et al	Charles Newbold	1/31/47	E/2 SW/4, SE/L, E/2 NE/4 Section 35-29N- 12W -	125		

(County Records) AECORDED 169 22 171 165 17 301 175 133 F শ্ব 26 3 \* R 130 รัส 125 ຄື ຊີ ន្ត 20 521 ส 521 ନ୍ମ ŝ NB/4 NH/4, SW/4 SE/4 Section 25-29N-12N / 135 East 60 ac. of E/2 SW/4 Section 19-29N-12 25 NE/4 NH/4, SW/4 SE/4 Section 25-23N-12W/ 3/2 NH/4, SH/4 NE/4 Section 24-29N-13W NE/4 NI//4, SW/4 SE/4 Section 25-29N-12M East 23 ac. in NW/4 NW/4 Section 24-29N-13W ~ iest 20 ac. of E/2 SW/4 Section 19-29N-L2MV NW/4 NV/4, S/2 NW/4, NE/4 SW/4 Section 28-29N-12M ~ N/2 NE/4 Section 33; N/2 NW/4 Section 34-29N-12M / West 12 mc. of NW/4 NW/4 Section 24-29-N,13W -East lé ac. of NW/4 SW/4 Section 19-198-124 / E/2 3E/4 SE/4 Section 27-29N-12M ~ SA'I JUAN NE/4 NW/4 Section 24-29N-13W 5/2 5E/4 Section 22-29N-12W / DEBCRIPTION COUNTY OF LEABE GCHEDULE NEW HEXICO 3/12/47 DATE 3/12/48 2/27/47 3/12/47 27/22/6 27/21/6 6/24/47 3/13/47 21/21/6 27/22/6 3/1/49 3/8/47 3/8/47 5/8/47 STATE OF Btamolind Oil and Gau Company itamolind Oil and Gau company itanolind Oil and Gas itanolind Oil and Gas company Stanolind Oil and Gas Company Stanolind Oil and Gas Company itanolind Oil and Gas Company itanolind Oil and Gas company LEBBER Charles Newbold Charles Newbold Charles Newbold Charles Newbold Charles Newbold Charles Newbold Computy Cedil R. Paterson, et ux 2 on T. Kallensers, et ux Owen K. NoCarty, et ux Thomas P. Kerby, et ux homas F. Kerby, et ux oward H. Smith, et ux B. Sammins, et vir H. Carlton, et ut B. Sammons, et al Thomas Gordon, et ux EXHIBIT "A" PAGE. **NOBRA** Maria C. Peterson Seclis P. Bansom 3. B. Lancaster undres Medina 3 Stens ind 744,80-8 74780-0 74480-4 Park 146 4-80 697712 74481 74482 20117 78778 16772 79788 79789 79790 26767 29793

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	EXHIBIT "A" PAGE THUE	STATE OF	NEW HEXTOO	COUNTY OF SAN JUAN		
Stanolind					(County Records)	Recor
LEASK NO.	LEBSOR	130531	DATE	DESCRIPTION	Ŭ T B B B B B B B B B B B B B B B B B B B	NECONDED HORE LINE
	Mrs. C. Y. H. Carlisle	Stanolind Oil and Gas Company	27/21/6	W/2 SK/4 SE/i. Section 27-29N-12N /	ຄ	4
8-46797	M. H. Stark, et ux	Stanolind Oil and Gas Company	8/18/48	E/2 NE/4 NE/4, NW/4 NE/4 Section 34; SM/4 SE/4, NM/4 SW/4, W/2 SW/4 SW/4 Section 27; E/2 SE/4 Section 29-29N-12M	130	197
79794-C	Jesse T. Brimhall, et ux	Stanolind Oil and Gas Company	34/91/21	NN/4 SW/4, W/2 SW/4 SW/4 Section 27; B/2 SE/4 Section 28-29N-12M	<b>3</b> 3	691
19800	H. L. Sterling, et al	Stanolind Oil and Tas Company	5/15/47	NW/4, NE/4, SE/4, NW/4, S/2 NE/4, N/2 NM/4.5ection 30; SW/4, SW/4.9ection 19- 29M-12W; S/2 S/2 Section 24; N/2 N/2 / Section 25-29N-13W	នា	78
87720	J. D. Roquemore, et ux	Stanolind Oil and Gas Company	8/17/48	E/2 SH/4 SH/4 Section 20-29N-12M	567	-
87722	C. W. Clegg, et ux	Starolind Oil and Cas Comyany	8/19/48	E/2 SW/4 Section 15-2911-12W	ົຄ	<u>~</u>
67729	Anthony J. Michel, et al	Stanolind Oil and Gas	6/8/48	W/2 E/2 NE/4, E/2 E/2 NE/4 Section 24- 29N-13W, Except 5 ac. out of the 3/2 of the last call "	<b>S</b> ET	8
87766	Sandia Corporation	wnolind ()11 and Gas Company	10/5/48	Lot 2 or SW/4 NW/4, SE/4 NW/4, NE/4 SW/4," W/2 SE/4 Section 18-29N-11M ~	33	ŝ
87770	John B. Arrington, st al	Starvlind Cil and Gas Company	8/18/48	W/2 NE/4, E/2 NW/4 Section 35-29N-12M /	135	93
8-7 <i>111</i> 8	Gladys Booran	Stanulind Oil and Gas Compuny	87/1/11	1E/2 SH/4, SH/4, 3E/4 3W/4 Section 13- 29N-13W	135	121
errra	Thomas W. Kerby, et ux	Stanolind Oil and Gas Company	81/1/11	E/2 SW/4 SW/4 5E/4 :M/4 Section 13- 29N-134	135	776

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Least         Data         Data         Decretion         Composition           eff und         Standing Ot1 and Gas $9/8/48$ $8/8/4$ Section $2_{11}$ , except 4 act $135$ $118$ 11         Standing Ot1 and Gas $9/8/48$ $8/8/4$ Section $2_{11}$ , except 4 act $135$ $1142$ 11         Standing Ot1 and Gas $11/12/48$ $8/8/4$ Section $2_{11}$ , $29/8-1384$ $135$ $1142$ 12         Standing Ot1 and Gas $11/12/48$ $8/2$ Section $12, 12/144$ $12/2/6/18$ $11/2/48$ $11/12/$	EXHIBIT "A" PAGE	FOUR	STATE OF	LEASE OCHEDULE NEW MEXICO	COUNTY OF SAN JUAN			•
Standing Oll and Gae9/8/46SS/4 Section 24, accept 4 aci135138138Standing Oll and Gae11/12/48MV, SS/4 Section 13; All that part135142Standing Oll and Gae11/12/48MV, SS/4 Section 13; All that part135143Standing Oll and Gae11-29-48W/2 SS/4 Section 13-29N-13M /135144Standing Oll and Gae11-29-48W/2 SS/4 Section 13-29N-13M /135144Standing Oll and Gae12/4/48Static ST-29N-13M /135144Standing Oll and Gae12/4/48Station 27-29N-12M /135168Standing Oll and Gae12/4/48Station 27-29N-12M /135168Standing Oll and Gae12/4/48Station 24, SS/4 Section 13, Frac, PAC135168Standing Oll and Gae12/4/48Station 24, SS/4 Section 14-28-12M /135168Standing Oll and Gae12/16/48Station 24, SS/4 Section 14-28-12M /135179Standing Oll and Gae6/28/48Station 13, Frac, Part of130446Standing Oll and Gae8/27/48Station 14-29-12M /130466Standing Oll and Gae8/27/48Station 12, SW/4 Section 14-291-12M /130466Standing Oll and Gae8/27/48Station 13, SW/4 Section 14-291-12M /130466Standing Oll and Gae8/27/48Station 12, SW/4 Section 14-291-12M /130466Standing Oll and Gae8/27/48SW/4 Section 14-291-12M /130466Standing Oll and Gae8/	LEBSOR		210521	DATE	DESCRIPTION	(County	Records)	
Stanolind Oll and Gae11/12/48MMA SWA Section 13; All that part cargatum bitch, Trp. 29N-13N135142Stanolind Oll and Gae11-29-48W/2 SW4, SW4, Section 13-29N-13M135144Stanolind Oll and Gae11-29-48W/2 SW4, SW4, Section 13-29N-13M135144Stanolind Oll and Gae12/4/48Station 25-29N-13M135131Stanolind Oll and Gae12/16/48Stati 1,071 ft. of SW4, Section 27-29N-12M135168Stanolind Oll and Gae12/16/48Stati 1,071 ft. of SW4, MVA SE/4135168CompanyStanolind Oll and Gae12/16/48Stati 1,071 ft. of SW4, NVA Section 13-135179Stanolind Oll and Gae12/16/48Stati 1,071 ft. of SW4, NVA Section 13-135179Stanolind Oll and Gae12/16/48Station 34-29N-12M135179Stanolind Oll and Gae12/16/48Station 34-29N-12M135179Stanolind Oll and Gae12/16/48Station 34-29N-12M135179Stanolind Oll and Gae8/2/48Station 34-29N-12M130412Stanolind Oll and Gae8/2/48Station 34-29N-12M130412Stanolind Oll and Gae8/17/48Section 34-29N-12M130464Stanolind Oll and Gae8/17/48Section 34-29N-12M130464Stanolind Oll and Gae8/17/48Section 29: SW4, SW4, Section 20: SE/4 SE/4130464Stanolind Oll and Gae8/17/48Section 29: SW4, SW4, Section 20: SE/4 SE/4130466 <t< td=""><td>wies V. Beers, et</td><td></td><td></td><td>8/8/48</td><td>SW/4 SE/4 Section 24, except 4 ac; NW/4 NE/4 Section 25-29N-12N</td><td>135</td><td>138</td><td></td></t<>	wies V. Beers, et			8/8/48	SW/4 SE/4 Section 24, except 4 ac; NW/4 NE/4 Section 25-29N-12N	135	138	
Stanolind Oil and Gae11-29-48W/2 SW/4 SW/4 Section 13-29N-13W135144ComparyStanolind Oil and Gae12/4/48W/2 SW/4 NE/4, 5 3/4 MM/4 SE/4135151Stanolind Oil and Gae12/16/48SE/4 SW/4 Section 27-29N-12M /135168Stanolind Oil and Gae12/16/48SE/4 SW/4 Section 27-29N-12M /135168Stanolind Oil and Gae12/16/48SE/4 SW/4 Section 27-29N-12M /135179Stanolind Oil and Gae5/28/48S/2 N/2 Section 34-29N-12M /135179Stanolind Oil and Gae6/28/48S/2 N/2 Section 14-29N-12M /130412ComparyStanolind Oil and Gae8/2/48S/2 N/2 Section 14-29N-12M /130409Stanolind Oil and Gae8/2/48W/4 MM/4 Section 14-29N-12M /130409Stanolind Oil and Gae8/2/48W/2 SW/4 SW/4 Section 14-29N-12M /130409Stanolind Oil and Gae8/17/48S/2 SW/4 SW/4 Section 14-29N-12M /130409Stanolind Oil and Gae8/17/48SW/2 Section 27-29N-12M /130409Stanolind Oil and Gae8/13/48SW/4 SW/4 Section 20; SE/4 SE/4 /130409Stanolind Oil and Gae8/13/48SSW/4 SW/4 Section 20; SE/4 SE/4 /130409Stanolind Oil and Gae8/13/48SSW/4 SW/4 Section 27-29N-12M //130409Stanolind Oil and Gae8/13/48SSW/4 SW/4 Section 27-29N-12M //130409Stanolind Oil and Gae8/13/48SSV/4 SW/4 Section 27-29N-12M //1304	asie Cox Churchill			84/21/11	NW/4 SW/4 Section 13; All that part of ME/4 SK/4 Section 14 lying E of Echo Irrigation Ditch, Twp. 29M-13M	135	2 <sup>4</sup> T	
Stanolind Oil and Gae12/4/48N/2 SW4, NE/4, S 3/4 MW/4 SE/4135151CompanyStanolind Oil and Gae12/16/48SE/4 SW4, Section 27-29N-12%135168Stanolind Oil and Gae12/16/48East 1_0071 ft. of SW4 NW/4 Section 13-135168Stanolind Oil and Gae12/16/48East 1_0071 ft. of SW4 NW/4 Section 13-135179Stanolind Oil and Gae6/28/48S/2 N/2 Section 34-29N-12%130412Caepany6/28/48S/2 N/2 Section 13-29N-12%130412Stanolind Oil and Gae8/2/48NW/4 NM/4 Section 14-29N-13%130412Stanolind Oil and Gae8/17/48W/2 Section 19-29N-12%130464Stanolind Oil and Gae8/17/48Section 19-29N-12%130464Stanolind Oil and Gae8/17/48Section 29-29N-12%130464Stanolind Oil and Gae8/17/48E/2 N/2 Section 20: SE/4 SE/4130464Stanolind Oil and Gae8/17/48Section 29: SM/4 SE/4130464Stanolind Oil and Gae8/17/48Section 20-29N-12%130470Stanolind Oil and Gae8/13/48Section 27-29N-12%130470Stanolind Oil and Gae8/13/48Section 27-29N-12%130470Stanolind Oil and Gae8/13/48Section 27-29N-12%130470Stanolind Oil and Gae8/13/48Section 27-29N-12%130470Stanolind Oil and Gae8/13/48Section 27-29N-12%130470 <td>J. B. Brown, et ur</td> <td></td> <td></td> <td>84-92-LL</td> <td>W/2 SW/4 SW/4 Section 13-29N-13W ~</td> <td>ñ</td> <td>777</td> <td></td>	J. B. Brown, et ur			84-92-LL	W/2 SW/4 SW/4 Section 13-29N-13W ~	ñ	777	
• et ux       Stanolind Oil and Gae       12/16/48       SE/4 SW/4 Section 27-29N-12W /       135       168         Jr, et ux       Stanolind Oil and Gae       12/16/48       Zant 1,071 ft. of SW/4 NW/4 Section 13-       135       179         Jr, et ux       Stanolind Oil and Gae       12/16/48       Zant 1,071 ft. of SW/4 NW/4 Section 13-       135       179         et ux       Stanolind Oil and Gae       8/24/8       NM/4 HW/4 Section 14-29N-12M /       130       412         et ux       Stanolind Oil and Gae       8/2/48       NW/4 Section 14-29N-13M /       130       412         et ux       Stanolind Oil and Gae       8/17/48       Section 27-29N-13M /       130       464         stanolind Oil and Gae       8/17/48       Section 29-29M-13M /       130       464         Stanolind Oil and Gae       8/17/48       Section 20-29N-13M /       130       464         Stanolind Oil and Gae       8/17/48       Section 20-29N-13M /       130       464         Stanolind Oil and Gae       8/17/48       Section 20-29N-12M /       130       464         Stanolind Oil and Gae       8/17/48       Section 20-29N-12M /       130       464         Stanolind Oil and Gae       8/17/48       12/2 Section 20-29N-12M /       130       464	lair Patterson, et		bua liO bu	12/4/48	N/2 SW/4 NE/4, 3 3/4 NW/4 SE/4 Section 25-29M-12M	33	151	
Stanolind Oil and Gas12/16/48East 1,071 ft. of SW/4 NW/4 Section 13-135179CompanyCompany6/28/485/2 N/2 Section 34-29N-12M 130130412Company6/28/48NW/4 NW/4 Section 13; Frac. part of13510Stanolind Oil and Gas8/2/48NW/4 NW/4 Section 13; Frac. part of13510Stanolind Oil and Gas8/2/48NW/4 NW/4 Section 13; Frac. part of13510Stanolind Oil and Gas8/17/48Section 19-29M-12M130464Stanolind Oil and Gas8/17/48Section 20; SE/4 SE/4130464Stanolind Oil and Gas8/17/48Section 20-29N-12M130469Stanolind Oil and Gas8/13/48Section 22-29N-12M130469Stanolind Oil and Gas8/13/48Section 22-29N-12M130470Stanolind Oil and Gas8/13/48Section 27-29N-12M130470	esse T. Brimball, 4		da 110 bi	12/16/48	SE/4 SW/4 Section 27-29N-12W /	<b>135</b>	168	
Gas       6/28/48       S/2 N/2 Section 34-29N-12M 130       130       412         Gas       8/2/48       NW/4 NW/4 Section 13; Frac. part of       135       10         Gas       8/2/48       NW/4 NW/4 Section 14-29N-13M       135       10         Gas       8/17/48       W/2 SW/4 Section 14-29N-13M       130       464         Gas       8/17/48       W/2 SW/4 Section 20; SE/4 SE/4       130       464         Gas       8/17/48       E/2 N/2 Section 29; SW/4 SE/4       130       469         Gas       8/17/48       E/2 N/2 Section 29; SW/4 SE/4       130       469         Gas       8/13/48       Section 20-29N-12M       130       469         Gas       8/13/48       Section 20-29N-12M       130       470	rthur Coy, et ux			12/16/48	East 1,071 ft. of SW/4 NW/4 Section 13- 29N-13W	ŝ	179	
Gas         8/2/48         NW/4 HW/4 Section 13; Frac. part of         135         10           Gas         8/17/48         WZ SW/4 SW/4 Section 14-29N-13W         130         464           Gas         8/17/48         W/2 SW/4 SW/4 Section 20; SE/4 SE/4         130         464           Gas         8/17/48         W/2 SW/4 SW/4 Section 20; SE/4 SE/4         130         469           Gas         8/17/48         E/2 N/2 Section 29; SW/4 SE/4         130         469           Gas         8/17/48         E/2 N/2 Section 29; SW/4 SE/4         130         469           Gas         8/13/48         Section 20-29N-12W         130         469           Gas         8/13/48         Section 27-29N-12W         130         470	harles R. Keller, d	Jr, et ux		6/28/48	s/2 N/2 Section 34-29N-12W	61	î.	
Stanolind Oil and Gas 8/17/48 W/2 SW/4 Section 20; SE/4 SE/4 130 464 Company 8-12W 5-29W-12W 130 469 Stanolind Oil and Gas 8/17/4E E/2 N/2 Section 29; SW/4 SE/4 130 469 Company Stanolind Oil and Gas 8/13/48 3E/4 SW/4 Section 22 NE/4 NW/4 130 470 Company 01 and Gas 8/13/48 Section 27-29N-12W	nos James Strawn, 4	et ux		8/2/48	NW/4 NW/4 Section 13; Frac. part of NE/4 NE/4 Section 14-29N-13W	ŝŝ	9	
Standlind Oil and Gas8/17/4FE/2 N/2 Section 29; SW/4 SE/4 130469CompanySaction 20-29N-12M130470t uxStanolind Oil and Gas8/13/48SE/4 SW/4 Section 27-29N-12M 130470t uxCompanySection 27-29N-12M 1130470	oldie A. Chapman, 4			8/17/48	W/2 SW/4 SW/4 Section 20; SE/4 SE/4 Section 19-29M-12W	130	<b>†</b> 91	
Gas 8/13/48 SE/4 SW/4 Section 22; NE/4 NW/4 130 470 Section 27-29N-12W -	F. L. Lee, et ux			8/17/48	E/2 N/2 Section 29; SW/4 SE/4 / Section 20-29N-12M	130	1469	
	rank Mararow, et w		Stanolind Oil and Gas Company	8/13/48	SE/4 SM/4 Section 22; NE/4 NW/4 Section 27-29N-12W ~	130	470	
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# ASSIGNMENT

STATE OF NEW MEXICO

COUNTY OF NEW MEXICO )

KNOW ALL MEN BY THESE PRESENTS:

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That in consideration of \$1.00 and other good and valuable considerations; the receipt of which is hereby acknowledged, Earl A. Benson and Ivy. E. Benson, husband and wife, and Wm. V. Montin and Kathleen M. Montin, husband and wife, hereby do bargain, sell, assign, transfer and convey unto Benson & Montin, Inc., & corpora-tion, all of their right, title and interest in and to each of the oil and gas leades described in the Lease Schedule marked Exhibit "A", attached hereto and made a part hereof, insofar as said leases respectively cover the land specifically described in said Lease Schedule, said land being situated in San Juan County, State of New Mexico.

The leases described in said Lease Schedule are located within the unit area described in that certain Unit agreement for the Development and Operation of the Gallegos Canyon Unit Area, County of San Juan, State of New Mexico, dated November 1, 1950, which leases have been countited to said Unit Agreement and the Unit "Derating Agreement executed by the working interest owners in connection then with With moment to work on the section of the sector of the sect theremith. With respect to such leases so committed, this assignment is expressly made subject to said Unit Agreement and Unit Operating Agreement. This assignment is further made subject to the terms and provisions of that certain agreement made and entered into on the 1st day of December, 1949, by and between Stanolind Oil and Gas Company and Earl A. Benson and Wm. V. Montin, which agreement is styled "Contract Providing for the Drilling of Six Test Wells and Assignment of Lense Acreage."

This assignment is made without warranty of any kind, express, or implied.

Executed this 18th day of January, 1952.

m N

athleen M. Montin

STATE OF ORLAHOMA ) SS COUNTY OF OKLAHOMA

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Before me, the undersigned, a Notary Public within and for said County and State, on this 10th day of January, 1952, personally appeared Earl A. Benson, Ivy E. Benson, Wm. V. Montin, and Kathleen M. Montin, to me well known to be the identical persons who exected the same as their free and voluntary act and deed for the uses and purposes set forth therein.

I. In Testimony Whereof I have hereunto set my hand and official seal the day and year last above written.

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í. man Notary Public

My Constinuion expires 7/10/55

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Reported Book-JA	125 161	130 14	125 160 125 157		125 1				125	125	125	125	125
COUNTY OF SAM JUAN	Section 25 6-2916-124		8/2 ME/b, MV/b 6M/b 500, 28-298-12M	MV/h Sec. 291 5K/4 5m/7 500 m	W/2 NV/4, W 24 ac. of NN/4 SW/4 Section 19-295-12N; 3 5 ac. of ST/4 NZ/4 Section 24-29N-13N	SW/4 MW/4, M/2 GW/4 Sec. 30-29M-12W SM/4 Mm/4 Section 25-29M-13W	R/2 NV/4, NS/4 SN/4, NR/4, SV/4 NV/4, 125 NV/4 SN/4 Soction 26-29N-124	E/2 ME/b, SV/h HE/b, and 13 ac. in S part NN/h ME/h Section 23-298-139	BN /4 SE/4, 8/2 SE/4, SZ/4 SH /4 Section 30-298-124	'XE/4 SV/4, SE/4 Section 34; V/2 SV/4, SV/4 NV/4 Sec. 35-294-124	SW/4 NY/4 800. 25-291-134; W/2 SW/4. Sy/4 Sw/4 Section 29-291-124	E/2 SW/4, SZ/4, Z/2 H3/4 Section 35-294-120	Zust 28 ac. in NW/4 NW/4 Section 24-29N-13W
HEDULE New Heado	1/30/47	L#/62/01	2 21 47	24/16/1	2/8/4 <b>3</b>	2/11/2	L#/0E/I	2120/47	2/11/2	1/31/47	2/24/42	1/16/1	74/E1/E
LEASE SCHEDULE	JASSAN	and Gan	Company Charles Newbold	Charles Newbolds	Charles Werbold	Charles Wewbold	Charles Mewbold	Charles Mevbeld	Charles Newbold	Charles Newbold	Charles Nevbold	Charles Newbold	Charles Newbold
TOUT TAN PAON OF	LANSON	Crawford, • • ut		Act a creatore	E.E. Saith, of ux					v e Martaon. et al	with Eathemore. of ur	J. B. Hartman, et al	Owen K. McCarty, et ut
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Hanolind Lane Vo.		Trestors	SAN SAL	DATE	NOTEATROSED	Recorded. Rock Part			18
5-1-2-1	1957	Maria Os Peterson	Charles Mewbold	74/21/C	ME/h MM/4. SW/4 SE/4 Sec. 25-294-124	125 169	69		3
The second	3	Cooline P. Patson	Stanolind Oil and Gas	3/12/48	ME/4 MW/4, SW/4 SH/4 Sec. 25-298-12W	105, 122	ន		
	3	Ceoil R. Peterson, et ux	Company Stamolind Oil and Gas	<del>64</del> /1/5	NE/4 NN/4, SY/4 SE/4 Sec. 25-298-124 135 301	<b>เ</b>	01	·.	
19	83	B, B. Lancas ter	company Charles Newbold	<b>5/8/47</b>	8/2 NW/4, SW/4 ME/4 Sec. 24-298-13W	541 SZI	2		
74463	สา	H. B. temons, et vir	Charles Mewbold	<b>L</b> A/LZ/2	MA WA TH TA S/2 MA /A. ME/A SA /A	125 165	53		·
71102	6T	Jos. T. Kellensers, etur	Charles Newbold	24/8/C	20-294-125 N3/4 hM/4 Section 24-298-130	125 17	17	-	• •
181	4	Ardres Nedine	Charles Newbold	3/22/W	W/2 NE/4 Sec.33; N/2 NW/4 Sec.	125 17	173	• • • • • •	•
8	811	Thomas P. Kerby, et un	Stanolind Oil and Gas	5/8/W7	34-298-128 1. 60 80. of 8/2 58/4 500.19-298-128	125 241	- 		
80.64	â	Thomas 7. Kerby, et ur	Company Stanolind Oil and Gas	24/21/6	W. 20 ac. of E/2 SW/4 Section 19-	1 <b>3</b> 0 25		• • • • • • • • •	
	ğ	S. H. Carlton, et uz	Company Stamolind Oil and Gag	24/22/6	29M-12M V. 12 mo. of NV/4 NV/4 Section 24-	130 26			
86	ផ	Boward E. Smith, et uz	Company Stanolind Oil and Gas	24/22/6	298-134 I. 16 ac, of NW/4 SW/4 Section 19-	130 27		1,	•
2646	133	H B. Samons, et al	Company Stanolind Oil and Gas	24/22/6	294-124 2/2 52/4 55/4 5001100 27-294-124	130 26			•
29795	IHI	Thomas Gordon, et ur	Company Stanolind Oil and Gas	24/42/6	8/2 SE/4 Section 22-298-12W	130 30		-	
	467	Mrs. C. T. H. Carlisle	Company Stanolind Oil and Gas	24/22/6	W/2 SW/4 SE/4 Section 27-298-128	130 120			•••
E-1666	13 13	M, H. Stark, et uz	company Stanolind Oil and Gas Company	8/18/48	<pre>' W &amp; SW / 4 SE / 4 Section 27-29N-12W ' E/2 SW / 4 SE / 4 Section 27-29N-12W</pre>		~		
\$- <b>.</b> .	126				' N/4 NZ/4, Z/2 NI/4 NZ/4 34-298-124	•••		· .	
1979-0	× 128	Jeyse T. Brimhall, et ur	Stenolind Oil and Gan Company	12/16/48	WW/4 5W/4, W/2 5W/4 5W/4 502.27-29M-12 DW/4 5W/4, W/2 5W/4 5W/4 50110m 27 Z/2 5Z/4 50ction 28-29M-12W	135 169	<b>6</b>		•
79800		H. L. Sterling, et al	Stenolind Oil and Gas Company	2/15/42	NN/4 NE/4, SE/4 NN/4, S/2 NE/4, N/2 NN/4 Sec. 30; SN/4 SN/4 Sec. 19- 291-12N: S/2 S/2 S/2 S.	130 78			183

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Stanolind	푗퇵σ	- Constant	TUSSET	EZYG	DESCALPTION	Rook	Recorded 20k Para
, oz.L.9	22	J. D. Roquencre, et ur	Stanolind Oil and Gas	8/17/48	E/2 SV/4 SV/4 Sec. 20-29N-12N	<b>č</b> E1	ч
, 67 <i>1</i> 18	911	Anthony J. Michel, et al	Company Stanolind Oil and Gas Company	9/8/ <del>48</del>	W/2 E/2 ME/4. M/2 E/2 ME/4 Section 24-29M-13M, except 5 mo. out of the 8/2 of the last call	<b>;</b> £1	ч
87766 /	511 911	Sandla Corporation	Stanolind Uil and Gas Company	10/5/48	Lot 2 or 54/4 NM/4, SE/4 NM/4, NE/4 59/4 Section 13-291-124 W/2 SE/4 Section 18-2911-124	<b>2</b> 52	Şot
- <b>-</b> - <i>hULL</i> 8	8	Gladys Booraa	Stenolind Oil <b>and Gas</b> Company	84/1/11	E/2 SN/4 SN/4, SE/4 SN/4 Section 13-295-138	561	121
87714-2	00 <b>1</b>	Thomas W. Merby, et ux	Stanolind Cil and Gas	11/1/48	E/2 SM/4 SM/4, SE/4 SM/4 Section	261	176
87782	8	Jessie Cox Churchill	Stanolind Oil and Gas	11/12/48	13-294-134 NW/4 5W/4 Section 13-29%-13V	35t	241
87789 ×	8	J. B. Brown, et ux	Stanolind Oil and Gas	11/29/48	N/S 5N/4 5N/4 Section 13-29N-13N	35	れって
87810 ×	151	Clair Patterson, et al	Company Stanolind Oil and Gas	12/4/48	S 3/4 N4/4 SE/4 Section 25-29N-12N	351	1:1
87821	132	Jesse 7. Brimhall, et ux	Company Stanolind Oil and Gas	12/16/48	SE/4 SW/4 Section 27-29N-12N	30 <b>1</b>	168
87823 /	8	Arthur Goy, et ur	company Stanolind Uil and Gas Commany	12/16/48	E. 1.071 ft. of SW/4 NN/4 Section	135	179
, 19662	<b>1</b> 43	Charles R. Keller, Jr., et ux	Stanolind Uil and Gus	6/23/48	43-4544-138 5/2 N/2 Section 34-2911-128	130	214
87679 ′	8	Enou Jemes Strawn, et ux	Company Stanolind Oil and Gas Company	8/2/ <del>118</del>	NW/4 NW/4 Section 13-298-13W	135	97
87702	117	Goldiu A. Chapman, et ux 1	Stanolind Uil and Gas Commany	8/12/48	W/2 SM/4 SM/4 Sec. 201 SE/4 SE/4	130	404
87705 ~	125	T. V. Loo, at ur	Stanolind 011 and Gas Company	<del>84</del> /21/6	5/2 N/2 500. 29; SW/4 SK/4 Sec.	130	694
87706 . R.L	139	Frack Harsrov, et uz	Stenolind Oil and Gua Company	84/CI/E	20e29M-12M SR/4 SW/4 Sec. 22; NE/4 NM/4 Section 27-29N-12M	130	0/4
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ASSIGNHENT

STATE OF NEW NEXICO )

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CULTY OF SAN JUAN

KNOW ALL MEN BY THESE PRESENTS:

M Sin June 1 Cl reby certify that this instru ment was on a mui 56,1953 a M.Fand duty re-3 min 12 4١ Ń j - 5

STATE GA NEW MEXICO,

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That HENSON & MONTIN, INC., a corporation, for and in consideration of the sum of \$1.00 and other good and valuable considerations to it paid by Earl A. Benson and Wm. V. Montin, the receipt and sufficiency of which are hereby acknow-ledged, hereby do bargain, sell, transfer and deliver unto said EARL A. ZENSON and W. V. NONTIN all its interest in and to that certain oil and gas lease dated February 20, 1947, made and entered into by and between Helen Zimmerman and R. J. Zinmerman, her misband, lessors, and Gharles Newbold, lessee, recorded in Book 125, at Page 153, insofar as said lease covers the E/2 NE/4, SW/4 NE/4, and 13 acres in the South part of the NW/4 NE/4 Section 23-29N-13W, San Juan County, New Mexico.

This transfer is expressly made subject to that certain Unit Agreement for the Development and Operation of the Gallegos Canyon Unit Area, County of San Juan, State of New Mexico, dated November 1, 1950, and to the Unit Operating Agreement executed by the working interest owners in connection therewoth. This essignment is further made subject to the terms and provisions of that certain agreement made and entered into on the 1st day of December, 1949, by and between Stanolind Oil and Gas Company and Marl A. Benson and Wm. V. Montin, which agreement is styled "Contract Providing for the Drilling of Six Test Wells and Assignment of Lease Acreage."

Uli fints transfer is made with	out werranty of any kind, express or implied.
Sharten This 15th day of	July, 1952.
8	HENSON & MONTIN, INC.
A RIANCE	By Carl a Benjon
	By (, all ( ) m-01, President
Socratary	

STATE OF OKLAHOMA COUNTY OF OKLAHOMA

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On this 23rd day of July, 1952, before me, Winnifred Reneau, a Notary Public in and for said County and State, personally appeared Earl A. Benson, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its President, and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary, set and deed of such corporation, for the used and purposes therein swithouth, and that he is authorized and empowered by such corporation to execute avi in the fact of the second control and empore date The frame.

