

REVISED EXHIBIT "B"

SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP  
OF ALL LANDS WITHIN THE CENTRAL BEST LOWER GALLUP SAND UNIT  
TOWNSHIPS 25 AND 26 NORTH, RANGE 12 WEST, SAN JUAN COUNTY, NEW MEXICO

Tract Number	Description	No. of Acres	Serial No. and Date of Lease or Application	Basic Royalty & Percentage	Lessee of Record	Overriding Royalty & Percentage	Working Interest & Percentage
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FEDERAL LANDS

1	T26N, R12W Sec. 31: Lots 2, 3, 4 SE <sup>1</sup> / <sub>4</sub> NW <sup>1</sup> / <sub>4</sub> , S <sup>1</sup> / <sub>2</sub> NE <sup>1</sup> / <sub>4</sub> , SE <sup>1</sup> / <sub>4</sub> , E <sup>1</sup> / <sub>2</sub> , SW <sup>1</sup> / <sub>4</sub>	2308.78	SF-078056 2-1-48 H.B.P.	USA 12 <sup>1</sup> / <sub>2</sub> %	Surray Mid-Continent Oil Company	None	Surray Mid-Continent Oil Company - All
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	T25N, R12W Sec. 5: Lots 3 & 4, S <sup>1</sup> / <sub>2</sub> NW <sup>1</sup> / <sub>4</sub>						
	Sec. 6: (ALL) Lots 1, 2, 3, 4, 5, 6 & 7 SE <sup>1</sup> / <sub>4</sub> NW <sup>1</sup> / <sub>4</sub> , S <sup>1</sup> / <sub>2</sub> , NE <sup>1</sup> / <sub>4</sub> , E <sup>1</sup> / <sub>2</sub> SW <sup>1</sup> / <sub>4</sub> , SE <sup>1</sup> / <sub>4</sub>						
	Sec. 7: (ALL) Lots 1, 2, 3 & 4 E <sup>1</sup> / <sub>2</sub> NW <sup>1</sup> / <sub>4</sub> , E <sup>1</sup> / <sub>2</sub> SW <sup>1</sup> / <sub>4</sub> , E <sup>1</sup> / <sub>2</sub> , N <sup>1</sup> / <sub>2</sub>						
	Sec. 8: Lot 1 & NE <sup>1</sup> / <sub>4</sub> NW <sup>1</sup> / <sub>4</sub>						

2	T25N, R12W Sec. 17: N <sup>1</sup> / <sub>2</sub> , SE <sup>1</sup> / <sub>4</sub> , E <sup>1</sup> / <sub>2</sub> , NW <sup>1</sup> / <sub>4</sub> , SW <sup>1</sup> / <sub>4</sub> , SW <sup>1</sup> / <sub>4</sub>	1040.00	SF-078058 2-1-48 H.B.P.	USA 12 <sup>1</sup> / <sub>2</sub> %	Surray Mid-Continent Oil Company	None	Surray Mid-Continent Oil Company - All
	Sec. 18: NE <sup>1</sup> / <sub>4</sub> , N <sup>1</sup> / <sub>2</sub> , SE <sup>1</sup> / <sub>4</sub> , NE <sup>1</sup> / <sub>4</sub> , NE <sup>1</sup> / <sub>4</sub> , NW <sup>1</sup> / <sub>4</sub>						
	Sec. 20: NE <sup>1</sup> / <sub>4</sub> , NE <sup>1</sup> / <sub>4</sub> , NW <sup>1</sup> / <sub>4</sub>						

REVISED EXHIBIT "B" (Continued)

3	T25N, R12W Sec. 21: N $\frac{1}{2}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$ , NE $\frac{1}{4}$ SW $\frac{1}{4}$	440.00	SF-078065 2-1-48 H.B.P.	USA 12 $\frac{1}{2}$ %	Shell Oil Company	(Listed on Page 3 of this Exhibit.)	Shell Oil Company All
4	T25N, R12W Sec. 9: N $\frac{1}{2}$	320.00	NM-036254-A 2-1-48 H.B.P.	USA 12 $\frac{1}{2}$ %	Shell Oil Company	(Listed on Page 3 of this Exhibit.)	Phillips Petroleum Company - All
4A	T25N, R12W Sec. 4: Lots 1 & 2, S $\frac{1}{2}$ NE $\frac{1}{4}$	159.84	NM-036254-A 2-1-48 H.B.P.	USA 12 $\frac{1}{2}$ %	Shell Oil Company	(Listed on Page 3 of this Exhibit.)	Shell Oil Company All
5	T26N, R12W Sec. 32: SW $\frac{1}{2}$ NE $\frac{1}{4}$	40.00	SF-078248-A 3-1-48 Extended 1-31-60	USA 12 $\frac{1}{2}$ %	Jack C. Tunstall	C.H. Nye-2% of 8/8 W.J. Weaver- $\frac{1}{2}$ % of 8/8	Texaco, Inc. - All (This lease held option agreement.)
24	T25N, R12W Sec. 10: W $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 15: W $\frac{1}{2}$ NW $\frac{1}{4}$	160.00	NM-070322-A 2-1-48 H.B.P.	USA 12 $\frac{1}{2}$ %	Shell Oil Company	(Listed on Page 3 of this Exhibit.)	Phillips Petroleum Company - All

Seven Federal Tracts Containing 4468.62 Acres or 59.19910% of Unit Area

(REVISED EXHIBIT "B" (Continued))  
OVERRIDING ROYALTY & PERCENTAGE FOR  
TRACTS 3, 4, 4A & 24

3 $\frac{1}{2}$ % of 8/8 divided as follows:

Lewis Cowan Merrill - 1/72  
Ralph & Erma Lowe - 1/18  
Hal C. & Alberta Peck - 1/18  
J. F. Postelle - 1/18  
J. R. & Lucille Martin - 1/18  
J. Ralph & Viola Stewart - 1/18  
C. B. Yarbrough - 1/36  
Katherine B. Yarbrough - 1/36  
J. Holt Jowell - 1/36  
W. H. & Alberta Sloan - 1/18  
Robert M. Faskin Estate - 1/18  
Gerald & Elizabeth Fitzgerald - 1/36  
Robert D. & Nancy Mae Duden - 1/18  
Reese & Rozelle B. Cleveland - 1/18  
Frank & Henrietta Schultz - 1/18  
R. M. & Lucille C. Barron - 1/18  
Kathryn D. & F. C. Ashby - 1/36  
P. O. & Bertha K. Sill - 1/72  
Lee Etta & H. A. Hedberg - 1/72  
Olive Miller - 1/32 of 1/36  
Thos. M. & Ninna Grodin - 3/32 of 1/36  
Chas. D. & Lucy L. Karutz - 1/4 of 1/36  
Georges Bigar - 3/8 of 1/36  
Robert B. Aaronson - 1/2 of 1/36  
Wm. & Florence Dubilier - 3/8 of 1/36  
Wallace S. Karutz - 3/16 of 1/36  
Lawrence L. Lavelle - 1/4 of 1/36  
Myron & Nelly Lidell - 1/4 of 1/36  
Marie Helene Weill - 1/8 of 1/36  
Benj. J. & Helen G. Pienkowski -  
1/8 of 1/36  
Lewis Otersen - 3/16 of 1/36

