

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION OF THE
ANDERSON RANCH UNIT
LEA COUNTY, NEW MEXICO

THIS AGREEMENT, entered into as of the ____ day of March, 1952, by and between the parties subscribing, ratifying, or consenting hereto, and herein referred to as the "parties hereto",

W I T N E S S E T H:

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 Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Sec. 3, Chap. 88, Laws 1943) as amended by Sec. 1 of Chapter 162, Laws of 1951, to consent to and approve the development or operation of State Lands under agreements made by lessees of State land jointly or severally with other lessees where such agreements provide for the unit operation or development of part of or all of any oil or gas pool, field or area; and,

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Sec. 1, Chapter 162, Laws of 1951) to amend with the approval of the lessee, any oil and gas lease embracing state lands so that the length of the term of said lease may coincide with the term of such agreements for the unit operation and development of part or all of any oil or gas pool, field or area; and

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

WHEREAS, the parties hereto hold sufficient interests in the Anderson Ranch Unit Area covering the land hereinafter described to give reasonably effective control of operations therein; and,

WHEREAS, it is the purpose of the parties hereto to conserve natural resources, 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 agree-

ment their respective interests in the below defined unit area, and agree severally among themselves as follows:

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

NEW MEXICO PRINCIPAL MERIDIAN,
NEW MEXICO

SW $\frac{1}{4}$ Sec. 1, S $\frac{1}{4}$ Sec. 2, All of
Sec. 11, W $\frac{1}{2}$ Sec. 12, W $\frac{1}{2}$ NW $\frac{1}{4}$ Sec.
13 and N $\frac{1}{2}$ Sec. 14, Twp. 16 S.,
Rge. 32 E., N.M.F.M., Lea County,
New Mexico, containing 1840 acres,
more or less.

Exhibit "A" attached hereto is a map showing the unit area and the boundaries and identity of tracts and leases in said area to the extent known to the Unit Operator. Exhibit "B" attached hereto is a schedule showing to the extent known to the Unit Operator the acreage, percentage, and kind of ownership of oil and gas interests in all land in the unit area. However, nothing herein or in said schedule or map shall be construed as a representation by any party hereto as to the ownership of any interest other than such interest or interests as are shown in said map or schedule as owned by such party. Exhibits "A" and "B" shall be revised by the Unit Operator whenever changes in the unit area render such revision necessary, or when requested by the Commissioner of Public Lands, hereinafter referred to as "Commissioner".

The above described unit area shall when practicable be expanded to include therein any additional tract or tracts regarded as reasonably necessary or advisable for the purposes of this agreement. Such expansion shall be effected in the following manner.

(a) Unit Operator, on its own motion or on demand of the Commissioner shall prepare a notice of proposed expansion 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 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 Commissioner evidence of mailing of the notice of expansion and a copy of any objections thereto which have been filed with the Unit Operator.

(d) After due consideration of all pertinent information, the expansion shall, upon approval by the Commissioner, become effective as of the date prescribed in the notice thereof, provided, however, if more than 25% on an acreage basis object to such expansion, the same shall not be approved.

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

2. UNITIZED SUBSTANCES. All oil and gas in any and all formations of the unitized land are unitized under the terms of this agreement and herein are called "unitized substances".

3. UNIT OPERATOR. Continental Oil Company, a Delaware corporation, is hereby designated as Unit Operator and by signature hereto commits to this agreement all interests in unitized substances vested in it as set forth in Exhibit "B", and agrees and consents to accept the duties and obligations of Unit Operator for the discovery, development, and production of unitized substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as an owner of interests in unitized substances, and the term "working interest owner" when used herein shall include or refer to Unit Operator as the owner of a working interest when such an interest is owned by it.

4. RESIGNATION OR REMOVAL OF UNIT OPERATOR. Unit Operator shall have the right to resign at any time provided a successor Unit Operator has been selected and approved and has agreed to accept the duties and responsibilities of the Unit Operator effec-

tive upon the relinquishment of such duties and responsibilities by the retiring Unit Operator. The resignation of the Unit Operator shall not release the Unit Operator from any liability or any default by it hereunder occurring prior to the effective date of its resignation.

Unit Operator may, upon default or failure in the performance of its duties or obligations hereunder, be subject to removal by the same percentage vote of the owners of working interests determined in like manner as herein provided for the selection of a new Unit Operator. Such removal shall be effective upon notice thereof to the Commissioner.

The resignation or removal of the Unit Operator under this agreement shall not terminate his right, title or interest as the owner of a working interest or other interest in unitized substances, but upon the resignation or removal of Unit Operator becoming effective, such Unit Operator shall deliver possession of all equipment, materials and appurtenances used in conducting the unit operations and owned by the working interest owners to the new duly qualified successor Unit Operator or to the owners thereof if no such new Unit Operator is elected, to be used for the purpose of conducting unit operations hereunder. Nothing herein shall be construed as authorizing removal of any material, equipment and appurtenances needed for the preservation of any wells.

5. SUCCESSOR UNIT OPERATOR. Whenever the Unit Operator shall resign as Unit Operator or shall be removed as hereinabove provided, the owners of the working interests according to their respective acreage interests in all unitized land shall by a majority vote select a successor 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 sufficient additional parties, so as to constitute in the aggregate not less than 75 per cent of the total working interests, shall be required to select a new 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 Commissioner. If no successor Unit Operator is selected and qualified as herein provided, the Commissioner at his election may declare this unit agreement terminated.