Jotary Piblic

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THE STATE OF NEW MEXICO I COUNTY OF SAN JUAN

2287 M107 0:0 ASSIGNMENT

KNOW ALL MEN BY THESE PRESENTS:

That, in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, STANOLIND OIL AND GAS COMPANY, a corporation, and EARL A. EENSON and WM. V. MONTIN (hereinafter referred to as "Assignors"), do hereby bargain, sell, assign, transfer and convey unto LLOYD D. LOCKE and LLOYD B. TAYLOR, doing business as and under the name of Locke-Taylor Drilling Company, their respective heirs and assigns (hereinafter referred to as "Assignees"), all of the Assignors' right, title and interest in and to the following described oil, gas and mineral lease, covering land situated in San Juan County, New Mexico, to wit:

(Stanolind Lease No. 74463)

Lessor:	Helen Zimmerman and R. J. Zimmerman, her husband
Lessee:	Charles Newbold
Dated:	February 20, 1947
Recorded:	Volume 125, at Page 153, Records of San Juan County, New Mexico

insofar as said lease covers the following described land in said County and State, to wit:

The East Half of the Northeast Quarter (E/2 of NE/4), the Southwest Quarter of the Northeast Quarter (SW/4 of NE/4), and 13 acres in the South part of the Northwest Quarter of the Northeast Quarter of Section 23, T-29-N, R-13-4,

FROM THE SURFACE THEREOF DOWN TO THE BASE OF THE PICTURED CLIFFS FORMATION

(said lease and land above described as to the depth hereinabove specified, being sometimes hereinafter referred to us the "lease acreage"), subject to the following terms, covenants and conditions:

1. In addition to any and all other overriding royalties, production payments and other encumbrances to which said lease acreage may be subject, the Assignor hereby excepts and reserves unto themselves, their respective successors, heirs and assigns, in the proportion of one half (1/2) to Stanolind Oil and Gas Company, one fourth (1/4) to Earl A. Benson, and one fourth (1/4) to Wm. V. Montin, the following overriding royalty: (a) Five percent of eight-eighths (5% or 8/8) of all oil, distillate, condensate and other liquid hydrocarbons produced and saved from said lease acreage under said lease, or any extensions or renewals thereof, which shall be delivered free of all cost and expense, except taxes on production, at the well or wells on said lease acreage or, at the Assignors' option, to the credit of the Assignors into the pipe line to which said well or wells may be connected;

(b) Five percent of eight-eighths (7% of 8/8) of all gas and casinghead gas produced and saved from said lease acreage under said lease, or any extensions or renovals thereof, the market value (at the well) of which shall be paid to the Assignors free of all cost and expense, except taxes on production.

2. In addition to the foregoing overriding royalty and to any other overriding royalties, production payments and other encumbrances to which said lease acreage may be subject, the Assignors hereby except and reserve unto themselves, their respective successors, heirs and assigns, in the proportion of one half (1/2) to Stanolind Oil and Gas Company, one fourth (1/4) to Earl A. Benson, and one fourth (1/4) to Wm. V. Montin, five percent of eight-eighths (5% of 8/8) of all the oil, distillate, condensate, gas, casinghead gas and other hydrocarbon substances produced and saved from said lease acreage under said lease, or any extension or reneval thereof, until the Assignors, their successors, heirs or assigns, shall have received therefrom, free of all costs, expenses and charges for development and operations, the net total sum of One Thousand Mine Hundred Hinsty Five Dollars (\$1,995.00) in excess of taxes on production; provided, that, at the option of the Assignors, the above specified portion of said production, or any of it, shall be delivered to the Assignors free of said costs, expenses and charges at the well or wells on said lease acreage or, at the Assignors' option, to the credit of the Assignors into the pipe line to which said well or wells may be connected.

3. With respect to the overriding royalty and production payment herein excepted and reserved by the Assignors, the Assignors and the Assignees agree, as follows:

(a) That oil and gas used in drilling and operations on said lease acreage and in the handling of production therefrom shall be deducted before said overriding royalty and said production payment are computed.

- 2 -

(b) That the Assignees shall furnish to the Assigners authentic itemized monthly reports of all production from said lease acreage, such reports to be mailed not later than the fifteenth day of the month following that for which the report is made.

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4. As to any wells drilled on said lease acreage by the Assignees after the delivery of this assignment, the Assignees shall give the Assigners access to said wells and the Asrrick floor at all reasonable times and, upon request of the Assigners, shall furnish to the Assigners well samples of all cores and cuttings consecutively taken, unless the Assigners themselves elect to take such samples; and, at the request of the Assigners, the Assignees shall furnish to the Assigners copies of any electrical well formation surveys made.

5. In the event that the Assignees should elect to surrender, lot expire, abandon or release all or any of their rights in said lease acreage, or any part thereof, the Assignees shall notify the Assignors not less than sixty (60) days in advance of such surrender, expiration, abandonment or release and, if requested so to do by the Assigners, the Assignees immediately shall reassign such rights in said lease acreage, or such part thereof, to the Assignors.

6. This assignment is made subject to all the terms and the express and implied covenants and conditions of the above described lease, insofar as it covers the said lease acreage, which terms, covenants and conditions the Assignees hereby assume and agree to perform with respect to the said lease acreage. Said terms, covenants and conditions, insofar as the said lease acreage is concerned, shall be binding on the Assignees, not only in favor of the lessors and their heirs and assigns, but also in favor of the Assignors and their successors, heirs and assigns.

7. This assignment is made without warranty of any kind.

8. Assignors have heretofore, as owners of the aforesaid lease, executed that certain Unit Agreement for the Development and Operation of the Gallegos Canyon Area dated November 1, 1950, formed under the Act of Congress approved February 25, 1920, wherein Earl A. Benson and Wm. V. Montin are named Unit Operators, and Assignors have also executed that certain Unit Accounting Agreement under said Unit Agreement dated January 25, 1951. The land covered by said lease is within the boundaries of the unit area of said Unit Agreement, but is not yet within any participating area formed or designated thereunder. The lessors of said lease have

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refused to execute said Unit Agreement. Assignors make no representation or varranty as to whether the said lease acreage is or is not committed to or affected by said Unit Agreement or Unit Accounting Agreement by reason of the execution by Assignors of the instruments above referred to, or either of them, and Assignees accept this Assignment without prejudice to their right to contend that the lease acreage herein assigned is acquired free from the provisions of said Unit Agreement and Unit Accounting Agreement, but in the event said lease acreage shall be found to be subject to the terms of said agreements, Assignees accept said lease acreage subject to all the terms and provisions of said agreements.

: :

9. All notices, reports and other communications required or permitted hereunder, or desired to be given with respect to the rights or interests herein assigned or reserved, shall be deemed to have been properly given or delivered when delivered personally or sent by registered mail or telegraph, with all postage or charges fully prepaid, and addressed to the Assignors and Assignees,

## respectively, as follows:

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#### Assignors:

Stanolind Oil and Gas Company Oil and Gas Building P. O. Box 1410 Fort Worth, Texas

Benson-Montin 316 Petroleum Building Oklahoma City, Oklahoma

#### Assignees:

Locks-Taylor Drilling Company 407 North Allen Farmington, New Mexico

10. The terms, covenants and conditions hereof shall be binding upon, and shall inure to the benefit of the Assignors and Assignees, the successors and assigns of Stanolind Oil and Gas Company, and the respective heirs, administrators, executors, devisees, representatives and assigns of the other parties hereto; and such terms, covenants and conditions shall be covenants running with the land above described and the lease acreage herein assigned and with each transfer or assignment of said land or lease acreage.

- 4 -

TO HAVE AND TO HOLD said lease acreage unto the Assignees, their respective

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heirs and assigns, subject to the terms, covenants and conditions hereinabove set forth.

1953 day of EDECUTED THIS 23. 1952. Gai L , EARL A BENSON V. MONTIN PROVED STANOLIND OIL AND GAS COMPANY -2 Attorney in Fre acretary STATE OR OKTLAH HA \_ I COUNTY OF OKLAHOMA On this 23rd day of <u>January</u>, 1953, before me personally appeared KARLA, MENSON and wife, <u>Ivy E. Jenson</u>, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed. , co me known to be the person , co me known to be the person , and acknowledged that the , and acknowledged that the , and the METHESS WHEREOF, I have hereunto set my hand and affixed my seal on this othe day, and year first above written. Notary Public in and for Oklahuma County, Oklah My Commission Expires: County, Oklahora July 10, 1955 STATE OF OLLAHOMA COUNTY OF OKLAHOMA On this 23rd day of <u>January</u>, 1953, before me personally appeared WM. V. MONTIN and wife, <u>Kathleen H. Kontin</u>, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed. this, "the day and year first above written. 11/1 1 Notary Pupilic in and for .... iar My Commission Expires: ч.; т JULY 30. 19 Oklahoma County, Oklahoma 1955 - 5 -

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- -THE STATE OF TEXAS

COUNTY OF TARRANT

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IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal on this, the day and year first above written. this, <sup>Pi</sup> Ny Commission Expires:

Notary Public in and for Tarrant County, Texas



This Deed, Made this 2th day of Novambar between       is the year of our Mildred and Mildred R. Taylor, this Mile, New Moxico         Ind one thousand aims hundred and Mildred R. Taylor, this Mile, New Moxico       New Moxico         of the County of Sun Just       and Mildred R. Taylor, this Mile, New Moxico         of the County of Sun Just       and Mildred R. Taylor, this Mile, New Moxico         of the County of Sun Just       and Mildred R. Taylor, this Mile, New Moxico         of the County of Le Flyts       and State of Cobrado, of the second part.         Witesseeth, That the said part leng of the first part in hand paid by the said part leng of the second part. the receipt where of its the tangent first of the said part leng of the first part in hand paid by the said part leng of the first part in hand paid by the said part leng of the first part in hand paid by the said part leng of the first part in hand paid part leng of the first part in hand paid by the said part leng of the second part. the receipt where of its hand the following decrifted Lengers with the gas production       DOLLARS, there is a said the second part. the receipt where of its hand the said part leng of the first part hand part lenge of the first part in hand part lenge of the first part hand part lenge of the first part hand part lenge of the first part in hand part lenge of the first part hand part lenge of the fir	Nied for record the	180
Lord one thousand mine hundred and fifty-four hetween Lloyd B. Taylor and Mildred R. Taylor, his wife, New Wexico of the County of San Juan and Mildred R. Taylor, his wife, of the County of La Flats and State of Colorado, of the second part, Witseesth, Tast the said part is of the first part rand in consideration of the sum of Dne Doller and other good and valuable considerations of the second part, there receipt where of is hereby conferent fast the state part for of the form and it consideration of the second part. Witseesth, Tast the said part is of the first part fast of the second part, there there is is the said part is of the first part hand part is of the second part. Witseesth fast the said part is of the second part, there there is is the said part is of the first part hand part is of the second part. Witseestif end the same that made the part is of the second part, there there is is and to the following description convey and Quit-Chinest, and by these presents do remise, release, and courty of San Juan and State of Zodorado, to wit: Orne Ges Well known as Locko-Unit the N. 1, located in Sec. 27, Toymakip 30 Horth, Range 12 West, N. K. P. N., Known es Leurnee and Sally Smith Losace, containing 112 acros, univer contract to Southern Union Ges Co. Dne Ges Well known as Tycksen No. 1, located in the Nt of Sec. 23, Township 20 N., Honre 11 Merthyldent in the Nt of Sec. 23, Township 20 N., Honre 11 Merthyldent in the Nt of Sec. 23, Township 20 N., Honre 11 Merthyldent in the Son, soid wells complete with casting, looses, and oppurtensances. To Have and to Hold the Same. Together with all and singular the apputensances and privileges thereauto beloging or in anywise thereauto angle rate with the section of the section part. Witsees and the Mere and the section of the section part. The Mines Were Contract to I. The Town Sature 1 Ges Co. Na Ges Well construct the first part have the first mark and the section part. New Mere Contract to Southern with and singular the separtenease. The Hines Were Contract to T	NoRECORDER.	
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Witnesseth. That the said part 165 of the first part, for and in consideration of the sum of One Dollars and other good and veluchle consideration. DOLLARS, to the said a third the first part in hand paid by the said parties of the second part, the receipt whereof is hereby confessed and achnowledged, have remised, released, sold, conveyed and Quit-Claimet, and by these presents do remise, release, sail, convey and Quit-Claim und the said parties of the second part, the receipt whereof is hand to the following described locense within and demand which the said parties of the second part, their have in and to the following described locense within gas production New Wood co situate, bying and being in the County of San Juan Cone Gas Well known as Locko-Emith No. 1, loceted in Sec. 27, Toymship 30 Horth, Range 12 West, N. Y. F. N., known es Leurence and Sally Smith Leone, containing 112 acros, univer contract to Southarn Union Gas Co. One Cas Well known as Foutz No. 1, loceted in Nid, Sec. 5, Township 27 North, Range 12 West, N.Y.P. N., Leose contain- ing 160 acres, under contract to El Fuco Naturel Cas Co. Na Cas Well known as Tyckson No. 1, located in the N of Sec. 22, Township, 20, Kingen 12 MactiveBitting 320 offras, under contract to Southard West West (as Co., sold wells complete with Coning, looses, and oppurtensances. To Heave and to Hold the Sam, Torether with all and singular the appurtensances and privileges thereunto belonging of in anywise thereunto appartaining, and all the estate, right, title, interest and china whatacever of the said part is of a first part, either in its of the fart part have berefund school of the said part 10 the second part, the Si on southard we prove suc heading and school of the said part Signed, Seeled and Delivered in Presence of Nate Cas China Cas Cas Weille Across write. Signed, Seeled and Delivered in Presence of Nate Cas China Cas Cas Cas County of Son Juan schoolwheed before an ethis 2th, dav of CovenDer in 54 by Lloyd 3. Taylor and Mile	Lloyd D. Locke and Louise Y. Locke, his wife,	
<pre>to the said parties of the first part in hand paid by the said parties of the second part, the receipt whereof is bereby concessed and acknowledged, have reminds, release, soid, conveyue and Quit-Claime unto the said parties of the second part, they remeans and assigns, forwers, all the right tild, hitterst, chim and demand which the said parties of the first part have in and to the following described longers with gas production without the following described longers with gas production without the said part is a state of Diodezio, to wit: One Gas Well known as Locke-Smith No. 1, located in Sec. 27, Toymship 50 Horth, Range 12 West, N. X. F. M., known es Leurence and Sally Smith Lesse, containing 112 acres, univer contract to Southorn Union Gas Co. One Gas Well known as Foutz No. 1, located in Net, Sec. 5, Township 27 North, Range 12 West, N.K.P.M., Lesse contain- ing 160 acres, under contract to El Fous Noturel Ose Co. No Gas Well known as Tyckson No. 1, located in the Net of Sec. 23, Township 29 North, Range 12 West, N.K.P.M., Lesse contain- ing 160 acres, under contract to El Fous Noturel Ose Co. No Gas Well known as Tyckson No. 1, located in the Net of Sec. 23, Township 29 N., Honre 13 North@Strining 320 oorne, under contract to El Fous Noturel Ose Co. No Gas Well known as Tyckson No. 1, located in the Net of Sec. 23, Township 29 N., Honre 13 North@Strining 320 oorne, under contract to El Fous Noturel Ose Co. No Gas Well known as Tyckson No. 1, located in the Net of Sec. 23, Township 29 N., Honre 13 North@Strining 320 oorne, under contract to Sec. Soid wells complete with caning, loodes, and oppurtenances. To Have and to Hold the Same, Torcher with all and isguar the sequence and privileges thereunto said part field of the first part, either in two requiry, to the only proper use, benefit and behoof of the said part of the second part, their haid assign forever. In Witness Whereof, The said part icg of the first part have hereunto set their hand 5 and scals the day and year first above written. Signe</pre>		
27, Toymahip 30 North, Range 12 West, M. M. F. M., known es Leurence and Sally Smith Lease, containing 112 sores, under contract to Southern Union Ges Co. One Ges Well known as Foutz No. 1, located in Nrdi, Sec. 5, Township 27 North, Runge 12 West, N.M.P.M., Lease contain- ing 160 seres, under contract to El Fouo Naturel Ges Co. Due Ges Well known as Tyckson No. 1, located in the NH of <u>sec. 22, Township 29 No. Henry 13 Mart1969</u> nteining 320 ourse, under contract T. El Fouo Naturel Ges Co., sold wells complete with coming, losses, and appurtenances. To Have and to Hold the Same. Together with all and singular the appurtenances and privileges thereunto belonging on anywise and appendix forem. In Witness Whereof. The said part leg of the first part, inft: Hills Interest and claim whatsever of the said part leg of the first part, either in law or equity, to the only proper use, henefit and behoof of the said part of the second part. the first on assigns forever. In Witness Whereof. The said part leg of the first part have hereunto set their hand S and scals the day and year first above writen. Signed, Seeled and Delivered in Presence of They Martico STATE OF COCONSTRUCK County of Son Juan schwareheed before net this 2th day of November 1954 by Lloyd B. Taylor and Mille asal. My commission expires Mitaes my hand and official seal. My commission expires They count seal tages of the offent or representative mass and also the or sealing and for the acting For Martico The said part is proventioned as and scale of the said part for Mitaes in phase there and a scale of the said part Sore Sore Sore Sore Sore North Lagree Ott 25, 1930	to the said partics of the first part in hand paid by the said part 1ess of the second part, the receipt whereof is hereby confessed and acknowledged, have remised, released, sold, conveyed and Quit-Claimed, and by these presents do remise, release, sell, convey and Quit-Claim unto the said part ies of the second part, their heirs and assigns, forever, all the right, title, interest, claim and demand which the said part ies of the first part have in and to the following described leases with gas production New Moxico	
Contraining 27 North, Range 12 West, N.M.F.W., Lease containing 160 seres, under contract to El Fuso Naturel Ges Co. Sha Ges Well known as Tycksen No. 1, located in the Will of Sec. 22, Toursting 29 N., Manye 13 Meeti 983 staining 320 onews, under contract to El Fuso Naturel Ges Co., soid wells complete with coning, losses, and appurtenances. To Have and to Hold the Same, Together with all and singular the appurtenances and privileges thereunto belonging or in anywise therein in aw or equity, to the only proper use, benefit and behoof of the said part if es of the first part either in have require, to the only proper use, benefit and behoof of the said part of the second part, their in have require, to the only proper use, benefit and behoof of the said part of the second part, their in have require, to the only proper use, benefit and behoof of the said part of the second part, their in have require, to the only proper use, benefit and behoof of the said part is of the first part either in the or equive, to the only proper use, benefit and behoof of the said part of the second part. their haus and assigns, forever. In Witness Whereof. The said part leg of the first part have bereunde set their hand 5 and scals the day and year first above written. Signed, Sealed and Delivered in Presence of Ward Company. New Mexico State OF OCCOMMENSES County of Son Juan acknowledge before are this 2th day of November 10.54 by Lloyd R. Taylor and Mexico B. Taylor, his wife. Witness my hand and official seal. My commission expires "Up wing in official or expresentative remaining and also office or exactly and for whom eather." The day of November 10.54 by Lloyd R. Taylor and Michael seal. My commission expires "Up wing in official or expresentative remaining. Insert mass and also office or exactly and for whom eather." The day in official or expresentative remaining there or exactly and for whom eather.	27, Toymabip 30 North, Bange 12 West, N. M. F. M., known as Leurence and Sally Smith Lease, containing 112 acres, under	
Sec. 23, Township 29 N., Hongo 13 Mestigadint in g 320 oornes, under contract the First Fisco Naturel Gas Co., suid wells complete with casing, losses, and appurtenances. To Have and to Hold the Same. Together with all and singular the appurtenances and privileges thereunto helonging or in anywise thereunto appertaining, and all the estate, right, title, interest and claim whatsoever of the said part les of the first part, either in law or equity, to the only proper use, benefit and behood of the said part of the second part. their is and assigns, forever. In Winness Whereof, The said part les of the first part have hereunto set their hand 9 and scals the day and year first above written. Signed, Sealed and Delivered in Presence of New Mexico STATE UP CODOMISMEX County of Son Juan acknowledged before me this 2th day of November 10 54 by Lloyd E. Taylor and Vilered E. Taylor, his wife. Witness my hand and collicial seal. My commission expires The foregoing instrument was acknowledged before proceeded before of the seal. My commission expires The offer of the seal. State UP CODOMISMEX County of Son Juan acknowledged before me this 2th day of November 10 54 by Lloyd E. Taylor and Vilered E. Taylor, his wife. Witness my hand and collicial seal. My commission expires State UP county for the sealer. The foregoing instrument was and all collered experiments was and all other or equally and for whom senter. The sealer offer the representative respective. Inset has and allow ofter or equality and for whom senter. The second part offer the representative respective. Inset has and allow ofter or equality and for whom senters.	Township 27 North, Range 12 West, N.M.P.M., Lease contain-	
To Have and to Hold the Same. Together with all and singular the appurtenances and privileges thereunto belonging or in anywise thereunto appertaining, and all the estate, right, title, interest and claim whatsoever of the said part 1 gs of the first part, either in law or equity, to the only proper use, benefit and behoof of the said part of the second part. their huirs and assigns, forever. In Witness Whereof, The said part 1 gs of the first part have hereunto set their hand 3 and scals the day and year first above written. Signed, Sealed and Delivered in Presence of Their Charles (G. Carlos (G.	One Ges Well known as Tycksen No. 1, located in the N <sup>1</sup> of <u>Sec. 23, Township 29 N., Benne 13 Mest49</u> 89ntrining 320 perse, under contract t. El Faso Natural Gas Co.,	
helonging or in anywise thereunto appertaining, and all the estate, right, title, interest and claim whatsoever of the said part 1es of the first part, either in law or equity, to the only proper use, benefit and behoof of the said part of the second part. their min and assigns, forever. In Witness Whereof, The said part leg of the first part ha vo hereunto set their hand s and scals the day and year first above written. Signed, Sealed and Delivered in Presence of New Mexico STATE UF GOODALSINK County of Son Juan acknowledged before nor this 2th day of November 10.54 by* Lloyd E. Taylor and Villered E. Taylor, his wife. Witness uny hand and olicial seal. My commission expires Nor Ary Public.	said wells complete with casing, leases, and appurtenances.	•
the day and year first above written. Signed, Sealed and Delivered in Presence of Whit & A. C. & Y. & C	belonging or in anywise thereunto appertaining, and all the estate, right, title, interest and claim whatsoever of the said part ies of the first part, either in law or equity, to the only proper use, benefit and behoof of the said part of the second part, their huirs and assigns, forever.	
Sold STATE OF COCCULANER County of Son Juan The foregoing instrument was acknowledged before me this 2th day of November 1954 by* Lloyd E. Taylor and Vilerod E. Taylor, his wife. Witness my hand and olicial seal. My commission expires My commission expires The foregoing instrument was acknowledged before me this 2th day of November 1954 by* Lloyd E. Taylor and Vilerod E. Taylor, his wife. Witness iny hand and olicial seal. My commission expires Countries of the official or representative capacity. Insert masse and also office or capacity and for whom acting. Ty Countries Oct 25, 1958	the day and year first above written.	
Solution of the series of the	Signed, Sealed and Delivered in Presence of Finit days Start Signed	
STATE OF GOEDORADHEX County of Son Juan acknowleiged before me this 8th day of November 1954 by* Lloyd E. Taylor and Vilered E. Taylor, his wife. Witness my hand and official seal. My commission expires My commission expires My Commission typires Oct 25, 1958		
STATE OF CODORIZONEX County of Son Juan acknowledged before me this 2th day of November 1954 by* Lloyd B. Taylor and Milered B. Taylor, his wife. Witness my hand and official seal. My commission expires My commission expires My commission typics Uct 25, 1958		
Witness my hand and official seal. My commission expires Puchand to KotARY FUBLIC. Ry Commission Lapures Oct. 25, 1958	STATE OF CODODADNEX County of Son Juan The foregoing instrument was acknowledged before me this 8th day of November 1954	: : :
The hand the Source of secting in official or representative capacity, insert name and also office or capacity and for whom acting.	Witness my hand and official seal.	
Ry Commission Lypites Oct. 25, 1958	Bahard to hant	
	"If seting in official or representative capacity, insert name and also office or capacity and for whom acting Ry Commission Expires Oct. 25, 1958	• () 
Sid F. QUIT-CLAIM DEED-Out West Printing and Stationers Co., Colorado Springe, Colo,	sid F. QUIT-CLAIM DEED-Out West Frinting and Stationery Co., Colorado Springs, Colo.	

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Quit-Claim Deed

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STATE OF COLORADO,
County of Jan Juan Sa
i hereby certify that this Deed was filed for
Record on the 27 day of December
A. D. 19.5 . at He Co'clock . M., in my
office, and duly recorded in Book
Page No.
Lingunio E. Kitlerel
By DEPUTY.
Fees, \$
WHEN RECORDED RETURN TO
Farres y Kacke
Kurango Colorado
UUT WEST PUTG. & SLAFT. CL., COLORAND SPHIRES M469

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	The fear and the share of A () 16 at a faired M
	Filed for record the
	This December in the year of our between
	LLOYD D. LOCKE
ł	of the County of La Plata and State of Colorado, of the first part, and
4	LUUISE Y. LCCKE
	of the County of La Plata and State of Colorado, of the second part, Witnesseth. That the said part y of the first part, for and in consideration of the sum of the dollar and other good and valuable considerations
	Cne Gas Well known as Locke-Smith No. 1, located in Section 27, Township 30 North, Range 12 West, N. M. P. H., known as Laurence and Sally Smith Lease, containing 112 acres, under contract to Southern Union Gas Co.
	one Gas Well known as Foutz No. 1, located in NW <sup>1</sup> , Section 5, Township 27 North, hange 12 West, N. M. P. H., Lease containing 160 acres, under contract to El Paso Natural Gas Co.
	the Gas Well known as Tycksen No. 1, located in the Ni of Section 23, Township 29 N., Hange 13 West, Lease contain- ing 320 acres, under contract to El Paso Natural Gas Co.,
	said wells complete with casing, leases, and appurtenances.
	To Have and to Hold the Same. Together with all and singular the appurtenances and privileges thereunto belonging or in anywise thereunto appertaining, and all the estate, right, title, interest and claim whatsoever of the said part Y of the first part, either in law or equity, to the only proper use, benefit and behood of the suid part Y of the second part, her hers and assigns, forever. In Witness Whereof, The said part Y of the first part ha S hereunto set his hand and seal the day and year first above written. Signed, Sealed and Delivered in Presence of Mary Marke, North Start
	belonging or in anywise thereunto appertaining, and all the estate, right, title, interest and claim whatsoever of the said part Y of the first part, either in law or equity, to the only proper use, benefit and behoof of the suid part Y of the second part, her heirs and assigns, forever. In Witness Whereof, The said part Y of the first part ha S hereunto set h13 hand and seal
	belonging or in anywise thereunto appertaining, and all the estate, right, title, interest and claim whatsoever of the said part Y of the first part, either in law or equity, to the only proper use, benefit and behoof of the suid part Y of the second part, her heirs and assigns, forever. In Witness Whereof, The said part Y of the first part ha S hereunto set h13 hand and seal
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	belonging or in anywise thereunto appertaining, and all the estate, right, title, interest and claim whatsoever of the said part Y of the first part, either in law or equity, to the only proper use, benefit and behoof of the suid part Y of the second part, her heirs and assigns, forever. In Witness Whereof, The said part Y of the first part ha S hereunto set his hand and seal the day and year first above written. Signed, Sealed and Delivered in Presence of State State State
	belonging or in anywise thereunto appertaining, and all the estate, right, title, interest and claim whatsoever of the said part y of the first part, either in law or equity, to the only proper use, benefit and behoof of the suid part y of the second part. here heirs and assigns, forever. In Witness Whereof, The said part y of the first part ha 5 hereunto set h13 hand and seal the day and year first above written. Signed, Sealed and Delivered in Presence of STATE OF COLORADO. County of La Plata acknowledded before me this 23rd day of December , 1954 by* Lloyá D. Locke Witness my hand and official seal.
	belonging or in anywise thereunto appertaining, and all the estate, right, title, interest and claim whatsoever of the said part Y of the first part, either in law or equity, to the only proper use, benefit and behoof of the suid part Y of the second part, her heirs and assigns, forever. In Witness Whereof, The said part Y of the first part ha 5 hereunto set h13 hand and seal the day and year first above written. Signed, Sealed and Delivered in Presence of STATE OF COLORADO, County of La Plata acknowledged before me this 23rd day of December , 1954 by* Lloyd D. Locke
	belonging or in anywise thereunto appertaining, and all the estate, right, title, interest and claim whatsoever of the said part y of the first part, either in law or equity, to the only proper use, benefit and behoof of the suid part y of the second part. her heirs and assigns, forever. In Witness Whereof, The said part y of the first part ha 5 hereunto set h13 hand and seal the day and year first above written. Signed, Sealed and Delivered in Presence of STATE OF COLORAINO. County of La Plata acknowledged before me this 23rd by* Lloyd D. Locke Witness my hand and official seal. My commission expires Uctober 19, 1957

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No Quit-Claim Deed

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STATE OF COLORADO, A. County of State Juan
I hereby certify that this Dued was filed for
Record on the 27 day of descerible
A. D. 19.57, at. 4 0.5 o'clock A.M., in my
office, and duly recorded in Block. 265
Page No.
By
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WHEN RECORDED RETURN TO
<u>Alexander and and and and and and and and and and</u>
OUT WEST PATEL & STATT. U., COLONARD SPEEBLS M7768

#### OIL AND GAS LEASE B w

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1-54

21st April, 1951, THIS AGREEMENT, Entered into B. E. Dustin and Ruth Dustin, husband and wife, and Louie Dustin, a widow, of Farmington, New Mexico,

#### Albert R. Greer, of Dallas, Texas,

13"7 Form 85-42 han: Obta & Colo.

tions in er, for and in enautorships of the out at One (\$1.00) Dollar and other valuable consider: mere for the persons of mining the derivation of the person of the person has this day granted and bened and hereby grant more for the persons of mining the derivating for and predecing oil had gat, catalgebed gat and catalgeben granding, faiting pipe and oil, building person, assistant, belophene likes and other strengture derives the produce, says, take the of And manufacture all irases and irts unto the i

San Jurn County ..... New Mexico.