Stanley & Ann Zarachek - 1/8 of 1/36  
Albert & Tekla Wilkes - 3/16 of 1/36  
Alexander S. Lo Re - 1/8 of 1/36  
Daniel Alagna - 1/16 of 1/36  
Mrs. L. B. Downey(widow) - 1/24  
Connor Estate - 1/72  
Sid Weiss(S.O. Weiss) & Rosaline F.  
Weiss - 1/5 of 1/36  
Morris & Ida Levine - 1/5 of 1/36  
Wm. & Edith Levine - 1/5 of 1/36  
Harry & Tillie Swartz Lipshy -  
1/5 of 1/36  
Lewis & Ethel Freed - 1/5 of 1/36  
Marianne Weill Lester - 1/8 of 1/36  
Guy A. Weill - 1/8 of 1/36  
Guy A. Weill, Custodian - 1/4 of 1/36  
W. Benton & Mildred P. Harrison -  
1/8 of 1/36  
Wm. V. Licht - 1/8 of 1/36  
Murray Langfelder - 1/16 of 1/36  
Frank Jensis - 1/8 of 1/36  
Sam & Sarah Ada Kirschenbaum -  
1/16 of 1/36  
Leonard Bluestone - 1/4 of 1/36  
Leo A. & Mary Jane Achtschin -  
(Interest Unknown)  
Ganthers & Jan H. Westerman -  
(Interest Unknown)  
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\$100/acre out of 1 $\frac{1}{2}$ % of 8/8 as follows:  
Robert Mims - 1/4  
Betty Jean Mudge Stahl - 80% of 1/8  
Wroe Owens - 10% of 1/8  
John A. Pace - 10% of 1/8  
E. W. Mudge, Jr. - 1/8  
Gas Producers Corporation - 1/2

REVISED EXHIBIT "B" (Continued)

STATE LANDS

6	T26N, R12W Sec. 32: S $\frac{1}{2}$ SE $\frac{1}{4}$	80.00	E-31148-7 H.B.P.	State of New Mexico 12 $\frac{1}{2}$ %	El Paso Natural Gas Products Company	John Burroughs & Jean Burroughs 5% of 8/8	El Paso Natural Gas Products Company - A11
7	T25N, R12W Sec. 16: A11	610.00	E-6597-2 H.B.P.	State of New Mexico 12 $\frac{1}{2}$ %	Lawrence C. Kelly, Trustee 1/2 El Paso Natural Gas Products Company 1/2	As to N $\frac{1}{2}$ of Sec.16 T25N, R12W Lawrence C. Kelly, Trustee, and Individually 4.75% of 8/8	Lawrence C. Kelly, Trustee - 1/2 El Paso Natural Gas Products Co. - 1/2
8	T26N, R12W Sec. 32: SE $\frac{1}{4}$ NE $\frac{1}{4}$ , S $\frac{1}{2}$ NW $\frac{1}{4}$ , NE $\frac{1}{4}$ SW $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$	210.00	E-9791 2-21-56	State of New Mexico 12 $\frac{1}{2}$ %	Phillips Petroleum Company	J. D. Middleton .25% of 8/8	Phillips Petroleum Company - A11
9	T26N, R12W Sec. 32: NW $\frac{1}{4}$ SW $\frac{1}{4}$	140.00	B-11370-43 8-3-44 H.B.P.	State of New Mexico 12 $\frac{1}{2}$ %	Phillips Petroleum Company	James Palmer 3% of 8/8	Phillips Petroleum Company - A11

REVISED EXHIBIT "B" (Continued)

10 T26N, R12W  
Sec. 32: S $\frac{1}{2}$  SW $\frac{1}{4}$   
 80.00 B-11370-31  
 H.B.P.  
 State of  
 New Mexico  
 12 $\frac{1}{2}$ %

J. Felix Hickman  
 7% of 8/8

Val R. Reese &  
 Assoc. Inc. - 1/2

First Nat'l Bank  
 of Albuquerque as  
 Trustee for  
 Jeffery Leigh  
 Hickman  
 2 $\frac{1}{2}$ % of 8/8

J. R. Modrall - 1  
 John P. Vandenburg  
 1/8  
 E. R. Richardson  
 1/16

Carrol T. Payne  
 1 $\frac{1}{2}$ % of 8/8

Thomas W. Cabeen  
 1/16

Merle Hickman  
 1 $\frac{1}{2}$ % of 8/8

Oscar M. Love - 1  
 Fred Luthy - 1/32

James E. Sperling  
 1/32

Ezra M. Thompson  
 1/32

Five State of New Mexico Tracts Containing 1080.00 Acres or 14.30755% of Unit Area

Tract Number	Description	No. of Acres	Contract Number and Date	Basic Royalty and Allotment Number	Overriding Royalty	Working Interest & Percentage
<u>INDIAN LANDS</u>						
11	T25N, R12W Sec. 5: SW $\frac{1}{4}$	160.00	Navajo Allotted Contract No. 14-20-603-1292 3-21-56 H.B.P.	Hoska Da Wot (Jimmie) A/K/A Jim White A/K/A Jim White Benally - 12 $\frac{1}{2}$ % (059289)	None	Phillips Petrol Company - All
12	T25N, R12W Sec. 9: SE $\frac{1}{4}$	160.00	Navajo Allotted Contract No. 14-20-603-1228 11-10-55 H.B.P.	I Tah Nip Pah (Marry) (Marry White) A/K/A Marry White Charley (Deceased) 12 $\frac{1}{2}$ % (059286)	None	Phillips Petrol Company - All
13	T25N, R12W Sec. 5: Lots 1 & 2 SE $\frac{1}{2}$ NE $\frac{1}{4}$ (NE $\frac{1}{4}$ )	159.92	Navajo Allotted Contract No. 14-20-603-1448 12-26-56 H.B.P.	Total Basic Royalty 12 $\frac{1}{2}$ % divided as follows: Ka Da Pah A/K/A Mrs. Herbert Williams (059385) - 29/64 Gle Na Nup Pah A/K/A Mrs. Juan Devore 10/64 Hoska Da Wot (Jimmie) A/K/A Jim White (059289) - 5/64 Ah Ni Ne Pah A/K/A Salena White (059288) - 5/64 I Ni Pah A/K/A Joan White (059287) 5/64	None	El Paso Natural Products Company All