6. ACCOUNTING PROVISIONS. The Unit Operator shall pay in the first instance all costs and expenses incurred in conducting unit operations hereunder, and such costs and expenses so paid by the Unit Operator shall be apportioned among and borne by the owners of working interests and the Unit Operator reimbursed in accordance with the agreement or agreements entered into by and between the Unit Operator and the owners of working interests. In case of any inconsistency or conflict between this unit agreement and any such operating agreements, this unit agreement shall prevail.

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 of the unitized substances are hereby delegated to and shall be exercised by the Unit Operator as herein provided. 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 its capacity as Unit Operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

8. DRILLING TO DISCOVERY. Within 30 days after the effective date hereof, the Unit Operator shall commence operations upon a test well for oil and gas upon some part of the lands embraced within the unit area and shall drill said well with due diligence to a depth of 11,000 feet, or to a depth sufficient in the opinion of Unit Operator, to test the Pennsylvanian, whichever is the shallower, or until at a lesser depth, unitized substances

shall be discovered which can be produced in paying quantities, or until it shall be determined that the further drilling of said well shall be unwarranted or impracticable. Until a discovery of a deposit of unitized substances capable of being produced in paying quantities, Unit Operator shall continue drilling diligently one well at a time allowing not more than six 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 the Commissioner, or until it is reasonably proved that the unitized land is incapable of producing unitized substances in paying quantities in the formation drilled hereunder.

Any well commenced prior to the effective date of this agreement upon the unit area and drilled to the depth provided herein for the drilling of an initial test well shall be considered as complying with the drilling requirements hereof with respect to the initial well. The Commissioner may modify the drilling requirements of this section by granting reasonable extensions of time when in his opinion such action is warranted. Upon failure to comply with the drilling provisions of this section, the Commissioner may, after reasonable notice to the Unit Operator and each working interest owner at their last known addresses, declare this unit agreement terminated.

9. PARTICIPATION AND ALLOCATION AFTER DISCOVERY. Upon completion of a well capable of producing unitized substances in paying quantities, the owners of working interests shall participate in the production therefrom and in all other producing wells which may be drilled pursuant hereto in the proportions that their respective leasehold interests on an acreage basis bears to the total number of acres committed to the unit agreement, and such unitized substances shall be deemed to have been produced from the respective leasehold interests participating therein; and for the purpose of determining any benefits accruing under this agreement and the distribution of the royalty payable to the State of New Mexico each separate lease shall have allocated to it such percentage of said production as the number of acres in each lease respectively bears to the total number

of acres committed hereto.

Notwithstanding any provision contained herein to the contrary, each working interest owner shall have the right to take such owner's proportionate share of the unitized substances in kind or to personally sell or dispose of the same, and nothing herein contained shall be construed as giving or granting to the Unit Operator the right to sell or otherwise dispose of the proportionate share of any working interest owner without specific authorization from time to time so to do.

10. ROYALTY AND RENTAL PAYMENT. All royalties due the State of New Mexico under the terms of the leases committed to this agreement shall be computed and paid on the basis of all unitized substances allocated to the respective leases committed hereto; provided, however, the State shall be entitled to take in kind its share of the unitized substances allocated to the respective leases, and in such case the Unit Operator shall make deliveries of such royalty oil in accordance with the terms of the respective leases.

If Unit Operator introduces gas obtained from sources other than the unitized substances into any producing formation for the purpose of repressuring, stimulating or increasing the ultimate recovery of unitized substances therefrom, a like amount of gas, if available, with due allowance for loss or depletion from any cause may be withdrawn from the formation into which the gas was introduced royalty free as to dry gas but not as to the products extracted therefrom; provided, that, such withdrawal shall be at such time as may be provided in a plan of operations consented to by the Commissioner and approved by the Commission as conforming to good petroleum engineering practice; and provided further, that such right of withdrawal shall terminate on the termination of this unit agreement.

All rentals due the State of New Mexico shall be paid by the respective lease owners in accordance with the terms of their leases.

11. CONSERVATION. Operations hereunder and production of unitized substances shall be conducted to provide for the most economical and efficient recovery of said substances without waste,

as defined by or pursuant to State laws or regulations.

12. DRAINAGE. The Unit Operator shall take appropriate and adequate measures to prevent drainage of unitized substances from unitized lands by wells on land not subject to this agreement.

13. LEASES AND CONTRACTS CONFORMED AND EXTENDED. The terms, conditions and provisions of all leases, subleases, operating agreements and other contracts relating to the exploration, drilling, development or operation for oil or gas of the lands committed to this agreement shall, upon approval hereof by the Commissioner, be, and the same are hereby expressly modified and amended to the extent necessary to make the same conform to the provisions hereof, but otherwise to remain in full force and effect. Each lease committed to this agreement shall continue in force beyond the term provided therein so long as this agreement remains in effect provided drilling operations upon the initial test well provided for herein shall have been commenced or is in the process of being drilled by the Unit Operator prior to the expiration of the shortest term lease committed to this agreement. Termination of this agreement shall not affect any lease which pursuant to the terms thereof or any applicable law shall continue in full force and effect thereafter.

14. COVENANTS RUN WITH LAND. 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, transferee, or other successor in interest. No assignment or transfer of any working, royalty or other interest subject hereto shall be binding upon Unit Operator until the first day of the calendar month after Unit Operator is furnished with the original, photostatic or certified copy of the instrument of transfer.

