



**Chevron U.S.A. Inc.**

P.O. Box 1635, Houston, TX 77251 • Phone (713) 754-2681

Ray M. Vaden  
Land Representative  
Interior Division  
Land Department  
Central Region

BEFORE EXAMINER CATANACH  
OIL CONSERVATION DIVISION

Chevron EXHIBIT NO. 40

CASE NO. 10059-61

July 9, 1990

C E R T I F I E D

Royalty and Overriding Royalty  
Interest Owners in the Proposed  
Expansion Area "B" of the  
Eunice Monument South Unit  
Lea County, New Mexico

Request to Join in the Expansion  
of the Eunice Monument South Unit  
as a Subsequent Joinder Under  
the Terms of the Unit Agreement  
and the New Mexico Statutory  
Unitization Act  
(N.M.S.A. 70-7-1 through 70-7-21)

Dear Royalty Owner:

The working interest owners of the existing Eunice Monument South Unit (EMSU) and the working interest owners of the proposed Unit Expansion Area "B" shown on the enclosed map labeled Exhibit "A" have elected to expand the Unit. The expansion will take in 3000 additional acres and is shown on the enclosed Exhibit "A" and Exhibit "B" as tracts 102 through 112.

The costs of the enhanced recovery operations will be borne by the working interest owners and not the royalty or overriding royalty owners. It is estimated that approximately 13.5 million barrels of additional oil will be recovered from the Unit Expansion Area B through waterflood operations. The enclosed Royalty Owners Overview was prepared and mailed to the owners in the original unit area in 1984, and since the general information on the unit applies to your interest in the expansion area, it should help explain the proposed operations to you.

I have enclosed a copy of the EMSU Unit Agreement for your file and for your reference. We are planning to expand the unit under the general terms of section 4 of the enclosed Unit Agreement and under the New Mexico Statutory Unitization Act. We will be sending notice of the expansion and the hearing date in the near future.

In order to proceed with our unitization, please sign before a notary public, all seven copies of the enclosed Eunice Monument South Unit Ratification and Joinder (with addendum attached). Please retain one

signed and notarized copy for your files and return the remaining six copies in the enclosed, self-addressed postage paid envelope on or before August 10, 1990. We will file two originals of the Ratification with the Bureau of Land Management, one with the New Mexico Oil Conservation Division, one with the New Mexico State Land Office, one will be recorded in the courthouse records of Lea County, New Mexico, and one will be retained in Chevron's unit file.

If you have any questions in this regard, please call or write me.

Very truly yours,

A handwritten signature in black ink, appearing to read "Ray M. Vaden", with a long, sweeping horizontal line extending to the right.

Ray M. Vaden  
Land Representative

RMV:Imm850  
Enclosure

CORPORATE ROYALTY JOINDER  
ROYALTY AND OVERRIDING  
ROYALTY INTEREST OWNERS

RATIFICATION AND JOINDER OF THE UNIT AGREEMENT  
OF THE EUNICE MONUMENT SOUTH UNIT,  
LEA COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the Development and Operation of the Eunice Monument South Unit Area, County of Lea, State of New Mexico, dated June 22, 1984, in form approved on behalf of the Secretary of the Interior and the state of New Mexico, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts and confirms said Unit Agreement as fully as though the undersigned had executed the original agreement, SUBJECT TO THE TERMS AND CONDITIONS OF THE ADDENDUM ATTACHED HERETO AND MADE A PART HEREOF.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering any lands within the Unit Area in which the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder of Unit Agreement shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

By \_\_\_\_\_

Address:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

THE STATE OF                    §  
  
COUNTY OF                    §

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_, by \_\_\_\_\_, \_\_\_\_\_, for/of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of said corporation.

My Commission Expires:  
  
\_\_\_\_\_

\_\_\_\_\_

ROYALTY AND OVERRIDING  
ROYALTY INTEREST OWNERS

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This Ratification and Joinder of Unit Agreement shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

\_\_\_\_\_  
Address:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

THE STATE OF                    §  
COUNTY OF                    §

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

My Commission Expires:

\_\_\_\_\_

R 36 E

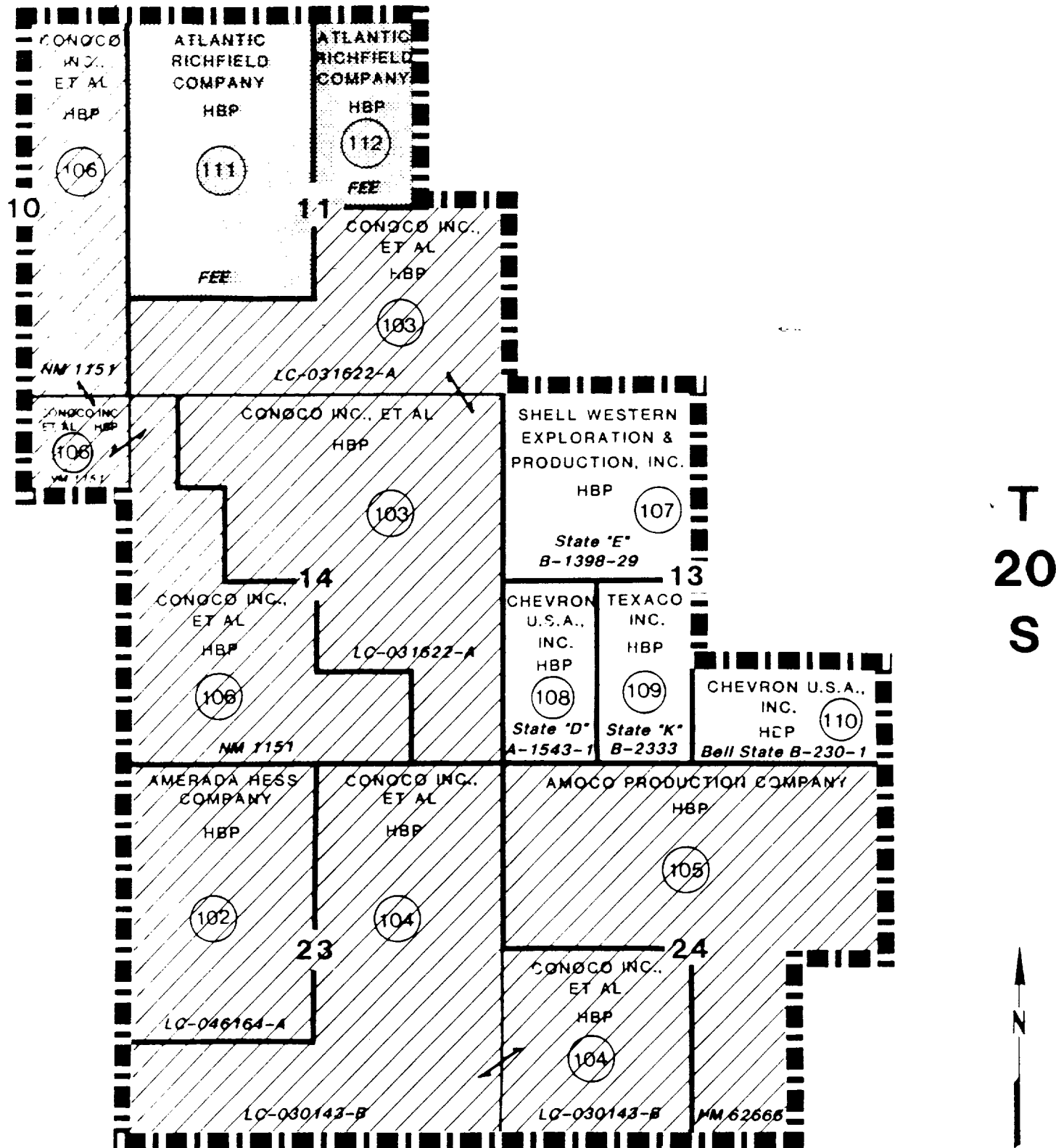





EXHIBIT "A"

## EUNICE MONUMENT SOUTH UNIT EXPANSION AREA "B"

LEA CO., NEW MEXICO  
UNIT EFFECTIVE 2-1-85  
EXPANDED/REV. 9-1-90

CHEVRON U.S.A. INC.  
HOUSTON, TEXAS

	ACREAGE	PERCENTAGE
 FEDERAL LANDS	2280	76.00
 STATE LANDS	400	13.33
 PATENTED LANDS	320	10.67
TOTAL	3000	100.00

■ ■ ■ ■ ■ UNIT OUTLINE      ○ TRACT NUMBER

1/2 0 1  
SCALE IN MILES

NOTE: UNLESS OTHERWISE INDICATED, THE VARIOUS SECTIONS ON THIS PLAT CONTAIN 640.00 ACRES

13

UNIT EXPANSION AREA B

EXHIBIT "B"

SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS  
IN ACCORDANCE WITH THE PARTICIPATION FORMULA FOR THE UNITIZED FORMATION FOR THE

EUNICE MONUMENT SOUTH UNIT AREA

LEA COUNTY, NEW MEXICO

6-1-90

TRACT NO. AND TRACT NAME	DESCRIPTION OF LAND	ACRES	SERIAL NO. AND EFFECTIVE DATE	BASIC ROYALTY OWNER AND PERCENTAGE	LESSEE OF RECORD	OVERRIDING ROYALTY OWNER AND PERCENTAGE	PARTICIPATION	
							WORKING INTEREST OWNER AND PERCENTAGE	OF TRACT IN UNIT AREA B
102 Andrews Federal	T-20-S, R-36-E, NMPN Sec. 23: NW/4, N/2SW/4	240	LC-046164-(a) HBP 09/23/35 Renewal 09/01/85	U.S.A. Schedule "C"	Amerada Hess Corp.	Jeanne A. Saunders Trust 2.5%	Amerada Hess	100% 1.71687894
103 Sanderson "A"	T-20-S, R-36-E, NMPN Sec. 14: NE/4, N/2SE/4, SE/4SE/4, E/2NW/4, E/2 NW/4/NW/4 Sec. 11: SE/4, S/2SW/4	620	LC-031622-(a) HBP 10/30/36 Exchanged 10/01/56	U.S.A. Schedule "C"	Helen T. Sanderson	Lena Grace Neersta .70311% Girvin H. Sanderson .70311% Francis K. Thompson .70311% Francis Thompson .70311% Western Mineral 2.81250% Deed Assoc.	Conoco Inc. Amoco Prod. Co. Atlantic Richfield Co. Chevron U.S.A. Inc.	25% 33.58429396 25% 25% 25% 25%
104 Reed "B"	T-20-S, R-36-E, NMPN Sec. 23: E/2, S/2SW/4 Sec. 24: SW/4	560	LC-030143-(b) HBP 02/01/37 Exchanged 06/01/57	U.S.A. Schedule "B"	Conoco, Inc. Chevron U.S.A. Inc. Amoco Prod. Co. Atlantic Richfield Co. Chevron U.S.A. Inc.	25% None 25% 25% 25% 25%	Conoco, Inc. Amoco Prod Co. Atlantic Richfield Co. Chevron U.S.A. Inc.	25% 14.03762305 25% 25% 25% 25%

TRACT NO. AND TRACT NAME	DESCRIPTION OF LAND	ACRES	SERIAL NO. AND EFFECTIVE DATE	BASIC ROYALTY OWNER AND PERCENTAGE	LESSEE OF RECORD	PARTICIPATION	
						WORKING INTEREST OWNER AND PERCENTAGE	OF TRACT IN UNIT AREA B
105	Giluly "A"	400	T-20-S, R-36-E, NMPN =====	U.S.A. Schedule "C"	Amoco Prod. Co.	Amoco Prod. Co.	100%
	Sec. 24: N/2, W/2SE/4		NW-62666 HBP 03/30/37 Exchanged 03/01/57 Segregation of LC-031736-(a) 02/01/85		Andrews, Selma E. Trust 5188 Beas Minerals Company Braille Institute of America Inc. Brauchli, C R Dolley, Robert C Gallant, Clardean Haenni, Margaret B Jenkins, Martin H and or Muriel L Jenkins, Marvin G Keefer, Leonard D Maccaughtry, Lina R and Lawrence R Oryx Energy Company Payne, Julia H Payne, Julia H, Trustee Union Texas Petroleum Corporation Ward, Daniel Robert Ward, Linda Dolley	2.58525 0.04465 2.31475 0.01116 0.15000 0.12500 0.01116 0.2500 .25000 .37500 .25000 .06473 .01696 .02168 .32366 .50000 .10000	
106	U. M. Sanderson	460	T-20-S, R-36-E, NMPN =====	U.S.A. Schedule "C"	Helen T. Sanderson	Conoco, Inc. Amoco Prod. Inc. Atlantic Richfield Co. Chevron U.S.A. Inc.	25% 25% 25% 25%
	Sec. 10: E/2E/2 Sec. 14: SW/4NW/4, SW/4, SW/4SE/4, W/2NW/4NW/4 Sec. 15: NE/4NE/4		NW-1151 HBP 10/01/56 Exchanged 10/01/56 Segregation of LC-031622-(b) 10/30/36		None		7.70321920