Beginning at the Northwest corner of the Northeast	
(NEt) Quarter of Section Twenty-three (23), in Township	
Twenty-nine (29) North, of Fange Thirteen (19) West;	
N.M.P.M., thence running South 60 rods, thence East 40	
place of beginning. Containing 15 acres, more or less.	

shall remain in force for a term of a little that as bog thereafter as all gas, catinghead gas, caunghead gaseline or any of them 2 This lease

• produced
1. The bases shall deliver to the credit of the lesser as repair, free of cost. In the pipe line in which lesses may connect its weight of the lesser as repair, free of cost. In the pipe line in which lesses and connect its weight of each of states. It is the same of all oil pressured and aver form the lesser as repair, or at the lesser is spine. If the same for such one-eighth repairing met the day such di is trun into the base to pipe line. If the same for such one-eighth repairing the market price for oil of line grade and griving pressing met the day such di is trun into the pipe line. If the same for such one-eighth repairing the market price for the rest such is the same is such. For gas from the same only it fruits the rest of the presence of the same as such. For gas from the lesser is the to be a produced with the same of the sa the sale thereof

ar useres. If operations for the drilling of a well for oil or maa are not commenced on said land on or before one year from thu date, this lease shall ter both parties, unless the lesser\_shall, on or before one year from this date, pay or tenner to the lessor or for the lessor's credit in the First National Bank Bass at Farmington, New Mexico,

... successors, which bank and its successors are the lessor's seent and thall continue as the depository of any and all sums pavable under this lesse, re

rdiese of changes of swarship in said land or in the oil and gas, of in the rentals to accrue therewader, the sum of\_ zerdisa of charges of orviership is and last or in the sell and gas of in the reliance active the second of the second se

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WITHERS WHEREOF, we says the day and year first shole writter.

destribed and upser the terms of this lease.	
$\rho - Q = \tau$	
Louis Kushni	
Russia Durali	
1824 B. E. Dustin	

COUNTY OF_SAT_JUAN       } a. ACKNOWLEDGMENT FOR INDIVIDUAL (ARM. OUR: send for and for and County and State, on the 21st
E. E. Dustin and Ruth Dustin, Hustand and Official and for going instrument and acknowledged to the widow.          a widow.       a widow.         to me personally known to be the identical person.       who executed the within and for going instrument and acknowledged to the the uses and purposes Upithil Afris         IN WITNESS WHEREOF, I have berewise set my hand and official seat the day and year has aby?       Noter: "Witten.         STATE OF
a widow.     to me personally known to be the identical person B who executed the within and for croing instrument and acknowledged to that CheY ascected the same as their free and voluntary act and deed for the users and purposes thrittly free and voluntary act and deed for the users and purposes thritten.     STATE OF
o me personally known to be the identical person. <sup>6</sup> who executed the within and foregoing instrument and acknowledged to hat Chey assected the same as their first and seed for the user and purposes thereinf are set in the user and purposes therein is the user and purposes therein are the undersized that on this day of
that theyascuted the same safree and voluntary act and deed for the uses and purposes thight for a IN WITNESS WHEREOF, I have bereamto set my hand and official seal the day and year last abig writen.         Mv commission expires
Siv commission expires Quil 30-1952 Constrained and official seal on the same personally known to be the identical person. who executed the within and foregoing unstructent and acknowledged to that the executed the same as
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nd         or me personally known to be the identical person who executed the within and foregoing instrument and arknowledged to at executed the same as free and voluntary act and deed for the uses and purposes therein set in NWITNESS WHEREOF. I have hereunto set my hand and official seal the day and year last above written.         IV commission expires
to me personally known to be the identical person
thatexecuted the same asfree and voluntary act and deed for the uses and purposes therein set in IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.  My commission expires
IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.  My commission expires
Ny commission expires
STATE OF
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Notary Public, duly commissioned, in and for the county and state afore-said. came
A corporation of the State of
a corporation of the State of
NO GAS FROM FROM TO TO TO TO TO TO TO TO TO TO TO TO TO
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±z. erved for Filing Stamp 4 139 ASSIGNMENT OF OIL AND GAS LEASE STATE OF YOW M .co. 2 Ceatty of San Juan -5.5.5. 5.6-5-5-6-11 13-51-52 626-56 P KNOW ALL MEN BY THESE PRESENTS · · · · · · · · · · 24 That the undersigned, AT. FERT E. GREEF and ADA CEARLINE GREEF 8:37 11 1.75 14.7 199 . hmaband and wife el end contra a la fattell 4 Chereinstiter called Assignar), for and in consideration of One Dollar (\$1.00) the receipt whereal is hereby acknowledged, does hereby sell, assign, transfer and set are: unio Virginia la Fifio Cleri and Ľ 7 omac he 1442 RARL A. EXHSON and VN. Y. MULTIN いたにに北 • ..... doued intil 21 ÷. and Louis Dostin, a widow, of Parmington, New Mexico 3 Albert R. Greer. 175 ... in so far as said lease covers the following described la \_County, Stone of New Hexico San Juan Beginning at the Northwest corner of the Northeast Quarter (N34) of Section Twenty-three (23), in Township Twenty-nine (29) North of Ennee Thirteen (13) West, H. M. P. M., thence running South 60 rods, thence East 40 rods, thence Forth 60 rods, thence West 40 rods to the place of heginning, containing 15 ACTOS, more or less ここの一部に together with the rights incident thereto and the personal property thereon, appurtenant thereto, or used or obtaine-nection herewith. And for the same consideration the Assignor covenants with the Assignes, its or his betrs, successors or assign the Assigner is the lowing overset of and hos good title to the interest above assigned in and to said lease estate, r property, here and clear from all liens, encumbrances or adverse claims. That said lease is a valid and subsisting the same in hull force have been duly performed; and that the Assignor will warrant and forever described all persons whomsever, lawfully claiming or to claim the same. to keep ¢. Executed the 2415 January \_.day ol R C & 2 1 / et al. i ACKNOWLEDGMENT FOR INDIVIDUAL (Obighoma and Kanaca) STATE OF OKIEhome COUNTY OF OKLADOMA 24th Before me, the undersigned, a Notary Public within and for said County and State, on this. JEAUETY 19 52 personally appeared Albert 2. Greer my & Elif Ada Charlins Greet to me well known to be the identical personal, who executed the within and foregoing instrumen: and duly acknowledged to me that the executed m m toor tree and voluntary act and deed for the uses and purposes therein est forth. In thetheony whereof I have bereunto set my hand and official sealthe day and year last above written Ξ. # Q <sup>1</sup> sect Jenay Motory Public Bir commission Singles willy 10, 1955 . I un ٢, ACKNOWLEDGMENT FOR CORPORATION STATE CF 7 88 COUNTY OF. Before me, the undersigned, a Notary Public within and for said County and State, on this. 19\_\_\_\_\_ personally appeared to ma known to be the identical person who subscribed the the name of the maker thereof to the foregoing matrument or " In testimony whereof I have bereanto set my hand and afficial seal the day and year last above written My commission Notary Public R.I £. 7 rel ŝ , all. city ohl 

104 . Assignment of Oil and Gas Lease No. Kata Sanger -areas a constant والمراجع والمحرور والمتعادين والمحاج والمعاجب in 10 mag KNOW ALL MEN BY THESE PRESENTS: 1.546 (17) many the second second and a Larl ٨. Benson and Ivy E. Benson That the understaned. husband and wife, and Wm. V. Hontin and Kathleen M. Pontin, husband and wife an an an Air an an Air an A Air an A . . ..... e vallet Anternet, for and in ourself-action of One Datter (11.00) the rea a commentation of the second second set over unto Looke-Teylur Drilling Commany بالتهوك أأنه يعتدوا يعتد استشارهم ليستنش بأورية فتعو مشورهم توريد والواري أرار (hereinafter called Assignee) All'their interest in and to the oil and gas lease April 21 10.51 from B. E. Distin and Mith Mistin, husband. . and Louis Dustin, a widow. Albert H. Greer 10 recorded in book\_\_\_\_\_\_\_ page\_\_\_\_\_\_ \_, in so far as said lease covers the following described land in San Juan \_\_County, State of New Marico. Beginning at the Morthwest corner of the Northeest Quarter (NW/c 10%/h) of Section Twonty-three (23) in Township Twonty-nine North (291) of Ronge Thirteen West (13W), N.N.P.M., thence running south 60 rods, thence best 40 rods, thence north 60 rods, thence west 40 rods to the place of beginning, containing 15 acres, more or 1 as, INSOFAR AS SAID LMASE COVENS ALL TOMATIONS JOWN TO AND DICLUDING THE BASE OF THE PICTURED CLIFFS FORMATION. ..... isgeiber with the vights incident therets and the p And for the same consideration the Amignor corresponds with the Amignon, his ignor in the lawsel purper of and has good title to the interest above damigned b and clear from all items, encombraness or adverse sizinni; That said hown in erflod, and all restift and eventifies due thereaster have been puile and all been daily performed; and that the Amignor will warrant and forever defen y claiming or to pick the same. estate, rights and property, glasse on the land above here the same in full force il persons whomesever, law-EXECUTED This\_ 74th 19 53 day of (Latil can K. Kontin) MODIINI STATE OF OKLAHOMA, County of\_\_\_\_Oklahama Individual Acknowledgment 27th Before me, the undersigned, a Notary Public in and for said County and State on this, day of - HAY , 19.53, personally appeared \_\_Marl A. Benern and Ivy X. Joneou, and C. L. F. K. Kobtin and Kathleon H. Montin that thirt excituted the same as their res and voluntary act and doed for the uses and purposes therein sot forth. My commission expires July 10, 1955 Alven under my hand and seal of office the day and year last abuve written. Uninite Auneall\_Notary Public AURI C .... - ( ) 1. Ourporation Askanwinder aline ali sure de sure assi a dey of Befory me, the undersigned, a Matury Public in and for said County and State on this . 19\_ , personally appeared . to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its executed the same as his free and yoluntary act and and acknowledged to me that, dead and as the free and voluntary act and deed of such exporation, for the uses and purposes therein set forth. Given under my hand and seal of office the day and year last above written. The state of the s · · · · nistion explaine Notary Public My com ALL OF THE • and the set of the set .... and a second · . . !

and foregoing instrument and acknowledged to me thatcreacuted the same anfive and voluntary act a deed for the purpose therein set forth. IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my notarial seal, the day and year first above written. My commission expires	STATE OF	laa	ACKNOWLEDOMENT, Applicable	
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FORE THE OJL CONSERVATION COUMISSIC: OF THE STATE OF NEW MEXICO

IN THE LATIAN OF THE APPLICATION OF MARL A. IENSON AND WILLIAM V. MONTIN FOR THE APPROVAL OF MALLEGOS CANTON INIT AN EELENT EMBRACING 39,324.51 ACRES OF LAND IN TOWNSHIP 28 NORTH, M.M.P.M., SAN JUAN COUNTY, NEW MEXICO.

CASE NO. 247 ORDER NO. R-68

### ORDER OF THE CONMISSION

#### BY THE COMMISSION:

This cause coming on for hearing at ten o'clock a.m., on the Eth day of April, 1951, at Santa Fe, New Mexico, before the Oil Come Servation Commission of New Mexico, hereinafter referred to as the Commission," upon the application of Earl A. Benson and William v. Nontin for approval of the Gallegos Canyon Unit Agreement, emercuing ands situated in San Juan County, New Mexico, and the Commission aving considered said application and the svidence introduced in support thereof and being fully advised in the premises:

FINDS that the proposed unit plan will in principle tend to pro-

T IS, THEREFORE, ORDERED BY THE COMMISSION AS FOLLOWS:

Section 1. That this order shall be known as the

#### GALLEGOS CANYON UNIT AGREEMENT ORDER.

. .

Section 2. (a) That the project herein referred to shall be nown as the Callegos Canyon Unit Agreement, and shall hereafter be eferred to as the "project."

(b) That the plan by which the Project shall be operated shall be embraced in the form of a unit agreement for the development and peration of the Gallegos Canyon Unit Agreement Area referred to in the etitioners' petition and filed with said petition, and such plan shall a known as the Gallegos Canyon Unit Agreement Plan.

Section 3. That the Gallegos Canyon Unit Agreement Plan is noney approved as a proper conservation measure; provided, however, that otwithstanding any of the provisions contained in said unit agreement, is approval shall not be considered as waiving or relinquishing in

BEFORE EXAMINE STORNE

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'any wa her any rights, duties or obligations which are now, or may hereafter, we vested in the New Mexico Oil Conservation Commission by law relative to the surpervision and control of operations for exploration and deredopment of any lands committed to said Gallegos Ganyon Unit  $A_{L}$  sector, or relative to the production of oil or gas therefrom.

Section 4. (a) That the Unit Area shall be the following described lands, all located in San Juan County, New Mexico, to-wit:

NEW MEXICO PRINCIPAL MERIDIAN:

Township 28 North, Range 11 West

Sec. 7 - All Sec. 18 - All Sec. 19 - All

Township 28 North, Range 12 West

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Secs. 7 to 34, incl.

Township 28 North, Range 13 West

Secs. 11 to 14, incl. Secs. 23 to 26, incl. Secs. 35 and 30

Township 29 North, Range 12 West

Sec. 16 - SW<sup>1</sup> Secs. 17 to 21, Incl. Sec. 22 - W<sup>1</sup><sub>2</sub>, SE<sup>1</sup> Sec. 25 - W<sup>1</sup><sub>2</sub>, SE<sup>1</sup> Secs. 26 to 36, incl.

Township 29 North, Range 13 West

Sec. 13 - All Secs. 23 to 26, incl. Secs. 34 to 36, incl.

Said area embraces a total of 39,324.51 acres of land.

N North

(b) The Unit Area may be enlarged or contracted as provided in said Plan.

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13.

Section 5. That the Unit Operator shall file with the Commissioner of Public Lands an executed original or executed counterpart of the Gallegos Canyon Unit Agreement within thirty days after the effective date thereof.

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A STANDARD

contion b. That any party owning rights in the unitizal subscances who does not count such rights to haid Whit apreament, refore the cirective date thereof may thereafter become a party thereto by subscribing to such agreement or counterpart thereof. The unit opera-tor shall file with the Consission within thirty days an original of any such counderpart.

Lection 7. That this Order shall become effective on the first day of the calendar month next following the approval of the Conside-sioner of Public Lands of the State of New Muxico and the Director of the United States Geological Survey, and shall terminate 1pso facto on the termination of said Unit Agreguent. The last unit operator snall inactively notify the Commission in writing of such termination. . · . . · · · · · ·

DONE at Santa Fe, New Mexico, this 24 day of April, 1951.

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'STATE OF NEW MELICO SOIL CONSERVATION COMMISSION

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UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE GALLEGOS CANYON UNIT AREA COUNTY OF SAN JUAN STATE OF NEW NEXICECOND REDEIVED RECEIVED

: 54 l l LY 845 I-Sec. No. COGICAL SUR

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THIS AGREEMENT, entered into as of the day of 19  $\mathcal{I}\mathcal{I}$ , by and between the parties subscribing, ratifying, or consenting hereto, and herein referred to as the "parties hereto"; .17185

WITNESSETH:

WHEREAS, the parties hereto are the owners of working, royalty or other oil or gas interests in the unit area subject to this agreement; and

WHEREAS, the term "working interest owner" as used herein and in other contracts between and among the parties relating to the subject lands shall mean and refer only to such an interest committed hereto as may be obligated to bear or share, either in cash or out of production (other than by permitting the use of unitized substances for development, production, repressuring or recycling purposes), a portion or all of the costs or expenses of developing, equipping or operating any land within the Unit Area subject to this agreement. If the working interest in any tract is or shall hereafter be owned by more than one party, the term "working interest owner", when used with respect to such tract, shall refer to all such parties owning the working interest therein; and

WHEREAS, the allotted land mineral leasing act of March 3, 1909, (35 Stat. 783, 25 U. S. C. sec. 396) authorizes the leasing of restricted allotted Indian lands subject to rules and regulations prescribed by the Secretary of the Interior; and

WHEREAS, the act of February 25, 1920, 41 Stat. 437, 30 U.S.C. Sec. 181, ot seq., as amended by the Act of August 8, 1946, 60 Stat. 950, authorizes Federal lessees and their representatives to unite with each other, or jointly or separately with others, in collectively adopting and operating under a cooperative or unit plan of development or operation of any oil or gas pool, field, or like aroa, or any part thereof, for the purpose of more properly conserving the natural resources thereof whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Chap. 88, Laws 1943) to consent to or approve this agreement on behalf of the State of New Mexico, insofar as it covers

July, 1950

and includes lands and mineral interests of the State of New Mexico; and

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WHEREAS, the Oil Conservation Commission of the State of New Mexico is authorized by an Act of the Legislature (Chap. 72, Laws 1935) to approve this, agreement and the conservation provisions hereof;

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WHEREAS, the parties hereto hold sufficient interests in the Gallegos
 Canyon Unit Area to give reasonably effective control of operations therein; and
 WHEREAS, it is the purpose of the parties hereto to conserve natural re sources, prevent waste, and secure other benefits obtainable through development
 and operation of the area subject to this agreement under the terms, conditions,
 and limitations herein set forth;

NOW, THEREFORE, in consideration of the premises and the promises herein contained, the parties hereto commit to this agreement their respective interests in the unit area and agree severally among themselves as follows:

1. ENABLING ACT AND REGULATIONS: The acts of March 3, 1909, February 25, 1920, and May 11, 1938, as amended, supra, and all valid pertinent regulations, including operating and unit plan regulations, heretoforo issued thereunder or valid pertinent and reasonable regulations hereafter issued thereunder are accepted and made a part of this agreement, and as to non-Federal land applicable State laws are accepted and made part of this agreement.

2. UNIT AREA: The following described land is hereby designated and recognized as constituting the unit area:

NEW MEXICO PRINCIPAL MERIDIAN

#### Township 28 North, Range 11 West

Sec. 7-All Sec. 18-All Sec. 19-All

#### Township 28 North, Range 12 West

Secs. 7 to 34, incl.

# Township 28 North, Range 13 West

Secs. 11 to 14, incl. Secs. 23 to 26, incl. Secs. 35 and 36

#### Township 29 North, Range 12 West

Sec. 16-5%/4 Secs. 17 to 21, incl. Sec. 22-W/2, SE/4 Sec. 25-W/2, SE/4 Secs. 26 to 36, incl. Township 29 North, Range 13 West Sec. 13-All

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Secs. 23 to 26, incl. Secs. 34 to 36, incl. <sup>14</sup> 5

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Total Unit Area embraces 39,324.51 acres, more or less.

Exhibit "A" attached hereto is a map showing the unit area and the known ownership of all land and leases in said area. Exhibit "B" attached hereto is a schedule showing the percentage and kind of ownership of oil and gas interests in all land in the unit area. Exhibits "A" and "B" shall be revised by the Unit Operator whenever changes in the unit area or other changes render such revision necessary, but no such revision shall be retroactive. Not less than seven copies of the revised exhibits shall be filed with the Oil and Gas Supervisor, hereinafter referred to as "Supervisor", and two copies with the Commissioner of Public Lands. of the State of New Mexico, hereinafter referred to as "State Commissioner".

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The above-described unit area shall when practicable be expanded to include therein any additional tracts regarded as reasonably necessary or advisable for the purposes of this agreement, or shall be contracted to exclude lands not within any participating area whenever such expansion or contraction is necessary or advisable to conform with the purposes of this agreement. Such expansion or contraction shall be in the following manner:

(a) Unit Operator, on its own motion or 'on demand of the Director of the Geological Survey, hereinafter referred to as "Director", or on demand of the State Commissioner, shall prepare a notice of proposed expansion or contraction describing the contemplated changes in the boundaries of the unit area, the reasons therefor, and the proposed effective date thereof;

(b) Said notice shall be delivered to the Supervisor, and the Superintendent of the Navajo Indian Reservation, the Commissioner of Indian affairs hereinafter referred to as "Indian Commissioner", and the State Commissioner, and copies thereof mailed to the last known address of each working interest owner, lessee, and lessor whose interests are affected, advising that 30 days will be allowed for submission to the Unit Operator of any objections;

(c) Upon expiration of the 30-day period provided in the preceding item
(b) hereof, Unit Operator shall file with the Supervisor and State Commissioner
evidence of mailing of the notice of expansion or contraction and a copy of any
objections thereto which have been filed with the Unit Operator;

(d) After due consideration of all pertinent information, the Director and State Commissioner shall approve in whole or in part or reject the proposed expansion or contraction. To the extent that it may be approved, such expansion or contraction shall become effective as of the date prescribed in the notice thereof.

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All land committed to this agreement shall constitute land referred to herein as "unitized land" or "land subject to this agreement".

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3. <u>UNITIZED SUBSTANCES</u>: All oil, gas, natural gasoline, and associated fluid hydrocarbons in any and all formations of the unitized land are unitized under the terms of this agreement and herein are called "unitized substances".

4. <u>UNIT OPERATOR</u>: Earl A. Benson and William V. Pontin are hereby designated as Unit Operator and by signature hereto commit to this agreement all interests in unitized substances vested in them as set forth in Exhibit "B", and agree and consont to accept the duties and obligations of Unit Operator for the discovery, development and production of unitized substances as herein provided. Whonever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as owner of interests in unitized substances.

Prior to the establishment of a participating area or areas hereunder, the Unit Operator may resign as Unit Operator whenever not in default under this agreemont, but no Unit Operator shall be relieved from the duties and obligations of Unit Operator for a period of six months after it has served notice of intention to resign on all owners of working interests subject hereto and the Director, Superintendent, Indian Commissioner, and State Commissioner unless a new Unit Operator shall have been selected and approved and shall have assumed the duties and obligations of Unit Operator prior to the expiration of shid six-month period. Unless a successor operator is selected and approved, and assumes the duties and obligations of operator prior to the effective date of the retiring operator's rolinquishment of duties, the rotiring operator must place all wells drilled hereunder in a satisfactory condition for suspension or abandonment as may be required by the Supervisor and the State Commissioner under applicable Federal and State oil and gas operating regulations.

Unit Operator shall have the right to resign while a participating area established herounder is in existence but such resignation shall not become effective unless and until a successor unit operator has been selected and approved and has agreed to accept the duties and responsibilities of Unit Operator effective upon the termination of such duties and responsibilities of the retiring Unit Operator. The resignation of Unit Operator shall not release Unit Operator from any liability for any default by it hereunder occurring prior to the effective date of its resignation.

Upon default or failure in the performance of its duties or obligations

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under this agreement, the Unit Operator may be removed by a majority vote of owners of working interests determined in like manner as herein provided for the selection of a successor Unit Operator. "Prior to the effective date of relipquishment by, or within six months after removal of Unit Operator, the duly qualified successor Unit Operator shall have an option to purchase on reasonable terms all or any part of the equipment, material, and appurtenances in or upon the land subject to this agreement, owned by the retiring Unit Operator and used in its capacity as such Operator, or if no qualified successor operator has been designated, the working interest owners may purchase such equipment, material, and appurtenances. At any time within the next ensuing three months any equipment, material, and appurtenances not purchased and not necessary for the preservation of wells may be removed by the retiring Unit Operator, but if not remoyed shall become the joint property of the owners of unitized working interests in the participating area or, if no participating area has been established, in the entire unit area. The termination of the rights as Unit Operator under this agreement shall not terminate the right, title, or interest of such Unit Operator in its separate capacity as owner of interests in unitized substances.

5. SUCCESSOR UNIT OPERATOR: Whenever the Unit Operator shall relinquish the right as Unit Operator or shall be removed, the owners of the unitized working interests in the participating area on an acreage basis, or in the unit area on an acreage basis until a participating area shall have been established, shall select a new Unit Operator. A majority vote of the working interests qualified to vote shall be required to select a new Unit Operator; provided, that if a majority but less than 75 per cent of the working interests qualified to vote are owned by one party to this agreement, a concurring vote of at least one additional working interest owner shall be required to select a new Unit Operator. Such selection shall not become effective until (a) a Unit Operator so selected shall accept in writing the duties and responsibilities of Unit Operator, and (b) the selection shall have been approved by the Director and Stato Commissioner. If no successor Unit Operator is selected and qualified as herein provided, the Director and State Commissioner at their election may declare this unit agreement 17185terminated.

6. <u>UNIT OPERATING ACREEMENT</u>: If the Unit Operator is not the sole owner of working interests, all costs and expenses incurred in conducting unit operations hereunder and the working interest benefits accruing hereunder shall be apportioned among the owners of unitized working interests in accordance with a unit operating

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agreement by and between the Unit Operator and the other owners of such interests, whether one or more, separately or collectively. Any agreement or agreements untered into between the working interest ewners and the Unit Operator as provided in this agetion, whether one or more, are herein referred to as the "Unit Operating Agreement". No such agreement shall be deemed either to modify any of the terms and conditions of this unit agreement or to relieve the Unit Operator of any right or obligation established under this unit agreement, and in case of any inconsistency or conflict between this unit agreement and the unit operating agreement, this unit agreement shall prevail. Three true copies of any unit operating agreement executed pursuant to this section shall be filed with the Supervisor.

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7. RIGHTS AND OBLIGATIONS OF UNIT OPERATOR: Except as otherwise specifically provided herein, the exclusive right, privilege, and duty of exercising any and all rights of the parties hereto which are necessary or convenient for prospecting for, producing, storing, allocating, and distributing the unitized substances are hereby delegated to and shall be exercised by the Unit Operator as herein provided. Each working interest owner shall take in kind, or market individually or through an agent, its respective portion of the unitized substances and acting individually or through an agent shall pay all royalty, overriding royalty or other payments to which the portion of such working interest owner is subject. The right is hereby secured to the United States and the State of New Mexico under existing or future laws and regulations to elect to take its respective royalty shares in kind or value. Acceptable evidence of title to said rights shall be deposited with said Unit Operator and, together with this agreement, shall constitute and define the rights, privileges, and obligations of Unit Operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this agreement the Unit Operator, in such capacity as Unit Operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein 17185 specified.

The Unit Operator shall pay all costs and expenses of operation with respect to the unitized land; and no charge therefor shall be made against the royalty owners. If and when the Unit Operator is not the sole owner of all working interests, such costs shall be charged to the account of the owners of working interests, and the Unit Operator shall be reimbursed therefor by such cwmers and shall account to the working interest owners for their rospective

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shares of the production and benefits derived from operations hereunder, all in the manner and to the extent provided in the unit operating agreement. If the Unit Operator is the sole working interest owner, he shall bear all such costs and expenses. The Unit Operator shall render each month to the owners of unitized interests entitled thereto an accounting of the operations on unitized land during the previous calendar month, and shall pay in value or deliver in kind to each party entitled thereto a proportionate and allocated share of the benefits accruing hereunder in conformity with operating agreements, leases, or other independent contracts between the Unit Operator and the parties hereto either collectively or individually.

The development and operation of land subject to this agreement under the terms hereof shall be deemed full performance by the Unit Operator of all obligations for such development and operation with respect to each and every part or separately owned tract of land subject to this agreement, regardloss of whether there is any development of any particular part or tract of the unit area, notwithstanding anything to the contrary in any lease, operating agreement, or other contract by and between the parties hereto or any of them.

8. DRILLING TO DISCOVERY: Within 6 months after the effective date hereof, the Unit Operator shall begin to drill an adequate test well at a location to be approved by the Supervisor if such location is upon Indian or Federal lands, and if upon State lands or patented lands, such location shall be approved by the Oil Conservation Commission of the State of New Mexico, hereinafter referred to as the Commission, unless on such effective date a well is being drilled conformably with the terms hereof, and thereafter continue such drilling diligently to a depth of 6500 feet unless at a lesser depth unitized substances shall be discovered which can be produced in paying quantities or unless at a lesser depth the Dakota formation has been adequately tested or the Unit Operator shall at any time establish to the satisfaction of the Supervisor as to wells on Indian or Federal land, or the Commission as to wells on State land or patented land, 17185 that further drilling of said well would not be warranted or practicable. Nevertheless, completion of a well in paying quantities, prior to testing the Dakota or reaching 6500 feet in depth, shall not relieve the Unit Operator from the obligation to commence such a Dakota test well within one year thureafter. If the first or any subsequent test well fails to result in the discovery of a deposit of unitized substances capable of being produced in paying quantities, the Unit Operator shall continue drilling diligently one well at a time, allowing not more

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than 6 months between the completion of one well and the beginning of the next well, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of said Supervisor if on Indian or Federal land or the State Commissioner if on State land or patented land, or until it is "reasonably proved that the unitized land is incapable of producing unitized substances in paying quantities. Nothing in this section shall be deemed to limit the right of the Unit Operator to resign, as provided in Section 4 hereof, after any well drilled under this section is placed in a satisfactory condition for suspension or is plugged and abandoned pursuant to applicable regulations.

Upon application, the Director and the State Commissioner may modify the drilling requirements of this section and grant reasonable extensions of time when in their opinion, such actions are warranted. Upon failure to comply with the drilling provisions of this section, the Director and State Commissioner may, after reasonable notice to the Unit Operator and each working interest owner, lessee, and lessor at their last known addresses, declare this unit agreement terminated.

9. PLAN OF FURTHER DEVELOPMENT AND OPERATION: Within six months after completion of a well capable of producing unitized substances in paying quantities, the Unit Operator shall submit for the approval of the Supervisor, the State Commissioner, and the Commission an acceptable plan of development and operation for the unitized land which, when approved by the Supervisor, the State Commissioner, and the Commission, shall constitute the further drilling and operating obligations of the Unit Operator under this agreement for the period specified therein subject to the Dakota test well provisions of Section 8. Thereafter, from time to time before the expiration of any existing plan, the Unit Operator shall submit for the approval of the Supervisor, the State Commissioner, and the Commission, a plan for an additional specified period for the development and operation of the unitized land. Any plan submitted pursuant to this section, subject to the Dakota test well provisions of Section 8, shall provide for exploration of the unitized any of area and for the determination of the commercially productive area thereof in each and every productive formation and shall be as complete and adequate as the Supervisor, the State Commissioner, and the Commission may determine to be necessary for timely development and proper conservation of the oil and gas resources of the unitized area and shall (a) specify the number and locations of any wells to be crilled and the proposed order and time for such drilling; and (b) to the extent practicable specify the operating practices regarded as necessary and advisable

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for proper conservation of natural resources. Separate plans may be submitted for separate productive zones, subject to the approval of the Supervisor, the State Commissioner, and the Commission. Said plan or plans shall be modified or supplemented when necessary to meet changed conditions or to protect the interests of all parties to this agreement. Reasonable diligence shall be exercised in complying with the obligations of the approved plan of development. The Supervisor and State Commissioner are authorized to grant a reasonable extension of the six-month period herein prescribed for submission of an initial plan of development where such action is justified because of unusual conditions or circumstances. After completion hereunder of a well capable of producing oil and gas in paying quantities, subject to the Dakota test well provisions of Section 8, no further wells except such as may be necessary to afford protection against operations not under this agreement or such as may be specifically approved by the Supervisor and the State Commissioner shall be drilled except in accordance with; a plan of development approved as herein provided.

,10. PARTICIPATION AFTER DISCOVERY: Upon, completion of a well pursuant to the provisions of Section 8 hereof capable of producing unitized substances in paying quantities or as soon thereafter as required by the Supervisor or the State Commissioner, the Unit Operator shall subuit for approval by the Director, the Commissioner, and the Commission a schedule; based on succivisions of the public-land survey or aliquot parts thereof, of all unitized land then regarded as reasonably proved to be productive of unitized substances in paying quantities; all land in said schedule on approval of the Director, the State Commissioner, and Commission to constitute a participating area, effective as of the date of first production. Said schedule also shall set forth the percentage of unitized substances to be allocated as herein provided to each unitized tract in the participating area so established, and shall govern the allocation of production from and after the date the participating area becomes effective. A separate participating area shall be established in like manner for each separate pool or deposit of unitized substances or for any group thereof produced as a single pool or zone. The participating area or areas so established shall be revised from time to time, subject to like approval, whenever such action appears proper as a result of further drilling operations or otherwise, to include additional land then regarded as reasonably proved to be productive in paying quantities, and the percentage of allocation shall also be revised accordingly. The effective date of any revision shall be the first of the month following the date of first authentic knowledge or

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information on which such revision is predicated, unless a more appropriate effective date is specified in the schedule. No land shall be excluded from a participating area on account of depletion of the unitized substances.

It is the intent of this section that a participating area shall represent the area known or reasonably estimated to be productive in paying quantities; but, regardless of any revision of the participating area, nothing herein contained shall be construed as requiring any retroactive apportionment of any sums accrued or paid for production obtained prior to the effective date of revision of the participating area.

In the absence of Agreement at any time between the Unit Operator and the Director, the State Commissioner, and Commission as to the proper definition or redefinition of a participating area, or until a participating area has, or areas have, been established as provided herein, the portion of all payments affected thereby may be impounded in a manner mutually acceptable to the owners of working interests, except royalties due the Indians, the United States, and the State of New Maxico which shall be determined by the Supervisor and the State Commissioner and the amount thereof deposited as directed by the Supervisor as to Indian and Federal lands and deposited with the Commissioner of Public Lands as to State lands to be held as uncarned money until a participating area is finally approved and then applied as earned or returned in accordance with a determination of the sum due as Indian, Federal, and State royalty on the basis of such approved participating area.

Whenever it is determined, subject to the approval of the Supervisor as to wells on Indian and Federal land, the State Commissioner as to wells on State land, and the Commission as to patented land, that a well drilled under this agreement is not capable of production in paying quantities and inclusion of the land on which it is situated in a participating area is unwarranted, production from such well shall be allocated to the land on which the well is located so long as that well is not within a participating area established for the pool or deposit from which such production is obtained. 17185

11. <u>ALLOCATION OF PRODUCTION</u>: All unitized substances produced from each . participating area established under this agreement, except any part thereof used for production or development purposes hereunder, or unavoidably lost, shall be deemed to be produced equally on an acreage basis from the several tracts of unitized land of the participating area established for such production and, for the purpose of determining any benefits that accrue on an acreage basis,

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each such tract shall have allocated to it such percentage of said production as its area bears to the said participating area. It is hereby agreed that production of unitized substances from a participating area shall be allocated as provided herein ragardless of whether any wells are drilled on any particular part or tract of said participating area.

12. DEVELOPMENT OR OPERATION ON NON-PARTICIPATING LAND OR FORMATIONS: Any party or parties hereto, other than the Unit Operator, owning or controlling a majority of the working interests in any unitized land not included in a participating area and having thereon a regular woll location in accordance with a wellspacing pattern established under an approved plan of development and operation, with appropriate approval, may drill a well at such location at such party's sole risk, cost, and expense to test any formation for which a participating area has not been established or to test any formation for which a participating area has been established if such location is not within said participating area, unless within 90 days of receipt of notice from said party or parties of intention to drill the well the Unit Operator elects and commences to drill such well in like manner as other wells are drilled by the Unit Operator under this agreement.

If such well, by whomsoever drilled, results in production such that the land upon which it is situated may properly be included in a participating area, such participating area shall be established or enlarged as provided in this agreement, and the well shall thereafter be operated by the Unit Operator pursuant to the terms of this agreement as other wells within participating areas, and there shall be a financial adjustment between the parties who financed the well and the working interest owners in the participating area concerning their respective drilling and other investment cost, all as provided in the unit operating agreement.