Sam Benally  
5/61

I Tah Nip Pah (Mary White)  
A/K/A Mary White Charley  
(Deceased) (059286) -  
5/61

14 T25N, R12W 160.00 Navajo Allotted Contract  
 Sec. 3: SW $\frac{1}{4}$  No. 14-20-603-1423  
 3-30-56  
 H.B.P. Ka Da Pah A/K/A Mrs. Herbert  
 Williams (059285) -  
 12 $\frac{3}{4}$ % None Pan American Petroleum  
 Corporation - All

( 15 T25N, R12W 160.00 Navajo Allotted Contract  
 Sec. 4: SE $\frac{1}{4}$  No. 14-20-603-1424  
 4-20-56  
 H.B.P. Total Basic Royalty 12 $\frac{1}{2}$ %  
 divided as follows:  
 Na Pah (John) A/K/A William  
 L. Benally (059292) -  
 104/896 None Pan American Petroleum  
 Corporation - All

Hoska Da Wot A/K/A Jim White  
(059289) -  
132/896

Ah Ni Ne Pah A/K/A Salena  
White (059288) -  
132/896

I Ni Pah A/K/A Joan White,  
A/K/A Mrs. Joan Harrison  
(059287) -  
132/896

I Tah Nip Pah (Mary White)  
A/K/A Mary White Charley  
(Deceased) (059286) -  
132/896

Joe Blackie (Census #111118) -  
38/896

Ushka Nah No Tah A/K/A  
Ernest Blackie -  
57/896

Mabel Blackie -  
57/896

Gle Na Nup Pah A/K/A  
Mrs. Juan Devore  
56/896

Ka Da Pah A/K/A  
Mrs. Herbert Williams  
(059285) -  
56/896

160.00 Navajo Allotted Contract  
No. 14-20-603-1449  
4-10-56  
H.B.P.

Total Basic Royalty 12 $\frac{1}{2}$ %  
divided as follows:  
Gle Na Nup Pah A/K/A  
Mrs. Juan Devore  
2/8

None

Southern Union Gas  
Company - All

T2M, R12M  
Sec. 10: NW $\frac{1}{4}$

Ka Da Pah A/K/A  
Mrs. Herbert Williams  
(059285) -  
1/8

Hoska Da Wot (Jimmie) A/K/A  
Jim White (059289) -  
1/8

Ah Ni Ne Pah A/K/A  
Salena White (059288) -  
1/8

I Ni Pah A/K/A Joan White  
(059287) -  
1/8

I Tah Nip Pah (Mary White)  
A/K/A Mary White Charley  
(Deceased) (059286) -  
1/8

Sam Benally -  
1/8

REVISED EXHIBIT "B" (Continued)

17	<u>T25N, R12W</u> Sec. 4: Lots 3 & 4 S $\frac{1}{2}$ NW $\frac{1}{4}$	159.92	Navajo Allotted Contract No. 11-20-603-322 11-12-53	Total Basic Royalty 12 $\frac{1}{2}$ % divided as follows: Ka Da Pah A/K/A Mrs. Herbert Williams (059285) - 43/64 Hoska Da Wot (Jimmie) A/K/A Jim White (059289) - 3/64 Ah Ni Ne Pah A/K/A Salena White (059288) - 3/64 I Ni Pah A/K/A Joan White A/K/A Mrs. Joan Harrison (059287) - 3/64 I Tah Nip Pah (Mary White) A/K/A Mary White Charley (Deceased) (059286) - 3/64 Sam Benally - 3/64 Gle Na Nup Pah - 6/64	None	Amer Corp
18	<u>T25N, R12W</u> Sec. 4: SW $\frac{1}{4}$	160.00	Navajo Allotted Contract No. 11-20-603-321 11-12-53 H.B.P.	Ka Da Pah A/K/A Mrs. Herbert Williams (059285) - 12 $\frac{1}{2}$ % Lease Allotment No. 011670	None	Amer Corp
19	<u>T25N, R12W</u> Sec. 5: SE $\frac{1}{4}$	160.00	Navajo Allotted Contract No. 11-20-603-323 11-12-53 H.B.P.	Total Basic Royalty 12 $\frac{1}{2}$ % divided as follows: Gle Na Nup Pah A/K/A Mrs. Juan Devore 2/8	None	Amer Corp



REVISED EXHIBIT "B" (Continued)

23	<u>T26N, R12W</u> Sec. 33: S $\frac{1}{2}$ SW $\frac{1}{4}$	80.00	Navajo Allotted Contract No. 14-20-603-327 12-10-53	Na Pah (John) A/K/A William L. Benally (059292) 12 $\frac{1}{2}$ %	None	Amerada Petro Corporation -
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13 Tracts Indian Allotted Land Containing 1999.84 acres or 26.49335% of Unit A

CENTRAL BIST LOWER GAILUP SAND UNIT AREA

TOTALS:

7	Federal Tracts	4468.62	acres	59.19910%
5	State of New Mexico Tracts	1080.00	acres	14.30755%
13	Tracts Indian Allotted Land	1999.84	acres	26.49335%
		<u>7548.46</u>	<u>acres</u>	<u>100.000000%</u>

SECOND REVISED EXHIBIT C  
 (August 12, 1959)  
 SCHEDULE OF TRACT PERCENTAGE PARTICIPATION  
 CENTRAL BISTI LOWER GALLUP SAND UNIT  
 SAN JUAN COUNTY, NEW MEXICO

<u>Tract Number</u>	<u>Description</u>	<u>Serial No. and Date of Lease or Application</u>	<u>Percentage Participation</u>
<u>Federal Lands</u>			
1	T-26N, R-12W: Sec. 31; Lot 4, S $\frac{1}{2}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$	SF-078056 2-1-48 H.B.P.	41.76861
	T-25N, R-12W: Sec. 5; Lots 3 and 4, S $\frac{1}{2}$ NW $\frac{1}{4}$ Sec. 6; (all) Lots 1, 2, 3, 4, 5, 6 & 7, SE $\frac{1}{4}$ NW $\frac{1}{4}$ , S $\frac{1}{2}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ Sec. 7; Lots 1, 2, E $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$ Sec. 8; N $\frac{1}{2}$		
2	T-25N, R-12W: Sec. 17; N $\frac{1}{2}$ NW $\frac{1}{4}$ , N $\frac{1}{2}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ SE $\frac{1}{4}$	SF-078058 2-1-48 H.B.P.	2.09137
3	T-25N, R-12W: Sec. 21; N $\frac{1}{2}$ NE $\frac{1}{4}$	SF-078065 2-1-48 H.B.P.	0.55787
4	T-25N, R-12W: Sec. 9; N $\frac{1}{2}$	NM-036254-A 2-1-48 H.B.P.	10.40892
24	T-25N, R-12W: Sec. 10; W $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 15; W $\frac{1}{2}$ NW $\frac{1}{4}$	NM-070322-A 2-1-48 H.B.P.	4.04359
<u>State Lands</u>			
7	T-25N, R-12W: Sec. 16; All	E-6597-2 H.B.P.	6.67053