15. EFFECTIVE DATE AND TERM. This agreement shall become effective upon approval by the Commissioner and shall terminate in two years after such date unless (a) such date of expiration is

extended by the Commissioner, or (b) a valuable discovery of unitized substances has been made on unitized land during said initial term or any extension thereof in which case this agreement shall remain in effect so long as unitized substances can be produced from the unitized land in paying quantities, and, should production cease so long thereafter as diligent operations are in progress for the restoration of production or discovery of new production and so long thereafter as the unitized substances so discovered can be produced as aforesaid. This agreement may be terminated at any time by not less than 75 per cent on an acreage basis of the owners of the working interests signatory hereto with the approval of the Commissioner.

16. RATE OF PRODUCTION. All production and the disposal thereof shall be in conformity with allocations, allotments and quotas made or fixed by the Commission and in conformity with all applicable laws and lawful regulations.

17. APPEARANCES. Unit Operator shall, after notice to other parties affected, have the right to appear for and on behalf of any and all interests affected hereby before the Commissioner of Public Lands and the New Mexico Oil Conservation Commission and to appeal from orders issued under the regulations of the Commissioner or Commission or to apply for relief from any of said regulations or in any proceedings relative to operations pending before the Commissioner or Commission; provided, however, that any other interested party shall also have the right at his own expense to appear and to participate in any such proceeding.

18. NOTICES. All notices, demands or statements required hereunder to be given or rendered to the parties hereto shall be deemed fully given if given in writing and personally delivered to the party or sent by postpaid registered mail, addressed to such party or parties at their respective addresses set forth in connection with the signatures hereto or to the ratification or consent hereof or to such other address as any such party may have furnished in writing to party sending the notice, demand or statement.

19. UNAVOIDABLE DELAY. 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, war, acts of God, Federal, State, or municipal law 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.

20. LOSS OF TITLE. In the event title to any tract or unitized land or substantial interest therein shall fail and the true owner cannot be induced to join the unit agreement so that such tract is not committed to this agreement or the operation thereof hereunder becomes impracticable as a result thereof, such tract may be eliminated from the unitized area. In the event of a dispute as to the title to any royalty, working or other interest subject hereto, the Unit Operator may withhold payment or delivery of the allocated portion of the unitized substances involved on account thereof without liability for interest until the dispute is finally settled, provided that no payments of funds due the State of New Mexico shall be withheld. Unit Operator as such is relieved from any responsibility for any defect or failure of any title hereunder.

21. SUBSEQUENT JOINDER. Any oil or gas interest in lands within the unit area not committed hereto prior to the submission of this agreement for final approval either by the Commission or Commissioner may be committed hereto by the owner or owners of such rights subscribing or consenting to this agreement or executing a ratification thereof, and if such owner is also a working interest owner, by subscribing to any operating agreement affecting the allocation of costs of exploration, development and operation. After operations are commenced hereunder, the right of subsequent joinder by a working interest owner shall be subject to all of the requirements of any applicable operating agreement between the working interest owners relative to the allocation of costs of exploration, development and operation. A subsequent joinder shall be effective as of the first day of the month following the filing with the

Commissioner and the Commission of duly executed counterparts of the instrument or instruments committing the interest of such owner to this agreement.

22. COUNTERPARTS. 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 hereto 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.

IN WITNESS WHEREOF, the undersigned parties hereto have caused this agreement to be executed as of the respective dates set opposite their signatures.

SIGNATURES AND ADDRESSES

CONTINENTAL OIL COMPANY

By _____
Vice President

ATTEST:

Assistant Secretary

Address: 1710 Fair Building
Fort Worth 2, Texas

Date _____

UNIT OPERATOR

DESCRIPTION OF INTERESTS
COMMITTED TO ANDERSON
RANCH UNIT AGREEMENT BY
REFERENCE TO TRACT NUMBERS
IN EXHIBIT "B" ATTACHED TO
UNIT AGREEMENT

Tracts: 2, 7, 9, 13, 14, 18

WORKING INTEREST OWNERS

GULF OIL CORPORATION

Tracts: 1, 5, 6, 21

By _____
Vice President

ATTEST:

Assistant Secretary

Address: Life of America Building
Fort Worth, Texas

Date _____

SINCLAIR OIL & GAS COMPANY

Tracts: 3, 8, 10, 19

By _____
Vice President

ATTEST:

Assistant Secretary

Address: Fair Building
Fort Worth, Texas

Date _____

TEXAS GULF PRODUCING COMPANY

Tract: No. 11

By _____
Vice President

ATTEST:

Assistant Secretary

Address: First National Bank Bldg.,
Midland, Texas

Date _____

VICKERS PETROLEUM COMPANY

Tracts: 15, 16, 22

By _____
Vice President

ATTEST:

Assistant Secretary

Address: Wichita
Kansas

Date _____

THE TEXAS COMPANY

Tract: No. 4

By _____
Vice President

ATTEST:

Assistant Secretary

Address: Continental Life Building
Fort Worth, Texas

Date _____

MAGNOLIA PETROLEUM COMPANY

Tract: No. 17

By _____
Vice President

ATTEST:

Assistant Secretary

Address: Magnolia Building
Dallas, Texas

Date _____

12-c

Tracts: 12, 20

J. J. Travis

Address: Wilkinson and Foster Bldg.,
Midland, Texas

Date _____

CERTIFICATE OF APPROVAL
BY COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO
OF UNIT AGREEMENT FOR DEVELOPMENT AND OPERATION OF
ANDERSON RANCH UNIT AREA, LEA 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 Anderson Ranch Unit Area, Lea County, New Mexico, dated _____ day of _____, 1952, in which Continental Oil 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:

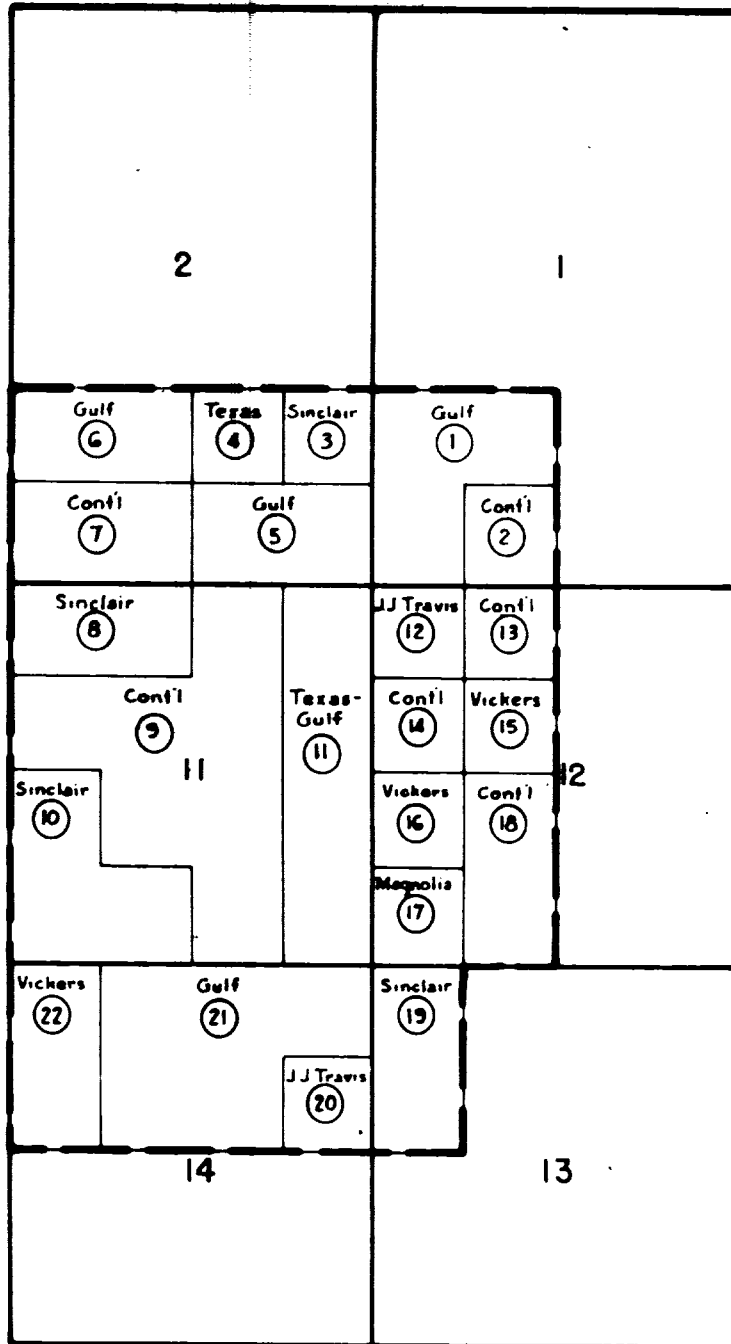
- (a) That such Agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said field;
- (b) That under the operations proposed, the State will receive its fair share of the recoverable oil or gas in place under its land in the area affected;
- (c) 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, THE SIGNED, by virtue of the authority conferred upon me by Section 3, Chapter 88 of the Laws of the State of New Mexico, 1943, approved April 14, 1943, as amended by Sec. 1 of Chapter 162, Laws of 1951, 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 Anderson Ranch Unit Agreement, and all leases embracing lands in the State of New Mexico committed to said Unit Agreement shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid Section 3, Chapter 88 of the New Mexico Session Laws of 1943, as amended by Sec. 1 of Chapter 162, Laws of 1951.

EXAMINED AND APPROVED _____ day of _____, 1952.

Commissioner of Public Lands of the
State of New Mexico

R 32 E



T 16 S

EXHIBIT "A"

ANDERSON RANCH UNIT

LEA CO., NEW MEXICO

SCALE: 2" = 1 MILE

A

EXHIBIT "B"

SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS IN ALL LAND IN THE ANDERSON RANCH UNIT AGREEMENT

TRACT NO.	DESCRIPTION	NO. OF ACRES	LEASE NO. AND EXPIRATION DATE OF LEASE	LAND OWNER	RECORD OWNER OF LEASE
1.	N½SW¼ Sec. 1, Twp. 16 S., Rge. 32 E.	120		State of N.M.	Gulf Oil Corporation
2.	SE¼SW¼ Sec. 1, Twp. 16 S., Rge. 32 E.	40	B-10224 4-10-53	State of N.M.	Continental Oil Company
3.	NE¼SE¼ Sec. 2, Twp. 16 S., Rge. 32 E.	40		State of N.M.	Sinclair Oil & Gas Company
4.	NW¼SE¼ Sec. 2, Twp. 16 S., Rge. 32 E.	40		State of N.M.	The Texas Company
5.	S½SE¼ Sec. 2, Twp. 16 S., Rge. 32 E.	80		State of N.M.	Gulf Oil Corporation
6.	N½SW¼ Sec. 2, Twp. 16 S., Rge. 32 E.	80		State of N.M.	Gulf Oil Corporation
7.	S½SW¼ Sec. 2, Twp. 16 S., Rge. 32 E.	80	D-5836 12-10-61	State of N.M.	Continental Oil Company
8.	N½NW¼ Sec. 11, Twp. 16 S., Rge. 32 E.	80		State of N.M.	Sinclair Oil & Gas Company
9.	S½NW¼, NE¼SW¼, & W½E¼ Sec. 11, Twp. 16 S., Rge. 32 E.	280	B-9683 6-10-52	State of N.M.	Continental Oil Company
10.	W½SW¼ & SE¼SW¼ Sec. 11, Twp. 16 S., Rge. 32 E.	120		State of N.M.	Sinclair Oil & Gas Company
11.	E½E¼ Sec. 11, Twp. 16 S., Rge. 32 E.	160		State of N.M.	Texas Gulf Producing Company
12.	NW¼NW¼ Sec. 12, Twp. 16 S., Rge. 32 E.	40		State of N.M.	J. J. Travis

TRACT NO.	DESCRIPTION	NO. OF ACRES	LEASE NO. AND EXPIRATION DATE OF LEASE	LAND OWNER	RECORD OWNER OF LEASE
13.	NE $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 12, Twp. 16 S., Rge. 32 E.	40	B-9734 7-10-52	State of N.M.	Continental Oil Company
14.	SW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 12, Twp. 16 S., Rge. 32 E.	40	B-9734 7-10-52	State of N.M.	Continental Oil Company
15.	SE $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 12, Twp. 16 S., Rge. 32 E.	40		State of N.M.	Vickers Petroleum Company
16.	NW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 12, Twp. 16 S., Rge. 32 E.	40		State of N.M.	Vickers Petroleum Company
17.	SW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 12, Twp. 16 S., Rge. 32 E.	40		State of N.M.	Magnolia Petroleum Company
18.	E $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 12, Twp. 16 S., Rge. 32 E.	80	B-10224 4-10-53	State of N.M.	Continental Oil Company
19.	W $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 13, Twp. 16 S., Rge. 32 E.	80		State of N.M.	Sinclair Oil & Gas Company
20.	SE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 14, Twp. 16 S., Rge. 32 E.	40		State of N.M.	J. J. Travis
21.	NE $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$ & E $\frac{1}{2}$ NW $\frac{1}{4}$ Sec. 14, Twp. 16 S., Rge. 32 E.	200		State of N.M.	Gulf Oil Corporation
22.	W $\frac{1}{2}$ NW $\frac{1}{4}$ Sec. 14, Twp. 16 S., Rge. 32 E.	80		State of N.M.	Vickers Petroleum Company

RECAPITULATION OF OWNERSHIP

<u>NAME</u>	<u>ACRES</u>	<u>PERCENTAGE OWNED</u>
CONTINENTAL OIL COMPANY	560	30.435%
GULF OIL CORPORATION	480	26.086%
SINCLAIR OIL & GAS COMPANY	320	17.391%
TEXAS GULF PRODUCING COMPANY	160	8.696%
VICKERS PETROLEUM COMPANY	160	8.696%
J. J. TRAVIS	80	4.348%
THE TEXAS COMPANY	40	2.174%
MAGNOLIA PETROLEUM COMPANY	40	2.174%
	<hr/> 1840	<hr/> 100.000%

18-cx

tionate share of the unit expense incurred prior to such party's or parties' joinder in the unit agreement, and the Unit Operator shall make appropriate adjustments caused by such joinder, without any retroactive adjustment of revenue.

22. COUNTERPARTS. 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 hereto 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.

IN WITNESS WHEREOF, the undersigned parties hereto have caused this agreement to be executed as of the respective dates set opposite their signatures.

DESCRIPTION OF INTERESTS
COMMITTED TO ANDERSON
RANCH UNIT AGREEMENT BY
REFERENCE TO TRACT NUMBERS
IN EXHIBIT "B" ATTACHED
TO UNIT AGREEMENT

Tracts: 1, 2, 4, and 16

SIGNATURE AND ADDRESSES

CONTINENTAL OIL COMPANY

By *Chas. A. Smith*
Vice President

Charles A. Smith
Assistant Secretary
Address: 1710 Fair Building
Fort Worth 2, Texas

Date *April 18th* 1952

UNIT OPEFATOR

WORKING INTEREST OWNERS

copy
GULF OIL CORPORATION

Tracts: 5, 11, 13 and 14

By *[Signature]*
Vice President

ATTEST: *[Signature]* T. Q. WILLIAMS
Assistant Secretary

Address: Life of America Building
Fort Worth, Texas

Date May 26 1952.

SINCLAIR OIL & GAS COMPANY

Tracts: 8 and 12

By *[Signature]*
Vice President

ATTEST: *[Signature]*
Assistant Secretary

Address: Fair Building
Fort Worth, Texas

Date May 13th 1952.

TEXAS GULF PRODUCING COMPANY

Tracts: 10 and 17

By _____
Vice President

ATTEST:

Assistant Secretary

Address: Mellie Esperson Building
Houston, Texas

Date _____ 1952.

VICKERS PETROLEUM COMPANY

Tracts: 3 and 9

By *[Signature]*
President

ATTEST: *[Signature]*
Secretary

Address: W.K.H. Building
Wichita
Kansas

Date 5/28 1952.