If any well, by whomsoever drilled, as provided in this section, obtains production insufficient to justify inclusion of the land on which said well is situated in a participating area, such well may be operated and produced by the party drilling the well. If the drilling of such well was financed by parties other than the working interest owners on the well tract, details of financial arrangements and operations as between such parties shall be provided for in the 17185

Wells drilled or produced at the sole expense and for the sole benefit of an owner of working interest other than the Unit Operator shall be operated and produced pursuant to the conservation requirements of this agroement. Royalties

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in amount or value of production from any such well shall be paid as specified in the underlying lease and agreements affected.

13. <u>ROYALTIES AND RENTALS</u>: Royalty on each unitized tract shall be paid or delivered by the parties obligated therefor as provided by existing leases, interpret of the parties obligated therefor as provided by existing leases, contracts, laws, and regulations at the lease or contract rate upon the unitized substances allocated to the tract. Nothing herein contained shall operate to relieve the lessees of Indian, Federal, or State lands from their obligations under the terms of their respective leases to pay rentals and royalties.

Royalty due the Navajo Indians and the United States shall be computed as provided in the operating regulations and paid in value or delivered in kind as to all unitized substances on the basis of the amounts thereof allocated to unitized Indian and Federal land as provided herein at the rates specified in the respective Indian and Federal leases or at such lower rate or rates as may be authorized by law or regulations; provided that for leases on which the royalty rate depends on the daily average production per well, said average production shall be determined in accordance with the operating regulations as though each participating area were a single consolidated lease.

:Unitized substances produced from any participating area and used therein in conformance with good operating practice for drilling, operating, camp, or other production or development purposes or under an approved plan of operation for repressuring or cycling said participating area, or for development outside of such participating area if for the purposes of drilling exploratory wells or for camps or other purposes benefiting the unit as a whole, shall be free from any royalty or other charge except as to any products extracted from unitized substances so used. If Unit Operator introduces gas for which royalties have been paid into any participating area hereunder from sources other than such participating area for use in repressuring, stimulation of production, or increasing ultimate production in conformity with a plan first approved by the Supervisor, a like amount of gas may be sold without payment of royalty as to dry gas but not as to the products extracted therefrom; provided, that gas so introduced shall bear a proportionate and equitable share of plant fuel consumption and shrinkage in the total volume of gas processed from such participating area; and provided 17185 further, that such withdrawal shall be at such time as may be provided in the . plan of operation or as may otherwise be consented to by the Supervisor as conforming to good petroleum engineering practice; provided, however, that said right of withdrawal royalty free shall terminate upon termination of the unit agreement.

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Each working interest owner and lessee presently responsible for the payment of rentals, or his successor in interest, shall be responsible for and shall pay all rentals of whatsoever kind on his respective lease. Rental or minimum royalty for Indian and Federal land of the United States subject to this agreement shall """ be paid at the rate specified in the respective Indian and Federal leases or such rental or minimum royalty as to Federal land is waived, suspended, or reduced by law or by approval by the Secretary of the Interior, hereinafter referred to as "Secretary". Rentals on State of New Mexico lands subject to this agreement shall be paid at the rates specified in the respective leases, or may be reduced and suspended upon the order of the Commissioner of Public Lands of the State of New Mexico pursuant to applicable laws and regulations.

14. <u>CONSERVATION</u>: Operations hereunder and production of unitized substances shall be conducted to provide for the most economical and efficient recovery of said substances, to the end that the maximum efficient yield may be obtained without waste, as defined by or pursuant to State or Federal law or regulation; and production of unitized substances shall be limited to such production as can be put to beneficial use with adequate realization of fuel and other values.

15. <u>DRAINACE</u>: The Unit Operator shall take appropriate and adequate measures to prevent drainage of unitized substances from unitized land by wells on land not subject to this agreement, or pursuant to applicable regulations pay a fair and reasonable compensatory royalty as determined by the Supervisor for Indian and Federal land or as approved by the State Commissioner as to State land. Unit Operator shall be reimbursed for the cost thereof by the working interest owners in the manner provided in the unit operating agreement.

16. LEASES AND CONTRACTS CONFORMED TO AGREEMENT: The parties hereto holding interests in leases embracing unitized Indian, Federal, or State land consent that the Secretary and the State Commissioner, respectively, may and said Secretary, or his duly authorized representative, and State Commissioner by their approval of this agreement do, establish, alter, change, or revoke the drilling, producing, rental, minimum royalty, and royalty requirements of such leases and the regulations in respect thereto, to conform said requirements to the provisions of this agreement, but otherwise the terms and conditions of said leases shall remain in full force and effect.

Said parties further consent and agree, and the Secretary or his duly authorized representative, and the State Commissioner by their respective approvals

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hereof determine; that during the effective life of this agreement, drilling and producing operations performed by the Unit Operator upon any unitized land will be accepted and deemed to be operations under and for the benefit of all unitized leases embracing Indian, Federal and State land; that no such lease shall be the deemed to expire by reason of failure to produce wells situated on land therein embraced; and that all leases or other contracts concerning such land, except as otherwise provided herein, shall be modified to conform to the provisions of this agreement and shall be continued in force and effect beyond their respective terms during the life of this agreement. Any Federal lease for a term of 20 years or any renewal thereof or any part of such lease which is made: subject to this agreement shall continue in force until the termination hereof. Any other Federal lease committed hereto shall continue in force as to the committed land so long · as the lease remains committed hereto, provided a valuable deposit of unitized substances is discovered prior to the expiration date of the primary term of such lease. Authorized suspension of all operations and production on the unitized land shall be deemed to constitute authorized suspension with respect to each unitized lease.

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. . The parties hereto holding interests in privately owned land within the unit area consent and agree, to the extent of their respective interests, that each such lease may be continued in effect beyond the primary term of such lease and during the term of this agreement, provided however that until some portion of the land in a privately owned lease is included in a participating area said lease may be kept in force only by the payment of the delay rentals in the time, manner and amount provided by said lease. Except as in this section otherwise provided, all leases or other contracts concerning such land shall be modified to conform to the provisions of this agreement and shall be continued in force and effect during the life of this agreement; that drilling and producing operations conducted on any tract of land committed to this agreement will be accepted and deemed to be performed on and for the benefit of each and every tract of such privately owned land committed hereto; that no lease affecting said privately owned land shall be deemed to expire by reason of failure to drill or to produce wolls situated on such lands; and that authorized suspension of all operations and production on unitized land shall be deemed to constitute authorized suspension with respect to all unitized leases affecting privately owned lands. 17185

17. <u>SFECIAL INDIAN LAND PROVISIONS</u>: Notwithstanding any other provisions, including but not limited to Sections 13 and 16 of this unit agreement, it is

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expressly understood and agreed that any Indian land lease having a portion of its area within and a portion outside the unit area shall be segregated as to such portion for all intents and purposes as fully and effectively as if they had been issued as soparate leases.

18. <u>COVEMANTS RUN WITH LAND</u>: The covenants herein shall be construed to be covenants running with the land with respect to the interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferce, or other successor in interest. No assignment or transfer of any working, royalty, or other interest; shall be binding on the Unit Operator until the first day of the next calendar month after the Unit Operator is furnished with the original or photostatic or certified copy of the instrument of transfer.

19. EFFECTIVE DATE AND TERM: This agreement shall become effective upon approval by the State Commissioner and the Director and shall have a term of 5 years commencing as of said effective date, unless (a) the date of expiration is extended by the Director and the State Commissioner, or (b) it is reasonably determined prior to the expiration of the fixed term of any extension thereof that the unitized land is incapable of production of unitized substances in paying quantities and after notice of intention to terminate the agreement on such ground is given by the Unit Operator to all parties in interest at their last known addresses, the agreement is terminated with the approval of the Director and the State Commissioner, or (c) a valuable discovery of unitized substances has been made on unitized land during said initial term or any extension thereof, in which case the agreement shall remain in effect so long as unitized substances can be produced from the unitized land in paying quantities; or (d) it is terminated as provided in Sections 5 and 8 hereof.

This agreement may be terminated at any time by not less than 75 percentum, on an acreage basis, of the owners of working interest signatory hereto with the approval of the Director and the State Commissioner.

20. RATE OF PROSPECTING, DEVELOPMENT, AND PRODUCTION: All production and the disposal thereof shall be in conformity with allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under any Federal or State statute. The Director is hereby vested with authority to alter or modify from time to time, in his discretion, the rate of prospecting and

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development and within the limits made or fixed by the Commission to alter or modify the quantity and rate of production under this agreement, such authority being hereby limited to alteration or modification in the public interest, the purpose thereof and the public interest to be served thereby to be stated in the order of alteration or modification; provided further that no such alteration or modification shall be effective as to any land of the State of New Mexico as to the rate of prospecting and development in the absence of the specific written approval thereof by the State Commissioner and as to any lands of the State of New Mexico or privately-owned lands subject to this agreement as to the quantity and rate of production in the absence of specific written approval thereof by the Commission.

21. <u>CONFLICT OF SUPPRVISION</u>: Neither the Unit Operator nor the working interest owners nor any of them shall be subject to any forfeiture, termination, or expiration of any rights hereunder or under any leases or contracts subject hereto, or to any penalty or liability for delay or failure in whole or in part to comply therewith to the extent that the said Unit Operator, working interest owners or any of them are hindered, delayed, or prevented from complying therewith by reason of failure of the Unit Operator to obtain with the exercise of due diligence the concurrence of the representatives of the United States and the representatives of the State of New Mexico in and about any matters or thing concerning which it is required herein that such concurrence be obtained. The parties hereto, including the Commission, agree that all powers and authority vasted in the Commission in and by any provisions of this contract are vested in the Commission and shall be exercised by it pursuant to the provisions of the laws of the State of New Mexico and subject in any case to appeal or judicial review as may now or hereafter be provided by the laws of the State of New Fexico.

22. <u>UNAVOIDABLE DELAY</u>: All obligations under this agreement requiring the Unit Operator to commence or continue drilling or to operate on or produce unitized substances from any of the lands covered by this agreement shall be suspended while, but only so long as, the Unit Operator despite the exercise of due care and diligence is prevented from complying with such obligations, in whole or in part, by strikes, lockouts, acts of God, Federal, State, or municipal laws or agencies, unavoidable accidents, uncontrollable delays in transportation, inability to obtain necessary materials in open market, or other matters beyond the reasonable control of the Unit Operator whether similar to matters herein enumerated or not.

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23. TAXES: The working interest owners shall render and pay for their account and the account of the royalty owners all valid taxes on or measured by the unitized substances in and under or that may be produced, gathered and sold from the land subject to this contract, after the effective date of this agreement, or upon the proceeds or net proceeds derived therefrom. The working interest owners on each tract shall and may charge the proper proportion of said taxes to the royalty owners having interests in said tract, and may currently rotain and deduct sufficient of the unitized substances or derivative products, or net proceeds thereof from the allocated share of each royalty owner to socure reimbursement for the taxes so paid. No such taxes shall be charged to the United States or the State of New Mexico or to any lessor who has a contract with his lessee which requires the lessee to pay such taxes.

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24. NON-JOINDER AND SUBSEQUENT JOINDER: If the owner of any interest in a; tract within the unit area fails or refuses to subscribe or consent to this agreement, the owner of the working interest in that tract may withdraw said tract from this agreement by written notice to the Director and the Unit Operator prior to the approval of this agreement by the Director. Any oil or gas interests in lands within the unit area not committed hereto prior to submission of this agreement for final approval may thereafter be committed herato by the owner or owners thereof subscribing or consenting to this agreement and, if the interest is a working interest, by the owner of such interest also subscribing to the Unit Operating Agreement. After operations are commenced hereunder, the right of subsequent joinder, as provided in this section, by a working interest owner is subject to such requirements or approvals, if any, pertaining to such joinder, as may be provided for in the Unit Operating Agreement. After final approval hereof, joinder to this agreement by a non-working interest owner must be consented to in writing by the working interest owner committed hereto and responsible for the payment of any benefits that may accrue hereunder in behalf of such nonworking interest. Prior to final approval hereof, joinder by any owner of nonworking interest must be accompanied by appropriate joinder by the owner of the corresponding working interest in order for the interest to be regarded as effectively committed hereto. A subsequent joinder shall be effective as of the first day of the month following the filing with the Supervisor of duly executed counterparts of all or any papers necessary to establish effective commitment of any tract to this agreement unless objection to such joinder is duly made within 60 days by the Director.

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25. <u>COUNTERPARTS</u>: This agreement may be executed in any number of counterparts no one of which needs to be executed by all parties or may be ratified or consented to by separate instrument in writing specifically referring herete and shall be binding upon all those parties who have executed such a counterpart; ratification, or consent hereto with the same force and effect as if all such parties had signed the same document and regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands within the above described unit area.

26. FAIR EMPLOYMENT: The Unit Operator shall not discriminate against any employee or applicant for employment because of race, creed, color, or national origin, and an identical provision shall be incorporated in all subcontracts.

27. LOSS OF TITLE: In the event title to any tract of unitized land or substantial interest therein shall fail and the true owner cannot be induced to join this unit agreement, so that such tract is not committed to this unit agreement, there shall be such readjustment of participation as may be required on account of such failure of title. In the event of a dispute as to title or as to any interest in unitized land, the Unit Operator may withhold payment or delivery on account thereof without liability for interest until the dispute is finally settled; provided, that as to Foderal and State land or leases, no payments of funds due the United States or the State of New Mexico shall be withhold, but such funds shall be deposited as directed by the Supervisor and the Comissioner of Public Lands of the State of New Mexico, respectively, to be hold as uncarned money pending final settlement of the title dispute, and then applied as earned or returned in accordance with such final settlement.

28. <u>NO PARTMERSHIP</u>: It is expressly agreed that the relation of the parties hereto is that of independent contractors and nothing in this agreement contained, expressed or implied, nor any operations conducted hereunder, shall create or be deemed to have created a partnership or association between the parties hereto or any of them.

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IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed and have set opposite their respective names the date of execution.

WITNESS: DATE:

Address

316 Petroleum Building Oklahoma City, Oklahoma

UNIT OPERATOR AND WORKING INTEREST OWNER BY By Зу Βı 61

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	Given u	nder my hand a	and notarial	seal this	day of		<u> </u>
15	y Commission ex	pires:					
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्राम्स केन्द्र राजेत कर्युहरू 8	nd that the sea nd that said in uthority of its cknowledged sai	nstrument was Board of Jir id instrument	signed and a ectors, and to be the fr	saled in peha said (). se act and de	alf of said XA sed of said	corporati USC corporati	on by
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•	STATE OF	
	COUNTY OF Oklahoma	
	On this lst day of <u>Hoverhem</u> , 19 30 befor	
•	Earl A. Benson and Mm. V. Moni to me known to be the person a described in and who e	xecuted and delivered the
	foregoing instrument, and acknowledged to me that they	xecuted the same as <u>itheir</u>
•	free and dead. GIVEN UNDER MY HAND AND SEAL OF OFFICE, this	1stday of November, 19 50
	by Commission expires:	Notary Public
•	August 3rd, 1953	•
·	STATE OF )	
,	COUNTY OF	
	Cn thisday of, 19, cefore	me personally appeared
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	GIVEN UNDER MY HAND AND SEAL OF OFFICE, this	day of, 19
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## CERTIFICATION-DETERMINATION

Pursuant to the authority vested in the Secretary of the N Pursuant to the authority vested in the Secretary of the Interior under the Act approved March 3, 1909, 35 Stat. 783, 25 U.S.C. sec. 396, as to certain restricted INDIAN lands, and delegated to the Commissioner of Indian Affairs by Departmental Order 2508 of January 11, 1949, 14 F.R. 258; and

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Pursuant to the authority vested in the Secretary of the Interior, as to FEDERAL lands, under the Act approved February 25, 1920, 41 Stat. 437; 30 U.S.C. secs. 181, et seq., as amended by the Act of August 8, 1946, 60 Stat. 950, and delegated to the Director of the Ceological Survey by Departmental Order 2365 of October 8, 1947, 43 C.F.E. sec. 4.611, 12 F.R. 6784, we do hereby:

A. Approve the attached agreement for the development and operation of the Gallegos Canyon Unit Area, San Juan County, State of New Mexico.

B. Certify and determine that the unit plan of development and operation contemplated in the attached agreement is necessary and advisable in the public interest for the purpose of more properly con-

C. Certify and determine that the drilling, producing, rental, and royalty provisions of all Indian leases committed to said agreement "are hereby, established, altered, changed, or revoked to conform with the terms and conditions of this agreement.

D. Certify and determine that the drilling, producing rental, minimum royalty, and royalty requirements of all Federal leases committed to said agreement are hereby established, altered, changed or revoked to conform with the terms and conditions of this agreement.

JUL 25 1951 Datad Dated JUL 2 5 1951.

oting Director, United States Geological Sur

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	EXHIBIT "B" PERCENTAGE AND KIND OF OWNEESHIP OF OIL AND LAND IN THE GALLEGOS CANYOF UNIT AGREETENT	FEDERAL LANDS	LEASE OWNER OF RECORD	B. Todbunter	Summit Oil Co.	Pauline S. McNaughton	Pauline S. McNaughton	Pauline S. KcNaughton	Carlos Robinson	Gerald L. Davies	V. H. Sloan	
$\mathbf{V}_{\mathbf{v}}$	T NI O	FEDER	1.EAS	н								
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r	SCH		SHOISINI MENTAL NOTION	N/2 S/2	7 - Lot 1 18 SE/4 NE/4, SN/4 SE/4	5	23 - 5/2 SV/4, SV/4 SE/4 26 - NE/4 NE/4					
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			FEDERAL LEASE NO. (SANTA FE)	0524 (NM) (Lse.App.)	047019-B 28N 3-6-36 (Producing Lease)	076444 11-1-45	076444 11–1–45	077731 8-1-46	077966 2-1-48	077967 2-1-48	078372 2-1-48	
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•	PERCENTAGE INTEREST	87.5000	87.5000		87.5000	87 - 5000
	VORKING INTEREST OWNER UNDER OPTION AGREEKEIN OPERATING AGREEMERT LEASE OR ASSIGNTINT	Mid-Continent Petroleum Corporation	Mid-Continent Petroleum Corporation		Albuquerque ássoc. Oil Company	H. K. Beardmore
	ROTALTY OWNERS & INTEREST RI OR OWNER OR?I INTEREST	1518	١٢٩		1250	12 <u>3</u> %
	OWNERS RI OR ORPI	RI	RI		н	RI
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FEDERAL LANDS	LEASE OWNER OF RECORD	A. D. Kneale	2561.19 Charles Klein		R. V. Wickens	R. V. Mickens
·	NO. ACRES	2536-94	2561 • 19		239.68	160.00
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FERRIGAL         FORMALI, LiADDS           TEXTRALI, I.L.S.S. NO.         ILEAS: NO.         INSCRIPTION         NO.         ILEAS: OWER ACCOUNT         DOTATIVE CATCLE & LITTERSET           05370         29M         12W         16         - $2/2$ , SS/4, NS/4,	PERCENTAGE	54.6875 [ 32.8125 87.5000	54.6875 1 <b>32.8</b> 125	<b>84.5</b> 000	42.7500 42.7500	42.7500 42.7590	4 <b>3.7</b> 500 4 <b>3.7</b> 500	
PERMAAL LiANDS           TERDMAL         DESCRUPTION         NO.         LEASE NO.         DOTAGTY CATERS 4           1. LiASE NO.         TEP R         R SEC SECRUPTION         NO.         I. J. J. M. deon         UGS 2           055903         ZW 120         1.6         - N2 SECRUPTION         NO.         I. J. J. M. deon         USA         RT GR           075370         ZM 120         1.6         - N2 SEVIDITISION         NO.         J. J. J. M. deon         USA         RT GR           075370         ZM 12         1.6         - N2 M/4         120.00         J. J. J. M. deon         USA         RT GR           075370         ZM 12         1.7         - V/2 M/4         N39.32         Mathan Keestor         USA         RT           075370         2.01         ZM 17         - V/2 M/4         N39.25         N4 han Keestor         USA         RT           075370         0.01         ZM 17         - V/2 M/4         N0.00         Attactact Keestor         USA         RT           075570         2.01         ZM 17         - V/2 M/4         N0.00         Attactact Keestor         USA         RT           075705         ZM 17         N/4         S0.00         Attactact Keestor <th>MOREING IN TRAEST OWNER UNDREAD OFTIGIAL OWNER TRANSFORMER OPDRATING CORDINATION</th> <th>Albuquerque Assoc Oil 5/8 WI Carroll &amp; Cornell 3/8 Wi J.J. Hudson</th> <th>Albuquerque Ássoc. Oil 5/8 VI Carroll &amp; Cornell 3/8 VI</th> <th>Wiles Oil Company</th> <th>Stanolind 1/2 WI Benson &amp; Wontin 1/2 WI</th> <th>Stanolind 1/2 WI Benson &amp; Kontin 1/2 WI</th> <th>Stanolind 1/2 WI - Benson &amp; Kontin 1/27M</th>	MOREING IN TRAEST OWNER UNDREAD OFTIGIAL OWNER TRANSFORMER OPDRATING CORDINATION	Albuquerque Assoc Oil 5/8 WI Carroll & Cornell 3/8 Wi J.J. Hudson	Albuquerque Ássoc. Oil 5/8 VI Carroll & Cornell 3/8 VI	Wiles Oil Company	Stanolind 1/2 WI Benson & Wontin 1/2 WI	Stanolind 1/2 WI Benson & Kontin 1/2 WI	Stanolind 1/2 WI - Benson & Kontin 1/27M	
TENERALI, LAIDE           PENDERAL, I.EAST NO.         DESCRIPTION (Extract FE)         DESCRIPTION (Extract FE)         NO.         LAASE ONDER (Extract FE)         DOVATTY CATERS (Extract FE)           078303         291         121         18 - 1/2         SECTION SUBDIVISIOUS         NO.         LAASE ONDER (Extract FE)         OPTAGE         OPTA	ISBRITE	12 <del>1</del> %	12 <u>1</u>	125月 35月 96	12 <u>3</u> % 2 %	2 2	1245	
FERDERALL LAIDE           TENDERALL         TENDERALL LAIDE         DESCRIPTION         NO.         LEAGE OWNER         DOTALITY           7         LEAGE NO.         THY         R         SECONTON SUDDIVISIONS         NO.         LEAGE NO.         DOTALITY           078303         29M         12M         16 - 8/2< SE/4, SE/4, SE/4, M2/4         120.00         1.J. Hudson         USA           078370         29M         12M         17 - W/2 MV/4         N29.23         Mahan Kessler         USA           078370 - 01d         29M         17 - W/2 MV/4         N20.00         AIDMONEYUS MADE         USA           078780 - 01d         29M         17 - W/2 MV/4         N20.00         AIDMONEYUS MADE         USA           078780 - 01d         29M         17 - W/2 MV/4         N20.00         HAIDMONEYUS MADE         USA           078780 - 01d         29M         17 - W/2 MV/4         N20.00         HAIDMONEYUS MADE         USA           12-1-47         28M         17 - W/2 MV/4         N20.00         HAIDMONEYUS MADE         USA           078780 - 01d         18 - 17 - W/2 MV/4         N20.00         HAIDMONEYUS MADE         USA           12-1-49         28M         11 - W/2         N/4         NA <th>CALERS CALERS</th> <th>- בי</th> <th>RI</th> <th>RI Orei</th> <th>RI ORFI</th> <th></th> <th>RI</th>	CALERS CALERS	- בי	RI	RI Orei	RI ORFI		RI	
TERDERAL         TERDERAL Liston           TEDERAL         TEDERAL Liston         MO.         TALENCE NO.         J. J. HALDON         J. J. HALDON         J. J	ROYALTY OMIER	USA USA	L USA	USA L. Gentle	USA Riddle	USA Glinton C.Seymour	USA	
TERDERAL       DESCRIFTION       NO.         TEALST NO.       THP       E       SEC       SECTION SUBDIVISIOUS       MO.         (S.NTA FE)       THP       E       SEC       SECTION SUBDIVISION       ACCES         078303       29M       12W       18 - E/2 SE/4, SE/4, SE/4 M3/4       120.00         12-1-47       29M       17 - W/2 MV/4       MJ9.32         078370 - 01d       29M       17 - W/2 MV/4       M0.         078370 - 01d       29M       17 - W/2 MV/4       80.00         078500       28M       11W       7 - SE/4 SE/4, NE/4, NE/4       80.00         078501       28M       12W       17 - W/2 MV/4       80.00         078501       28M       13W       17 - SE/4 SE/4, SE/4, NE/4, N/4       80.00         078501       28M       13W       17 - SE/4 SE/4, SE/4, N/4       80.00         078502       28M       13W       18 - Locs 1, 2, 3, 4 & S/2 S/2       1255.40         078503       28M       13W       18 - Locs 1, 2, 3, 4 & S/2 S/2       1256.40         078503       28M       12W       18 - M/2       22 - M/2         078503       28M       12W       18 - M/2       22 - M/2         078903	FEDERAL LANDS LEASE OWNER OF RECORD	J. J. Hudson Nathan Kessler	Albuquerque Assoc. O (Nathan Kessler - Original Lessee)	Hazel L. Gentle Hazel J.		Clinton C. Soymour	CarollT. Fayne	
TEDERAL TEDERAL TEDERAL (SANTA FE)     TWP     R     DES 520       TELESE: NO.     TWP     R     520       12-1-47     29N     12N     17       078370     29N     12N     17       078370     29N     12N     17       078370     29N     12N     17       078370     01401     29N     12N     17       078370     01401     29N     12N     17       12-1-47     078370     201     18     17       078570     01401     29N     12N     18       078507     28N     12N     18     16       12-1-47     078507     28N     13N     12       078507     28N     13N     12     13       078507     28N     12W     12     14       078503     28N     12W     12     23       078903     28N     12W     33     23       27     22     23     23     23       27     22     28     28     33		120.00 439.32	80 • 00	160.00	1235.40	22240 •00	1280.00	
Trentral     Trentral       Trentral     Trentral       Trentral     Trentral       Scient FED     Trentral       Scient FED     Trentral       Scient FED     Scient FED       Scient FED     Scien	BI I	18 - E/2 SE/4, SE/4 NE/4 17 - NE/4, E/2 NM/4 18 - N/2 N/2, SM/4 NE/4	+//₩ 2/A - 7t	7 - SE/4 SE/4 18 - NE/4 NE/4, E/2 SE/4	12 - Lots 1,2,3,4 & S/2 S/2 13 - All 14 - N/2	11 - S/2 S/2 ' W <sup>1</sup> -5/5 14 - NE/4 NE/4, SW/4 NE/4, SW/ 22 - NE/4 23 - W/2 NV/4 23 - M1 23 - A11 28 - A11 29 - E/2	33 - All 34 - All	
ST       IE35ERAL         ST       IE35ERAL         ST       IE35ERAL         ST       ST         ST <td< th=""><th></th><th></th><th></th><th></th><th></th><th></th><th></th></td<>								
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•	FERCENTAGE 1117E FEST	43.7500 43.7500	43.7500	43.7500 43.7500	<b>87 •50</b> 00	87.5000	43.7500 C	82 - 5000	
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	VORKING INTEREST ONES UNDER OPTION AGREETER OPTEATING AGREETER OPTEATING AGREETER IEASE OR ASSIGNIENT	Stanolind 1/2 VI Benson & Hontin 1/2 VI	Stanolind 1/2 WI Benson & Montin 1/2 WI	Stanolind 1/2 WI Benson & Kontin 1/2 WI	L. B. Hodges	L. N. Hagood	Stanolind 1/2 WI Benson & Kontin 1/2 WI	Benson & Kontin	20101
	& INT_REST	121%	125%	123%	123%	12 <u>1</u> %	123%	1 ج بر بر بر بر	Ŧ
•••	K ONNERS RI OR ORRI	RI	RI	RI	RI	RI .	RI	RI I ORRI	
	BOYALTY	USA	USA	USA	USA	USA	USA	USA RI Mary C.Hagood OfRI	
FEDERAL LANDS	LEASE OWNER OF RECORD	CaroltT. Payne	Vance V. Kchamis	Vance V. Mcifanus	199.4% I. B. Hodges	L. N. Hagood	Albert M. Senter, Jr.	Mary C. Hagood	
	NO. ACRES	2480.00	1207.18	1640.00	199.46	640 -00	320.00	640 •00	
	IRESCRIPTION SEC SECTION SUBDIVISIONS	23 - E/2, SW/4, E/2 NH/4 24 - All 25 - All 26 - All	11 - Lots 1 & 2 12 - SW/4 SW/4 13 - W/2 NW/4, SW/4 14 - NW/4, NW/4, NW/4, WE/4, SE/4 NE/4, SE/4 22 - S/2 31 - Lots 3 & 4, E/2 SW/4	25 - 8/2 NV/4, 8/2 26 - 8/2, NV/4, N/2 NE/4, 55 - A11 35 - A11	18 - 5/2 58/4 19 - 5/2 88/4, 88/4 NE/4	34 - All	19 - NE/4 20 - NW/4	32 - All	
	मा	28N 12W	25N 12H	29N 13W	yst ngs	29N 13W	26N J2W	28N 12W	
	FEDERAL ILEASE NO. (SANTÀ FE) TW	078904 2-1-48 2-1-48	078905 7-1-48 7-1-48	078926 5-1-48	078949 2-1-48	079065 10 <b>-1-</b> 49	079244 28 5-1-48	079346 28 5-1-49 28	Ţ
	TRACT NO.	19	8	ដ	52	23	75	25	ipril 1951
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		VORKING LATTER OF OFFER UNDER OFTION ACTEMPTING OFFERING ACTEMPTING I THE ACTEMPTING ACTEMPTING	Altuquerque Assoc. Oil 5/8 WI Carrell & Cornell 3/5 WI	Benson & Kontin	ЕЈша R. Jones				1 <sup>1</sup> Y	
		& Litteret	1236	12 <u>1</u> % 5 %	121%					17185
		ROYALTY OWERS & LHTEREST RI OR OMAER ORRI INTEREST	USA RI	USA RI Thelma L. ORRI Rhodes	USA RI	<u>24,716.72</u>				
÷.	FEDER: LANDS	LEASE OFFIER OF EECORD	)0 E. J. Johnson	Thelma I., Stephens (Now Thelma I. Rhodes)	00 Elma R. Jones	TOTAL FEDERAL LEASES 24.1				
	•• •	NO.	160.00	635•84	80.00	OTAL FEDE			` · ·	·
		DESCRIPTION SECRIPTION SECRIPTION	21 - 5/2 54/4, NV/4, NE/4 28 - NE/4, NV/4, NE/4	19 - A11	4/AS :1/EN '4/ES 1/BN - 62	E				
		a A A A A	VSI N92	28N 11W	29N 12W					
		FEDERAL LEASE NO. (SANTA FE)	080723 1-1-50	080844 (Lse •Åpp. )	080962 7-1-50					•
		TRÁ CT NO •	34-A	35	36	·				
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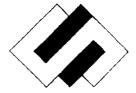
•		, 	- #			~				
•	Percentage Intefest	54.6875 53.8125	87.5000	<b>87 •</b> 5000	87.5000	87.5000	43.7500 43.7500	<b>87 •</b> 5000	<b>87 •</b> 5000	87.5000
	WORKING LUTERIST ONDER UNDER OFTION AGREERER OFTATING AGREERER LEASE OR ASSIGNIERT	<b>Albuquerque Assoc. 0il</b> 54.6875 5/8 WI Carroll & Cornell 3/8 <sup>4/</sup> 32.8125	C. H. Mangar	J. J. Hudson	Grace E. Van Hook	Grace E. Van Hook	Stenolind Benson & Wontin	H. K. Riddle	Tom Bolack	J.J. Hudson
	ISERETAL	122%	12 <u>3</u> %	123%	12 <u>ئ</u> رة	12:16	95 <del>1</del> 21	1236	123	12 <del>1</del> %
•	ROYALTY OWNERS RI OR OWNER ORAI	RI	RI	RI	RI .	RI	RI	R	RI	RI .
	ROYAL TY OWNER	NSA	USA	USA	USA	USA	. USA	USA	USA ack ap <u>p</u> roved)	USA
FEDERAL LANDS	LEASE OWNER OF RECORD	A. T. Callahan	E. A. Hanson	George Siegel	Grace E. Van Hook	160.00 Grace E. Van Hook	Albert K. Senter, Jr.	H. K. Riddle	H. K. Riddle USA (Assigned to Tom Bolack Assignment not yet approved)	E. J. Johnson
Fill	NO. ACRES	120.00	80 °00	120.00	160.00	160.00	280.00	1.60 <b>•</b> 00	160-00	640.00
	ISSORITYION SUPPLYION	26 - NV/4 NV/4 27 - N/2 NE/4	27 - N/2 SE/4	23 - N/2 SB/4, SZ/4 SB/4	17 - SE/4	t/hs - Lt	13 - E/2 SE/4, NE/4, NE/4 NH/4	22 - N/2 S/2	22 - NV/4	19 - E/2 NE/4, NE/4 SE/4 20 - N/2, N/2 S/2, SZ/4 SZ/4
	e41	N 12W	N 1.2W	N 1.3W	N 12W	N 12W	N 13W	N 12W	Mgl n	N 12W
	대	N62	79N	N65	N95		r91	29N	79N	29N
	FEDERAL LEASE NO. (SANTA FE)	079907 84-1-6	060224 (Lse.App.)	080239 9-1-49	080491 (Ise App.)	080600 (Ise.App.)	080614 (Lse.4pp.)	080647 <b>3-1-</b> 48	249080	080723 1-1-50
	TRÂ CT NO.	56	27	প্ন	59	30	31	32	33	25 75
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April 1951

•	INTEREST OWIER UNDER GREEKENT, CPTRATING LEASE, ASSICHMENT ON LAND 2 - INTEREST	87.5000	87.500		
	WORKING INTEREST ONTER UNDER OPTION AGREEMENT, CPTRATING AGREEAENT, LEASE, ASSIGNAEMT OR LAND CUMER	Glenn J. Smith	The Terras Cc.		, <sup>1</sup> }
	INTEREST	123%	123,6		
	RI OR ORRI	IR	He Charley II for Dobey tery it Attobe Dobey it Attobe Dobey inter Sectors friend	e or ul Jones n Russel mise thie) the (number) for the bin (number the bin (number the bin	
NAVAJO INDIAN ALLOTTED LANDS	ISBRIT & NALTY OWNER & INTERET	Navajo Indians	Nati ne alstee Bestoon Little Charley Niti yealth na dalth or go. Boduy Nati ye na yah or John Miny Nah-da-lathe-Cah or Robert Adobe Boduy Gilin nos bah Alth ta yo laith on Roy Uithon Es son so ah (Baccard - Ann Lulou)	Hod tehrns-teesse Els teo nas pah or Helen Jose or Mrs. John Jose Pahe Hod tah ne tsosee or Faul Jones Pah Hod tah ne tsosee or John Russel John Charlie Ha nop pah or Wartha Jose (mist Jul Ah kee or Tom Jose (mist Jul An Jose (mist Jul)	
	LEASE OWNER OR RECORD	Glenn J. Smith	The Teras Co.	The Texas Co.	tie al
	NO. ACRES	456.24	640 -00	792.62	12 an Blackie Mackie Blackie Na gali
, ,	DESCRIPTION SECTION R SEC SUBDIVISIONS	12W 9 - Lots 1 & 2, 5/2 52/4 16 - N/2	12W 16 - 5/2 21 - NE/4, 5W/4	г 12W 19 - 5/2 20 - 5/2, WE/4	* Hurs of A and Reature
	TRACT NO. TWP	<b>37</b> 28N	38 253	739 S8N	April 1951

PETROLEUM (AMERICAS) INC. San Felipe, Suite 3600 ston, Texas 77057 shone (713) 780-5000 713) 780-5461



## FACSIMILE TRANSMISSION

Date:	December 11, 1990
To:	December 11, 1990 Richard Tully
Company:	,
Phone Number:	AHurney (505) 327- 3388
Fax Number:	(505) 327-7483
From:	Dunald Reinhurdt
Phone Number:	(713) 780-5443
Number of Pages Including This Cover Sheet:	§
Comments:	The following are copies of instrumenta affecting house backe's working interest in the New 14 Sec. 23-TRAN, RIBW Don Locke
This transmissic	asked me to fax you copies in order to asked me to fax you copies in order to assist you in your review of title, Please call if we can be of any additional help. on was sent from a Xerox 295, telephone number (713) 780-5461.