TRACT NO. AND TRACT NAME	DESCRIPTION OF LAND	ACRES	SERIAL NO. AND EFFECTIVE DATE	BASIC ROYALTY OWNER AND PERCENTAGE		LESSEE OF RECORD	OVERRIDE ROYALTY OWNER AND PERCENTAGE		WORKING INTEREST OWNER AND PERCENTAGE		PARTICIPATION OF TRACT IN UNIT AREA B	
107	State "E" T-20-S, R-36-E, NMPN =====	160	B-1398-29 HBP 01/28/28	State of New Mexico 12 1/2%		Shell Western E & P, Inc. and El Paso Natural Gas Co.			Shell Western E & P, Inc.	100%	4.46939289	
108	State "D" T-20-S, R-36-E, NMPN =====	80	A-1543-1 HBP 12/29/28	State of New Mexico 12 1/2%		Chevron U.S.A. Inc.			Chevron U.S.A. Inc.	100%	3.37264319	
109	State "K" T-20-S, R-36-E, NMPN =====	80	B-2333-3 HBP 01/02/29	State of New Mexico 12 1/2%		Texaco Producing Co. U.S.A. Inc.			Texaco Prod. Co. U.S.A. Inc.	100%	.64294328	
110	Be11 State T-20-S, R-36-E, NMPN =====	80	B-230-1 HBP 09/10/31	State of New Mexico 12 1/2%		Chevron U.S.A. Inc.			Chevron U.S.A. Inc.	100%	2.19373312	
	Sec. 13: S/2SE/4											

4 STATE TRACTS TOTALING 400 ACRES OR 13.33% OF UNIT AREA

TRACT NO. AND TRACT NAME				DESCRIPTION OF LAND	BASIC ROYALTY OWNER AND PERCENTAGE		OVERRIDE ROYALTY OWNER AND PERCENTAGE		WORKING INTEREST OWNER AND PERCENTAGE		PARTICIPATION OF TRACT IN UNIT AREA B
PATENTED LANDS:											
111	W. P. BYRD	T-20-S, R-36-E, N40W	240	HBP	Elsie D. Bickford & Harold E. Bickford Irrevocable Trust	.097660			Atlantic Richfield Co.	100%	10.8068931
		Sec. 11: NW/4, N/2SW/4			Ruth C. Kendall	.026045					
					Jane Jennings	.008681					
					Charles Downing	.008682					
					Elizabeth G. Anderson	.043400					
					Co-Trustee of the R.G. Anderson Consolidated Trust						
					The Estate of Lucille I. Smith	.045570					
					Jimmy Joe Hooper	1.388881%					
					Jeannine Hooper Byron	1.388881%					
					Leland Downing	.008682%					
					Merinda Investment Corp.	.082460					
					The W A Yeager Group	.17362%					
					KEC Acquisition Corp.	.173610%					
					Geodyne Resources, Inc.	2.734370%					
					First City, Texas-Midland	.173610					
					NA, Trustee U/W/O						
					James G Armstrong						
					G William Hurley	.43400					
					Hugh Corrigan, III	.260410					
					Dannie A. Carter	.001080					
					Jerome T. Hanners	.039060					
					Marvin M. Rosen, Trustee	.048820					
					U/T/A Dated 2-16-79 F/B/O						
					W Blair Danson, Laura C Danson, and Bethany E Danson						
					Amroy Co	.61690					

John M Mouser Company	.173610
WCB Texas National Bank,	.520840
As Successor Escrow Agent	
Sabine Royalty Trust	
Eula Corder	.000030
J Patrick Corrigan	.260420
Bank of Oklahoma, Tulsa,	.007520
M A F/A/O Mary Elizabeth	
Ellinghausen	
Rollins M Koppe1	.001090
Hosea V Price	.000010
Ann Stierberg Stone	.001090
Dorothy Diewler	.026025
The Greenfield Family Trust	.048830
Edwin F Hyland	.032530
Christine Harflett and	.078120
Nancy Monteith	
Penn Royalty Company	.001830
Irene J Rushing	.0347230
Frances Schneider	.019530
Pomona College	.032550
The Estate of William	.045510
B Baker	
Deiter Royalty Company	.0520630
The Estate of Marie	.071610
Ellinghausen	
The Estate of Emma M Griggs	.000010
Dec	
Harlow Royalties, Inc.	.000430
Jerry L Hooper	1.388866
James W Knowles	.347220
Marion L Weader	.000120
Luther C Anderson, Charles	.195310
W Partridge and Carl M	
Franklin, as Trustees Under	
the Will of Seeley G Mudd	
The Estate of Jack Skaggs	.001090
May Enterprises, Inc.	.00520830
Mack W Wooldridge	.0694440
Mack W Wooldridge	.347220

