

EXHIBIT "B"  
DRICKEY QUEEN SAND UNIT  
CHAVES COUNTY, NEW MEXICO

Tract No.	Description of land	No. of Acres	No. of Wells	Lease and/or Assignment Number	Basic Royalty	Lessee of Record	Overriding Royalty Owner and Amount	Working Interest Owner and Amount	Percent of Participation in Unit		Remaining Primary by Barrels
									Primary	Secondary	
1	SW/4 NW/4 & SE/4 & E/2 SW/4 Sec. 15, T. 14S, R. 31E.	280	7	LC-060811	12.5%	George Nixon	Ernest A. Hanson John A. Barnett Union Oil Co. of Calif.	*2.50% Neville G. Penrose, Inc. *2.50% Broseco Corp. *2.74% John B. Rich	66.67% 31.67% 1.66%	2.44638 3.19736	37,910
2	W/2 SW/4 Sec. 15, T. 14S, R. 31E.	80	2	LC-060811	12.5%	George Nixon	Ernest A. Hanson John A. Barnett	*2.50% Neville G. Penrose, Inc. *2.50% Broseco Corp. John B. Rich J. M. Leonard Cactus Drilling Co. Richard S. Anderson, Inc.	36.46% 17.32% .91% 21.88% 12.50% 10.93%	2.38320 1.38663	44,679
3	SE/4 Sec. 10, T. 14S, R. 31E.	160	4	LC-060812-A	12.5%	Gulf Oil Corp.	Virgil O. Hopp, et ux Olen F. Featherstone Elizabeth W. Chaney Rubie C. Bell	Gulf Oil Corp.	100.00%	1.75118 2.74099	27,137
4	SE/4 Sec. 34, T. 13S, R. 31E.	160	4	LC-062476	12.5%	Pauline V. Trigg	None	John H. Trigg	100.00%	2.98677 2.99322	46,234
5	N/2 & SE/4 & E/2 SW/4 Sec. 4; All Sec. 9, T. 14S, R. 31E.	1200.88	25	LC-062486	12.5%	John H. Trigg	None	John H. Trigg	100.00%	16.66587 13.48718	258,260
6	All Sec. 3; N/2 Sec. 10, T. 14S, R. 31E.	960.96	24	LC-068474	12.5%	Frank A. Saner	None	Cities Service Oil Co.	100.00%	12.84775 18.16771	199,093
7	N/2 NW/4 & SW/4 NW/4 Sec. 1, T. 14S, R. 31E.	120.04	1	LC-070336	12.5%	Ed Shockley	Ed Shockley, et ux Olen F. Featherstone Ernest H. Peterson Elizabeth W. Chaney Rubie C. Bell Ada Moran Mills	.30% 1.35% 1.00% .67% .68% .50%	Phillips Pet. Co.	100.00% 0.02032 0.28895	315

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8	NE/4 NW/4 Sec. 22, T. 14S, R. 31E.	40	1	LC-070336	12.5%	Ed Shockley	Ed Shockley, et ux .30% Olen F. Featherstone 1.35% Ernest H. Peterson 1.00% Elizabeth W. Chaney .67% Rubie C. Bell .68% Ada Moran Mills .50%	Phillips Petroleum Co.	100.00%	1.56772	0.90216	24,204
9	NW/4 NW/4 & S/2 NW/4 Sec. 22, T. 14S, R. 31E.	120	2	LC-070336-A	12.5%	Ed Shockley	Ed Shockley, et ux .30% Olen F. Featherstone 1.35% Ada Moran Mills .50% Ernest H. Peterson 1.00% Elizabeth W. Chaney .67% Rubie C. Bell .68%	K. S. Adams, Jr.	100.00%	0.75044	0.76589	11,629
10	SW/4 Sec. 10, T. 14S, R. 31E.	160	4	LC-070337	12.5%	Virgil O. Hopp	Virgil O. Hopp, et ux 1.00% Olen F. Featherstone 1.00% Ernest H. Peterson 1.00% Elizabeth W. Chaney .50% Ada Moran Mills .50% Phillips Pet. Co. .50% Rubie C. Bell .50%	Neville G. Penrose, Inc. Broseco Corp. John B. Rich Richard S. Anderson, Inc.	58.33% 27.71% 1.46% 12.50%	3.77347	3.45803	58,475
11	W/2 E/2 & NE/4 NE/4 & SE/4 SE/4 Sec. 11, T. 14S, R. 31E.	240	4	LC-072006	12.5%	American Republic Co.	Sinclair Oil & Gas Co.	Neville G. Penrose, Inc. Broseco Corp. John B. Rich	50.00% 47.50% 2.50%	1.93246	1.88557	29,946
12	E/2 NE/4 & SW/4 NE/4 Sec. 33, T. 13S, R. 31E.	120	1	NM-02419	12.5%	Virginia Burk Ballard	None	Cities Service Oil Co.	100.00%	0.02103	0.25105	326
13	SE/4 Sec. 33; SW/4 Sec. 34, T. 13S, R. 31E.	320	3	NM-03927	12.5%	Cities Service Oil Co.	None	Cities Service Oil Co.	100.00%	3.43249	4.94160	53,191