WORKING INTEREST OWNERS

GULF OIL CORPORATION

Tracts: 5, 11, 13 and 14

By _____
Vice President

ATTEST:

Assistant Secretary

Address: Life of America Building
Fort Worth, Texas

Date _____ 1952.

SINCLAIR OIL & GAS COMPANY

Tracts: 8 and 12

By _____
Vice President

ATTEST:

Assistant Secretary

Address: Fair Building
Fort Worth, Texas

Date _____ 1952.

TEXAS GULF PRODUCING COMPANY

Tracts: 10 and 17

By *W. H. Reed*
Vice President
ATTEST: *W. H. Reed*
Assistant Secretary

Address: Mellie Esperson Building
Houston, Texas

Date 5th May 1952.

VICKERS PETROLEUM COMPANY

Tracts: 3 and 9

By _____
Vice President

ATTEST:

Assistant Secretary

Address: W.K.H. Building
Wichita
Kansas

Date _____ 1952.

THE TEXAS COMPANY

Tract: No. 7

By

~~Attorney-in-Fact~~

ATTACH:

Kocherzovskiy-Sapozhnikov

Address: Continental Life Building
Fort Worth, Texas

Date _____ 1952.

MAGNOLIA PETROLEUM COMPANY

Tract No. 6

By

Vice President

ATTEST:

Assistant Secretary

Address: Magnolia Building
Dallas, Texas

Date _____ 1952.

E. G. Burke, Jr.

Tract: No. 15

Burke (Wife)

Address: 1805 Milam Building
San Antonio, Texas

Date _____ 1952.

THE TEXAS COMPANY

Tract: No. 7

By _____
Vice President

ATTEST:

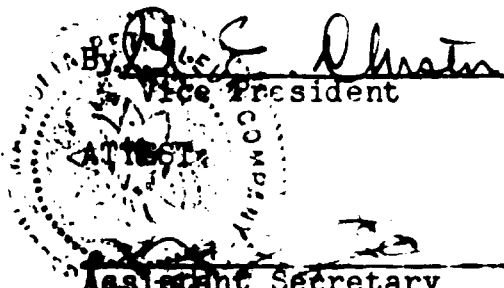
Assistant Secretary

Address: Continental Life Building
Fort Worth, Texas

Date _____ 1952.

MAGNOLIA PETROLEUM COMPANY

Tract No. 6



APPROVED	
Legal	<i>[Signature]</i>
Title R	<i>[Signature]</i>
Engr.	
Gas	
Land	<i>[Signature]</i>
Prod.	<i>[Signature]</i>

Assistant Secretary
H. S. Edge

Address: Magnolia Building
Dallas, Texas

Date May 20, 1952.

E. G. Burke, Jr.
E. G. Burke, Jr.

Tract: No. 15

[Signature]
Delene C. Burke (Wife)

Address: 1805 Milam Building
San Antonio, Texas

Date 12th May 1952.

STATE OF TEXAS

COUNTY OF HARRIS

ss

On this 18th day of April, 1952, before me appeared Chas. A. Perlitz, Jr., to me personally known, who, being by me duly sworn, did say that he is Vice President of CONTINENTAL OIL 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 Chas. A. Perlitz, Jr. 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 notarial seal the day and year first above written.

My commission expires June 1, 1953.

Geraldine Browder

Notary Public

GERALDINE BROWDER

Notary Public, in and for Harris County, Texas

STATE OF TEXAS

COUNTY OF Tarrant

ss

On this 26 day of May, 1952, before me appeared F. J. Adams, to me personally known, who, being by me duly sworn, did say that he is Vice President of GULF OIL CORPORATION, and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said F. J. Adams 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 notarial seal the day and year first above written.

My commission expires 6-1-53.

B. R. Jordan

B. R. JORDAN

Notary Public

STATE OF TEXAS

COUNTY OF TARRANT

ss

On this 13th day of May, 1952, before me appeared D. R. Gearhart, to me personally known, who, being by me duly sworn, did say that he is Vice President of SINCLAIR OIL & 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 D. R. Gearhart 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 notarial seal the day and year first above written.

My commission expires June 1, 1953.

Margaret E. Bogle

Notary Public

MARGARET E. BOGLE, Notary
Public in and for Tarrant County, Texas

STATE OF TEXAS)
COUNTY OF HARRIS) ss

On this 5th day of May, 1952, before me appeared L. S. Reed, to me personally known, who, being by me duly sworn, did say that he is ~~XXXX~~ President of TEXAS GULF PRODUCING 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 L. S. Reed 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 notarial seal the day and year first above written.

My commission expires 6/1/53

LEOLINE MYERS, Notary Public
Harris County, Texas
Oil & Gas Bldg., Houston, Texas
My commission expires 6-1-53

Leoline Myers
Notary Public



STATE OF _____)
COUNTY OF _____) ss

On this _____ day of _____, 1952, before me appeared _____, to me personally known, who, being by me duly sworn, did say that he is Vice President of VICKERS PETROLEUM COMPANY, and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

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

My commission expires _____.

Notary Public

STATE OF _____)
COUNTY OF _____) ss

On this _____ day of _____, 1952, before me appeared _____, to me personally known, who, being by me duly sworn, did say that he is Vice President of THE TEXAS COMPANY, and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

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

My commission expires _____.

Notary Public

STATE OF _____)
COUNTY OF _____) ss

On this _____ day of _____, 1952, before me
appeared _____, to me personally known,
who, being by me duly sworn, did say that he is Vice President of
TEXAS GULF PRODUCING COMPANY, and that the seal affixed to said in-
strument is the corporate seal of said corporation and that said
instrument was signed and sealed in behalf of said corporation by
authority of its Board of Directors, and said

_____ acknowledged said instrument to be the
free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and af-
fixed my notarial seal the day and year first above written.