TRACT NO. AND TRACT NAME				DESCRIPTION OF LAND		ACRES		LEASE STATUS		BASIC ROYALTY OWNER AND PERCENTAGE		OVERRIDING ROYALTY OWNER AND PERCENTAGE		WORKING INTEREST OWNER AND PERCENTAGE		PARTICIPATION OF TRACT IN UNIT AREA 8	
PATENTED LANDS:																	
112	M. J. Byrd	T-20-S, R-36-E, N4PM	80	HBP	Elsie D Bickford & Harold E Bickford Irrevocable Trust	.097660		Atlantic Richfield Co.	100%	4.76175390							
		Sec. 11: W/2NE/4			Timothy Ian Thompson	.078120											
					Timothy Ian Thompson	.078130											
					Ruth C Kendall	.026045											
					Jane Jennings	.08681											
					Charles Downing	.08682											
					The Estate of Lucille J. Smith	.045570											
					Leland Downing	.08682											
					Janice Lynn Cleboski	.0117185											
					M G Murdoch	.078130											
					Geodyne Resources, Inc.	.05859370											
					Bank of Oklahoma, N A, Trustee of the Nitwer Oil and Gas Trust	.01145830											
					Jerome T Hanners	.039060											
					Roy G Barton Jr	.0117185											
					Marvin M Rosen, Trustee	.046830											
					U/7/A Dated 2-16-79 F/B/O												
					M Blair Danson, Laura C Danson, and Bethany E Danson												
					Anroy Co	0.035778											
					NCNB Texas National Bank, As Successor Escrow Agent	.0520830											
					Sabine Royalty Trust												
					Eula Corder	.000160											
					Bank of Oklahoma, Tulsa, N A, F/A/O Mary Elizabeth Ellinghausen	.008410											

Alice H AP Petersens	.234280
Poultion Farm Limited	.156250
for the Acct of Herbert	
Edward Hill	
Hossea V Price	.000020
Anne H Warner	.0234370
Dorothy Dweiger	.013020
Dorothy Dweiger	.04340
Dorothy Dweiger	.06515
Dorothy Dweiger	.02170
Peter G Greenfield	.048830
Trustee of the	
Greenfield Family Trust	
Official Receiver for	.078130
Michael I A Mendoza	
Edwin F Hyland	.032350
Christine Marfleet	.078120
and Nancy Monteth	
Penn Royalty Company	.010700
Ruby Ridgway	.937500
Frances Schneider	.13020
Frances Schneider	.04340
Frances Schneider	.06515
Frances Schneider	.02170
Panoma College, A	.032350
Corporation Investment	
Acct	
Atlantic Richfield Company	.87500000
Elizabeth Murchison Baker,	.045570
as Independent Executrix of	
the Estate of William	
B Baker	

George Eager	.0625000
Bank of Oklahoma, N.A.,	.075490
Executor of the Estate	
of Marie Ellinghausen	
Bettine Ethel Goldberg	.078120
Susan G Young	.000010
Administratrix of the Estate	
of Emma M Griggs Dec	
Harlow Royalties, Inc.	.002430
Marion L Meader	.000730
Luther C Anderson, Charles	.0195320
W Partridge & Carl W	
Franklin, as Trustees Under	
the Will of Seely G Mudd	
Nancy Taylor Smith	.0312500
Mack W Wooldrige	.0625000

2 PATENTED (FEE) TRACTS TOTALING 320 ACRES OR 10.67% OF UNIT AREA

SUMMARY OF UNIT EXPANSION AREA 8

FEDERAL LANDS	2,280 Acres	-	76.00%
STATE LAND	400 Acres	-	13.33%
PATENTED LANDS	320 Acres	-	10.67%
	=====		=====
	3,000 Acres	-	100.00%