If there are any problems with transmission, please call Carolyn Lindsey at (713) 780-5027.

RICHARD T.C. TULLY

505-327-3388

February 22, 1991

RECEIVED

Donald Reinhardt Senior Landman, Inland Business Unit BHP Petroleum (Americas) Inc. 5847 San Felipe, Suite 3800 Houston, TX 77057

Re: Louise Y. Locke

Dear Mr. Reinhardt:

This law firm has completed its title review of the oil, gas, and associated hydrocarbons from the surface to the base of the Pictured Cliffs Formation underlying the N/2 of Section 23, T-29-N, R-13-W, N.M.P.M., San Juan County, New Mexico.

Our review shows that the working interest from the surface to the base of the Pictured Cliffs Formation is vested in Louise Y. Locke. Further, the surface to the base of the Pictured Cliffs Formation for the N/2 of Section 23 is subject to the Pooling Designation between Lloyd D. Locke, Lloyd B. Taylor, Stanolind Oil and Gas Company, Earl A. Benson, and William V. Montin, which is filed in Book 270, Page 23 of the records of San Juan County, New Mexico.

For your further information, the working interest of Ms. Locke originated from an Assignment dated January 23, 1953 from Earl A. Benson et ux., Wm. V. Montin et ux., and Stanolind Oil and Gas Company to Lloyd D. Locke and Lloyd B. Taylor d/d/a Locke-Taylor Drilling Company, which is filed in Book 224, Page 107 of the records of San Juan County, New Mexico.

We have been advised by our client that the N/2 of Section 23 from the surface to the base of the Pictured Cliffs Formation was never committed to the Gallegos Canyon Unit, and that no information, correspondence, or documents have been sent to her or her deceased husband (Lloyd D. Locke) by the Unit Operator or Suboperator of the Gallegos Canyon Unit.

The Howard Tycksen Pooled Unit No. 1 Well was spud by Locke-Taylor Drilling Company on August 6, 1952, and its was drilled to the Pictured Cliffs Formation. Since the Pictured Cliffs Formation did not appear to be commercially productive, NAVAJO INDIAN ALLOTTED LANDS

er under Frating Set or land Interest	£7.5000	87.5000	87.5000	
WORKING INTEREST ONLER UNDER OPTION AGRESKENT, OPERATING AGREPHENT, LEASE, ASSIGNIERT OR LAND INTEREST ONNER	The Texas Co.	The Texas Co.	Southern Union Gas Co.	·
INTERES	123,6	12 <u>1</u> %	125%	17185
REST RI OR ORRI	년 전 전	E E	H H	्रत्स
ROYALTY OWNER & INTEREST RI OWNER 0	Bah or Mrs. Moses Ha tah ne ch wood or Niti ye chi nos wood Eah he bah or ifrs. Charlie Frank Bah Yazzie er duur Kurth er Ry Els Tso nas pah er Au. Sel, gen John Lewis or Clee gee helth begay Glin haz bah Haska th nil wood er fluie yeryh Ya Na Ne bah er Deerty yequey	Review with the her for and a minimum flow the Bostin-es-kipe or Joe Paul Be ta ne Begay or from Paulur Francisco Begay Bah he pah or mur. Charlin Frank	Bah Kazzie er Lui Leurt er Rey her Els tso nas pah or Mrs. John Jenes Ju- John Lewis or Chee ge halth begay Glin haz bah or Khmie Charles er Mrs. Billie Charlee er Mrs. Billie Charle Haska th nil wood or Lewis Yazzie Glinth yelth hos bah or Mary Lewis or Mrs. Joe Lewis Hah he pah or Mrs. Charle Frank	
LEASE OVNER OF RECORD	The Texas Co.	The Texes Co.	ernigan	
NO. ACRES	320.00	472•00	624.60 Jernigan	
DESCRIPTION SECTION TVP R SEC SUBDIVISIONS	28N 12W 29 - W/2	28N 12M 31 - N/2, SB/4	28M 12W 30 - All	951
TRACT NO.	9 <b>1</b>	귝	꽃	Apr11 1951
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NAVAJO INDIAN ALLOTTED LANDS

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WORKING INTEREST OWNER UNDER OPTION AGREEMENT, OPERATING AGREEMENT, LEASE, ÅSSIGNGENT OR LAND OMNER		as Co. 87.5000		1.73
WORKING INTEREST OWNER UNDER OPTION AGRECHENT, OPCIATING AGREENENT, LEASE, ASSIGNCENT OR INTEREST OWNER	1226 Southern Union Gas Co. aud - wire mit frutatel)	Southern Union Gas Co.	Benson & Kontin	
INTERE	1238 	15%	153	. 3
REST RI OR ORRI	<b>x</b>	RI	H ( tring	
ROYALTY ONNER & INTEREST R ONNER	Hah nur bah or Thelma Batonnie RI Na teh elth wolth or Little Charlie Pah Tso or Astha Vazza or Isabelle (Our Eosh ka tya or Key Chee or Paul Newman Hostin es kihe or Joe Paul Keeth Chee or Joe Charlie Ossie or Ocle or Thelma Todi Cheene Tsosie or Ocle or Thelma Todi Cheene May Todi cheene tsosie or Lucy/Charley Navajo Thomas Haska yeth e dal or Kee Max Locrinens Atad or Da naz bah	Navejo Thomas or Thomas Tomas Hoska ye ah yah Thomas or Kee Har Es dot nin bah Thomas or Pauline Thomas cr Hirs. Jake Begay Ye nel wood Thomas or John Bleason	Nati ye na yah or John Adobe *Es son so ah(luceud and Daim) Nita yealth na dalth or Joe Adobe Alth ta yo lalth an Rour Victor Glin noz bah Eah da lathe cah or Robert Adobe	Ea don do dh Backie Blackie chie
LEASE OWNER OF RECORD	Jemi gan	Jernigan	Benson & Kontin	* Haire of Each Lango Black Natorie 13. B Ratur Black
NO. ACRES	640 • 00	640-00	320.00	ł
DESCRIPTION SECTION R SEC SUBDIVISIONS	13W 25 - All	28N 13V 26 - All	12W 32 - 5E/4 NE/4 33 - NE/4 NW/4 5/2 NN/4 5W/4	
TRACT NO. TWP			29N	April 1951
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ER UNDER PTRATING SSIGNERN INTEREST	87.5000		87.5000	<b>1</b>	1	i	
WORKING INTEREST OFFICE UNDER OPTION AGREENERT, OFFICTING AGREEMENT LEASE OR ASSIGNIZER OUNER	Skelly Oil Co.		T & P Coal & C11 Co.	Not leased	Not Leased	Not Leased	
INTEREST INTEREST	12 <u>1</u> %		12 <del>3</del> %	ITY	IIA	IIY	17185
ROYALTY OWNER & INTEREST RI OR OWNER ORRI INTEREST	State of RI New Hexico		State of RI New Mexico	State of Min. New Mexico	State of Min. New Mexico	State of Min. New Mexico	·
LEASE OWNER OF RECORD	Skelly 011 Co.		T & P Coal & Oil Company	Not Leased	Not Leased	Not Leased	
NO. ACRES			(65.44) (117.80) (40.00) (40.00) 263.24	2 <b>1 •</b> 55	<b>10.</b> 00	<b>10</b> .00	
DESCRIPTION ELS SECTION SUBDIVISIONS	7 - Iot 2 18 - NE/4 NN/4, SE/4 NN/4 NN/4 SE/4 NN/4 SN/4 EE/4 SN/4 12 - Lots 1,2 & 3, S/2 SE/4 13 - SE/4 NN/4, NN/4 SE/4, 5/2 SE/4	16 - Në/4 sử/4 32 - Sr/4 NE/4, NE/4 Su/4, 36 - NE/4 NV/4, NE/4 SW/4, 56 - NY/4 NE/4 36 - NV/4 NE/4	7 - Lots 4 & 5 18 - NW44 NE/4, Lots 1 & 2 16 - SE/4 SN/4 36 - NN/4 SN/4 TOTAL TRACT 47	7 - Lot 3	tr/MS tr/as ~ L .	t/====================================	
TWP R	281 11W 28N 12W	29N 12W	26N 12W 29N 12W	AII NSS	WII NSC	28N 11W	
STATE LEASE NO.	B-2447 2-10-59		B-10870 12-10-53				
TRACT NO •	<u>,</u>		с. Н	와	64	8 0	ر العوام (April 1951
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IR UNDER STATIG SSIGENDET INTEREST	. 87.5000		87.5000	87.5000	87.5000	87.5000	87 •5000 •	87.5000	87.5000	87.5000
HORKING INTEREST ONIER UNDER OPTION AGREENENT, OPERATIG AGREENENT LEASE OR ASSIGNMENT OVHER	Southern Union Gas Co. 87.5000	Not leased	Otto Schindler	Arthur W. Sunter	John W. Hjerstedt	Stanolind	Paul T. Purcell	Bertha Rahn & Frieda Rahn	Phillip Gates	TP Coal & Oil Co.
• INTEREST INTEREST	12 <u>3</u> 8	ITA	1278	121%	127%	123%	12 <u>1</u> %	125%	<i>ष्</i> र 12 <u>1</u> ई	12}%
ROYALTY OWNER & INTEREST RI OR OWNER ORRI INTEREST	b. State of RI New Wexico	State of Min. New Mexico	State of RI New Mexico	State of RI New Mexico	State of RI New Mexico	State of RI New Mexico	State of RI New Mexico	State of RI New Mexico	State of RI New Mcxico	State of RI New Nexico
LEASE OWRER OF RECORD	Southern Union Gas Co. State of New Mexico	.Not leased	Otto Schindler	Arthur W. Sunter	John W. Hjerstedt	Stanolind	Paul T. Purcell	Bertha Rahn & Frieda Rahn	Phillip Gates	T P Coal & 011
NO. ACRES	00.04	10°01	38•95	27.60	10.00	<b>80 •</b> 00	10 <b>•</b> 00	80.00	00°0†	10.00
SPLOISIN IGENS NOILAINSCENSES SECURITY NOILAINS	1/an 1/as - 81	18 - 115/4 SW/4	18 - SV/4 SH/4	12 - Iot 4	12 - SE/4 SV/4	13 - 11/2 NB/4	η/w μ/zn - ει	13 - 2/2 NB/H	13 - NE/4 SE/4	16 - 54/4 SV/4
	MIL	MTT	ATT	N2T.	12W	12W	nsi	12W	12W	NSI
142	28N	28N	787	28N	28N	28N	28N	28N	28N	29N
STATE LEASE NO.	<b>E-397</b> 6-11-55	I	B-90949	<b>E-</b> 284-9 <b>4-13-</b> 55	E-3151 12-14-59	E-1065-1 1-7-56	B-11513-10 10-2-54	E-3156 12-15-59	B-9145-27 5-15-51	E-498 8-10-55
T RA CT NO	Ъ	52	53	54	55	56	57 、	58	59	3
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	UNDER Patiso I Chiznt I Nyerest	\$7.5000	l	ł	43.7500 43.7500	I	£7.5000	<b>87 •</b> 5000	1	87.5000	<b>87 -5</b> 000
	WORKING INTEREST OWNER UNDER OPTION AGREENCENT, OPERATING AGREENCENT LEASE OR ASSIGNEENT OWNER	Тћејпа Сареп	Not Leased	Not Leased	Stanolind 1/2 WI Stanolind Benson & Kontin 1/2 WI	Not Leased	F. V. Norvell	H. R. Anderson	Not Leased	S. E. Day	L. ň. Johnson
	IHTEREST INTEREST	12 <del>]</del> %	, ti	Itä	12 <u>3</u> %	llà	12 <u>3</u> 6	12 <u>1</u> %	ITA	12 <u>1</u> %	12 <u>5</u> %
	VNER & RI OR ORRI	1	Min.	Min.	IR	Min.	RI	RI .	Min.	RI	RI
	BOYALTY OVNER & IHTEREST R. OR ONNER ORRI INTEREST	ico	State of New Mexico	State of New Mexico	State of New Mexico	State of New Mexico	State of New Mexico	State of New Merico	State of Min. New Mexico	State of New Mexico	State of New Mexico
and the second	LEASE OWNER OF RECORD	Thelma Gapen	Not Leased	Not Leased	Stanolind	Not Leased	F. V. Norvell	H. R. ánderson	Not Leased	S. E. Day	L. H. Johnson
	NO. ACRES	140 <b>•</b> 00	00• 01	<b>40.00</b>	140.00	00• Of	10°01	00° 04	00° 0†	<b>10.</b> 00	140 <b>•</b> 00
	DES CRIPTION SEC SECTION STRETVISION	16 - NW/4 SN/44	32 - NW/4 NW/4	32 - Sw/4 NW/4	32 - 58/4 NW/4	32 - NV/4 SV/4	32 - Se/4 SW/4	32 - Su/h Su/h	32 - NW/4 SE/4	32 - SW/4 SB/4	32 - NE/4 SE/4
	P		12W	12W	12W	12W	12W	121	121	12W	M2T
		29N	N62	N62	79N	N62	29N	N62	29N	N62	29N
	STATE TPASE WH	B-9145-4 5-15-51	I	ţ	B-10405-24 6-24-53	1	B-10405-3 6-24-53	B-11318-10 6-26-54	1	E-2754 7-8-59	B-10405-9 6-24-53
	TRACT	61	62	63	وہ	65	99 .	- 67	68	69	70
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	WORKING INTEREST OWNER UNDER OPTION AGREENER, OPENATING AGREENERT LEAST OR ASSIGNATING OWNER INTEREST OF ASSIGNATION	Barry Wright	Starolind 1/2 WI Benson & Montin 1/2 WI	Clarence Rupp	TP Coal & Oil Co. 🔆	Not Leased	Stanolind 1/2 WI Benson and Mcntin 1/2 WI	Poarl Korcheval	Albuguerque Assoc. 011 Co.	Paton Bros.	Not Leased
•• •	I NTEREST I NTEREST	12]%	12 <u>3</u> %	12 <u>3</u> %	12 <u>1</u> %	411	122%	123%	123%	123%	IIA
· · ·	ROYALITY ONUER & RI OR ONNER ORRI	State of RI New Mexico	State of RI New Mexico	State of RI New Mexico	State of RI New Hexico	State of Min. New Mexico	State of RI New Mexico	State of RI New Mextco	State of RI Nev Mexico	State of RI New Mexico	State of Min. New Mexico
STATE LANDS	LEASE OWNER OF RECORD	Harry Wright	Stanolind	Clarence Rupp	T P Coal & 011 Cc.	Not Leased	Stanolind 	Pearl Kercheval	Albuquerque Assoc. 011 Co.	Paton Bros.	Not Leased
	ro. Acres	00• 0t	00• 0 <del>1</del>	00• 0 <del>1</del>	00° 04	00•0t	00• 01	80 •00	120.00	140 •00	00• 0†
	DESCRIPTION SEC SECTION SUBDIVISIONS	32 - SE/4 SE/4	36 - NE/4 NE/4	36 - NV/4 NE/4	36 - NW/4 NW/4	36 - SW/4 NW/4	36 - 55/4 WY/4	36 - s/2 ne/4	36 - 5e/4 NW/4 36 - 5/2 SW/4	36 - NH/4 SE/4	36 - NE/4 SE/4
	24	124	12W	lew	12W	lew	JZW	12W	13W 12	12W	12W
	- AME	N65	162	162	79N	N62	162	29N	29N 29N	N62	29N
	STATE LEASE NO.	B-10405-27 6-24-53	B-10644-17 9-10-53	B-10644-19 9-10-53	B-11303 6-10-54	ł	B-10644-22 9-10-53	в-10644-9 <b>9-10-53</b>	B-9104-4 4-30-51	B-9577	I
• *	TRACT NO.	11	72	13	47	75	. 16	11	78	61	60
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	NEILER UNDER , OPIERATIO ASSIGNMENT INTEREST	I	i	ſ	1,5000	57.5000	1.	1	1	1	43.7520 11 43.7500
	NOKKING IRTERST OKTER UNDER OFTION AGRETERT, OFTEATIG AGRETERT LLAST OR ASSIGNATIO OVEER	Not Leased	Not Leased	Not Leased	John A. Ovings	John A. Owings	Not Leased	Not Leased	Not Leased	Not Leased -	Stanolind $1/2$ WL $1/2$ $1/3$ , $7500$ Benson and Montin $1/2$ WI $1/3$ , $7500$
	INTEREST IN TEREST	ITA	IIA	IIW	12 <u>7</u> %	1236	LIA	All	III	All	12 <sup>1</sup> 8
	BOYALTY OWHER & INTEREST BI OR OWNER ORRI INTEREST	State of Min. Nev Kexico	State of Min. New Mexico	State of Min. New Mexico	State of RI New Mexico	State of RI New Mexico	State of Min. New Mexico	Btate of <i>N</i> in. New Mexico	State of N°2. New Mexico	State of Min. New Nexico	State of RI Now Mexico
SUNAL STATE	LEASE ONNER DF EECORD	Not Leased	Not Leased	Not Leased	John A. Owings	John A. Owings	Not Leased	Not Leased .	Not Leased	Not Leased	Stanolind
	NO. ACRES	140 <b>•</b> 00	00°0†	00 <b>° 0it</b>	80 <b>-</b> 00	00 <b>° 0i</b> t	00.04	00° 0†	10°0	00 <b>• 01</b>	00 <b>• 01</b>
	DESCRIPTION SEC SECTION SUPPLYISIONS	36 - 38/4 38/4	36 - NE/4 NE/4	36 - NE/4 NW/4	36 - W/2 NW/4	36 - NW/4; SW/4	36 - se/4 ve/4	36 - Su/4 NE/4	36 - NE/4 SH/4	36 - NW/4 SE/4	36 - NE/4 SE/4
	æ	NSI NGS	13W	μ£τ	μŝι	13W	μSt	ΛĹΙ	AST.	13W	NS1
	đMT	29N	29N	NGZ	N62	29N		r93	29N	N95	29N
	STATE LEASE NO.	L	I	I	B-11017-8 2-18-54	B3319 516-55	ſ	ł	ı	ı	B-11017 2-16 54
	TRACT NO.	61	62	83	ţţ	85	86	18	23	63	60
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DE OR ASSIGNERY	INTEREST	MI 43.7500 1/2 WI 43.7500	icz 57.5000	£7.5000	<b>57 •</b> 5000
	OWNER	Stanolind 1/2 WI Benson & Nontin 1/2 WI	John N. Jetkiewicz	E. H. Colby	C. C. Seymour
ZETUTERET	ORRI INTEREST	12 <u>3</u> %	12 <u>3</u> %	12 <u>7</u> %	12 <u>1</u> %
0	OWNER ORRI	State of RI New Mexico	State of RI New Mexico	State of RI New Mexico	State of RI New Mexico
LEASE OWNER	OF RECORD	40.00 Stanolind	John N. Jetklewicz	E. H. Colby	C. C. Seymour
NO.	ACRES	1to • 00	10 <b>.</b> 00	00 <b>-01</b>	00• 0 <del>1</del>
DESCRIPTION	SEC SECTION SUBDIVISIONS	29N 13W 36 - SW/4 SW/4 🗲	13W 36 - 55/4 54/4	13W 36 - SW/4 SB/4	36 - 55/4 55/4
	TWP R	n\$t	тЗW	MÉT	N2T
	TAP		N62	N62	N62
	LEASE NO.	B-11017-15 2-15-54	B-11017-11 2-15-54	B-11017-1 2-16-54	B-2526 <b>3-10-5</b> 9
TRACT	NO.	16	92	93	76

TOTAL STATE LAND ----- 3.166.60

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R UNDER ZATING ITENT OR LA INTEREST	43.7500 43.7500	43.7500 43.7500	43.7500 43.7500	43.7500 43.7500	43.7500 43.7500	21 •5750 21 •5750	21.5750 21.5750	<b>37.</b> 5000
WORKING INTEREST ONDER UNDER OPTION AGREENENT, OPERATING AGREENENT, LEASE, ASSIGMERT OR LAND ONNER INTEREST	Dorothy J Krause 1/2 WI 43.7500 Geo. H. Krause 1/2 WI 43.7500	Stanolind 1/2 WI 43.7500 Benson and Montin 1/2 WI 43.7500	Stanolind 1/2 WI Benson and Kontin 1/2WI	Stanolind 1/2 WI	Stanolind 1/2 WI Bonson & Hontin 1/2 WI	Stanolind 1/2 VI Bonson & Kontin 1/2 VI	Stanolind 1/2 WI Benson & Wontin 1/2 WI	John a. Jee
TEREST INTEREST	94 94 96 96	1238	12 <u>1</u> %	12 <u>5</u> 6	1236	2 4 4 2 4	648	123%
R & INTF ORL	RI	RI	- RI	RI	RI	RI	RI Y	RI
ROYALTY OUNER & INTEREST OWNER INTER	Dorothy J Krause Geo. H. Krause	Enos J Strawn & Dorothy B Strawn	Jessie Cox Church- RI hill	Arthur Coy & Path Coy	J B Brown & Yada B Brown	Gladys Booram	Thomas Kerby & _ <b>Jose</b> phine M. Kerby	John a. Le
LEASE OWNER OF RECORD	Not Lessed	Stanolind	Stanolind	Stanolind	Stenolind	Stanolind	Stanolind	Not Leasod
NO. ACRES	160.00	40 °00	00° 04	32.00	20,00	1/1 <del>4</del> 60.00	н †.	12.00 11: 56
DESCRIPTION SEC SECTION SUBDIVISIONS	13 - SE/4 IV4/4, NE/4 SV/4 W/2 SE/4	13 - NW/4 NV/4	13 - NV/4 SV/4	h/an h/ns iloi a - Ei	13 - M/2 Su/4 Su/4	13 - 12/2 SW/4 SW/4, SE/4 SW/4 60.00	13 - 5/2 SW/4 SW/4, SW/4	23 - Begin at a point on N 1100 Sec 23, 40 rds E from NW corner of the NE/4 of said Sec; Thence S 746.81; Thence E 770'; Thence N 746.51; Thence W 770' to place cf be- ginning.
P4	29N 13W	лзw	AST	μSμ	лЗW	ΠĊΤ	π£τ	тзи
TWP	N62	r62	N62	N62	162	N62	n62	29N
LEASE EXP IRATI ON DATE	Not lcased	5-2-5S	11-12-55	12-16-53	11~29-53	11-1-55	11-1-58	Not leased
TRACT No.	ß	96	16	22	<b>66</b>	100		101