<u>Tract Number</u>	<u>Description</u>	<u>Navajo Allotted Contract No. and Date</u>	<u>Percentage Participation</u>
		<u>Indian Allotted Lands</u>	
11	T-25N, R-12W: Sec. 5; SW $\frac{1}{4}$	14-20-603-1292 H.B.P.	4.55355
12	T-25N, R-12W: Sec. 9; SE $\frac{1}{4}$	14-20-603-1228 H.B.P.	4.45422
13	T-25N, R-12W: Sec. 5; S $\frac{1}{2}$ NE $\frac{1}{4}$	14-20-603-1448 H.B.P.	0.81050
14	T-25N, R-12W: Sec. 3; SW $\frac{1}{4}$	14-20-603-1423 H.B.P.	0.90115
15	T-25N, R-12W: Sec. 4; SE $\frac{1}{4}$	14-20-603-1424 H.B.P.	2.10163
16	T-25N, R-12W: Sec. 10; NW $\frac{1}{4}$	14-20-603-1449 H.B.P.	3.75487
18	T-25N, R-12W: Sec. 4; SW $\frac{1}{4}$	14-20-603-321 11-12-53 H.B.P.	3.29207*
19	T-25N, R-12W: Sec. 5; SE $\frac{1}{4}$	14-20-603-323 11-12-53 H.B.P.	4.19727
20	T-25N, R-12W: Sec. 8; SW $\frac{1}{4}$	14-20-603-324 11-12-53 H.B.P.	1.88111
21	T-25N, R-12W: Sec. 8; SE $\frac{1}{4}$	14-20-603-325 11-12-53 H.B.P.	3.94305
22	T-25N, R-12W: Sec. 9; SW $\frac{1}{4}$	14-20-603-326 11-12-53 H.B.P.	4.56969
		TOTAL	<u>100.00000</u>

\* By agreement the Amerada Ka-da-pah #1 well, situated on Tract 18 was credited with the maximum production factor in computing "total tract oil production during base period" with respect to Tract 18 in contemplation of the use of said well as an injection well.

PROOF OF MAILING

STATE OF OKLAHOMA )  
                          ) SS.  
COUNTY OF TULSA )

N. E. PROCTOR, JR., of lawful age, being duly sworn, deposes and says:

That he is attorney for SUNRAY MID-CONTINENT OIL COMPANY, the Unit Operator under that certain Unit Agreement for the Development and Operation of the Central Bisti Lower Gallup Sand Unit Area, San Juan County, New Mexico.

That on September 29, 1959, there was deposited in the United States Mail, postage prepaid, pursuant to Section 2 of said Unit Agreement, the attached "Notice of Proposed Enlargement of the Central Bisti Lower Gallup Sand Unit Area, San Juan County, New Mexico," together with "Revised Exhibit A", showing the Unit Area and participating area as proposed to be enlarged, "Revised Exhibit B" showing a schedule of the percentage and kind of ownership of all lands within the Unit Area and "Second Revised Exhibit C" showing a schedule of Tract Percentage Participation in the Unit Area as proposed to be enlarged, addressed to the Supervisor, United States Geological Survey at Roswell, New Mexico, the Commissioner of Public Lands of the State of New Mexico at Santa Fe, New Mexico, and the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, and also copies thereof mailed on the same date to the last known addresses of each Working Interest Owner, Lessee, and Lessor whose interests are affected. The Addressee List attached hereto reflects the parties and addresses to which such notices were mailed.

DATED this 2nd day of November, 1959.

N. E. Proctor Jr.  
N. E. Proctor, Jr.

Subscribed and sworn to before me this 29 day of November, 1959.

Kathryn Strickland  
Notary Public in and for said  
County and State

My Commission expires:

May 3, 1960

NOTICE OF PROPOSED ENLARGEMENT OF THE  
CENTRAL BISTI LOWER GALLUP SAND UNIT AREA  
SAN JUAN COUNTY, NEW MEXICO

TO WHOM IT MAY CONCERN:

The Unit Agreement for the development and operation of the Central Bisti Lower Gallup Sand Unit Area, San Juan County, New Mexico, was approved by the Commissioner of Public Lands of the State of New Mexico on June 18, 1959; by the Acting Assistant Area Director, Gallup Area Office, Bureau of Indian Affairs on June 2, 1959; and was approved by the Acting Director of the United States Geological Survey on June 26, 1959. Accordingly, the Central Bisti Lower Gallup Sand Unit Area became effective on July 1, 1959.

Section 2 of the Unit Agreement provides that the Unit Area shall be expanded or contracted whenever such action is necessary or advisable to conform with the purposes of the agreement. Section 2 also provides that the Unit Operator, with concurrence of at least 65 per cent of the voting interests and after preliminary concurrence by the Director of the United States Geological Survey, shall prepare a notice of proposed expansion or contraction describing the changes in the boundaries of the Unit Area and the proposed effective date thereof preferably the first day of a month subsequent to the date of notice.

The Unit Operator, having received concurrence of Working Interest Owners having voting interests in excess of 65 per cent, proposes to enlarge the Unit Area of the said Central Bisti Lower Gallup Sand Unit to incorporate therein the following described lands:

$W\frac{1}{2}$  of  $SW\frac{1}{4}$  of Section 10 and the  
 $W\frac{1}{2}$  of  $NW\frac{1}{4}$  of Section 15, all in  
Township 25 North, Range 12 West,  
San Juan County, New Mexico

which lands will also be added to the participating area of the Unit as presently constituted.

All of the lands last described are productive from the same reservoir from which the Unit Area as presently constituted is producing and the inclusion of said land in the Unit Area is consistent with the present existing approved plan of development wherein provision is made for the completion of water injection wells on the lands last above described.

Attached is a map entitled "Revised Exhibit A" showing the Unit Area and participating area as proposed to be enlarged. There is also attached "Revised Exhibit B" showing a schedule of the percentage and kind of ownership of all lands within the Unit Area as enlarged and a "Second Revised Exhibit C" showing a Schedule of Tract Percentage Participation in the Unit Area as enlarged.