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14	E/2 SW/4 & SW/4 SW/4 Sec. 33, T. 13S, R. 31E.	120	1	NM-04246	12.5%	Kerr-McGee Oil Ind., Inc.	Lillian T. Hinkle	2.50% Kerr-McGee Oil Ind., Inc.	100.00%	0.62596	0.63117	9,700
14 Federal Tracts 4081.88 38 51.70504 55.09751 901,239												
15	E/2 SE/4 & SW/4 SE/4 Sec. 35, T. 13S, R. 31E.	120	3	B-8822	12.5%	Earl G. Levick	F. W. Herms, Jr. Lillie B. Morris R. Berkenkamp Est. D. J. Spowart Earl G. Levick, et ux	1.50% .75% .75% .75% 1.25%	100.00%	1.89613	1.97273	29,383
16	NW/4 SW/4 Sec. 35, T. 13S, R. 31E.	40	1	B-8822-4	12.5%	Earl G. Levick	Earl G. Levick, et ux Ruth E. Keitzman Henry Garland	.50% 2.25% 2.25%	Neville G. Penrose, Inc. Broseco Corp. John B. Rich Richard S. Anderson, Inc.	58.34% 27.70% 1.46% 12.50%	0.52018	1,810
17	SW/4 NE/4 Sec. 16, T. 14S, R. 31E.	40	1	B-8828-39	12.5%	Gilbert M. Piatt	Frank & Margaret M. Gray	5.00%	Neville G. Penrose, Inc. Richard S. Anderson, Inc. Broseco Corp. John B. Rich	43.75% 6.25% 47.50% 2.50%	0.69522	7,764
18	NE/4 SE/4 Sec. 16, T. 14S, R. 31E.	40	1	B-10417	12.5%	Intercoast Pet. Corp	Sunset International Petroleum Corp.	10.94%	W. E. Pittman	100.00%	0.71456	14,791
19	NE/4 SW/4 Sec. 2, T. 14S, R. 31E.	40	1	B-10419	12.5%	Metex Supply Co.	Metex Supply Co.	*6.25%	Late Oil Company Est. of E. L. Nordan (Dec'd) Richard S. Anderson, Inc. Roswell Securities Co. George W. Baker	25.00% 21.88% 3.12% 25.00% 25.00%	0.93015	26,346

