

REVISED EXHIBIT "B"

SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP
OF ALL LANDS WITHIN THE CENTRAL BIST 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 $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$, E $\frac{1}{2}$, SW $\frac{1}{4}$	2308.78	SF-078056 2-1-48 H.B.P.	USA 12 $\frac{1}{2}$ %	Sunray Mid-Continent Oil Company	None	Sunray Mid-Continent Oil Company - All
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T25N, R12W

Sec. 5:	Lots 3 & 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:	(ALL) Lots 1, 2, 3 & 4 E $\frac{1}{2}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, E $\frac{1}{2}$, N $\frac{1}{2}$
Sec. 8:	Lot 1 & NE $\frac{1}{4}$ NW $\frac{1}{4}$
Sec. 18:	

2

T25N, R12W	1040.00	SF-078058 2-1-48 H.B.P.	USA 12 $\frac{1}{2}$ %	Sunray Mid-Continent Oil Company	None	Sunray Mid-Continent Oil Company - All
Sec. 17:	N $\frac{1}{2}$, SE $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$					
Sec. 18:	NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$					
Sec. 20:	NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$					

REVISED EXHIBIT "B" (Continued)

3	<u>T25N, R12W</u> 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	<u>T25N, R12W</u> 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	<u>T25N, R12W</u> 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	<u>T26N, R12W</u> Sec. 32: SW $\frac{1}{4}$ 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 under option agreement.)
24	<u>T25N, R12W</u> 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 Lipsky -
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)

\$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	<u>T26N, R12W</u> Sec. 32: S $\frac{1}{2}$ SE $\frac{1}{4}$	80.00	E-3148-7 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 - All
7	<u>T25N, R12W</u> Sec. 16: All	640.00	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 <u>T25N, R12W</u> 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	<u>T26N, R12W</u> 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 $\frac{1}{4}$	240.00	E-9791 2-21-56	State of New Mexico 12 $\frac{1}{2}$ %	Phillips Petroleum Company	None J. D. Middleton .25% of 8/8	Phillips Petroleum Company - All
9	<u>T26N, R12W</u> Sec. 32: NW $\frac{1}{4}$ SW $\frac{1}{4}$	40.00	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 - All

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. Vandenbur
1/8

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

E. R. Richardson
1/16
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

REVISED EXHIBIT "B" (Continued)

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	<u>T25N, R12W</u> Sec. 5: <u>SW$\frac{1}{4}$</u>	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	<u>T25N, R12W</u> Sec. 9: <u>SE$\frac{1}{4}$</u>	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	<u>T25N, R12W</u> Sec. 5: <u>Lots 1 & 2</u> <u>SE$\frac{1}{2}$ NE$\frac{1}{4}$ (NE$\frac{1}{4}$)</u>	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

REVISED EXHIBIT "B" (Continued)

Sam Benally
5/64
I Tah Nip Pah (Mary White)
A/K/A Mary White Charley
(Deceased) (059286) -
5/64

14	<u>T25N, R12W</u> Sec. 3: SW $\frac{1}{4}$	160.00	Navajo Allotted Contract 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
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(15	<u>T25N, R12W</u> Sec. 4: SE $\frac{1}{4}$	160.00	Navajo Allotted Contract No. 14-20-603-1424 4-20-56 H.B.P.	Total Basic Royalty 12 $\frac{3}{4}$ % divided as follows: Na Pah (John) A/K/A William L. Benally (059292) - 104/896	None	Pan American Petroleum Corporation - All
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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

Total Basic Royalty 12 $\frac{3}{2}$ %
divided as follows:
Gle Na Nup Pah A/K/A
Mrs. Juan Devore
2/8

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

16	T25N, R12W	160.00	Navajo Allotted Contract	Total Basic Royalty 12 $\frac{3}{4}$ %	None	Southern Union Gas
	<u>Sec. 10; NW$\frac{1}{4}$</u>		No. 14-20-603-1449	divided as follows:		Company - All

Sec. 10: MW $\frac{1}{2}$

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. 14-20-603-322 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	None	Amer Corp
18	<u>T25N, R12W</u> Sec. 4: SW $\frac{1}{4}$	160.00	Navajo Allotted Contract No. 14-20-603-321 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. 14-20-603-323 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

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

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
A/K/A Mrs. Joan Harrison
(059287) -
1/8

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

Sam Benally
1/8

Ah Ni Na Pah A/K/A
Salena White (059288)
12^{1/2}/~~7~~

Na Des Pah or Nah Des Pah
Lease Allotment No. 011673
12 $\frac{1}{2}$ %

I NI Pah A/K/A Joan White
A/K/A Mrs. Joan Harrison
(059287) -
12 $\frac{1}{2}$ %

160.00

Navajo Allotted Contract

None

Amerada Petroleum
Corporation - ALL

160.00

Navajo Allotted Contract

None

Amerada Petroleum Corporation - ALL

160.00

Navajo Allotted Contract

None

Amerada Petroleum Corporation - ALL

REVISED EXHIBIT "B" (Continued)

23 T26N, R12W 80.00
 Sec. 33: S $\frac{1}{2}$ SW $\frac{1}{4}$

Navaajo Allotted Contract
 No. 14-20-603-327
 12-10-53

Na Pah(John) A/K/A None
 William L. Benally
 (059292)
 12 $\frac{1}{2}$ %

Amerada Petro
 Corporation -

13 Tracts Indian Allotted Land Containing 1999.84 acres or 26.49335% of Unit A

CENTRAL BIST LOWER GALTUP SAND UNIT AREA

TOTALS:

7 Federal Tracts
 5 State of New Mexico Tracts
 13 Tracts Indian Allotted Land

4468.62 acres	59.19910%
1080.00 acres	14.30755%
1999.84 acres	26.49335%
<u>7548.46 acres</u>	<u>100.00000%</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 2d 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. Lipshy
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

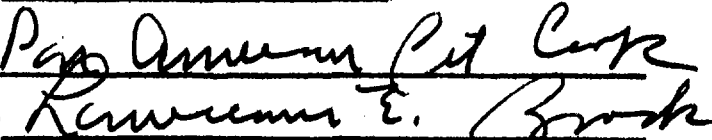
By


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. Brock



D-X SUNRAY OIL COMPANY IS A WHOLLY-OWNED REFINING & MARKETING SUBSIDIARY

SUNRAY MID-CONTINENT OIL COMPANY

P. O. BOX 1039

TULSA, 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
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.

Southern Union Gas Co.
By A. M. Wood



D-X SUNRAY OIL COMPANY IS A WHOLLY-OWNED REFINING & MARKETING SUBSIDIARY

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
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.

Shell Oil Company

By

W. M. Moten



D-X SUNRAY OIL COMPANY IS A WHOLLY-OWNED REFINING & MARKETING SUBSIDIARY

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
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.

Lawrence C. Kelly, Trust

By *Lawrence C. Kelly, Trust*



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
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 Farmer



D-X SUNRAY OIL COMPANY IS A WHOLLY-OWNED REFINING & MARKETING SUBSIDIARY

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
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.

Admiral to the ...
By *J. B. ...*



D-X SUNRAY OIL COMPANY IS A WHOLLY-OWNED REFINING & MARKETING SUBSIDIARY

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



D-X SUNRAY OIL COMPANY IS A WHOLLY-OWNED REFINING & MARKETING SUBSIDIARY

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. Hellman

Agent



D-X SUNRAY OIL COMPANY IS A WHOLLY-OWNED REFINING & MARKETING SUBSIDIARY

October 2, 1959
San Lorenzo , Calif.

Sunray Mid-Continent 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 me 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 purposed 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

R E C O P Y