NOTICE IS HEREBY GIVEN, as provided in Section 2 of said agreement, that SUNRAY MID-CONTINENT OIL COMPANY, as Unit Operator, proposes to enlarge the said Unit Area and participating area as aforesaid and that the enlargement become effective as of October 1, 1959.

Section 2 of the said Unit Agreement further provides that you may, within 30 days from the receipt hereof, submit to SUNRAY MID-CONTINENT OIL COMPANY, P. O. Box 2039, Tulsa 2, Oklahoma, as Unit Operator, any objections you may have to this proposed enlargement.

DATED at Tulsa, Oklahoma, this 29th day of September, 1959.

SUNRAY MID-CONTINENT OIL COMPANY  
"UNIT OPERATOR"

By   
R. W. Griffith

Attachments

ADDRESSEE LIST

for

NOTICE OF PROPOSED ENLARGEMENT OF THE  
CENTRAL BISTI LOWER GALLUP SAND UNIT AREA  
SAN JUAN COUNTY, NEW MEXICO

MAILED

SEPTEMBER 29, 1959

Mr. John Anderson  
Regional Supervisor  
United States Geological Survey  
Roswell, New Mexico

Area Director  
Bureau of Indian Affairs  
Department of Interior  
Gallup, New Mexico

Attention Mr. Dismuke  
Area Realty Officer

The Commissioner of Public Lands  
State Land Office  
Capitol Building  
Santa Fe, New Mexico

New Mexico Oil Conservation Commission  
125 Mabry Hall  
Capitol Building  
Santa Fe, New Mexico

Amerada Petroleum Corporation  
P. O. Box 2040  
Tulsa 2, Oklahoma  
Attention Mr. J. C. Blackwood

El Paso Natural Gas Products Co.  
P. O. Box 1161  
El Paso, Texas  
Attention Mr. W. T. Hollis

Pan American Petroleum Corporation  
P. O. Box 1410  
Fort Worth 1, Texas  
Attention Mr. Lawrence E. Brock

Phillips Petroleum Company  
Phillips Building  
Bartlesville, Oklahoma  
Attention Mr. Jack Tarner

Southern Union Gas Company  
1001 Burt Building  
Dallas, Texas  
Attention Mr. A. M. Wiederkehr

Shell Oil Company  
705 West Municipal Drive  
Farmington, New Mexico  
Attention Mr. R. R. Robison

Amerada Petroleum Corporation  
P. O. Box 2040  
Tulsa 2, Oklahoma  
Attention Mr. H. Arthur Nedom

El Paso Natural Gas Products Co.  
P. O. Box 1161  
El Paso, Texas  
Attention Mr. R. L. Hamblin

Pan American Petroleum Corporation  
P. O. Box 487  
Farmington, New Mexico  
Attention Mr. L. O. Speer

Phillips Petroleum Company  
P. O. Box 548  
Cortez, Colorado  
Attention Mr. C. M. Boles

Southern Union Gas Company  
1001 Burt Building  
Dallas, Texas  
Attention Mr. Paul J. Clote

Mr. Lawrence C. Kelly  
309 Bank of America Building  
Beverly Hills, California

Texaco, Inc.  
P. O. Box 3109  
Midland, Texas

Attention Mr. B. E. Helman

Mr. Jack C. Tunstill  
Fort Worth National Bank Building  
Fort Worth, Texas

Salena White  
a/k/a Ah Ni Ne Pah  
Carson Trading Post,  
New Mexico

Sam Jim Benally  
a/k/a Sam Benally  
Crown Point, New Mexico

Joe Blackie  
Gallegos Trading Post,  
New Mexico

Mabel Blackie  
c/o General Delivery  
Farmington, New Mexico

Mrs. Juan Devore  
a/k/a Gle Na Nop Pah  
Crown Point, New Mexico

Jim White Benally  
a/k/a Hoska Da Wot and  
Pannie White Benally  
General Delivery  
Aztec, New Mexico

Mrs. Joan Harrison  
a/k/a Ini Pah  
1998 149th Avenue  
San Leandro, California

Everett Charley  
Gallegos Trading Post,  
New Mexico

Alice Mae Charley  
Gallegos Trading Post,  
New Mexico

Sally Ann Charley  
Gallegos Trading Post,  
New Mexico

Dorothy Anna Charley  
Gallegos Trading Post,  
New Mexico

Kenneth B. Charley  
Gallegos Trading Post,  
New Mexico

Mrs. Herbert Williams  
a/k/a Ka Da Pah  
Carson Trading Post,  
New Mexico

Mrs. Don Gleason  
a/k/a Na Des Pah or  
Nah Des Pah  
Carson Trading Post,  
New Mexico

William L. Benally  
a/k/a Na Pah (John)  
Carson Trading Post,  
New Mexico

Ernest Blackie  
a/k/a Ushka Nah No Tah  
Wolcott, Colorado

Robert B. Aaronson  
150 Broadway  
New York 38, New York

Leo A. & Mary Jane Achtschin  
Suite 211, 505 North Ervay  
Dallas 1, Texas

F. C. and Kathryn D. Ashby  
Box 1854  
Midland, Texas

Daniel Alagna  
67-52 179th Street  
Flushing 65, New York

R. M. and Lucille C. Barron  
Box 182  
Midland, Texas

Leonard Bluestone  
98 Fort Greene Pl.  
Brooklyn 17, New York

Georges Bigar  
1035 Fifth Avenue  
New York 28, New York

The Honorable John Burroughs  
Governor of the State of New Mexico  
Capitol Building  
Santa Fe, New Mexico

Reese & Roselle B. Cleveland  
P. O. Box 46  
Midland, Texas

L. B. Downey  
606 Storey  
Midland, Texas

William D. & Florence Dubilier  
72 Esplanade  
New Rochelle, New York

Robert D. & Nancy Mae Duden  
115 West 66th Street  
Kansas City 13, Missouri

Robert Murray Fasken,  
Executor & Trustee under Will  
of Andrew Fasken, Deceased,  
1201 Bedford Drive  
Midland. Texas

Gerald & Elizabeth Fitz-Gerald  
P. O. Box 1885  
Midland, Texas

Lewis & Ethel Freed  
8615 East Edgemere  
Dallas 25, Texas

Gas Producers Corporation  
1512 Commerce Street  
Dallas, Texas

Thomas M. & Ninna Grodin  
110-26 68 Road  
Forrest Hills 75, New York

W. Benton & Mildred P. Harrison  
380 Dagwood Lane  
Manhasset, New York

Lee Etta & W. A. Hedberg  
3001 Alton Road  
Fort Worth, Texas

Frank & Margaret Jensis  
1615 Putnam Avenue  
Brooklyn 27, New York

Chas D. & Lucy L. Karutz  
109 Puritan Avenue  
Forrest Hills Gardens 75, New York