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									Primary	Secondary		
20	NW 1/4 SW 1/4 Sec. 16, T. 14S, R. 31E.	40	1	B-10419	12.5%	Bernice R. Piatt	Lillian H. Coll Ernest A. Hanson John A. Barnett Union Oil Co. of Calif.	4.38% .94% .94% 2.73% Neville G. Penrose, Inc. Broseco Corp. John B. Rich J. M. Leonard Cactus Drilling Co. Richard S. Anderson, Inc.	36.46% 17.32% .91% 21.88% 12.50% 10.93%	0.23025	0.34717	3,568
21	SE 1/4 NE 1/4 Sec. 2, T. 14S, R. 31E.	40	1	B-10420	12.5%	William & Vada Spurck	William & Vada Spurck	6.25% Geror Oil Corp., et al Lewis & Mavis H. Gordon Dorothy Powell & Jack White	99.01% .95% .04%	0.01936	0.11753	300
22	NW 1/4 NE 1/4 Sec. 16, T. 14S, R. 31E.	40	1	B-10420	12.5%	William & Vada Spurck	Sinclair Oil & Gas Co.	3.13% Cities Service Oil Co.	100.00%	0.55729	0.60627	8,636
23	SE 1/4 NW 1/4 & SE 1/4 SW 1/4 Sec. 16, T. 14S, R. 31E.	80	2	B-10420	12.5%	William & Vada Spurck	Vada Spurck	6.25% Dorothy Powell & Jack White Geror Oil Corp., et al Lewis & Mavis H. Gordon	.04% 99.01% .95%	0.73372	1.04434	11,370
24	E 1/2 NE 1/4 Sec. 16, T. 14S, R. 31E.	80	2	B-10420-112	12.5%	William Spurck, et ux	William Spurck, et ux Arthur Weirather	4.00% Neville G. Penrose, Inc. Broseco Corp. John B. Rich J. M. Leonard Cactus Drilling Co. Richard S. Anderson, Inc.	36.46% 17.32% .91% 21.88% 12.50% 10.93%	1.09155	1.02913	16,915
25	NW 1/4 SE 1/4 Sec. 16, T. 14S, R. 31E.	40	1	B-10420-134	12.5%	William Spurck, et ux	William Spurck, et ux Arthur Weirather	4.00% Neville G. Penrose, Inc. Broseco Corp. John B. Rich Richard S. Anderson, Inc.	58.34% 27.70% 1.46% 12.50%	0.19598	0.42361	3,037
26	N 1/2 NW 1/4 Sec. 35, T. 13S, R. 31E.	80	2	E-473	12.5%	Lillian V. Brown	Lillian V. Brown, (Dec'd.)	8.75% Ambassador Oil Corp.	100.00%	3.01077	1.31901	46,656

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									Primary	Secondary	
27	SW/4 NW/4 Sec. 16, T. 14S, R. 31E.	40	1	E-478	12.5%	Texas Pacific Coal & Oil Co.	None	Texas Pacific Coal & Oil Co.	0.37596	0.58901	5,826
28	SE/4 SW/4 Sec. 35, T. 13S, R. 31E.	40	1	E-521	12.5%	Lillian V. Brown	Lillian V. Brown, 8.75% (Dec'd.)	Ambassador Oil Corp.	1.49274	0.88805	23,132
29	SE/4 Sec. 2, T. 14S, R. 31E.	160	2	E-1380	12.5%	Texas Pacific Coal & Oil Co.	None	Texas Pacific Coal & Oil Co.	0.14061	0.52988	2,179
30	SW/4 SE/4 Sec. 16, T. 14S, R. 31E.	40	1	E-1467	12.5%	Texas Pacific Coal & Oil Co.	None	Texas Pacific Coal & Oil Co.	0.18998	0.39464	2,944
31	SW/4 SW/4 Sec. 35, T. 13S, R. 31E.	40	1	E-2535	12.5%	L. B. Hodge	None	L. B. Hodge Featherstone Corp.	1.92987	0.89317	29,906
32	NW/4 NE/4 Sec. 2, T. 14S, R. 31E.	40.13	1	E-2555	12.5%	Gulf Oil Corp.	Gulf Oil Corp. 20.00%	K. S. Adams, Jr. Mineral Projects, Inc. 25.00% 75.00%	1.90064	0.56628	29,453
33	NE/4 SW/4 Sec. 16, T. 14S, R. 31E.	40	1	E-2558	12.5%	Union Oil Co. of Calif.	Union Oil Co. of Calif. 5.47%	Neville G. Penrose, Inc. 36.46% Broseco Corp. 17.32% John B. Rich .91% J. M. Leonard 21.88% Cactus Drilling Co. 12.50% Richard S. Anderson, Inc. 10.93%	0.77115	0.64537	11,950
34	NW/4 NW/4 Sec. 16, T. 14S, R. 31E.	40	1	E-4810	12.5%	Pure Oil Co.	Ralph Nix 3.50%	Pure Oil Co. 100.00%	1.24055	0.80403	19,224
35	NE/4 NE/4 Sec. 2, T. 14S, R. 31E.	40.05	1	E-5665	12.5%	Gulf Oil Corp.	Gulf Oil Corp. *8.20%	Bill Shelton 100.00%	0.04769	0.15067	739
36	SE/4 SE/4 Sec. 16, T. 14S, R. 31E.	40	1	E-5665	12.5%	Gulf Oil Corp.	None	Gulf Oil Corp. 100.00%	0.82690	0.55784	12,814