My commission expires _____.

Notary Public

STATE OF KANSAS)
COUNTY OF SEDGWICK) ss

On this 28th day of May, 1952, before me
appeared John S. Wertz, to me personally
known, who, being by me duly sworn, did say that he is Vice President
of VICKERS PETROLEUM 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

John S. Wertz acknowledged said instrument to be the
free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and af-
fixed my notarial seal the day and year first above written.

My commission expires October 24, 1952.



Notary Public

STATE OF TEXAS)
COUNTY OF TARRANT) ss

On this 6th day of May, 1952, before me ap-
peared John H. Wertz, to me personally known, who,
being by me duly sworn, did say that he is Atty-in-Fact of THE
TEXAS COMPANY, and that the seal affixed to said instrument is the
corporate seal of said corporation and that said instrument was
signed and sealed in behalf of said corporation by authority of its
Board of Directors, and said

_____ acknowledged said instrument to be the free act and deed of said
corporation

IN WITNESS WHEREOF, I have hereunto set my hand and af-
fixed my notarial seal the day and year first above written.

My commission expires 6-1-53.



Notary Public

STATE OF _____)
COUNTY OF _____) ss

On this _____ day of _____, 1952, before me
appeared _____, to me
personally known, who, being by me duly sworn, did say that he is
Vice President of MAGNOLIA PETROLEUM COMPANY, and that the seal af-
fixed to said instrument is the corporate seal of said corporation
and that said instrument was signed and sealed in behalf of said
corporation by authority of its Board of Directors, and said
_____, acknowledged said
instrument to be the free act and deed of said corporation.

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

My commission expires _____.

Gladys H. Walters
Notary Public

GLADYS H. WALTERS, Notary Public
In and for Dallas County, Texas

STATE OF TEXAS)
COUNTY OF _____) ss

On this _____ day of _____, 1952, before me
personally appeared E. G. BURKE, JR., and _____
BURKE, his wife, to me known to be the persons
described in and who executed the foregoing instrument, and ac-
knowledgeed that they executed the same as their free act and deed.

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

My commission expires _____.

Gladys H. Walters
Notary Public

GLADYS H. WALTERS
In and for Dallas County, Texas



CERTIFICATE OF APPROVAL
BY COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO
OF UNIT AGREEMENT FOR DEVELOPMENT AND OPERATION OF
ANDERSON RANCH UNIT AREA, LEA 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 Anderson Ranch Unit Area, Lea County, New Mexico, dated 18th day of April, 1952, in which Continental Oil 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.

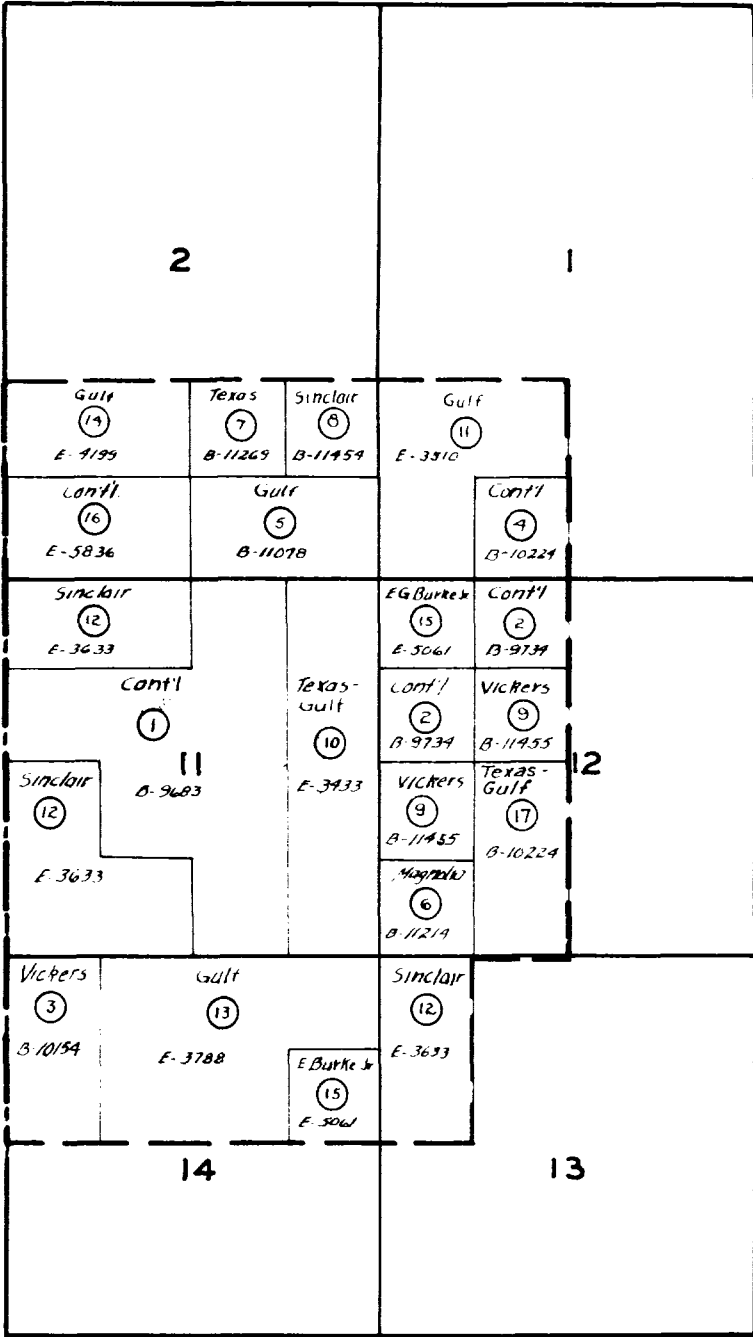
NOW, THEREFORE, by virtue of the authority conferred upon me by Section 3, Chapter 88 of the Laws of the State of New Mexico, 1943, approved April 14, 1943, as amended by Sec. 1 of Chapter 162, Laws of 1951, I, the undersigned, Commissioner of Public Lands of the State of New Mexico, for the purpose 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 Anderson Ranch Unit Agreement, and all leases embracing lands of the State of New Mexico committed to said Unit Agreement shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid Section 3, Chapter 88 of the New Mexico Session Laws of 1943, as amended by Sec. 1 of Chapter 162, Laws of 1951.

