

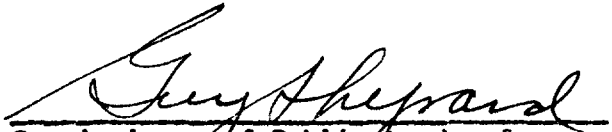
CERTIFICATE OF APPROVAL
BY COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO, OF UNIT
AGREEMENT FOR DEVELOPMENT AND OPERATION OF HUERFANITO UNIT AREA
SAN JUAN COUNTY, NEW MEXICO

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, an agreement for the development and operation of the Huerfanito Unit Area, San Juan County, New Mexico, dated 31st day of May, 1951, in which the Magnolia Petroleum Company is designated as Operator and which has been executed by various parties owning and holding oil and gas leases embracing lands within the Unit Area and upon examination of said Agreement, the Commissioner finds:

- (a) That such Agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said field;
- (b) That under the operations proposed, the State will receive its fair share of the recoverable oil or gas in place under its land in the area affected;
- (c) That the agreement is in other respects for the best interest of the State;
- (d) That the Agreement provides for the unit operation of the field, for the allocation of production, and the sharing of proceeds from a part of the area covered by the agreement on an acreage basis as specified in the agreement.

NOW, THEREFORE, by virtue of the authority conferred upon me by Chapter 88 of the Laws of the State of New Mexico, 1943, approved April 14, 1943, I, the undersigned, Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said agreement, as to the lands of the State of New Mexico included in said Huerfanita Unit Agreement, and subject to all of the provisions of the aforesaid Chapter 88 of the Laws of the State of New Mexico, 1943.

EXECUTED this 21st day of January, 1952


Commissioner of Public Lands of
the State of New Mexico

CERTIFICATION - DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior under the Allotted Land Mineral Leasing Act of March 3, 1909, (35 Stat. 783, 25 U.S.C. Sec. 396) and the Tribal Land Mineral Leasing Act approved May 11, 1938 (52 Stat. 347, 25 U.S.C. 396A, et seq.), as to certain restricted Tribal and allotted Indian lands and delegated to the Commissioner of Indian Affairs by Departmental Order 2508 of January 11, 1949 (14 Fed. Reg. 258-260).

Pursuant to the authority vested in the Secretary of the Interior as to Federal lands under the Act of February 25, 1920 (41 Stat. 437, 30 U.S.C. Sec. 181) as amended by the Act of August 8, 1946 (60 Stat. 950, 30 U.S.C. 181) and the Act of August 7, 1947, 61 Stat. 913, and delegated to the Director of the United States Geological Survey by Departmental Order No. 2365 dated October 8, 1947, 12 F.R. 6784, 43 C.F.R. Sec. 4.611, we do hereby:

A. Approve the attached agreement for the development and operation of the Huerfanito Unit Area, San Juan County, New Mexico, dated the 31st day of May, 1951.

B. Certify and determine that the unit plan of development and operation set forth in the attached agreement is necessary and advisable in the public interest and is for the purpose of more properly conserving the natural resources of the unit area;

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.

Dated:

JUN - 2 1952

Act. Asst.

Arthur H. Huerfano
Commissioner of Indian Affairs

Dated:

JUN 2 1952

Acting

Thomas B. Nolan
Director, United States Geological
Survey