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									Primary	Secondary				
37	NE/4 & S/2 NW/4 Sec. 35, T. 13S, R. 31E.	240	6	E-5988	12.5%	Texas Pacific Coal & Oil Co.	None	Texas Pacific Coal & Oil Co.	100.00%	5.02996	4.42992	77,946		
38	NE/4 SW/4 & NW/4 SE/4 Sec. 35, T. 13S, R. 31E; W/2 W/2 Sec. 2, T. 14S, R. 31E.	240.27	6	E-6401	12.5%	Cities Service Oil Co.	None	Cities Service Oil Co.	100.00%	1.22552	3.99047	18,991		
39	SW/4 NE/4 Sec. 2, T. 14S, R. 31E.	40	1	E-7516	12.5%	Whaley Co.	None	Whaley Co.	100.00%	0.03504	0.14063	543		
40	SE/4 NW/4 & SE/4 SW/4 Sec. 2, T. 14S, R. 31E.	80	2	E-7661	12.5%	J. M. Zachary	None	Neville G. Penrose, Inc. Broseco Corp. John B. Rich J. M. Zachary George M. Slaughter, III, et ux Adeline Marks, Ind. & as Adm. of Est. Tom V. Marks Richard S. Anderson, Inc.	29.16% 13.85% .73% 21.88% 16.41% 5.47% 12.50%	2.77427	1.59058	42,991		
41	NE/4 NW/4 Sec. 16, T. 14S, R. 31E.	40	1	E-7662	12.5%	Gulf Oil Corp.	None	Gulf Oil Corp.	100.00%	0.37254	0.60291	5,773		
42	NE/4 NW/4 Sec. 2, T. 14S, R. 31E.	40.19	1	E-8333-1	12.5%	J. M. Zachary	None	Neville G. Penrose, Inc. Broseco Corp. John B. Rich Richard S. Anderson, Inc.	58.34% 27.70% 1.46% 12.50%	1.54269	0.81318	23,906		
28 State Tracts										1880.64	45	30.90362	27.80653	478,893

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43	NW/4 SE/4 Sec. 22, T. 14S, R. 31E.	120	3	Patented Land	12.5%	Morris R. Antweil, et al	Malco Refineries Inc.	27.50% Morris R. Antweil Jennings Drilling Co.	50.00% 50.00%	2.16123	2.25535	33,491
44	N/2 Sec. 34, T. 13S, R. 31E.	320	6	Patented Land	12.5%	Gulf Oil Corp.	None	Gulf Oil Corp.	100.00%	8.12682	4.71410	125,936
45	SW/4 Sec. 11, T. 14S, R. 31E.	160	4	Patented Land	12.5%	Gulf Oil Corp.	None	Gulf Oil Corp.	100.00%	1.42970	1.85705	22,155
46	W/2 NE/4 Sec. 22, T. 14S, R. 31E.	320	2	Patented Land	12.5%	Bruce Matlock	Malco Refineries, Inc.	6.25% J. Walter Duncan, Jr. .61% Vincent J. Duncan N.C. Dragisic, Trustee H. A. Savage	10.50% 9.50% 3.50% 1.50% 7.50% 2.50% 7.50% 7.00% 3.00% 5.00% 2.50% 7.50% 25.00%	1.34741	1.36319	20,880
47	NW/4 Sec. 11, T. 14S, R. 31E.	160	4	Patented Land	12.5%	Gulf Oil Corp.	Gulf Oil Corp.	5.47% Neville G. Penrose, Inc. Broseco Corp. John B. Rich Adeline Marks, Ind. & as Adm. of Est. of Tom V. Marks Richard S. Anderson, Inc.	41.01% 39.99% 1.03% 5.47%	2.70664	2.96780	41,94