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•	ER UNDER CRATING NGERT OR LA INTEREST	43.7500 43.7500	<b>57 •50</b> 00	<b>57 •5</b> 000	43.7500 43.7500	43.7500 43.7500	43.7500 43.7500	43.7500 43.7500	87.5000 87.5000 87.5000 87.5000 87.5000 87.5000	
· · ·	MORKING ILTEREST ONNER UNDER OPTION AGREERENT, OPERATING AGREERENT, LEASE, ASSIGNGERT OR LANI OWNER	Stanolind 1/2 WI Benson & Wontin 1/2 WI	William S. Allen & Bula L. Allen	<b>A. E.</b> Dustin Est.	Stanolird 1/2 MI Benson & Kontin 1/2 MI	Stanolind 1/2 WI Benson & Wontin 1/2 WI	Stanclind 1/2 WI Benson & Muntin 1/2 WI	Stanclind 1/2 WI Berson & Montin 1/2WI	121 Clara Zanolio $62\frac{1}{2}$ of 121 James F Zanolio $7\frac{1}{2}$ of 121 Nicholos C Zanolio $7\frac{1}{2}$ 121 Nicholos C Zanolio $7\frac{1}{2}$ 121 Mable Zanolio $7\frac{1}{2}$ of 121 Mable Zanolio $7\frac{1}{2}$ of 122 Grace Z. Discus $7\frac{1}{3}$ of	17185
	& INTEREST AI OR ORRI INTEREST	12 <u>3</u> %	12 <u>4</u> %	12 <u>1</u> 6	12}%	123%	12 <u>1</u> %	123%		
·		RI	RI	RI	æ RI	RI	Ħ	RI	o RI RI RI	
·	BOYALTY OWNER	Helen Zimmerman & R. J. Zimmerman	Wm.S. Allen & Emla L. Allen	A. E. Dustin Est.	John B. & Wanda LæRl Eurrell	Owen K KcCarty & Cecille F McCarty	Jos T & Kathleen Kellenaers	S. B. Lancaster	Clara Zanclio James F Zanclio Micholos C Zanclio Josephine Zanclio Mable Zanclio Grace Z. Discus	
PATENTED LAND	LEASE OWNER OF RECORD	Stanolind	Not Leased	Not Leased	Stanolind	Stanolind	<b>Stanolind</b>	Stanolind	Not Leased	
	NO. ACRES	133.00	240.00		12.00	28.00	140 • CO	120.00	39 • 50	
	DESCRIPTION SEC SECTION	- E/2 NE/4, SW/4 NE/4 & 13 acres in S part of NW/4 NE/4	- NW/4, N/2 SW/4	- Begin at NW cor. of the NE/4 of Sec. 23, Thence S 60 rds; Thence E 40 rds; Thence N 60 rds; Thence N 40 rds to beginning.	- W 12 ac NW/4 NV/4 Sec. 24	24 - 또 25 ac NV/나 NV/나 Sec. 2박	24 - NE/4 NH/4	24 - S/2 NW/4, SH/4 NE/4	24 - NW/4 NE/4 less 1/2 ac in extreme SE cor	
	A B	ii 23	53	53	й 21 <del>4</del> –		-			
	TWP R	29N 13W	29N 13W	WZI NGS	29N 13W	29N 13W	rst ngs	w£t N62	жт и62'	
	LEASE EXPIRATION DATE T	220-57 2	Nct Leased 2	Not Leased	9-17-52 2	3-13-52 2	3-8-52 2	3-6-52	Not Loased	21
	TRACT NO	102	103	10L	105	106	107	100	109	Åpril 1951
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	DWITR UNDTR CPERATINC SSIGMETT OR LAI INTTREST	<b>43.7500</b>	87.5000	43.7500 43.7500	43 •7500 43 •7500	43 •7500 43 •7500	4 <b>3 .</b> 7500 43 .7500	43.7500 43.7500	43.7500 43.7500	43.7500 43.7500		
	WORKING INTEREST ( OPTION AGREEKENT, AGREEMENT, LEASE, AS OWNER	Stanolind 1/2 VT Benson & Montin 1/2 VI	S. B. Lancaster	Stanolind 1/2 WI Benson & Hontin 1/2 WI	Stanolind 1/2 WI Benson & Montin 1/2 WI	Stanolind 1/2 WI Benson & Montin 1/2 WI	Stanolind 1/2 WI Benson & Montin 1/2 WI	Stanolind 1/2 WI Benson & Kontin 1/2 WI	Stanolind 1/2 WI Benson & Montin 1/2_WI	Stanolind 1/2 WI - Benson & Wontin 1/2 WI	-	17185
. <b>.</b>	& INTEUEST RI OR ORRI INTEREST	1236	12 <del>3</del> %	12 <u>1</u> %	121%	12 <u>1</u> 6	12 <u>3</u> 6	12	12 <u>1</u> %	12 <u>1</u>		
		لم الا	RI	RI	RI	RI	RI	RI	RI	RI		
	ROYALTY OWNER OWNER	<b>An</b> thony J Michel & John A. <del>Kichel</del> <i>Puitilel</i>	S. B. Lancaster	H. L. Sterling & Iva Sterling	Phil Schenck & Alberta Schenck	W. T. Calloway	Sandia Corp.	Allen K. Tonkin & Nancy P. Tonkin	Gcldie A: Chapman & Peary Chapman Kara	Thos F. Kerby & Evelyn Kerby	•	
PATENTED LAND	LEASE OWNER OF RECORD	Stanolind	Not leased	Stanolind	Stanolind	Stanolind	Stano11nd	Stano11nd	Stanolind	Stanolind		
	NO. ACRES	75 •00	•50	596 •93	<b>160.00</b>	159.12	76-911	80.00	60•00	60.00	•	
•	DESCRIPTION SEC SECTION SUBDIVISION	24 - W/2 E/2 NF/4 & E/2 E/2 NE/4 excepting E 5 ac cf SE/4 NE/4	24 - 1/2 ac S of Public Road in SE cor of NW/4 NE/4	24 - 5/2 5/2 25 - N/2 N/2 30 - NN/4 NE/4, SE/4 NN/4, 5/2 NE/4, N/2 NN/4, 19 - SV/4 SW/4	25 - 84/4 NB/4 29 - 4/2 84/4, 82/4 84/4	25 - Se/4 Ne/4, 30 - Su/4 Ne/4, N/2 Su/4	13 - Lot 2 or SW/4 NW/4, SE/4 NN/4, NE/4 SW/4	16 - V/2 SE/4	19 - 52/4 55/4 20 - W/2 58/4 54/4	19 - E 60 ac E/2 Su/4		
	<b>A</b>	ΜŚτ	134	13W 12W 12W	13W 12W	13V 12W	J2W	12W	N21	NSL		
	TWP	N95	r91	NQS NQS NQS	29N 102	29N 29N	N62	N62	N62	29N		
	LEASE EXPIRATION DATE	9-6-53	Not Leased	5-15-52	2-24-57	2-11-57	10-5-53	10-5-53	8-17-53	5-2-57		951
	TRACT NO.	011	111	2 <b>t</b> t	113	ħιι	115	116	Lι	211		April 1951
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•	NVNER UNDER OPERATING SIGMENT OR LA . INTEREST	43.7500 43.7500	43.7500 43.7500	43.7500 43.7500	87.5000	43.7500 43.7500	<b>67 •</b> 5000	43.7500 43.7500	43.7500 43.7500	43.7500 43.7500	
	WORKING INTEREST ONNER UNDER CPTION ÅGREEHENT, OPTRÅTING AGREEMENT, LEASE, ÅSSIGHERET OR LAND OWNER	Stanolind 1/2 WI Benson & Montin 1/2 WI	Stanolind 1/2 WI Benson & Kontin 1/2 WI	Stanolind 1/2 WI Benson & Hontin 1/2 WI	Benson & Wontin	Stanolind 1/2 WI Benson & Wontin 1/2 WI	R. E. Ransdell	Stanol1rd 1/2 WI Benson & Kontin 1/2 WI	Stanolind 1/2 WI Benson & Kontin 1/2 M	Stanolind 1/2 WI Benson & Kontin 1/2 WI	17185
	PEST INTEREST	12素	12 <u>3</u> %	12 <u>3</u> %	123%	5	123%	9.94 N 96	\$ \$ \$	12 <u>1</u> %	
	& INTEREST RI OR ORRI INT	RI	RI	RI	RI	r RI RI	RI of	RI sh RI	f RI RI	RI	
	ROYALTY OWNER OWNER	Thos F. Kerby & Evelyn Kerby	H. H. Smith & Evelyn V Smith	Howard H. Smith & Evelyn V Smith	Komie Whitenack	Deyo & Rosa Miller RI Inke H & Dorothy Helen Pouson RI	R. E. Rensdell Alex & Petrita Jaquez & Heirs o Juan Jaquez	FLLee & Eva Lee RI V C & Ora Kae Huish RI	L V & Pearl A Goff George T. & Alice Kartchner	J D & Eugenia Roquemore	
UNT CHINEJYA	LEASE ONIUR OF RECORD	Stanolind	Stanolind	Stanolind	Benson & Montin	Stanolind	R. E. Ransde]	Stanol1nd	Stanolind	Stanolind	
ю	NO. ACRES	20 • 00	107.31	16.00	120.00	160.00	320.00	200 • 00	200•00	20.00	
	IESCALPTION SEC SECTION SUBDIVISION	19 - W 20 ac E/2 SW/4	19 - W/2 NW/4, V 23.46 ac of NN/4 5N/4 24 - E 5 ac cf SE/4 NE/4	19 - E 16 ac of NW/4 SW/4	19 - 4/2 SB/4, SW/4 NB/4	30 - 52/4 58/4, N/2 52/4,	32 - 11/2 NB/4,NB/4 NV/4 29 - 110/4 SB/4, S/2 SB/4 28 - 54/4 SV/4 33 - 110/4 NV/4	29 — NZ/h; SE/h 20 — SW/b; SE/h	29 - 11%/4 20 - 55/4 58/4	20 - E/2 SH/4 SN/4	
	<b>P</b>	IZW	12W 13W	12W	nst	J2W	ıcw	12W	124	124	
	TWP	79N	n95 N92	79N	29N	r91	29N	N62	N62	79N	
	LEASE EXPIRATION DATE	9-17-57	ટ-ઉ-57	9-17-52 、	a- 12- 57 Hot: Leased	2-11-57	<b>}-1</b> 9-52	8-17-53	1-31-57	8-17-53	151
	TRACT NO.	119	120	ជ	122	123	124	125	126	121	April 1951
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•	NARZE UNDER OPERATING GINZEN OR LÁ INTEZEST	21.6750 21.5750	21.3750 21.5750	<b>43.7</b> 500 <b>43.7</b> 500	43.7500 43.7500	87.5000	43•7500 43•7500	43.7500 21.6750 21.6750	21 <b>.</b> 8750 21.5750	<b>21.</b> 5750 21.5750	43.7500 43.7500	
	MORKING INTERST OWNER UNDER . OPTION AGREEMENT, OPERATING AGREEMENT, LEASE, ASSIGNEET OR LAND OWNER	Stanolind 1/4 WI Benson & Hontin 1/4 WI	Stanclind 1/4 WI Benson & Mcntin 1/4 WI	Stanolind 1/2 WI Benson & Kontin 1/2 VI	Starolind 1/2 WI	Robb Vocds	Etanolind 1/2 WI Benson & Kontin 1/2 WI	Deriel IV, Haupter II,2 NI Deriel IV, Haupter II,4 NI Ches J. Wright 1/4 VI	Stanolind 1/4 WI Benson & Montin 1/4 WI	Stanclind 1/4 WI Benson & Montin 1/4WI	Stanolind 1/2 WI Benson & Wontin 1/2 WI	17185
	TSTEFEST	6 <u>1</u> %	84 19	C C C	12 <u>3</u> 4	123%	$12\frac{1}{2}$ %	64% 3-1/6% 3-1/6%	6 <u>1</u> %	65%	$12\frac{1}{2}$	
	& INT RI OR ORRI	RI	RI	RI RI	R	RI	RI		RI	RI	RI	•
	ROYALTY OWNER & INTEREST RI OR OMMER ORNEI INT	Jesse T. Brimhall Veda C. Brimhall	M H Stark & Eula Stark	G W & H B Sammons CC & Ethelwyn Culpepper	J E & Hazel Crawford	Robb Woods	Jess T & Veda C. Brimhall	Geo H, Krause Daniel-V, Hampton Chas J. Wright	Mrs. C.V.H.Carlisle	MH& Eula Stark	M H & Bula Stark	
PATENTED LAND	LEASE OWNER OF RECORD	Stanolind	Stanolind	Stanolind	Stanolind	Not Leased	Stanolind	Nct Leased Conna Lawie Knowa	Stanolind	Stanolind	Stanolind	
	NO. ACRES	140.00	00. 04 L	160.00	120.00	20 .00	00° 04	00°0†	20,00	20*00	б0•00 Е/4	
	DESCRIPTION SEC SECTION SUBDIVISION	25 - E/2 SE/4 27 - Ne/4, Se/4, N/2 SW/4	28 - 50/4 28 - 5/2 SE/4 27 - 10/4 SW/4, W/2 SW/4	28 - 5/2 NH/4, NN/4 NH/4 NE/4 58/4	26 - S/2 NE/4, NW/4 SE/4	27 - E/2 SW/4 SH/4	57 - 55/4 SW/4	27 – NB/4 SW/4	27 - W/2 SW/4 SB/4	27 - W/2 SW/4 GB/4	27 - E/2 SV/4 SD/4 34 - NV/4 NE/4, E/2 NE/4 NE/4	
	64	лгм		lew	12W	12W	12W	124	12W	J2W	12W	
	THP	29N		r91	r95	N62	N62	29N	N62	N62	75N	
	LEASE EXPIRATION DATE	12-16-53	g-15-53	2-27-52	2-27-57	Not Leased	12-16-53	Not Leased	9-17-52	8-13-53	8-16-53	151
	TRACT NO •	123	E	129	130	131	132	133	134	=	135	April 1951
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	R UNDER. FATING- MT OR LAND INTEREST	4 <b>3.7</b> 500 4 <b>3.7</b> 500	1;3.7500 1;3.7500	<b>Յկ₊7</b> 656 2.13կէ	43.7500 43.7500	<b>57 •</b> 5000	43.7500 43.7500	43 .7500 43 .7500	43.7500 43.7500	43.7500 43.7500	
	WORLING INTEREST OWNER UNDER. OPTION AGEERNARY, OFFLATING- AGREENT, LEASE, ASSIGNERT OR LAND CMEER	<pre>stanolind 1/2 WI Benson &amp; Wontin 1/2 WI</pre>	Stanolind 1/2 WI Benson & Kentin 1/2 WI	T R Knowles & Sydncy Sher Greathel & Bert Olsen	Stanolind 1/2 WI Benson & Montin 1/2 WI	T. R. Knowles	Stanolind 1/2 WI Bensen & Kontin 1/2WI	Stenolind 1/2 WI Benson & Nontin 1/2 WI	Stanolind 1/2 WI Benson & Kontin 1/2 WI	Stanolind 1/2 WI Benson & Hontin 1/2 MI	17195
	PREST INTERET	12 <del>1</del> %	12 <u>1</u> % per	12.1094 •3906	12 <del>3</del> %	12 <u>3</u> %	12 <u>3</u> %	12 <sup>3</sup> %	1230	12 <u>3</u> %	
	& INTEEEST RI OR ORRI INT	RI	RI Culpep	RI RI	RI	RI	RI	RI wrst	RI	RI 1- 1cis edina	
. •	ROYALTY ONIER OMNER	Camera Palmer	G W & H B Sammons RI 16 C C & Ethelwyn H Culpepyer	T R Knowles & Sydney Sher Greathel & Bert Olsen	Frank & Chrissie Warsrow	T. R. Knowles	Thos Gordon & Mary Eliz. Gordon	Joe S & Helen RI Hartmen, E. A. & Ruth H. Schreck, Wm P & Ruby Longhurst	Chas R Keller,Jr. & June O Keller	Peto J Medina, RI Mary P Medina, Eu- dora Medina, Francis Medina & Joe E Medina Tony P Medina	
PATENTED LAND	LEASE OWNER OF RECORD	<u>We t-Leesee</u>	Stanolind	Not Leased	Stanolind	Not Leased	Stanolind	Stanolind	St anolind	Stanolind	
. · · ·	NO. Acres	10.00	20.00	120.00	80 •00	00• Ot	go •00	320.00	160.00	160.00	
	DESCRIPTION SEC SECTION SUBDIVISION	27 - V/2 S5/4 S5/4 34 - V/2 N5/4 N5/4	27 - E/2 SE/4 SE/4	27 - 5/2 Nu/4, Nu/4 Nu/4	27 - Ne/4 NV/4 22 - Se/4 SV/4	22 - SW/4 SW/4	22 - S/2 58/4	34 - NB/4 SV/4, SB/4 35 - SV/4 NV/4, N/2 SW/4	34 - s/2 n/2	34 - N/2 NW/4 33 - N/2 NE/4	
	er.	12W	NSL	ILZW	12W	NSL	12W	NS L	WSI Nes	MS.L	
	dm E	r9N	29N	29N	29N	N62	r93	N65	NGS	R92	
	LEASE EXPIRATION DATE	Not-Iczsed	917-52	Nc t Leased	8-13-58	Not Leased	9-24-57	1-31-57	6-21-53	3-12-52	1951
	TRACT NO.	136	137	133	139	140	tht.	142	143	ተተተ	() April 1951

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PATENTED LAND

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R UNDER Retuid Ret of Land Hetrest	43.7500 43.7500	43.7500 43.7560	21.5750 21.5750	21.5750 21.5750	21 • 5750 21 • 5750	37.5000	43.7500 43.7500	
VORKING INTEREST OWNER UNDER OPTION AGREENENT, GFERLEING AGREENENT, LEASE, ASSIGNMENT OR LAND CHIER	Stanolind 1/2 WI Benson & Kontin 1/2 WI	Stanolind 1/2 WI Benson & Montin 1/2 WI	Stanolind 1/4 WI Benson & Montin 1/4 WI	Stanolind 1/4 WI Benson & Kontin 1/4 WI	Stanolind 1/4 WI Benson & Wontin 1/4 WI	BH& Dyvena Crawford	Stanolind 1/2 WI Benson & Kontin 1/2 WI	17185
REST	1.2 <u>1</u> %	123%	9-8- 1-6-	2 2 2 2 2 2 2 3	<i>₽</i> € 9	6.4	$12\frac{1}{2}$ %	
& LHTE RI OR ORRI	RI son ce h	n RI hreck; rst aise	RI	RI	R	ы	RI	
ROYALTY OWNER & LHTEREST RI OR OWNER ORRI INT	Juo B & Winnie HI Arrington, Faye Arrington Haines, Buth & Geo G. Pearson Any Arrington, Alice M & Molvin Iboy, Ester & B J Chelte	J S & Helcn Hartman RI Chas R Keller, Jr. E. A. & Ruth R. Schreck; Ruby & Vm P. Longhurst Ella & Henry M. Blaise	Maude B. Farrell	J E & Hazel Craw- ford	Maude B Farroll	B H & Dyvena Crawfurd	J W & Lcis E Dak	
LEASE OWIER OF RECORD	Stenolind	Stanol ind	Stanolind	Stanolind	Stanolind	Not Leased	Stanolind	
NO. ACRES	160.00	320.00	<b>10.</b> 00	00• 0 <del>1</del>	00• <b>01</b>	140 <b>•</b> 00	360-00	
DESCRIPTION SUBDIVISION	35 - W/2 NB/4, B/2 NY/4	35 - B/2 NE/4, B/2 SN/4. SB/4	26 - NE/4 SE/4	26 – NE/4 SE/4	56 - S≌/4 SE/4	26 - 5e/4 Se/4	26 - NE/4, E/2 NW/4, SW/4 NW/4 and N/2 SW/4	
8	ICM	J2W	12W	NSL	12W	12W	JZW	
ЧИТ	N62	29N	r95	NQ5	N62 .	n62	N62	
LEASE EXPIRATION DATE	<b>6-</b> 16-5 <b>3</b>	1-31-57	10-23-57	1-30-57	10-23-57	Not Leased	1-30-52	51
TRACT NO.	145	146	ζμτ	E	341	E	641	épril 1951
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R UNDER ELTING MT OR LAN INTERST	27 • 3435 27 • 3435	5.2031 5.2031	g.2031 g.2031	43.7500 43.7500	43.7500 43.7500	57.5cco	67.5000	67 <b>.</b> 5000	57 <b>.</b> 5000	21.5000	
WORKING INTEREST OTHER UNDER OPTION AGREEMENT, OPTIATING AGREEMENT, LEASE, ASSIGNERT OR LAND OMMER	Stanolind 5/16 WI Benson & Montin 5716 WI	Stenolind 3/32 WI Benson & Montin 3/32 WI	Stanolind 3/32 WI Benson & Montin 3/32 WI	Stanolind 1/2 WI Benson & Kontin 1/2 WI	Stanolind 1/2 WI Benson & Kontin 1/2 WI	B. H. Crawford	E. A. Grawford	Mary Roberts Berry	Elsworth R & Nova K. Caldwell	E. A. Crawford	1 <sup>1</sup> F
REST	7.8125%	2.34375	2.34375	122%	12 <u>3</u> %	12 <u>1</u> %	122%	12 <u>3</u> %	1238	123%	
& INTE RI OR ORRI	RI	R	RI	RI	ы	RI	R	, RI	RI	RI	
ROTALTY OWNER & INTEREST RI OR OMNER ORRI INT	Maria C Peterson	Gecilia 🖡 Ransom	Cecil R & Hazel Talbot Peterson	Claik & Violet Patterson & J W & Jean Adams	J E & Hazel L <b>Grawfor</b> d	B. H. Crawford	E. A. Crawford	Mary Roberts Berry	Elsworth R & Nova K. Caldwell	E.A. Gravford	
LEASE OWNER OF RECORD	Stanolind	Stanolind	Stanolind	Stanolind	Stanolind	Not Loczod	Not Leased	Not Leased	Not Leased	Not Leased	
NO. ACRES	80 <b>•0</b> 0	ш.	=	30.00	160.00	120.00	74.00	8.00	10.00	6.00	、
DESCALPTION SEC SECTION SUBDIVISION	25 - SV/4 SB/4, NB/4 NWX	25 - SW/H SB/H,NB/H NN/H	25 - SH/4 SE/4, NE/4 NH/4	25 - S-3/4 NV/4 SE/4	25 W/2 NW/4, N/2 SW/4	€] - 82/4 NN/4, 8/2 SN/4	25 - S 74 ac E/2 SE/4	13 - W 249° SW/H NW/H	25 - N 10 ac NW/4 SE/4	25 - N 6 ac B/2 SE/4	
e4	12W	IL2W	12W	lew	NSI	12W	IZW	иŞг	IZW	MZT	• .
	N62	79N	29N	R62	N62	29N	N62	N62	79N	r95	
LEASE 1""PIRATION DATE	<b>3-1</b> 2-57	3-12-59	2-1-54	12-4-53	1-30-57	Not Leesed	Not Leased	Not Leased	Not Leased	Not Leased	951
TRACT NO.	150	E	E	151	152	153	154	155	156	157	April 1951

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RECAPITULATION

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AREA ACRES	24,716.72	4,905.46	3,186,60		39,324.51
2	TOTAL FEDERAL LAND	TOTAL NAVAJO INDIAN LANDS (Allotted)	TOTAL STATE LANDS	TOTAL PATENTED LANDS	TOTAL UNIT AREA-
LANDS	TOT	TOTA	TOTA	TOTA	

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## SCHEDULE OF COMMITMENTS TO THE GALLEGOS CANYON UNITIZATION August 1, 1951

P ROYAL	TY INTERESTS	WORKING	INTERESTS
Subscribing	Non-Subscribing	Subscribing	Non-Subscribing
Owners	Owners	Owners	Owners
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All	-	All	-
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All except	Heirs of Isabelle (Will has not been		-
	probated)		
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11	· <b>–</b>		-
-	-	•	Skelly Oil Co.
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-	11 11	· • ·	
All	-	All	Net Icesed
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Ail	-	ALL	-
	-	11	-
	-	-	Skelly Oil Co.
•	-	-	Paul T. Purcell
AIL	-	All	
مند <i>ا</i> ا	-		
	tenne surdam Abda ber et		
nitments of Ind:	ians under this tract ar	e currently being	secured.
ve seme Therens	have already executed t	ne agreement for T	ract No. 47.

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Page 2 - Schedule of Commitments to the Gallegos Canyon Unitization - August 1, 1951

ROYALT Subscribing	Non-Subscribing	Subscribing	Non-Subscribing
Owners	Owners	Owners	Owners
All 3	• ) 'd'	All	۰ <sup>۱</sup> ۲
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-	Not Leased	-	18 8
All	-	All "	-
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-	-	-	Clarence Rupp
ALL	•	All	
	Not Leased	•	Not Leased
-	• ·	-	Skelly Oil Co.
	• ´	•	Pearl Kercheval
All	-	All	- Paton Bros.
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		Y INTERESTS		IG INTERESTS
TRACT	Subscribing	Non-Subscribing	Subscribing	Non-Subscribing
NO.	Owners	Owners	Owners	Owners
123	All	_	All	
124	ATT.	All		All
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129	1	-	26-5-6- (1	
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127			1	-
128	-	M. H. & Eula Stark		
129	-	G. W. & G. B. Sammon	18	-
、		C. C. & Ethelwyn Cu		
130	All	-	11	-
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134	-	M. H. & Eula Stark	11	-
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136	All	-	, n ;	-
137		All	n	-
138	-	Not Leased	_ ·	Not Leased
139	-	ALL	ALL	NOU Deabed
140	-	Not Leased		Not Leased
140	AII	Not Tegged	LLA	Not Deased
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142	ALL except	E. A. & Ruth Schreel	r 2	-
143	, u v		ti tt	-
144		<b>'</b> <del>•</del> .		-
145		J. B. & Winnie Arrig		-
146	All except	E. A. & Ruth Schreck		-
· 147	All .	<b>-</b> .	17	
148	-	B. H. & Dyvena Crawl	ford "	<b>-</b> • *
149	All	-	HL -	-
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11,185 ÷., 1.1 1 11 Т LIST OF COMPANTES AND INDIVIDUALS WHO HAVE EXECUTED OR HATIFIED, AS WORKING INTEREST OWNERS, THE UNIT AGREEMENT AND UNIT OPERATING AGREEMENT FOR THE DEVELOP-MENT AND OPERATION OF THE GALLEGOS CANYON UNIT AREA, COUNTY OF SAN JUAN, STATE OF NEW MEXICO. List of subscribers whose executed instruments have been received by Benson and Montin as of April 24, 1951. Benson and Montin Stanolind Oil and Gas Co. Southern Union Gas Co. Summit Oil Co. The Texas Co. Mid Continent Petroleum Corp. Albuquerque Associated Oil Co. Niloco Company E. H. Colby Ernest A. Hanson L. B. Hodges J. J. Hudson Elma R. Jones Emma Louise Krause Dorothy J. Krause George Krause S. B. Lancaster John A. Owings Bertha Rahn Freda Rahn Otto Schindler C. C. Seymour Arthur W. Sunter E. B. Todhunter Robb Woods Charles J. Wright Mary Roberts Berry L. M. Johnson John W. Hjertstedt Grace Van Hook H.K. Riddle Tom Bolack Phillips Gates Thelma Gapen B. List of subscribers whose executed instruments are reported to be in the mail as of April 24, 1951. T. R. Knowles Sidney Sher Texas Pacific Coal and Oil Co.J

10 × 2 × 21 ىلىنى « 斗 🕮 FRANKINGTON REDUCTE HREA たらん To: BHP Attn: Donald Rheinhart From: Duane Spencer, BLM Farmington Subject: Unit commitment status definitions Attached are the definitions we use when defining the commitment status of a lease to a unit dgreement. These definitions are in Please call me at (505)327-5344 if you have any questions. Derana an Dyan BEFORE EXAMINER STOCHER OIL CONSERVATION DIVISION BHAP \_EXHIBIT NO. \_4 CASE NO. ------

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COMMITMENT STATUS

The various possible commitment categories of a unit tract and its effect on operations are:

a) <u>Fully Committed (FC)</u> - indicates that all interest owners in that tract have signed. This includes the lesson, lessee of record, overrides, if any, and working interests if different from the lessee of record. The working interests must also have signed the operating agreement. A fully committed tract is eligible for all benefits under the unit.

b) <u>Effectively Compitted (FC)</u> - indicates that all interest ewners, except overrides, have signed. An effectively committed tract is also eligible for all benefits under the unit.

c) <u>Partially Committed (PC)</u> - in reference to a patanted tract, it indicates the lassor (mineral interest owner) has not signed but the lassee and working interest have committed their interest. In reference to a State or Federal tract, it indicates the lessee of record has not signed but the working interest and lessor have committed their interests (Note: In some States, commitment by a lessee of record who owns no working interest is considered as unnecessary and the tract may be considered as effectively committed without such signsture). A PC lesse is not subject to any benefit by unit operations unless there are actual operations and/or production on the lesse itself or it is included within and receives an allocation of production from a participating area. Unitized drilling is permissible on a PC tract but if unitized production is obtained on the PC tract and a participating area is established, the working interest operator must allocate the entire production to the participating area and also pay the noncommitted parties their just royalty of a lessehold basis.

d) Not Committed (NC) - any tract in which a working interest has not committed, regardless of other committed interest, is considered as not committed and is not subject to the Unit Agreement.

COMMON SOURCE OF SUFFIX An underground reservoir, all parts of which are permeably connected so as to permit the migratics of oil or gas or both from one portion thereof to another wherever and whenever pressure differentials are created as a result of the production of oil or gas from that producing formation.

COMMUNITIZATION AGREEMENT An agreement to combine two or more mineral leases in order to have sufficient acreage to comply with the spacing required to drill a well.

COMPENSATORT ROYALTY A royalty paid in lieu of drilling a well which would otherwise be required under . the requirements of the lease.

CONTRACTION To diminish in size. Section 2 of the unit agreement provides that the unit area shall when practicable be contracted to exclude lands whenever it is deemed necessary or advisable.

COOPERATIVE AGREEMENT

An agreement or plan of development and operation for the recovery of oil and gas made subject thereto in which separate ownership leases or portion of leases are independently operated without allocation of production.

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## United States Department of the Interior

BUREAU OF LAND MANAGEMENT Farmington Resource Area 1235 Laplata Highway Farmington, New Mexico 87401



IN REPLY REFER TO Gallegos Canyon Unit (GC) 3180 (019)

FEB. 1 2 1992

BHP Petroleum Attn: Mr. Donald Reinhardt 5847 San Felipe, Suite 3600 Houston, TX 77057

Dear Mr. Reinhardt:

You asked us to determine if Tract 102 is committed to the Gallegos Canyon Unit. We have determined that the Tract 102 is committed to the unit. However, our records are not clear if the royalty owner committed to the unit.

If you have any further questions concerning this matter, please call Duane Spencer at (505) 599-8950 or 327-5344.

Sincerely,

John L. Keller Chief, Branch of Mineral Resources

Same A second	BEFORE THE OIL CONSERVATION CONSERVATION Santa Fe, New Marco	
والمحافظ المحافظ المتراد المحافظ	Less Mid Extraction. 4.A	
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RECEIVED FEB 14 1992 IBU LAND DEPT.

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<ul> <li>And And And And And And And And And And</li></ul>	• • • •			•				-			
Weights         Description         Description <thdescrip< th=""> <thdescrip< th=""> <thdescrip<< td=""><td>, ,</td><td>λελ</td><td></td><td>, , , ,</td><td>ଜ୍</td><td>S CANTO: UII</td><td>1 1411 1, 1960</td><td></td><td></td><td></td><td></td></thdescrip<<></thdescrip<></thdescrip<>	, ,	λελ		, , , ,	ଜ୍	S CANTO: UII	1 1411 1, 1960				
1       NYA NA SAL 24, 2014 10,000       15,000 <t< td=""><td>Lrect No. 5 Ean Am. 19580</td><td></td><td>Number Of Acres Counitied Io Unit</td><td>Number Of Acres In Unit Aree</td><td>Gerisl or Contract No. &amp; Lease Late</td><td></td><td>Zercentage of 8/3</td><td>9711 or F/2 Percentage of 3/3</td><td>Lersee Dr Appldent Of Accord</td><td>Soriding Interest Sereen Sener Total 3</td><td>est Percent Of Sotel 7.1.</td></t<>	Lrect No. 5 Ean Am. 19580		Number Of Acres Counitied Io Unit	Number Of Acres In Unit Aree	Gerisl or Contract No. & Lease Late		Zercentage of 8/3	9711 or F/2 Percentage of 3/3	Lersee Dr Appldent Of Accord	Soriding Interest Sereen Sener Total 3	est Percent Of Sotel 7.1.
2         (An 1 Sec.) Text, Bar, M. 10, 10         106,10         Secondary and M. 11, 200         Ioal Collection         Second Collection		2/2 2/2 3/2 2/1 2/1 2/2	160.00	169.00	-		05°21	atio:	l'avontin 322 i 0 <u>11</u> Company	Cevonien Jes & ULL Company	
Lot J see, 14, 784-14       J9, JJ       J9, JJ       WH, WA       Pauline 5       Pauline 7       Pauline 5       Pauline 7       Pauline 5       Pauline 7       Pauline 7 <td></td> <td>Lot 1 Soc. 14 Soc. 14, 200-114</td> <td>106.90</td> <td>106.90</td> <td>SF-047019-B 3-6-36</td> <td>D.S.A.</td> <td>12.50</td> <td>N cane</td> <td>Summit Oil Company</td> <td>Summit Oil Company 100.00</td> <td>100.00</td>		Lot 1 Soc. 14 Soc. 14, 200-114	106.90	106.90	SF-047019-B 3-6-36	D.S.A.	12.50	N cane	Summit Oil Company	Summit Oil Company 100.00	100.00
57 NVA, SVA, SVA, SAA, See. 160.00       15.1.1.       12.5.00       Kene Kane Kane Kane Kane Kane Kane Kane	3170547	Lot 3 Sec. 18, 291-124		67-66	<del>МК-С</del> 3654 2-1-51	U.S.A.	12.50	Pauline S McKaughton 5.00000 GRI	Pan American Fetroleum Corporation	Fan American Fetroleum Corp.	100,00
HE/L See. 21, 278-124       160.00       160.00       160.00       160.00       160.00       160.10 <t< td=""><td>1705<b>17</b></td><td>5/2 5K/4, 5K/4 5E/4, 5ec. 23, NB/4 F5/4 Sec. 26, 23K-13M</td><td>160.00</td><td>160.00</td><td>NK-03654 2-1-51</td><td>U.S.A.</td><td>12.50</td><td>Pauline S. Echaughton 5.0000 Gh</td><td>Pan American Petroleum Corporation</td><td></td><td>100,00</td></t<>	1705 <b>17</b>	5/2 5K/4, 5K/4 5E/4, 5ec. 23, NB/4 F5/4 Sec. 26, 23K-13M	160.00	160.00	NK-03654 2-1-51	U.S.A.	12.50	Pauline S. Echaughton 5.0000 Gh	Pan American Petroleum Corporation		100,00
See. 23, See. 34, See. 31, See. 34, See. 31, See. 34, See. 31,	r.	HE/4 Sec. 21, 29%-12%	160.00	160.00	NH-06237 10-1-52	U.S.A.	12.50	None			100.00
See. 35, See. 34, ZBu-134 1280.00 1280.00 1280.00 57-077957 U.5.4. 12.50 Nus Southern Inhaa Ga Company Jan V/2 See. 11, 281- 0 275.56 57-078072 U.5.4. 12.50 Nus Louise M. Phillipo Jan Barry Hal-Continent See. 15, 17, 18 and M/A, 2596.94 27-0781073 U.5.4. 12.50 Nus Surry Hal-Continent Nucle M/A See. 13, 256.119 256.119 256.119 256.119 15.4. 12.50 Nus Surry Hal-Continent Sec. 15, 17, 16 and M/A, 2896.94 27-078109 U.5.4. 12.50 Nus Surry Hal-Continent Sec. 26, 111 Sec. 21, 256.119 256.119 256.119 256.119 256.119 2.56.119 2.56.119 2.56.119 2.56.119 1.5.4. 12.00 Nus Surry Hal-Continent Sec. 26, 111 Sec. 21, 201 Sec. 21, 256.119 2.56.119 2.56.119 2.56.119 1.5.4. 12.00 Nus Surry Hal-Continent Sec. 28, 111 Sec. 21, 201 Sec. 31, 201 Sec. 31, 201 Sec. 31, 200 Nus Surry Hal-Continent Sec. 28, 111 Sec. 31, 201 Sec. 31, 201 Sec. 31, 201 Sec. 31, 200 Nus Surry Hal-Continent Sec. 28, 111 Sec. 31, 201 Sec. 31, 256.119 256.119 256.119 2.56.119 2.56.119 2.56.119 2.56.119 2.56.110 2.56.100 1.5.4. 12.00 Nus Surry Hal- Sec. 31, 112 Sec. 31, 201 Sec. 3	9	Sec. 23, Sec. 24, 5%/4 and 55/4, Sec. 14, 26%-13K	00°009T	1600,00	SF-077966 2-1-48	U.S.A.	12.50	Vane	Astee Oil and Gas Company	Artee Oil and Gas Company	100.00
E/2 and W/2 See. 11, 288-       0       735.56       57-078072       U.S.A.       12.50       None       Louise N. Phillips         Low       See. 15, 17, 18 and W/A       Sec. 11, 2874.       0       775.56       5-1-48       U.S.A.       12.50       None       Louise N. Phillips         See. 15, 17, 18 and W/A       SiA, 3296.94       2755.59       S7-078105       U.S.A.       12.50       None       Samray Nid-Continent         See. 19, 114, 150       SiA, 187       S256.94       2756.19       2556.119       2551.19       2561.14       256.2       2561.14       2561.14       2561.14       2561.14       2561.14       2561.14       2561.14       2561.14       2561.14       2561.14       2561.14       2561.14       2561.14       2561.14       2561.14       2561.14       2561.14       2561.14       2561.14 <t< td=""><td>7 170574</td><td>Sec. 35, Sec. 36, 281-131</td><td>1280.00</td><td>1280.00</td><td>51-017967 2-1-48</td><td>U.S.A.</td><td>12.50</td><td>N CD 4</td><td>Southern Union Gas Company</td><td>Pictured Cilffs &amp; Abore Southern Union Gas Company 100 Balow Pictured Cilffs Pan Amarican Fetraluma Corperation Gas Southern Union Gas Company 50</td><td>20.00</td></t<>	7 170574	Sec. 35, Sec. 36, 281-131	1280.00	1280.00	51-017967 2-1-48	U.S.A.	12.50	N CD 4	Southern Union Gas Company	Pictured Cilffs & Abore Southern Union Gas Company 100 Balow Pictured Cilffs Pan Amarican Fetraluma Corperation Gas Southern Union Gas Company 50	20.00
Sec. 15, 17, 18 and W/A 2396.94 2396.94 Sr-OTBIOG U.S.A. 12.50 Nuo Sunsy Yid-Continent Sec. 19, W/A, SEA Sec. 21 and W/A Sec. 22-268-139 MAR Sec. 22-268-139 St SA, 15 SN/A, SEA Sec. 21 St St Sec. 21, 2561.19 2561.19 2561.19 25-148 St St Sec. 21, SEA Sec. 21, 2561.19 2561.19 25-148 St St Sec. 21, SEA Sec. 21, 2561.19 2561.19 25-148 St St Sec. 21, SEA Sec. 21, 2561.19 2561.19 25-148 St St Sec. 21, SEA Sec. 21, 2561.19 2561.19 25-148 St St Sec. 21, SEA Sec. 21, 2561.19 2561.19 25-148 St St Sec. 21, Sec. 31, 2543.19 2561.19 2561.19 25-148 St St Sec. 21, 2561.19 2561.19 2561.19 2561.19 25-148 St St Sec. 21, 2561.19 2561.19 2561.19 2561.19 25-148 St St Sec. 21, 2561.19 2561.19 2561.19 2561.19 25-14 St Sec. 11-284.12 Sec. 11-284.12 Sec. 11-284.12	60	E/2 and N/2 Sec. 11, 26N- 13W	0	275.56	57-078072 2-1-45	D.S.A.	12.50	None	Louise N. Phillips	Robert Mims	100.00
W/4, B/2 SN/4, SC/4 Sec. Z4, 2561.19 2561.19 2561.19 SF-O78109 U.S.A. 12.50 When Sec. 21, SC/1 Sec. 23, SC/1 Sec. 21, SC/2 Sec. 31, S/2 SN/4 Sec. 31, S/2 SN	6	Sec. 15, 17, 18 and BW/A Sec. 19, BW/4, SE/4 Sec. 21 and BW/4, Sec. 22-28M-13W		2536.94	SF-078106 12-1-47	D.S.A.		Ncme	Sumray Mid-Continent Oil Company	Surray Mid- Continent Oll Co.	100,00
	IO	OF CAN.	1, 2561.19	2561.19	51-078109 2-1-48	U.S.A.		Soles Sur	Amora Mid-Continent 001 Comput	Supray Mid- Contrast 011 Company	18.8
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Number Of Acres In Unit Ares	20,08	8°.8	· .	8.21	<b>0,</b> 13,0	80°00
Number Of Acres Committed To Unit	<b>30°00</b>	<b>60.09</b>		0	133.00	0
ti a	%∕2 Si/4 S::/4 Sec. 13-29№ 13%	5.72 %:/4. %:/4, 55./4 %:/4 Sec. 13~2%-134	B/2 €4/4. St/4, SZ/4. St./4. Sec. 13-291:-134	Beginning at a pt. on N. Line, Sec. 23, 40 rds. E from NVC of MAA of seid Sec, Promee S. 746.81 Demee W. 777' to place of beginning - All located in Sec. 23-229-139	E/2 ИЕ/4, SK:/4 НЕ/4 & 13.00 Астев in S/pert of M:/4 ИЕ/4 See, 23—294—134	K/2 S::/4 Sec. 23-27:-13;
Lescri pti ca	115 2/X 115 2/X	5/2 3% Sec. 13	B/2 Sec. 13	Beginn Tros N Sec. 27	E/2 TE Acres 5 Sec. 2	1/2 2/1
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CILL REVIERD INHIELD	Serial Or Contract No. & Leare Date	Patent od 12–13–51	Patented 4-21-51	Patent ed 9-17-47	Petented 3-13-47	Patent ed 12-5-52
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·	Murber Of Acres Committed To Unit	0	15.00 лб.	12,00	26.00	8- 2.00
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		NOLTERION	ЕР. ПЕР, 514 А. Ж.Р. 6. 13. Ас. 110 5 рате об 114 А. ПЕР Sec. 23, 2911, 134		N/2 SH/A Sec. 23, 294, 134	NW /A Sec. 23, 2911, 134	Begin at NV Cor. of the NE/A of Sec. 23, Thence S 60 Rds; Thence N 40 Rds; Thence M 60 Rds; Thence N 40 Rds to beginning. All situated in Sec. 23, 23%, 134.	чД2 ас ииА ииА Sec. 24 534, 130			
		TRACT NO.4 STANDLIND LEASE NO.	18.	•	103.	<b>V-E</b> OT	101	105. 79709	1		