Wallace S. Karutz  
118 Penn Avenue  
Brooklyn, New York

Sam & Sarah Ada Kirschenbaum  
2457 East 26th Street  
Brooklyn 35, New York

Lawrence L. Lavelle  
80 Hanson Pl.  
Brooklyn, New York

Marianne Weill Lester  
c/o British American Oil Co.  
200 Fifth Avenue  
New York 10, New York

Morris & Ida Levine  
8908 Ambassador Row  
Dallas, Texas

William & Edith Levine  
8908 Ambassador Row  
Dallas, Texas

Myron & Nelly Lidell  
11 West 42nd Street  
New York 36, New York

Harry & Tillie S. Lipsky  
8908 Ambassador Row  
Dallas, Texas

William V. Licht  
1402 East 31st Street  
Brooklyn 10, New York

Murray Longfelder  
1002 Ditmar Avenue  
Brooklyn, New York

Alexander S. LoRe  
2365 Dean Street  
Brooklyn, New York

Ralph & Erma Lowe  
P. O. Box 832  
Midland, Texas

J. R. & Lucille Martin  
Box 1247  
Midland, Texas

J. D. Middleton  
9531 Heather Rd.  
Beverly Hills, California

Mrs. Olive Miller  
1201 Union Street  
Brooklyn, New York

Robert Mims  
816 Reliance Life  
Dallas, Texas

Lewis Cowan Merrill  
32 East 64th Street  
New York, New York

E. W. Mudge, Jr.  
2931 Republic Bank Bldg.  
Dallas 1, Texas

C. H. & Linda Nye  
108 N. Orchard Avenue  
Farmington, New Mexico

Lewis Otersen  
77 Logan Street  
Brooklyn 8, New York

Wroe Owens,  
Perry-Brooks Bldg.  
Austin, Texas

John A. Pace  
1735 Republic Nat'l Bank Bldg.  
Dallas, Texas

Hal C. & Josie Fay Peck  
Box 1681  
Midland, Texas

Benj. J. & Helen G. Pienkowski  
121 Bentley Avenue  
Jersey City, New Jersey

Frank A. & Henrietta Schultz  
4644 Park Lane  
Dallas, Texas

P. O. & Bertha Sill  
1209 Bedford  
Midland, Texas

W. H. & Alberta Sloan  
2000 Mercantile Bank Bldg.  
Dallas 1, Texas

Betty Jean Stahl  
c/o Republic Nat'l Bank of Dallas  
Dallas, Texas

J. Ralph & Viola Stewart  
P. O. Box 1254  
San Angelo, Texas

W. J. & Marjorie Weaver  
4117 Tamworth Road  
Fort Worth, Texas

Guy A. Weill (Indiv. & As  
Custodian)  
c/o British American Oil Co.  
200 Fifth Avenue  
New York 10, New York

Marie Helene Weill  
1035 Fifth Avenue  
New York 28, New York

S. O. (Sid) & Rosaline Weiss  
8908 Ambassador Row  
Dallas, Texas

Gauthers A. & Jan H. Westerman  
Suite 211, 505 North Ervay  
Dallas 1, Texas

Albert B. & Tekla Wilkes  
211 Autumn Avenue  
Brooklyn 8, New York

C. B. Yarbrough  
Melrose Hotel  
Dallas, Texas

Katherine B. Yarbrough  
Box 1471  
Midland, Texas

Stanley E. & Ann Zacharek  
166 Jewett Avenue  
Jersey City, New Jersey

# STATE LAND OFFICE

*Santa Fe, New Mexico*

In reply refer to:  
Unit Division



MURRAY E. MORGAN  
COMMISSIONER

October 6, 1959

Sunray Mid-Continent Oil Company  
P. O. Box 2039  
Tulsa 2, Oklahoma

ATTENTION: Mr. R. W. Griffith

Re: Central Bisti Lower Gallup Sand  
Unit Area,  
San Juan County, New Mexico

Gentlemen:

We have received your notice of Proposed Enlargement of the Central Bisti Lower Gallup Sand Unit Area, San Juan County, New Mexico, which was dated September 29, 1959.

This notice is in compliance with Section 2, subsection (b) of the unit agreement and said enlargement will become effective as of October 1, 1959, upon further compliance with the requirement of section 2 and upon approval by the Director, Commissioner and the Commission.

Very truly yours,  
MURRAY E. MORGAN  
Commissioner of Public Lands

BY: *Ted Bilberry*  
Ted Bilberry, Supervisor  
Oil and Gas Division

MEM/mmrm/m  
cc:

Oil Conservation Commission  
Santa Fe, New Mexico

United States Geological Survey  
Roswell, New Mexico



IN REPLY REFER TO:

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

P. O. Box 6721  
Roswell, New Mexico

October 7, 1959

Sunray Mid-Continent Oil Company  
P. O. Box 2039  
Tulsa 2, Oklahoma

Attention: R. W. Griffith

Gentlemen:

Receipt is acknowledged of five copies of your "Notice of Proposed Enlargement of the Central Bisti Lower Gallup Sand unit area" dated September 29, 1959, submitted in accordance with Sec. 2(b) of the Central Bisti Lower Gallup Sand unit agreement (No. 14-08-001-6090). Preliminary approval of the proposed unit area and participating area expansion was granted by the Acting Director on September 29, 1959.

Copies of this notice are being distributed by copy of this letter to the appropriate government offices to be filed with the official case records. One copy of the notice is returned herewith as surplus to our needs.

Very truly yours,

EDWIN M. THOMASSON

Acting Oil and Gas Supervisor

Enclosure

# SUNRAY MID-CONTINENT OIL COMPANY

P. O. BOX 1038

TULSA 2, OKLAHOMA

September 29, 1959

Working Interest Owners  
Central Bisti Lower Gallup Sand Unit  
(Addressee List attached)

Re: Notice of Proposed Enlargement of  
the Central Bisti Lower Gallup  
Sand Unit Area, San Juan County,  
New Mexico

---

Gentlemen:

There is attached Notice of Proposed Enlargement of the Central Bisti Lower Gallup Sand Unit Area, San Juan County, New Mexico, submitted pursuant to the provisions of Section 2 of the Unit Agreement referred to in said notice.

You are requested to acknowledge receipt of the attached Notice on a copy of this letter and return a signed copy of this letter to the undersigned as evidence of receipt of same.