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									Primary	Secondary	
48	NW /4 NW /4 & S /2 NW /4 Sec. 14; N /2 NE /4 & NW /4 NW /4 & SE /4 NW /4 Sec. 15, T. 14S, R. 31E.	280	5	Patented Land	12.5%	Union Oil Co. of Calif.	Union Oil Co. of Calif.	5.47% Neville G. Penrose, Inc. Broseco Corp. John B. Rich J. M. Leonard Cactus Drilling Co. Richard S. Anderson, Inc.	0.26787	1.89641	4,151
49	NE /4 NW /4 Sec. 15, T. 14S, R. 31E.	40	1	Patented Land	12.5%	Union Oil Co. of Calif.	Union Oil Co. of Calif.	*5.47% Neville G. Penrose, Inc. Cactus Drilling Co. Broseco Corp. John B. Rich Richard S. Anderson, Inc.	0.62647	0.80406	9,708
50	S /2 NE /4 Sec. 15, T. 14S, R. 31E.	80	2	Patented Land	12.5%	Union Oil Co. of Calif.	Union Oil Co. of Calif.	*5.47% Neville G. Penrose, Inc. Broseco Corp. John B. Rich	0.27394	0.62685	4,245
51	NW /4 NE /4 & NE /4 NW /4 & N /2 SW /4 & SW /4 SW /4 Sec. 14, T. 14S, R. 31E.	200	2	Patented Land	12.5%	Union Oil Co. of Calif.	Union Oil Co. of Calif.	100.00% Union Oil Co. of Calif.	0.45126	0.61113	6,993

\*Sliding scale Overriding Royalty Interests shown on minimum interest basis.



CERTIFICATE OF APPROVAL  
BY COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

**DRICKEY QUEEN SAND UNIT**


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There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, the attached Agreement for the development and operation of acreage which is described within the attached Agreement, dated February 16, 1939, which has been executed or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, 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 area.
- (b) That under the proposed agreement the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the state, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 7-11-39, 7-11-40, 7-11-41, 7-11-47, 7-11-48, New Mexico Statutes Annotated 1953 Compilation, 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, and any leases embracing lands of the State of New Mexico within the area 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 statutes. **Our approval is subject to the filing of a revised Exhibit "A" and "B" of the Unit Agreement by the unit operator, which will eliminate any tracts which have not qualified.**

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 20th. day of August 19 39.

  
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Commissioner of Public Lands  
of the State of New Mexico

Case 1744

OPERATING AGREEMENT  
DRICKEY QUEEN SAND UNIT  
CAPROCK FIELD  
CHAVES CO., NEW MEXICO

# UNIT OPERATING AGREEMENT

## DRICKEY QUEEN SAND CHAVES COUNTY, NEW MEXICO

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Drickey Queen Sand  
Unit Operating Agreement

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UNIT OPERATING AGREEMENT  
DRICKEY QUEEN SAND  
CHAVES COUNTY, NEW MEXICO

THIS AGREEMENT entered into as of the \_\_\_\_\_ day of \_\_\_\_\_,  
1958, by and between the parties who execute or ratify this agreement,

WITNESSETH:

WHEREAS, The parties hereto as Working Interest Owners have executed,  
as of the date hereof, that certain Unit Agreement, Drickey Queen Sand Unit,  
Chaves County, New Mexico," hereinafter referred to as "Unit Agreement," and  
which, among other things, provides for a separate agreement to be made and  
entered into by and between Working Interest Owners pertaining to the development  
and operation of the Unit Area therein defined;

NOW, THEREFORE, In consideration of the mutual agreements herein  
set forth, it is agreed as follows:

1

CONFIRMATION OF UNIT AGREEMENT

1.1 Confirmation of Unit Agreement. The Unit Agreement is hereby  
confirmed and incorporated herein by reference and made a part of this agree-  
ment. The definitions in the Unit Agreement are adopted for all purposes of this  
agreement. In the event of any conflict between the Unit Agreement and this  
agreement, the Unit Agreement shall prevail.



EXHIBITS

2.1 Exhibits. The following exhibits are incorporated herein by reference:

2.1.1 Exhibits "A", and "B" of the Unit Agreement.

2.1.2 Exhibit "C" attached hereto, is a schedule showing the total Primary Participation and Secondary Participation of each Working Interest Owner.

2.1.3 Exhibit "D" attached hereto, is the accounting procedure applicable to development and operation of the Unit Area. In the event of conflict between this agreement and Exhibit "D", this agreement shall prevail.

2.1.4 Exhibit "E", attached hereto, contains insurance provisions applicable to the development and operation of the Unit Area.

2.2 Revision of Exhibits. Whenever Exhibits "A" and "B" are revised, Exhibit "C" shall also be revised accordingly and shall be effective as of the effective date of revised Exhibits "A" and "B".