EXECUTED THIS 2nd day of June, 1952.




Commissioner of Public Lands of the
State of New Mexico

R 32 E



T 16 S

EXHIBIT "A"
ANDERSON RANCH UNIT
LEA CO. NEW MEXICO

- LEGEND -

① Indicates tract number on Exhibit "B"

EXHIBIT "B"

SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS
IN ALL LAND IN THE ANDERSON RANCH UNIT AGREEMENT

TRACT NO.	DESCRIPTION ALL IN TWP. 16 SOUTH, RGE. 32 EAST	NO. OF ACRES	LEASE NO. AND EXPIRATION DATE OF LEASE	LAND OWNER	RECORD OWNER OF LEASE
1.	Sec. 11: S $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ E $\frac{1}{2}$	280	B-9683 6-10-52	State of N.M.	Continental Oil Company
2.	Sec. 12: NE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$	80	B-9734 7-10-52	State of N.M.	Continental Oil Company
3.	Sec. 14: W $\frac{1}{2}$ NW $\frac{1}{4}$	80	B-10154 3-10-53	State of N.M.	Vickers Petroleum Company
4.	Sec. 1: SE $\frac{1}{4}$ SW $\frac{1}{4}$	40	B-10224 4-10-53	State of N.M.	Continental Oil Company
5.	Sec. 2: S $\frac{1}{2}$ SE $\frac{1}{4}$	80	B-11078 3-10-54	State of N.M.	Gulf Oil Corporation
6.	Sec. 12: SW $\frac{1}{4}$ SW $\frac{1}{4}$	40	B-11214 5-10-54	State of N.M.	Magnolia Petroleum Company
7.	Sec. 2: NW $\frac{1}{4}$ SE $\frac{1}{4}$	40	B-11269 6-10-54	State of N.M.	The Texas Company
8.	Sec. 2: NE $\frac{1}{4}$ SE $\frac{1}{4}$	40	B-11454 9-11-54	State of N.M.	Sinclair Oil & Gas Company
9.	Sec. 12: SE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$	80	B-11455 9-11-54	State of N.M.	Vickers Petroleum Company
10.	Sec. 11: E $\frac{1}{2}$ E $\frac{1}{2}$	160	E-3433 4-10-60	State of N.M.	Texas Gulf Producing Company

TRACT NO.	DESCRIPTION ALL IN T1/P. 16 SOUTH, RGE. 32 EAST	NO. OF ACRES	LEASE NO. AND EXPIRATION DATE OF LEASE	LAND OWNER	RECORD OWNER OF LEASE
11.	Sec. 1: N $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$	120	E-3510 5-10-60	State of N.M.	Gulf Oil Corporation
12.	Sec. 11: N $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 13: W $\frac{1}{2}$ NW $\frac{1}{4}$	280	E-3633 6-10-60	State of N.M.	Sinclair Oil & Gas Company
13.	Sec. 14: NE $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$	200	E-3788 7-1-60	State of N.M.	Gulf Oil Corporation
14.	Sec. 2: N $\frac{1}{2}$ SW $\frac{1}{4}$	80	E-4199 9-11-60	State of N.M.	Gulf Oil Corporation
15.	Sec. 12: NW $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 14: SE $\frac{1}{4}$ NE $\frac{1}{4}$	80	E-5061 3-10-61	State of N.M.	E. G. Burke, Jr.
16.	Sec. 2: S $\frac{1}{2}$ SW $\frac{1}{4}$	80	E-5836 12-10-61	State of N.M.	Continental Oil Company
17.	Sec. 12: E $\frac{1}{2}$ SW $\frac{1}{4}$	80	B-10224 4-10-53	State of N.M.	Texas Gulf Producing Company

RECAPITULATION OF OWNERSHIP

<u>NAME</u>	<u>ACRES</u>	<u>PERCENTAGE OWNED</u>
CONTINENTAL OIL COMPANY	480	26.08695%
GULF OIL CORPORATION	480	26.08695%
SINCLAIR OIL & GAS COMPANY	320	17.39130%
TEXAS GULF PRODUCING COMPANY	240	13.04349%
VICKERS PETROLEUM COMPANY	160	8.69566%
E. G. BURKE, JR.	80	4.34783%
THE TEXAS COMPANY	40	2.17391%
MAGNOLIA PETROLEUM COMPANY	40	2.17391%
	<hr/>	
	1840	100.00000%