COUNTY OF SAN JUAN

April 16 1962

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DECLARATION OF UNITIZATION

THE STATE OF NEW MEXICO ) COUNTY OF SAN JUAN ) KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, Pan American Petroleum Corporation is the owner and holder... of the oil and gas leases described in Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, the oil and gas leases identified in said Exhibit "A" as Tracts 1 and 2 have been committed to the "Unit-Agreement for the Development and Operation of the Gallegos Canyon Unit Area, County of San Juan, State of New Mexico," dated November 1, 1950, and to the "Unit Operating Agreement under Unit Agreement for the Development and Operation of the Gallegos Canyon Unit Area, County of San Juan, State of New Mexico," dated January 15, 1951; and

WHEREAS, Pan American Petroleum Corporation, in its capacity as Unit Operator under said Unit Agreement dated November 1, 1950, and representing the various interest owners under said Unit Agreement dated November 1, 1950, and said Unit Operating Agreement dated January 15, 1951, executes this declaration in its capacity as Unit Operator; and

WHEREAS, Pan American Petroleum Corporation, as the owner of the oil and gas leases identified as Tracts 3 and 4 in said Exhibit "A", which oil and gas leases have not been committed to said Unit Agreement or Unit Operating Agreement, executes this declaration also in its capacity as the owner and holder of said uncommitted oil and gas leases; and

WHEREAS, each of the oil and gas leases described in Exhibit "A" hereto authorizes the pooling and unitization thereof in the manner set forth in this instrument.

NOW, THEREFORE, PAN AMERICAN PETROLEUM CORPORATION, acting in the aforeblid capacities, does hereby pool, combine and unitize said oil and gas leases, as to dry gas and associated liquid hydrocarbons producible from the Dakota formation only to form a unit comprising the following described land in San Juan County, New Mexico, to-wit:

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### Township-29-North, Range-13-West, NMPM Section 23: N/2, Containing 320 acres, more or less.

The unitized area created hereby shall be developed and operated as an entirety, and all unitized substances produced therefrom shall be allocated among the tracts comprising said area in the proportion that the acreage interest of each such tract bears to the entire acreage interest included in the unit created hereby. The commencement, completion, continued operation or production of a well, or wells, for unitized substances on the unit created hereby shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said unitized area, and operations or production pursuant hereto shall be deemed to be operations or production as to each

lease committed hereto. EXECUTED, this // day of \_ april\_, 1962. PAN AMERICAN, PETROLEUI CORPORATION APTON Attorney in Fact wist sit Secre (Aught .....

THE STATE OF TEXAS ) ) COUNTY OF TARRANT )

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

My Commission expires:

(raff Notary Public in and for Tarrant

County, Texas

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## EXHIBIT "A"

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To Declaration of Unitization embracing Township-29-North, Range-13-West, N.M.P.M., San Juan County, New Mexico, Section 23: N/2

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Operator of Unitized Area:	Pan American Petroleum Corporation
	Tract No. 1
Lessor:	B. E. Dustin and wife, Ruth Dustin; and Louie Dustin
Lеввее;	Albert R. Greer
Date of Lease:	April 21, 1951
Recorded:	Book 175, page 137, Records of San Juan County, New Mexico
Description of Lands Committed:	The following described tract of land in San Juan County, New Mexico, to-vit: Beginning at the Northwest corner of the Northeast Quarter (NE <sup>1</sup> / <sub>4</sub> ) of Section Twenty- three (23), in Township Twenty-nine (29) North, of Range Thirteen (13) West, N.M.P.M., thence running South 60 rods, thence East 40 rods, thence North 60 rods, thence West 40 rods to the place of beginning.
Number of Acres:	15
Provision of Lease Authorizing Pooling:	"Lessee is hereby given the right at its option, at any time and from time to time, to pool or unitize all or any part or parts of the above described land with other land, lease, or leases in the immediate vicinity thereof, such pooling to be into units not exceeding the minimum size tract on which a well may be drilled under laws, rules or re- gulations in force at the time of such pool- ing or unitization: provided, however, that such units may exceed such minimum by not more than ten acres if such excess is necessary in order to conform to ownership subdivisions or lease lines. Lessee shall exercise said option, as to each desired unit, by executing and record- ing an instrument identifying the unitized area. Any well drilled or operations conducted on any part of each such unit shall be considered a well drilled or operations conducted under this lease, and there shall be allocated to the por- tion of the above described land included in any such unit such proportion of the actual produc- tion from all wells on such unit as lessor's in- terest, if any, in such portion, computed on an acreage basis, bears to the entire acreage of such unit. And it is understood and agreed that the

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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 above described land included in such unit in the same manner as though produced from the above described land under the terms of this lease.'

### Tract No. 2

Lessor:

Lessee:

Date of Lease:

Recorded:

Description of Lands Committed:

Number of Acres:

Provisions of Lease Authorizing Pooling:

Helen Zimmerman and husband, R. J. Zimmerman

Charles Newbold

February 20, 1947

Book 125, page 153, Records of San Juan County, New Mexico

E/2 of NE/4, SW/4 of NE/4, and 13 acres in the South part of the NW/4 of the NE/4 of Section 23, Township-29-North, Range-13-West, N.M.P.M.

#### 131.80

"Lessee is hereby given the power and right, at any time during the term of this lease, as to all or any part of the land described herein and as to any one or more of the formations thereunder and the minerals therein or produced therefrom, at its option and without lessor's joinder or further consent, to pool and unitize the leasehold estate and the Lessor's royalty estate created by this lease with the rights of any third parties in all or any part of the land described herein, and with any other land, lands, lease, leases, mineral and royalty rights, or any of them, adjacent, adjoining or located within the immediate vicinity of the land covered by this lease, whether owned by lessee or some other person, firm or corporation, so as to create by such pooling and unitization, one or more drilling or production units. Each such drilling or production unit shall not exceed 320 acres, whether created for the purpose of drilling for or producing oil, gas, casinghead gas or casinghead gasoline, or any combination of such minerals, therefrom, except that larger units may be created to conform to the spacing or well unit patterns prescribed by State or Federal authorities having jurisdiction in the premises. The commencement, drilling, completion of or production from a well on any portion of a unit created hereunder, including the completion of a well capable of producing gas only from which gas is not being sold or used, shall for all purposes, except the payment of royalties, have the same effect upon the terms and provisions of this lease, as if a well were commenced, drilled, completed producing, or capnole of producing gas only and shut-in (gas not being sold or used) on the land embraced by this lease. As

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to each such unit so created by Lessee, Lessor agrees to accept and shall receive out of the production or the proceeds from the production from such unit, such portion of the royalties elsewhere herein specified as the number of acres out of this lease placed in any such unit bears to the total number of acres included in such unit; provided, however, that, enything to the contrary contained in this lease notwithstanding, in the event a well capable of producing gas only is completed on a unit created hereunder and gas is not sold or used from said well, Lessor agrees to accept and shall receive as royalty, an amount equal to One Dollar (\$1.00) for each acre herein recited to be covered by this lease, payable annually at the end of each year during which such gas is not sold or used, and while said royalty is so paid or tendered, this lease shall continue in full force and effect and said well shall be considered a producing well under the paragraph hereof setting forth the term of this lease. The Lessee may place and use on each unit created hereunder common measuring and receiving tanks for production from such unit. If Lessee does create any such unit or units under the option herein granted, then Lessee shall execute in writing and file for record in the County or Counties in which each such unit or units created hereunder may be located, an instrument identifying and describing each such unit or units. The provisions of this paragraph shall be construed to be covenants running with the land and shall inure to the benefit of and be binding upon the parties hereto, their heirs, legal representatives, successors and assigns."

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Tract No. 3

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lessor:	John A. Lee and wife, Eleanor K. Lee
Lеввее:	Lloyd D. Locke and Lloyd B. Taylor, d/b/a Locke- Taylor Drilling Co.
Date of Lease:	August 22, 1952
Recorded;	Book 192, page 161, Records of San Juan County, New Mexico
Description of Lands	
Committed:	The following described tract of land in San Juan County, New Mexico, to-wit: Beginning at a point on the North line of Section 23, 40 rods East from the Northwest corner of the NW4 of said section, thence South 746.8 feet, thence East 770 feet, thence North 746.8 feet, thence West 770 feet, to place of beginning, all in Township-29- North, Range-13-West, N.M.P.M.
Number of Acres:	13.20
Provisions of Lesse Authorizing Pooling:	Same as Tract No. 1, above.

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	Tract No. 4
Lessor:	William S. Allen and wife, Melba J. Allen; and Eula L. Allen
Lessee:	Lloyd D. Locke and Lloyd B. Taylor, d/b/a Locke-Taylor Drilling Company
Date of Lease:	December 13, 1951
Recorded:	Book 192, page 160, Records of San Juan County, New Mexico
Description of Lends Committed:	NW/4 of Section 23, Township-29-North, Range-13- West, N.M.P.M.
Number of Acres:	160
Provisions of Lease Authorizing Pooling:	Same as Tract No. 1, above.

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		5847 San Felipe Suite 3600 Houston, Texas 77057 Telephone: (713) <b>780-5000</b> Fax (713) 780-5273 Telex 9108813603
October 31, 1 <b>990</b>	BEFORE EXAMINED STOCKEN OIL CONSTRUCTION TO AND BHP ETAMONTHOL 5	BHP
Mrs. Louise Locke c/o Don Locke 1391/2 E. 2nd Rifle, Colorado 816	60	(Americas) Inc

Re: Offer to Purchase Leasehold Interest Gallegos Canyon Unit San Juan County, New Mexico

Dear Mr. Locke:

BHP Petroleum (Americas) Inc. (BHP) offers to purchase from Mrs. Louise L. Locke one hundred percent (100%) of Mrs. Locke's right, title and interest in and to the following described oil and gas lease insofar as such lease covers and affects those certain depths from the surface down to the Base of the Pictured Cliffs formation.

ACDEC

		ALKES			
LESSOR	LEGAL DESCRIPTION	GROSS	NET		
William B. Allen and Melba J. Allen, his wife and Eula L. Allen, a widow	<u>T29N, R13W</u> Section 23: NW1/4	160.00	160.00		

This offer is subject to the following terms and conditions:

- 1. The purchase price for the above described lease is \$20,000.00, payable at closing for assignment of all of Mrs. Locke's right, title and interest in such lease from the surface down to the base of the Pictured Cliffs formation.
- 2. The effective date of the proposed transaction will be October 31, 1990.
- 3. Closing for the transaction contemplated herein shall take place by overnight delivery of a properly executed assignment in a form substantially identical to the assignment enclosed herewith, from you as Mrs. Locke's Attorney-in-Fact to BHP and the delivery of funds by check from BHP on or before November 20, 1990.
- 4. This offer is subject to BHP's review of and satisfaction with title to Mrs. Locke's leasehold interest including any contractual obligations or other salient factors affecting such title.

Mr. Don Locke October 31, 1990 Page 2

5. At any time and from time to time after the effective date hereof, upon BHP's request, you, as Mrs. Locke's Attorney-in-Fact, agree to execute, acknowledge and deliver or cause to be delivered, all further documents or instruments necessary to complete the transaction contemplated herein.

If the foregoing terms and conditions are acceptable, please so indicate by signing in the space provided below and returning one signed duplicate of this letter by November 9, 1990.

Thank you in advance for your prompt reply. Please call if BHP can be of any further assistance.

Very truly yours,

BHP-PETROLEUM (AMERICAS) INC.

nahard

Donald Reinhardt Senior Landman Inland Business Unit

DR/1d Enclosure

ACCEPTED AND AGREED TO this day of November, 1990.

By:

Don Locke Attorney-in-Fact

5847 San Felipe Suite 3600 Houston. Texas 77057 Telephone: (713) **780-5000** Fax (713) 780-5273 Telex 9108813603

December 11. 1990



Mr. Don Locke 139 1/2 2nd Rifle, Colorado 81650

Offer to Purchase Leasehold Interest San Juan County, New Mexico

Dear Mr. Locke:

Enclosed for your information are copies of instruments affecting title to Louise Locke's working interest in the NW/4 Section 23-T29N, R13W, San Juan County, New Mexico. The instruments were copied for BHP by its New Mexico attorney from materials being examined for a title opinion which is yet unfinished. Copies of these instruments are being faxed today to Richard Tully in Farmington. Please let me know if I can be of any additional assistance.

Very truly yours,

einhardt

Donald Reinhardt Senior Landman

Donald Reinhardt February 22, 1991 PAGE TWO

the well was plugged back and completed in the Fruitland Formation. The Fruitland Formation was completed on October 22, 1952, and first delivery occurred April 19, 1954.

The Howard Tycksen Pooled Unit No. 1 Well is located in the NE/4NE/4 of Section 23, and has a pooling designation of the N/2 of Section 23. It is located 990' FNL and 990' FEL of Section 23. The Fruitland Formation has been produced continuously from date of first delivery to the present time.

BHP Petroleum (Americas) Inc. has staked and commenced the drilling of the Gallegos Canyon Unit #391 also in the NE/4NE/4 of Section 23 on December 12, 1990. This well is located almost on the same well pad as the Tycksen #1 Well, and is located 975' FNL and 870' FEL of Section 23. The Gallegos Canyon Unit #391 Well is also a Fruitland well, but it shows an E/2 dedication of the pooled unit.

BHP Petroleum (Americas) Inc. ("BHP") has wrongfully invaded the property of our client; it has appropriated, or converted to its own use, the property of our client. It is therefore guilty of trespassing. BHP is also a bad faith trespasser due at least the following factors:

- 1. The files and records of the Gallegos Canyon Unit Operator and the Suboperator as well as the records of the San Juan County Clerk conclusively show the working interest owner of the N/2 of Section 23 is our client, and not BHP.
- 2. The files and records of the Gallegos Canyon Unit Operator and the Suboperator as well as the records of the San Juan County Clerk conclusively show that the N/2 of Section 23 from the surface to the base of the Pictured Cliffs Formation has not been committed to the Gallegos Canyon Unit.
- 3. The files and records of the New Mexico Oil Conservation Division conclusively show that the Howard Tycksen Pooled Unit #1 Well operated by our client has been completed and producing from the Fruitland Formation since April, 1954 (almost 37 years).

Donald Reinhardt February 22, 1991 PAGE THREE

- 4. files and records of the New The Mexico Oil Conservation Division conclusively show the exact the Tycksen #1 Well, a Fruitland location of producing well, and yet BHP staked its location for Gallegos Canyon Unit #391 Well, a proposed the Fruitland well, 15 feet to the North and 120 feet to the East of the Tycksen #1 Well.
- 5. As a result of BHP drilling the Gallegos Canyon Unit #391 Well immediately offsetting the Tycksen #1 Well to the same formation, drainage is taking place or is imminent; thereby causing or will cause irreparable damage to our client's property.
- 6. BHP has no reasonable basis, nor honest, but mistaken belief, upon which it can rely that it had or has the right to drill and complete a well from the surface to the base of the Pictured Cliffs Formation, and especially the Fruitland Formation where a well is already in existence and producing, in the N/2 of Section 23, T-29-N, R-13-W, N.M.P.M.

Our clients have instructed this law firm to recover compensatory damages, punitive damages, destruction of speculative value, attorney's fees, and costs of suit for BHP's bad faith trespass upon our client's property.

Before a lawsuit is initiated, our clients have however expressed a willingness to enter into settlement negotiations for a reasonable length of time.

Without waiving any rights, claims, causes of actions, injuries, and damages, our clients have authorized us to make the following settlement offer:

- BHP will complete and equip the Gallegos Canyon Unit #391 Well in the Fruitland Formation in a reasonably prudent manner on or before April 1, 1991.
- BHP will change the pooled unit from the Gallegos Canyon Unit #391 to the N/2 of Section 23 on or before April 1, 1991.

Donald Reinhardt February 22, 1991 PAGE FOUR

- 3. On April 1, 1991 BHP will turn over the operations of the Gallegos Canyon #391 Well to our client, and execute an indemnification agreement with our client that it will hold our client harmless from any and all of its actions and operations pertaining to the well prior to April 1, 1991.
- 4. On or before March 1, 1991 BHP will pay the sum of \$1,500,000 by company check, cashier's check, or money order payable to the "Richard T. C. Tully, P.A. Trust Fund".
- 5. Our clients will execute an appropriate release of all claims, rights, injuries, and damages when the items stated in #1, #2, #3, and #4 are completed.

Our client is hopeful this matter can be settled without the initiating of legal action. However, if there is not a mutually agreeable settlement agreement entered into by April 1, 1991, legal action will commence.

Sincerely,

Richard T. C. Tully

RTCT:sak

cc: Louise Y. Locke c/o Don Locke 139-1/2 East 2nd Street Rifle, CO 81650

S147/52532L

5847 San Felipe Suite 3600 Houston, Texas 77057 Telephone: (713) **780-5000** Fax (713) 780-5273 Telex 9108813603

uary 28, 1991



Richard T. C. Tully ). Box 268 hington, New Mexico 87499-0268

.se Y. Locke

Mr. Tully:

Petroleum (Americas) Inc. is in receipt of your letter dated uary 22, 1991 regarding the Gallegos Canyon Unit Well #391. se be advised BHP's attorney is reviewing the allegations set in your letter and BHP will respond accordingly in the very future.

HP can be of any additional assistance in the meantime, please .se.

fruly yours, 7 inhard

ald Reinhardt 10r Landman

5847 San Felipe Suite 3600 Houston, Texas 77057 Telephone: (713) **780-5000** FAX (713) 780-5273 Telex 9108813803

April 1, 1991

Mr. Richard T. C. Tully P. O. Box 268 Farmington, NM 87499-0268

Re: Louise Y. Locke

Dear Mr. Tully:

BHP Petroleum (Americas) Inc. (BHP) is in receipt of your February 22, 1991 letter wherein you discussed a number of issues affecting BHP, Louise Y. Locke and the Gallegos Canyon Unit #391 well located in the NE/4 NE/4 Section 23-T29N, R13W.

Please be advised BHP categorically denies any attempt to trespass or otherwise interfere with the rights of your client. Further, BHP has conducted its business in good faith and since receiving your February 22 letter, has confirmed, contrary to previous title information, the ownership you described in the N/2 Section 23 as set out in your letter.

BHP is not willing to complete and turn over its Gallegos Canyon Unit #391 well for your client's benefit. BHP's well is a properly permitted well within the existing spacing orders issued by the State of New Mexico for wells producing from the Basin Fruitland Coal pool.

In the interest of settling this matter, BHP is willing to purchase from your client all of your client's right, title and interest in and to the leasehold interest covering the entirety of the Fruitland Coal interval underlying the N/2 Section 23-T29N, R12W and any improvements, personal property, fixtures or equipment associated therewith or located thereon for a purchase price of \$144,000.00 payable by check with your client reserving a proportionate 7.5% overriding royalty on all oil and/or gas produced from such interval. The purchase price offered corresponds with the highest paid in the area for similar interests purchased by BHP and includes an offer of a reserved overriding royalty much larger than any reserved in any such previous purchases. Any interest conveyed to BHP shall on a form acceptable to BHP and containing language warranting title to the interest to be conveyed.

In addition to providing BHP with an assignment conveying to BHP the interest described herein, at such time as BHP and Mrs. Locke close on the purchase and sale of Mrs. Locke's leasehold interest, Mrs. Locke, or her representatives, will provide BHP with recordable instrument dissolving the N/2 Section 23 pooled unit insofar as it affects the Fruitland Coal interval.

BHP's offer shall remain in effect until 4:30 p.m., April 22, 1991.

Very truly yours,

BHP PETROLEUM (AMERICAS) INC.

inhardt

Donald Reinhardt Senior Landman Inland Business Unit

DR:CFL



April 1, 1991 Page 2 Mr. Richard T. C. Tully

.

bc: Mr. Jim Bruce Hinkle, Cox, Eaton, Coffield & Hensley 500 Marquette N.W., Suite 740 Albuquerque, NM 87102-2121

> Mr. Jon Bowden - Legal Dept. BHP Petroleum (Americas) Inc.

HARD T.C. TULLY

505-327-3388

April 23, 1991

Donald Reinhardt Senior Landman Inland Business Unit BHP Petroleum (Americas) Inc. 5847 San Felipe, Suite 3600 Houston, TX 77057

Re: Louise Y. Locke

Dear Mr. Reinhardt:

Receipt is acknowledged of your letter dated April 1, 1991 concerning the Howard Tycksen Pooled Unit No. 1 Well and the Gallegos Canyon Unit #391 Well.

The offer to purchase all of our client's right, title, and interest in the N/2 of Section 23, T-29-N, R-12-W, N.M.P.M., and reserving a 7.5% overriding royalty interest is rejected.

We are presently completing the taking of pictures of the wellsite location; having a wellsite diagram drafted, and securing a reservoir engineering study for all of Section 23 for the Fruitland Formation.

At such time as this work is completed, we will submit a final settlement offer to your company before litigation is initiated. This final settlement offer will probably be forthcoming in the next few weeks.

If you need further information, please advise.

Sincerely, Daily D.C. Sully Richard T. C. Tully

RTCT:sak

cc: Louise Y. Locke c/o Don Locke 139-1/2 East 2nd Street Rifle, CO 81650

S151/52532L

RICHARD T.C. TULLY, P.A.

ATTORNEY AT LAW 111 NORTH ORCHARD AVENUE POST OFFICE BOX 268 FARMINGTON, NEW MEXICO 87499-0268

RICHARD T.C. TULLY MICHAEL CUNNINGHAM 505-327-3388

May 14, 1991

Donald Reinhardt Senior Landman Inland Business Unit BHP Petroleum (Americas) Inc. 5847 San Felipe, Suite 3600 Houston, TX 77057

Re: Louise Y. Locke

Dear Mr. Reinhardt:

Enclosed for your ready reference are copies of the following instruments pertaining to the Tycksen #1 Well and the Gallegos Canyon Unit #391 Well:

- Evaluation dated April 25, 1991 by Walsh Engineering & Production Corp.
- 2. Well site diagram and pictures by Simkins Drafting Service.

As you can readily ascertain, your company had information and knowledge or as a reasonable operator should have had information and knowledge of the ownership and existence of the Tycksen #1 Well from the records of the San Juan County Clerk; the records of the NMOCD in Aztec, New Mexico; and from visual inspection at the well site.

Without waiving any rights, claims, causes of action, injuries, and damages, our clients have authorized us to make the following settlement offer:

- On or before June 15, 1991 BHP will pay the sum of \$500,000 by company check, cashier's check, or money order payable to the "Richard T. C. Tully, P.A. Trust Fund".
- 2. Upon receipt of the above-described payment our clients will execute and deliver an assignment of all of their right, title, and interest in the N/2 of Section 23, T-29-N, R-13-N, N.M.P.M. from the surface to the base of the Fruitland Formation, but

Donald Reinhardt May 14, 1991 PAGE TWO

> reserving an overriding royalty interest of 12-1/2% of 8/8ths. This overriding royalty interest shall be exclusive of all other royalty interests, overriding royalty interests, production payments, and interests of a similar nature. Such assignment shall be without warranty of title as is customary in the oil and gas industry of the San Juan Basin, and it shall include the Tycksen #1 Well.

- 3. Our clients will also execute and deliver an appropriate release of all claims, rights, injuries, and damages upon receipt of the above-described payment.
- 4. If this settlement agreement is not completed by June 15, 1991, then legal action requesting a jury trial will be initiated.

Please advise if you need further information or assistance.

Sincerely, D.C. July

Richard T. C. Tully

RTCT:sak

Enclosure

cc w/o encl.

Louise Y. Locke c/o Don Locke 139-1/2 East 2nd Street Rifle, CO 81650

S152/52532L

from being returned to you. The return receipt fee will provide the date of delivery. For additional fees the following service and check box(es) for additional service(s) requested. 1.	s are available. Consult postmaster for fees idress. 2. 🛛 Restricted Delivery
3. Article Addressed to: Mr. Richard T. C. Tully	4. Article Number P 566 936 880
P. O. Box 268 Farmington, NM 87499-0268	Type of Service:         Registered       Insured         X Certified       COD         Express Mail       Return Receipt for Merchandise
an a	Always obtain signature of addressee or agont and DATE DELIVERED.
5. Signature – Addressee X. () 6. Signature – Agent X 7. Date of Delivery	8. Addressee's Address (ONLY if requested and fee paid)

ì

## P 566 936 880

Sent to Mr. Richard T. C. Tull Street and No. P. O. Box 268 P.O. State and ZIP Code Farmington, NM 87499-026 Postage	
Street and No. P. 0. Box 268	
P.O., State and ZIP Code Farmington, NM 87499-026 Postage s	5
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees 5	
Postmark or Date	
Return Receipt showing to wnom. Date. and Address of Delivery         TOTAL Postage and Fees         S         Postmark or Date         05/29/91         S	

5847 San Felipe Suite 3600 Houston, Texas 77057 Telephone: (713) **780-5000** FAX (713) 780-5273 Telex 9108813603



May 29, 1991

Mr. Richard T. C. Tully P. O. Box 268 Farmington, New Mexico 87499-0268

Louise Y. Locke

Dear Mr. Tully:

SHP Petroleum. (Americas) Inc. is in receipt of your May 14, 1991 letter with enclosures wherein you submitted a counteroffer to BHP's offer to purchase the Fruitland Coal rights owned by Louise Y. Locke in the N/2 Section 23-T29N, R13W, San Juan County, New Mexico. Having reviewed the counteroffer, BHP wishes to first advise that it is not willing nor interested in purchasing Mrs. Locke's Fruitland Sand rights nor any of her interest in the Tycksen #1 well. The Tycksen #1 well is completed in the Fruitland Sand interval from 900 to 925 feet. It is BHP's intention to complete the Gallegos Canyon Unit #390 and #391 in the Fruitland Coal interval starting at approximately 1180'. Completion of the #390 and #391 wells in this lower interval will not interfere with your client's ability to continue to produce in the Tycksen well.

In evaluating the engineering report, BHP compared Mr. Walsh's reserve estimates and values with those provided BHP in an annual independent reserve study completed earlier this year by Netherland, Sewell & Associates, a very large, international engineering consulting firm located in Dallas. Texas. Having compared the conclusions reached in each such study, it can only be said Mr. Walsh's estimates are at best overly optimistic and, in our view, wholly unreliable. Mr. Walsh's assumption of an initial production rate of 400 MCF/d is not warranted. The GCU  $\pm 377$  well cited in Mr. Walsh's report had an initial production rate of only 250 MCF/d. The average initial production rates in twelve Fruitland Coal wells completed since the drilling of the GCU #377 have averaged only 290 MCF/d. Furthermore. BHP considers the use of a \$1.30 gas sales price for Fruitland Coal gas for the purpose of conducting economic analysis suspect at best considering today gas market and the costs involved in transporting gas out of the basin.

In conclusion, BHP does not consider the analysis performed on Mrs. Locke's interest to be either thorough or truly indicative of its value. In earlier correspondence, BHP made what it felt was an Mr. Richard T. C. Tully Page two May 29, 1991

exceedingly reasonable offer for your client's Fruitland Coal reserves especially when taking into consideration the reservation of a proportionate 7.5% overriding royalty. BHP is still willing to pay Mrs. Locke the sum of \$144.000.00 for the Fruitland Coal rights in the N/2 Section 23 and allow for the reservation of the proportionate 7.5% overriding royalty.

If your client does not wish to sell the Fruitland Coal rights in In the N/2 Section 23, BHP is willing to have your client join as a working interest owner in both wells. Enclosed for your information are copies of BHP's Authorization for Expenditure for each well setting out the estimated costs to drill and complete each well. If your client prefers to join in each well as a 50% working interest owner, an operating agreement can be prepared and furnished for your review.

Your assistance in bringing this matter to a speedy resolution will be greatly appreciated. Please advise within ten day of your receipt of this letter if either of the alternatives set out above are acceptable to your client. If neither alternative is acceptable, BHP will seek other legal means to consolidate the interests in the drillsite spacing units for each of the #390 and #391 wells. Please advise if BHP can be of any additional assistance.

Vetu gruly yours.

Donald Reinhardt Senior Landman

DR



AUTHORITY FOR EXPENDITURE Inland Business Unit (Drilling, Workovers, Recomp.'s, Etc.)

Operator\_BHP\_PETROLEUM (AMERICAS) INC.\_\_\_\_\_\_AFE\_No.\_\_\_\_AFE\_No.\_\_\_\_AFE\_No.\_\_\_\_AFE\_No.\_\_\_\_AFE\_No.\_\_\_\_AFE\_No.\_\_\_\_AFE\_No.\_\_\_\_AFE\_No.\_\_\_\_AFE\_No.\_\_\_\_AFE\_No.\_\_\_\_AFE\_No.\_\_\_\_AFE\_No.\_\_\_\_AFE\_No.\_\_\_\_AFE\_No.\_\_\_\_AFE\_No.\_\_\_\_AFE\_No.\_\_\_\_AFE\_No.\_\_\_\_AFE\_NO.\_\_\_AFE\_NO.\_\_AFE\_NO.\_AFE\_NO.\_AFE\_NO.\_AFE\_NO.\_AFE\_NO.\_AFE\_NO.\_AFE\_NO.\_AFE\_NO.\_AFE\_NO.\_AFE\_NO.\_AFE\_NO.\_AFE\_NO.\_AFE\_NO.\_AFE\_NO.\_AFE\_NO.\_AFE\_NO.\_AFE\_NO.