Yours very truly,

SUNRAY MID-CONTINENT OIL COMPANY

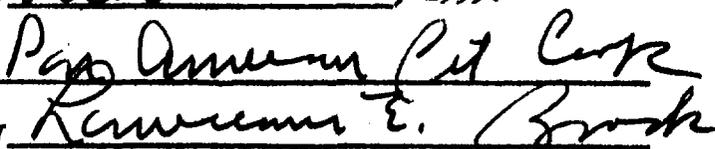
By

  
R. W. Griffith

Attachment

Receipt of Notice of Proposed Enlargement of the Central Bisti Lower Gallup Sand Unit Area, San Juan County, New Mexico, is acknowledged this 1st day of October, 1959.

By

  
Lawrence E. Brooks



# SUNRAY MID-CONTINENT OIL COMPANY

P. O. BOX 1039

TUSA, N. MEXICO

September 29, 1959

Working Interest Owners  
Central Bisti Lower Gallup Sand Unit  
(Addressee List attached)

Re: Notice of Proposed Enlargement of  
the Central Bisti Lower Gallup  
Sand Unit Area, San Juan County,  
New Mexico

---

Gentlemen:

There is attached Notice of Proposed Enlargement of the Central Bisti Lower Gallup Sand Unit Area, San Juan County, New Mexico, submitted pursuant to the provisions of Section 2 of the Unit Agreement referred to in said notice.

You are requested to acknowledge receipt of the attached Notice on a copy of this letter and return a signed copy of this letter to the undersigned as evidence of receipt of same.

Yours very truly,

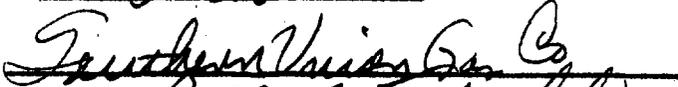
SUNRAY MID-CONTINENT OIL COMPANY

By

  
R. W. Griffith

Attachment

Receipt of Notice of Proposed Enlargement of the Central Bisti Lower Gallup Sand Unit Area, San Juan County, New Mexico, is acknowledged this 5th day of October, 1959.

  
By A. M. Wood



# SUNRAY MID-CONTINENT OIL COMPANY

P. O. BOX 1039

TULSA 2, OKLAHOMA

September 29, 1959

Working Interest Owners  
Central Bisti Lower Gallup Sand Unit  
(Addressee List attached)

Re: Notice of Proposed Enlargement of  
the Central Bisti Lower Gallup  
Sand Unit Area, San Juan County,  
New Mexico

---

Gentlemen:

There is attached Notice of Proposed Enlargement of the Central Bisti Lower Gallup Sand Unit Area, San Juan County, New Mexico, submitted pursuant to the provisions of Section 2 of the Unit Agreement referred to in said notice.

You are requested to acknowledge receipt of the attached Notice on a copy of this letter and return a signed copy of this letter to the undersigned as evidence of receipt of same.

Yours very truly,

SUNRAY MID-CONTINENT OIL COMPANY

By

  
R. W. Griffith

Attachment

Receipt of Notice of Proposed Enlargement of the Central Bisti Lower Gallup Sand Unit Area, San Juan County, New Mexico, is acknowledged this 30<sup>th</sup> day of September, 1959.

Shell Oil Company  
By DMotion



4

# SUNRAY MID-CONTINENT OIL COMPANY

P. O. BOX 2038

TULSA 2, OKLAHOMA

September 29, 1959

Working Interest Owners  
Central Bisti Lower Gallup Sand Unit  
(Addressee List attached)

Re: Notice of Proposed Enlargement of  
the Central Bisti Lower Gallup  
Sand Unit Area, San Juan County,  
New Mexico

---

Gentlemen:

There is attached Notice of Proposed Enlargement of the Central Bisti Lower Gallup Sand Unit Area, San Juan County, New Mexico, submitted pursuant to the provisions of Section 2 of the Unit Agreement referred to in said notice.

You are requested to acknowledge receipt of the attached Notice on a copy of this letter and return a signed copy of this letter to the undersigned as evidence of receipt of same.

Yours very truly,

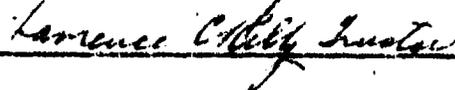
SUNRAY MID-CONTINENT OIL COMPANY

By

  
R. W. Griffith

Attachment

Receipt of Notice of Proposed Enlargement of the Central Bisti Lower Gallup Sand Unit Area, San Juan County, New Mexico, is acknowledged this 30<sup>th</sup> day of September, 1959.

  
\_\_\_\_\_  
By   
\_\_\_\_\_



# SUNRAY MID-CONTINENT OIL COMPANY

P. O. BOX 2038

TULSA 2, OKLAHOMA

September 29, 1959

*Return to*

Working Interest Owners  
Central Bisti Lower Gallup Sand Unit  
(Addressee List attached)

Re: Notice of Proposed Enlargement of  
the Central Bisti Lower Gallup  
Sand Unit Area, San Juan County,  
New Mexico

---

Gentlemen:

There is attached Notice of Proposed Enlargement of the Central Bisti Lower Gallup Sand Unit Area, San Juan County, New Mexico, submitted pursuant to the provisions of Section 2 of the Unit Agreement referred to in said notice.

You are requested to acknowledge receipt of the attached Notice on a copy of this letter and return a signed copy of this letter to the undersigned as evidence of receipt of same.

Yours very truly,

SUNRAY MID-CONTINENT OIL COMPANY

By

*R. W. Griffith*  
R. W. Griffith

Attachment

Receipt of Notice of Proposed Enlargement of the Central Bisti Lower Gallup Sand Unit Area, San Juan County, New Mexico, is acknowledged this 30th day of September, 1959.

By

*Phillips Pet. Co.*

*Jack Parmer*



# SUNRAY MID-CONTINENT OIL COMPANY

P. O. BOX 2038

TULSA 2, OKLAHOMA

September 29, 1959

Working Interest Owners  
Central Bisti Lower Gallup Sand Unit  
(Addressee List attached)

Re: Notice of Proposed Enlargement of  
the Central Bisti Lower Gallup  
Sand Unit Area, San Juan County,  
New Mexico

---

Gentlemen:

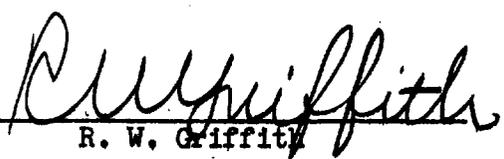
There is attached Notice of Proposed Enlargement of the Central Bisti Lower Gallup Sand Unit Area, San Juan County, New Mexico, submitted pursuant to the provisions of Section 2 of the Unit Agreement referred to in said notice.