Contract/Agreement No.\_\_\_\_\_ Budget Year\_ 1991

Project must be commenced by: Date\_\_\_\_\_

Lease Name & Well No.	Prospect	Name			ty NoNM003000390
Gallegos Canyon Unit No.390	Prospect	No		Focal	Area <u>FA106</u>
Field or Area Basin Fruitland Field		Location SE/SW Section 23 T29N - 1	R13W		County and State San Juan, New Mexico
Type of AFE Drill, Complete, Equip		Development (X) Exploratory () AAPG Class:	Formation & De Fruitland Coal	•	Expected Production Gas - (X)
Last Well on Lease Yes ( )	No ( )	Others	Well TD - 164	0'	0il - ( )
Project Description: (To Incl Drill, complete, and equi	·	l Provisions and Remarks) oot Fruitland Coal well at the refe	renced location.		BHP Interest           BPO           W.I.           100.00           NRI           76.75           APO           W.I.           NRI

	ESTIMATED COS	TS		
COMPANY	WORKING INTEREST OR ALLOCATION %	DRILLI	OTHER	
BHP Petroleum	To Csg. Pt. Aft. Csg. Pt. 100	Dry Hole 43,655	Producer 132,130	Total Cost
······································				
Total	100	43,655	132,130	
Less: Contributions		( - 0 - )	) ( - 0 -	) ( )
Net Costs	ſ	43,655	132,130	

Prepared by Pa	aul C. Bertogli	o FCB		DateM	ay 14, 1990	· · · · · · · · · · · · · · · · · · ·	
Recommended: Operations	Date	Land	Date	Marketing	Date	Technology	Date <u>5729/40</u>
Slim Sear	6-4-60	·					
			Apr	proved and	dgundon	6,	<b>/<u>90</u></b> Date

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Acct, Form 19

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Al.	- <b>4</b> 1	111	



## DETAILED COST ESTIMATE DK.LING, RECOMPLETIONS AND WORKOVERS DETAILED COST ESTIMATE

Name & Well No. Gallegos Canyon Unit No. 390 AFE No. 9101208

on SE/SW Section 23 T29N - R13W

County and State San Juan, New Mexico

on <u>32/300 Section 23 12910</u>	- 1101	
		ANGIBLE DRILLING COSTS
	Gross Cost	Gross
<u>E 4527-20</u>	To Csg Pt.	CODE 4527-30 Completion Costs
Rotary Footage		01 Completion Rig \$ 7,500
<u>1,640</u> ft. @ \$_9.00	\$14,760	03 Camp Expense
Rotary Daywork		04 Wireline Services
2_days WDP @ \$_4,000 da	iy <u>8,000</u>	07 Rental Tools/Equipment 1,000
days WOPD @ \$da	у	09 Inspection Services
Drillsite Camp Expense		10 Trucking/Boats <u>2,000</u>
	·	11 Personnel Transportation
Drilling Deals (W.I.)	1.500	12 Power/Fuel
Rental Tools/Equipment	1,500	
Rig Move		15 Completion Fluids 16 Water1,000
nspection Services Trucking/Boats	2,000	18 Cased Hole Logs
ersonnel Transportation		19 Perforate <u>1,500</u>
<sup>2</sup> ower/Fuel	<del></del>	20 Well Surveys & Testing
Orlg Mud & Additives	2,000	21 Acidize & Frac 17,500
Drill Bits/Reamers		22 Cement & Cementing5,000
Nater	1,200	23 Squeeze Jobs
Mud Logging		30 Engr. & Consulting
Open Hole Logs	4,000	31 Location Dirtwork/Cln. Up
JST's/Surveys		37 ROW/Damages
Cement & Cementing	2,000	40 Overhead - Completion
Cores		41 Material & Supplies
Directional Drilling		42 Co. Labor/Supervision
Engineering & Consulting		43 Contract Labor
_ocation Dirtwork/Cln Up	2,500	45 Other Completion Costs
-Geological		Supplemental
Drig Permits/Bonds		Total Comp. Costs \$ 40,500
Orlg Title Opinion		BHP Net \$ 40,500
Stake/Survey Location	500	X-on
Right of Way/Damages	2,000	CODE 4515-20 Hd Comp. Costs
Well Control Insurance		01 Installation Costs \$ 1,500
Overhead - Drig		02 Sucker Rods 1,500
Material & Supplies	<u></u>	03 Btm Hole Pump 1,200
Co. Labor/Supervision	1,200	04 Pumping Unit5,000
Contract Labor		05 Prime Mover7,500
Other Drilling Costs		06 Wellhead/Tree 2,500
Supplemental		07 Casing:
Total TCP	\$ <u>41,660</u>	<u> </u>
BHP Net	\$ <u>41,660</u>	@\$ <u>5.00</u> ft
		ft
	ILLING COSTS	@\$ft
<u>)E 4515-10</u> X-on	TCP	ft
Hand		@\$ft <u>8,200</u>
Installation Cost	\$ <u>250</u>	08 Tubing:
Casinghead	500	<u>    1,525    ft</u> <u>2 3/8° 4.7# J-55</u>
Cond./Surface Csg		@\$ <u>3.00</u> ft <u>4,575</u>
<u></u>		09 Hyd. & Other Pmp Equip
@\$ <u>10.37</u> _ft	1,245	20 Packers
Inter./Liner Csg		23 Other Well Equipment
ft		
@\$ft		<u>CODE 4515-21</u>
ft		01 Installation Costs \$_5,000
@\$ft		11 Tanks1,500
		12 Buildings
Supplemental		13 Compressors
Total Tangible TCP	\$ <u>1,995</u>	14 Elec Line & Equip
BHP Net	\$ <u>1,995</u>	15 Sepr. & Treaters2,500
	<b>•</b> •• •=	16 Line Pipe5,000
Total Drilling Cost TCP	\$ <u>43,655</u>	17 Dehy. Equipment
BHP Net Cost TCP	\$ <u>43,655</u>	18 Other Lse Equipment
		19 Misc Valves & Ftgs2,000
		Total Tang Comp. Cost \$ 47,975
		BHP NET \$ <u>47,975</u>
		TOTAL MELL COOTO OBOOO & 400400
EPARED BY: Paul C. Berto	alio	TOTAL WELL COSTS GROSS \$ 132,130
		BHP NET \$132,130

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## AUTHORITY FOR EXPENDITURE Inland Business Unit (Drilling, Workovers, Recomp.'s, Etc.)

Operator\_BHP\_PETROLEUM (AMERICAS) INC.\_\_\_\_\_\_AFE\_No.\_\_\_\_AFE\_No.\_\_\_\_AFE\_No.\_\_\_\_AFE\_No.\_\_\_\_AFE\_No.\_\_\_\_AFE\_No.\_\_\_\_AFE\_No.\_\_\_\_AFE\_No.\_\_\_\_AFE\_No.\_\_\_\_AFE\_No.\_\_\_\_AFE\_No.\_\_\_\_AFE\_No.\_\_\_\_AFE\_No.\_\_\_\_AFE\_No.\_\_\_\_AFE\_NO.\_\_\_AFE\_NO.\_\_AFE\_NO.\_AFE\_NO.\_AFE\_NO.\_AFE\_NO.\_AFE\_NO.\_AFE\_NO.\_AFE\_NO.\_AFE\_NO.\_AFE\_NO.\_AFE\_NO.\_AFE\_NO.\_AFE\_NO.\_AFE\_NO.\_AFE\_NO.\_AFE\_NO.\_AFE\_NO.\_AFE\_NO.\_AFE\_NO.\_AFE

Acct Form 19

Contract/Agreement No.\_\_\_\_\_ Land Lease No.\_\_\_\_\_ Budget Year\_1991\_\_\_\_

Project must be commenced by: Date\_\_\_\_\_

Lease Name & Well No.	Prospec	Name				Activi	ty No.	NMO	03000390	
Gallegos Canyon Unit No.390	Prospec	: No			·····	Focal	Area	rea <u>FA106</u>		
Field or Area Basin Fruitland Field		Location SE/S	W Section 23	129N - R13W		County and State San Juan, New Mexico				
Type of AFE Drill, Complete, Equip Last Well on Lease Yes ( )	No ( )	Development ( Exploratory ( AAPG Class: Others	)		Formation & Depth Fruitland Coal - ±1470' Gas - (X) Well TD - 1640' Oil - ()				х )	
	Santa Fe	GRENTIAEDONS an NOP A GRAND C NOW MONCO - Echilon No	oal Well at ti		l location.		APC	) I.I. <u>100</u> IRI <u>76</u> J.I	6.75	
		HORKING	ESTIMATE	COSTS						
COMPANY	· • 38%-26442(Arv	WORKING OR ALLOC			DRILLING	WELLS			OTHER	
BHP Petroleum		To Csg. Pt. 100	Aft. Csg.		Dry Hole Produce 43,655 132,130			Tol	tal Cost	
			·····							
Total		100			3,655	132,	,130			
Less: Contributions	L	<u> </u>		( -	0-)(	- (	) -	)(	)	
Net Costs					3,655	132,	,130			
Prepared by Paul C. Bert	oglio R	B		Date	May 14, 199	90				
Recommended: Operations Date	L 	and	Date	Marketing	Date		Techr Sterr		Date <u>5/24/40</u>	
Jlon Slar 6-4-40			Appro	oved	n Edgunge	hon		 	<b>/90</b> Date	

Joint Interest Approval - It is recognized that the amounts provided for herein are estimates only, and approval of this authorization shall extend to the actual costs incurred in conducting the operation specified, either more or less than herein set out.

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	By	
Company		Title
	· · · · · · · · · · · · · · · · · · ·	REFORE DIAMOND TOTOUSR
· · ·		CIL COMBERVATION 1.1
· ·		BHP Deliver S
	•	CAGE INC.
· ·		



Lease Name & Well No. <u>Gallegos Canyon Unit No. 390</u> AFE No. <u>9101208</u>

Location SE/SW Section 23 T29N - R13W

County and State San Juan, New Mexico

Location <u>SE/SW Section 23 1</u>	<u> 29N - R13W</u>
	INTAN
	Gross Cost
<u>CODE 4527-20</u>	<u>To Csg Pt.</u>
01 Rotary Footage 	\$ <u>14,760</u>
02 Rotary Daywork	
days WOPD @ \$	
03 Drillsite Camp Expense	
05 Rotary Turnkey	···································
06 Drilling Deals (W.I.)	1 500
07 Rental Tools/Equipment 08 Rig Move	1,500
09 Inspection Services	·····
10 Trucking/Boats	2,000
11 Personnel Transportation	
12 Power/Fuel	
13 Drlg Mud & Additives	<u>2,000</u>
14 Drill Bits/Reamers	
16 Water	1,200
<ul><li>17 Mud Logging</li><li>18 Open Hole Logs</li></ul>	4,000
20 DST's/Surveys	
22 Cement & Cementing	2,000
24 Cores	
29 Directional Drilling	
30 Engineering & Consulting	
31 Location Dirtwork/Cln Up	2,500
32 Geological	
34 Drlg Permits/Bonds	
<ul><li>35 Drlg Title Opinion</li><li>36 Stake/Survey Location</li></ul>	500
37 Right of Way/Damages	2,000
38 Well Control Insurance	
40 Overhead - Drlg	
41 Material & Supplies	
42 Co. Labor/Supervision	1,200
43 Contract Labor	
44 Other Drilling Costs	
Supplemental Total TCP	\$41,660
BHP Net	\$ <u>41,660</u>
	* <del></del>
	DRILLING COSTS
CODE 4515-10 X-0	
Ha	
01 Installation Cost 06 Casinghead	\$ <u>250</u> 500
07 Cond./Surface Csg	
<u>120</u> ft <u>7" 23# K-55</u>	
@\$10.37ft	
10 Inter./Liner Csg	
ft	
@\$ft	
ft @\$ft	
@\$it	
Supplemental	
Total Tangible TCF	<b>\$</b>
BHP Net	\$
Total Drilling Cost TCI	
BHP Net Cost T	CP \$ <u>43,655</u>
PREPARED BY: <u>Paul C. B</u>	εποglio

	······································		
NGIBLE DRILLIN	<u>G COSTS</u>		_
	<b></b>		Gross
	DE 4527-30		Completion Costs
01	Completion Rig		\$ <u>7,500</u>
	Camp Expense		
04	Wireline Services		
07	Rental Tools/Equipm	ient	1,000
09	Inspection Services		
10	Trucking/Boats		2,000
11	- · · · · · · · · · · · · · · · · · · ·	ation	
12	Power/Fuel		
	Drill Bits/Reamers		
	Completion Fluids		<del></del>
	Water		1,000
19	Cased Hole Logs Perforate		4.500
			1,500
20	· · · · <b>j</b>	ing	
21			17,500
	Cement & Cementin	g	5,000
	Squeeze Jobs		
30	J J		
31		n. Up	1,500
37	ROW/Damages		
40		ion	
41			2,000
	Co. Labor/Supervisio	n	1,500
	Contract Labor		
	Other Completion Co	oete	
40	•	0515	
	Supplemental	Casta	¢
		mp. Costs	\$ 40,500
		HP Net	\$
		X-on	
<u>CC</u>	DE 4515-20	<u>Hd</u>	Comp. Costs
01	Installation Costs		\$ <u>1,500</u>
02	Sucker Rods	_	1,500
03	Btm Hole Pump	_	1,200
04		—	5,000
05	Prime Mover	—	7,500
	Wellhead/Tree	—	2,500
	Casing:		
07		10 5# 155	
	<u>1,640</u> ft <u>4 1/2"</u> @\$ 5.00 ft	10.5# 0-55	
		—	
	ft	<u> </u>	
	@\$ft	—	
	ft		
	@\$ft		8,200
08	Tubing:		
	<u>1,525</u> ft <u>2 3/8</u> *	4.7# J-55	
	@\$ <u>3.00</u> ft		4,575
09	Hyd. & Other Pmp E	Equip	
	Packers	· · —	
	Other Well Equipme	nt —	
			<u></u>
CC	DE 4515-21		
	Installation Costs		\$5,000
11		_	1,500
	Buildings	_	
	Compressors		
	Elec Line & Equip.	_	
15	Sepr. & Treaters	_	2,500
, 16	Line Pipe		5,000
	Dehy. Equipment	—	······
	Other Lse Equipmer	nt —	
	Misc Valves & Ftgs.	_	2,000
10	Supplemental	—	
	Total Tang Cor	nn Cost	\$47,975
		SHP NET	
-	5		\$ <u>47,975</u>
	TOTAL MELL OF		£ 100 100
	TOTAL WELL CO		\$_132,130
-	E	SHP NET	\$_132,130

PR-44 (Rev. 10-84)

	• •.						
TOTAL INTANGILE Tangible	COMPLETION INTANGILE 452703001 452703007 452703010 452703011 452703016 452703019 452703019 452703021 452703021 452703021 452703021 452703021	TOTAL DRV HOLE	TOTAL TANGIBLE	TANGIBLE 451501001 451501006 451501007	TOTAL INTANGILE	OZ20431600000000000000000000000000000000000	RÚN DATE 11, REPORT ID: AF
SILE	COMPLETION RIGS-IDC RENTAL TOOLS/EQUIPMENT-IDC INSPECTION SERVICES-IDC TRUCKING/BOATS-IDC PERSONNEL TRANSPORTATION-IDC WATER-IDC PERFORATE-IDC ACIDIZE & FRAC-IDC CEMENT & CEMENTING-IDC LOCATION, DIRT WORK/CLEANUP-IDC MATERIALS & SUPPLIES-IDC COMPANY LABOR/SUPERVISION-IDC	LE COSTS	316	INSTALLATION COSTS-WELL EQUIP CASING HEAD CONDUCTOR/SURFACE CASING	BILE	START DATE 06/05/90 CANYON UNIT #390 T NAME T NAME NG CONTRACT-FOOTAGE-IDC NG CONTRACT-FOOTAGE-IDC RIG-IDC NG MOLS-IDC RIG-IDC R	1/05/91 AF7 15-8U-1
40,500	7,500 2,000 1,000 1,500 5,500 1,500 1,500	43,655	1,995	250 500 1,245	41,660	COMPLETION-DATE / / -TYPE X -STAT 0 0RIGINAL SUPPLEM C 14,760 2,000 2,000 2,000 4,000 2,000 2,000 2,000 2,000 1,200 2,000 1,200 1,200 1,200 1,	រ ព ព
0	000000000000	0	0	000	0	AFE DETAIL COSTS ACTIVITY BUDGET SUPPLEMENT T 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
40,500	7,500 2,000 1,000 1,000 1,500 1,500 1,500	43,655	1,995	250 500	41,660	V NM003000390 NT 0.00000000 14.760 14.760 1.500 2.000 1.200 2.000 2.000 2.000 2.000 2.000 2.000 2.000 2.500 2.500 2.000 2.000 1.200 0 1.200	ÿ
2,384	84 9550 8550 8570 8570 8570 8570 8570 8570 8	54,788	807	421 386	53,981	ACTUAL 16,275 4,488 2,131 2,131 2,254 2,274 2,274 2,274 2,274 2,274 2,274 2,274 2,274 2,274 2,274 2,274 2,274 2,274 2,274 2,274 2,274 2,274 2,274 2,275 3,170 2,667	
-38,116	-17,500 -17,500 -17,500 -17,500 -1,548 -1,548	11,133	-1,188	-250 -79 -859	12,321	VARIANCE -2.1010 -2.155 -2.1010 -2.1010 -2.201	
						And the Bost of the second sec	PAGE 1

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REPORT ID: AF715-BU-1	7 15 - BU - 1	GROSS AFI	GROSS AFE DETAIL COSTS	TS		
451502001	INSTALLATION COSTS-WELL EQUIP	1,500	D	1,500	143	-1,357
451502002		1,500	0	1,500	0	-1,500
451502003	BOTTOM HOLE PUMP	1,200	0	1,200	0	-1,200
451502004	PUMPING UNIT	5,000	0	5,000	0	-5,000
451502005	PRIME MOVER	7,500	0	7,500	0	-7,500
451502006	WELLHEAD	2,500	0	2,500	443	-2,057
451502007	CASING	8,200	0	8,200	6,330	-1,870
451502008	TUBING	4,575	0	4,575	0	-4,575
451502101	INSTALLATION COSTS-LSE EQUIP	5,000	0	5,000	0	-5.000
451502111	BATTERIES AND BOILER STE	1,500	0	1,500	0	~1,500
451502115	SEPARATOR TREATERS	2,500	0	2,500	0	-2,500
451502116	PIPE, USED FOR OPER PURPOSES	5,000	0	5,000	0	-5,000
451502119	MISC. VALVES & FITTINGS	2,000	o	2,000	0	-2,000
TOTAL TANGIBLE	318	47,975	0	47,975	6,915	-41,060
TOTAL COMPLETION COSTS	FION COSTS	88,475	o	88,475	9,299	-79,176
) TOTAL 9101208	u	132,130	0	132,130	64,088	-68,042

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## AUTHORITY FOR EXPENDITURE Inland Business Unit (Drilling, Workovers, Recomp.'s, Etc.)

Operator_BHP_PETROLEUM (A	AMERICAS) INC.			AFE No. 9101209
C-EX Contract/Agreement No. <u>C-EX</u>	RM02634 RM02709 Land Lease No	)		Budget Year 1991
Project must be commenced t	by: Date December 31, 1990			
	Prospect NameGallegos Canyon		Activity	No. <u>NM003100391</u>
Gallegos Canyon Unit No.391     F	Prospect NoPR350028		. Focal Are	ea <u>FA 202</u>
Field or Area Basin Fruitland Field	Location NE/NE Section 23 T29N	- R13W		ounty and State n Juan, New Mexico
Type of AFE Drill, Complete, Equip	Development (X) Exploratory ()		Depth Coal - ±1170'	Expected Production
Last Well on Lease Yes ( ) No	AAPG Class:	Well TD -	1350 י	Gas - ( X ) Oil - ( )
- ·	e Special Provisions and Remarks) a 1350 foot Fruitland Coal well at the re er elections.	ferenced location.		BHP Interest           BPO           * W.1.         62.50           NRI         48.75           APO           W.I.           NRI
	ESTIMATED COS	TS	·····	
COMPANY	NG WELLS	OTHER		
BHP Petroleum	To Csg. Pt. Aft. Csg. Pt. 62.50	Dry Hole 25,653	Product 79,52	
Meridian Oil Production, Inc.	37.50	15,392	47,717	7
Total	100.00	41,045	127,24	5
Less: Contributions Net Costs		( - 0 - )	127,24	
Prepared by Paul C. Bertog	lio PCB	_ Date May 14,	1990	·····
Recommended: Operations Date  Jum dean 4-4-90	Land Date Ma	arketing Da	ate T	echnology Date (2671) Sur <u>5/39/9</u>
(rum) upon	Approved	QM Edgi	idon	<u>6/5/90</u> Date

Joint Interest Approval - It is recognized that the amounts provided for herein are estimates only, and approval of this authorization shall extend to the actual costs incurred in conducting the operation specified, either more or less than herein set out.

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	By	· · · · · ·		
Company		~	Title	Date
			BEFORE EXAMINER STOGNER	
	- ·	<b></b>	CIL CONSERVATION DIMISION	L
· · · · ·			CASE 110.	
			an a the second se	

Acct Form 19



CODE 4527-20

Rotary Footage

02 Rotary Daywork

05 Rotary Turnkey

10 Trucking/Boats

12 Power/Fuel

17 Mud Logging

20 DST's/Surveys

18 Open Hole Logs

29 Directional Drilling

34 Drlg Permits/Bonds 35 Drlg Title Opinion 36 Stake/Survey Location

37 Right of Way/Damages

38 Well Control Insurance

42 Co. Labor/Supervision

**Total TCP** 

**BHP** Net

ft

ft

ft

Total Tangible TCP

Total Drilling Cost TCP

PREPARED BY: Paul C. Bertoglio

**BHP** Net

**BHP Net Cost TCP** 

40 Overhead - Drig

43 Contract Labor

Supplemental

CODE 4515-10

06 Casinghead

@\$\_

@\$

@\$

01 Installation Cost

07 Cond./Surface Csg 120

10.37

ft

ft

10 Inter./Liner Csg

Supplemental

41 Material & Supplies

44 Other Drilling Costs

16 Water

24 Cores

32 Geological

08 Rig Move

06 Drilling Deals (W.I.)

09 Inspection Services

<u>1,350 ft. @ \$ 9.00 </u>

days WOPD @ \$\_\_\_

03 Drillsite Camp Expense

07 Rental Tools/Equipment

11 Personnel Transportation

13 Drlg Mud & Additives

22 Cement & Cementing

30 Engineering & Consulting

31 Location Dirtwork/Cln Up

14 Drill Bits/Reamers

\_2\_days WDP @ \$\_4,000\_day

01

Lease Name & Well No. Gallegos Canyon Unit No. 391

Gross Cost

To Csg Pt.

\$\_\_\_

\_day

12,150

8,000

1,500

2,000

2,000

1,200

4,000

2,000

2,500

500

<u>2,000</u>

1,200

<u>39,050</u>

24,406

TCP

250

500

1,245

1.995

1,247

41,045

25,653

\$

\$

\$

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S

\$

TANGIBLE DRILLING COSTS

X-on

Hand

Location NE/NE Section 23 T29N - R13W

<u>o. 391</u>		AFE No	9101209
<u> </u>	County	and State <u>San</u>	Juan, New Mexico
TANGIBLE	DRILLING COSTS	- <u> </u>	
			Gross
_	CODE 4527-30		Completion Costs
	01 Completion Rig		\$7,500
-	03 Camp Expense 04 Wireline Services		
	07 Rental Tools/Equipm	ont	1,000
	09 Inspection Services	ent	
-	10 Trucking/Boats		2,000
-	11 Personnel Transporta	ation	
_	12 Power/Fuel		
	14 Drill Bits/Reamers		
_	15 Completion Fluids		
_	16 Water		1,000
-	18 Cased Hole Logs		<u> </u>
	19 Perforate		1,500
-	20 Well Surveys & Testi 21 Acidize & Frac	ng	17 500
_	21 Acidize & Frac 22 Cement & Cementing	n	<u> </u>
-	22 Cement & Cementing 23 Squeeze Jobs	9	5,000
_	30 Engr. & Consulting		
_	31 Location Dirtwork/Clr	n. Up	1,500
_	37 ROW/Damages	•	
_	40 Overhead - Completi	ion	
_	41 Material & Supplies		2,000
_	42 Co. Labor/Supervisio	n	1,500
	43 Contract Labor		
_	45 Other Completion Co	DSTS	
_	Supplemental Total Cor	np. Costs	\$
_		HP Net	\$ <u>40,500</u> \$ <u>25,312</u>
-		X-on	₩ <u><u>L</u>UIUIE<u>.</u></u>
	CODE 4515-20	Hd	Comp. Costs
_	01 Installation Costs	_	\$1,500
	02 Sucker Rods	_	1,500
_	03 Btm Hole Pump	_	1,200
	04 Pumping Unit	-	5,000
_	05 Prime Mover	-	7,500
	06 Wellhead/Tree	_	2,500
-	07 Casing:		
-	<u> </u>	<u>10.5# J-55</u>	
-	ft	_	
<u>TS</u>	@\$ft	·	
	ft		
	@\$ft		6,750
	08 Tubing:		
_	<u> </u>	<u>4.7# J-55</u>	
	@\$ <u>3.00</u> ft	<b>—</b>	3,750
	09 Hyd. & Other Pmp E	.quip	
-	20 Packers 23 Other Well Equipment		<u> </u>
	23 Other Well Equipment	" <u> </u>	
	CODE 4515-21		
	01 Installation Costs		\$5,000
_	11 Tanks	_	1,500
—	12 Buildings	_	
_	13 Compressors	_	
_	14 Elec Line & Equip.	_	
	15 Sepr. & Treaters	_	2,500
4	16 Line Pipe	-	5,000
-	17 Dehy. Equipment	. –	
<u> </u>	18 Other Lse Equipmen 19 Misc Valves & Ftgs.	ч —	2 000
	Supplemental	_	2,000
	Total Tang Cor	np. Cost	\$45,700
		HP NET	\$
			·

TOTAL WELL COSTS GROSS \$ 127,245 BHP NET \$ 79,528

,245	
528	

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PAGE 3			BEFORE THE SERVATION COMPANY AND FO, NOW AND EXTRA TO TO BHE
			2 3 8 2 2 3 3 4 5 2 4 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5
	STATE COUNTY FIELD		1,481 2,421 2,421 539 1,608 10 10 10 10 10 3,939 3,939 3,218 3,218 3,218 987 987
STS	VITV NM003100391 CODE A G INT 0.0000000	39,050 30,050 30,050 30,050 30,0000 30,0000 30,0000 30,0000 30,0000 30,00000000	. 1,245 . 1,995 . 1,995 . 000 000 000 000 000 
AFE DETAIL COST	/ ACTI BILL WKIN		
GROSS A	COMPLETION-DATE / -TYPE X -STAT 0	12,150 1,500 2,000 2,000 2,000 2,500 1,200 1,200 39,050 250 250 250 250 250 250 250	1,245 1,995 1,995 1,000 1,000 1,500 1,500 1,500 1,500 1,500 1,500 1,500 1,500
11/05/91 AF715-BU-1	9101209 START DATE 0105790 CON GALLEGOS CANYON UNIT #391	DRILLING CONTRACT-FOOTAGE-IDC DRILLING CONTRACT-DAY WORK-IDC RENTAL TOOLS/EQUIPMENT-IDC MOVING RIG-IDC TRUCKING/BOATS-IDC DRILLING MUD & ADDITIVES-IDC DRILLING MUD & ADDITIVES-IDC WATER-IDC WELL LOGGING-OPEN HOLE-IDC CEMENT & CEMENTING-IDC MATER-IDC WELL LOGGING-OPEN HOLE-IDC CEMENT & CONSULTING-IDC NELL LOGGING-OPEN HOLE-IDC CEMENT & CONSULTING-IDC NATER-IDC STAKE & SURVEY LOCATION - IDC RILLING TITLE OPINION-IDC DRILLING TITLE OPINION-IDC DRILLING TITLE OPINION-IDC DRILLING TITLE OPINION-IDC RIGHT OF WAY/DAMAGES-IDC MATERIALS & SUPPLIES-IDC MATERIALS & SUPPLIES-IDC	CONDUCTOR/SURFACE CASING SLE LE COSTS COMPLETION RIGS-IDC RENTAL TOOLS/EQUIPMENT-IDC INSPECTION SERVICES-IDC TRUCKING/BOATS-IDC TRUCKING/BOATS-IDC PERSONNEL TRANSPORTATION-IDC WATER-IDC PERFORATE-IDC MATER-IDC PERFORATE-IDC CEMENT & CEMENTING-IDC CEMENT & CEMENTING-IDC LOCATION, DIRT WORK/CLEANUP-IDC MATERIALS & SUPPLIES-IDC COMPANY LABOR/SUPERVISION-IDC COMPANY LABOR/SUPERVISION-IDC
RUN DATE 11/ REPORT ID: AF	AFE NUMBER 91 AFE NAME GA OPERATOR	DRY HOLE INTANGILE INTANGILE 452702001 DR 452702003 DR 452702013 DR 452702013 DR 452702018 WE 452702018 WE 452702033 DR 452702034 DR 452702035 DR 452702035 DR 452702035 DR 452702035 CE 452702035 CE 452702037 RI 452702037 RI 452702037 RI 452702037 RI 452702037 RI 452702036 DR 451501006 CO	451501007 CO TOTAL TANGIBLE TOTAL DRY HOLE COMPLETION INTANGILE 452703001 CO 452703001 RE 452703019 RE 452703019 PE 452703019 PE 452703019 PE 452703019 PE 452703019 PE 452703023 CO 452703031 CO 452703031 CO 452703031 CO 452703031 CO 452703033 CO 452703033 CO

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TANGIBLE

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RUN DATE 11/05/91 REPORT ID: AF715-BU-1

GROSS AFE DETAIL COSTS

INSTALLATION COSTS-WELL EQUID

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۔ م UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW MEXICO

LOUISE Y. LOCKE d/b/a LOCKE-TAYLOR DRILLING COMPANY,

Plaintiff,

vs.

No. CIV 91-748M

والمحافظ والمحموم ومعارضه والمحادث الأراد المراجع والمحاف

E .....

BHP

. بالمحمد من المحمد ا

BHP PETROLEUM (AMERICAS) INC.,

Defendant.

## PLAINTIFF'S RESPONSES TO DEFENDANT'S FIRST REQUEST FOR ADMISSIONS

COMES NOW the Plaintiff Louise Y. Locke d/b/a Locke-Taylor Drilling Company and responds to the Defendant's First Request for Admissions as follows:

Response to Request for Admission No. 1: The Howard Tycksen Pooled Unit No. 1 Well is completed and is producing from the West Kutz Fruitland Sand Pool. However, due to the open hole method of completion of this well, some exposed Basin Fruitland Coal Gas Intervals could be contributing to the gas production from this well.

<u>Response to Request for Admission No. 2:</u> The West Kutz Fruitland Sand Pool is a separate and distinct pool from the Basin Fruitland Coal Gas Pool as determined by the New Mexico Oil Conservation Division in its pool classifications.

Response to Request for Admission No. 3: Under the current New Mexico Oil Conservation Division Rules and Regulations the designated drilling for the West Kutz Fruitland Sand Pool is 160 surface contiguous acres, and the designated drilling tract for the Basin Fruitland Coal Gas Pool is 320 surface contiguous acres. Response to Request for Admission No. 4: As described above, the Howard Tycksen Pooled Unit No. 1 Well is possibly producing gas from what is now called the Basin Fruitland Coal Gas Intervals. Plaintiff is the owner of all the working interest and operating rights from the surface to the base of the Pictured Cliffs Formation, which includes the West Kutz Fruitland Sand Pool and the Basin Fruitland Coal Gas Pool in the N/2 of Section 23, T-29-N, R-13-W, N.M.P.M. and had no plans and did not deem it reasonable or necessary to test the Basin-Fruitland Coal Gas Pool prior to the spudding of the Gallegos Canyon Unit No. 391 Well by Defendant on December 12, 1990.

RICHARD T. C. TULLY, P. A.

Richard T. C. Tully, Eśq.

P. O. Box 268 Farmington, NM 87499-0268 (505) 327-3388

I hereby certify that the foregoing pleading was mailed to James Bruce, Esg. on this 13<sup>15</sup> day of January, 1992 by first class mail, postage pre-paid. Richard T. C. Tully, Esg.