You are requested to acknowledge receipt of the attached Notice on a copy of this letter and return a signed copy of this letter to the undersigned as evidence of receipt of same.

Yours very truly,

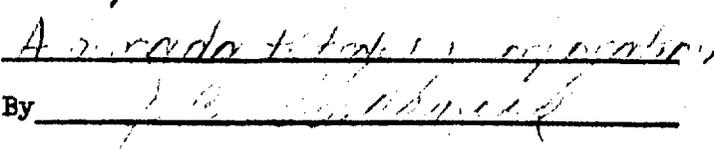
SUNRAY MID-CONTINENT OIL COMPANY

By

  
R. W. Griffith

Attachment

Receipt of Notice of Proposed Enlargement of the Central Bisti Lower Gallup Sand Unit Area, San Juan County, New Mexico, is acknowledged this 29 day of September, 1959.

By 



2

# SUNRAY MID-CONTINENT OIL COMPANY

P. O. BOX 2038

TULSA 2, OKLAHOMA

September 29, 1959

Working Interest Owners  
Central Bisti Lower Gallup Sand Unit  
(Addressee List attached)

Re: Notice of Proposed Enlargement of  
the Central Bisti Lower Gallup  
Sand Unit Area, San Juan County,  
New Mexico

---

Gentlemen:

There is attached Notice of Proposed Enlargement of the Central Bisti Lower Gallup Sand Unit Area, San Juan County, New Mexico, submitted pursuant to the provisions of Section 2 of the Unit Agreement referred to in said notice.

You are requested to acknowledge receipt of the attached Notice on a copy of this letter and return a signed copy of this letter to the undersigned as evidence of receipt of same.

Yours very truly,

SUNRAY MID-CONTINENT OIL COMPANY

By

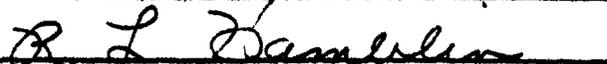
  
R. W. Griffith

Attachment

Receipt of Notice of Proposed Enlargement of the Central Bisti Lower Gallup Sand Unit Area, San Juan County, New Mexico, is acknowledged this 30 day of September, 1959.

EL PASO NATURAL GAS PRODUCTS CO.

By

  
Manager, Land Department



# SUNRAY MID-CONTINENT OIL COMPANY

P. O. BOX 2039

TULSA 2, OKLAHOMA

September 29, 1959

Working Interest Owners  
Central Bisti Lower Gallup Sand Unit  
(Addressee List attached)

Re: Notice of Proposed Enlargement of  
the Central Bisti Lower Gallup  
Sand Unit Area, San Juan County,  
New Mexico

---

Gentlemen:

There is attached Notice of Proposed Enlargement of the Central Bisti Lower Gallup Sand Unit Area, San Juan County, New Mexico, submitted pursuant to the provisions of Section 2 of the Unit Agreement referred to in said notice.

You are requested to acknowledge receipt of the attached Notice on a copy of this letter and return a signed copy of this letter to the undersigned as evidence of receipt of same.

Yours very truly,

SUNRAY MID-CONTINENT OIL COMPANY

By

  
R. W. Griffith

Attachment

Receipt of Notice of Proposed Enlargement of the Central Bisti Lower Gallup Sand Unit Area, San Juan County, New Mexico, is acknowledged this 30th day of September, 1959.

TEXACO INC.  
By M. S. Hellman  
Agent



October 2, 1959  
San Lorenzo, Calif.

Sunray Mid-Centinent Oil Company  
Unit Operator  
P.O. Box 2039  
Tulsa 2, Oklahoma

Dear Mr. R.W. Griffith:

Your letter regarding the developing and operation of the Central Bisti Lower Gallup Sand Unit Area San Juan County, New Mexico in regard to enlargement was not as clear as it should be without some further explanation.

In a layman's language just exactly what effect will this enlargement mean to myself in respect to increasing or decreasing my revenue percentage wise and dollar wise. Please give us what it will be dollar wise per month or year either way.

Your early reply appreciated as I wish to file my decision upon receipt of your answer clarifying your letter dated 9-29-59 regarding this proposed enlargement of the subject matter. As a land owner and interested party, I am sure you can understand my position in wanting an ~~answe~~- answer.

Very truly yours,

*Mrs. Jean Harrison*  
Mrs. Jean Harrison  
A/K/A INI PAH  
15532-Wagner Street  
San Lorenzo, California

SUNRAY MID-CONTINENT OIL COMPANY  
P. O. BOX 2039  
TULSA, OKLAHOMA

COPY

October 6, 1959

Mrs. Joan Harrison  
A/K/A Ini Pah  
15532 Wagner Street  
San Lorenzo, California

Dear Mrs. Harrison:

This is in reply to your letter of October 2 inquiring as to the notice which you have received regarding enlargement of the Central Bisti Lower Gallup Sand Unit Area, San Juan County, New Mexico. The notice which you have received is a formality necessary under the provisions of the Unit Agreement. From the onset of negotiations regarding the formation of this Unit it was always contemplated that the two 80-acre tracts involved in the enlargement would be in the Unit. However, at the time initial authorization for the Unit was obtained a trade involving these two 80-acre tracts between Phillips Oil Company and Shell Oil Company had not been consummated. As it was necessary to start this project in the summer of 1959 in order to have liquified petroleum gas available for injection the initial Unit was formed without these two 80-acre tracts. It was understood, however, that the tracts would be added to the Unit as soon as the Phillips Petroleum Company was in a position to do so.

The enlargement of the Unit to include these two 80-acre tracts will in no way affect your revenue from your participation in the Unit. Actually, you will have a slightly smaller percentage in a larger volume of unit oil, which will be compensating resulting in no change in your income.

It may interest you to know that this very significant secondary recovery project is working very well and all indications are that it will result in great benefits in increased oil recovery to all interest owners.

It may be that you have noticed some recent reductions in your royalty payments. This will be of very short duration and resulted from the necessity of reducing the oil production from the Unit Area from the period from July through possibly November in order that the reservoir pressure can be increased by the injection of LPG, gas and water. We expect to have pressure restored by December and at that time oil production will be brought back up to a higher

R E C O P Y

Mrs. Joan Harrison  
October 6, 1959  
Page 2.

rate than that which prevailed prior to unitization. This increased rate should continue thereafter for several years.

We hope that this answers your questions and again wish to assure you that the Central Bisti Unit operations will be to your substantial benefit.

Yours very truly,

SUNRAY MID-CONTINENT OIL COMPANY

/s/ R. W. Griffith

R. W. Griffith