SUPERVISION OF OPERATIONS BY WORKING INTEREST OWNERS

3.1 Overall Supervision. Working Interest Owners shall exercise overall supervision and control of all matters pertaining to the development and operation of the Unit Area pursuant to this agreement and the Unit Agreement.

In the exercise of such power each Working Interest Owner shall act solely in its own behalf in the capacity of an individual owner and not on behalf of the owners as an entirety.

3.2 Particular Powers and Duties. The matters to be passed upon and decided by Working Interest Owners shall include, but not be limited to the following:

3.2.1 Method of Operation. The kind, character, and method of operation, including any type of pressure regulation or secondary recovery program to be employed.

3.2.2. Drilling of Wells. The drilling of any well within the Unit Area either for production of Unitized Substances, for use as an injection well, or for other purposes.

3.2.3. Well Recompletion and Change of Status. The deepening, recompletion, abandonment, or change of status of any well in the Unit Area or the use of any well for injection or other purposes.

3.2.4 Expenditures. Making of any single expenditure in excess of Ten Thousand Dollars (\$10,000); provided that approval by Working Interest Owners of the drilling, drilling deeper or plugging back of any well shall include approval of all necessary expenditures required therefor for completing, testing, and equipping the same, including necessary flow lines, separators and lease tanks.

3.2.5 Disposition of Surplus Facilities. Selling or otherwise disposing of any major item of surplus material or equipment, the current

list price of new equipment similar thereto being One Thousand Five Hundred Dollars (\$1,500) or more.

3.2.6 Appearance Before a Court or Regulatory Body. A designating of a representative to appear before any court or regulatory body in matters pertaining to unit operations; provided, however, that the authorization by Working Interest Owners of the designation of any such representatives shall not prevent any Working Interest Owner from appearing in person or from designating another representative in its own behalf.

3.2.7 Audits. To provide for proper audits of the accounts of Unit Operator pertaining to operations hereunder; provided that such audits shall -

- (a) not be conducted more than once each year or upon the resignation or removal of Unit Operator; and shall
- (b) be made at the expense of all Working Interest Owners other than the Working Interest Owner designated as Unit Operator; and
- (c) be upon not less than thirty (30) days' written notice to Unit Operator.

3.2.8 Inventories. To provide for periodic inventories under the terms of Exhibit "D".

3.2.9 Technical Services. Any direct charges to the joint account for services by consultants or Unit Operator's technical personnel not covered by the overhead charges provided by Exhibit "D".

3.2.10 Assignments to Committees. The appointment or designation of the purposes of committees or subcommittees necessary for the study of any problem in connection with unit operations.

3.2.11 The removal of Unit Operator and the selection of a successor.

3.2.12 The enlargement of the Unit Area.

3.2.13 The adjustment and readjustment of investments.

3.2.14 The termination of the Unit Agreement.

4

MANNER OF EXERCISING SUPERVISION

4.1 Designation of Representatives. Each Working Interest Owner shall advise Unit Operator in writing the names and addresses of its representative and alternate authorized to represent and bind it in respect to any matter pertaining to the development and operation of the Unit Area. Such representative or alternate may be changed from time to time by written notice to Unit Operator.

4.2 Meetings. All meetings of Working Interest Owners for the purpose of considering and acting upon any matter pertaining to the development and operation of the Unit Area shall be called by Unit Operator upon its own motion or at the request of two or more Working Interest Owners having a total Unit Participation of not less than ten percent (10%). No meeting shall be called on less than fourteen (14) days' advance written notice, with agenda for the meeting attached. The Working Interest Owners attending such meeting shall not be prevented from amending

items included in the agenda or from deciding such amended item or from deciding other items presented at such meeting. The representative of Unit Operator shall be chairman of each meeting.

4.3 Voting Procedure. Working Interest Owners shall act upon and determine all matters coming before them as follows:

4.3.1 Voting interest. In voting on any matter each Working Interest Owner shall have a voting interest equal to its Unit Participation as set out in Exhibit "C" in effect at the time unless otherwise provided herein or in the Unit Agreement.

4.3.2 Vote Required - Generally. Except as may otherwise be provided herein or in the Unit Agreement, Working Interest Owners shall act upon and determine all matters coming before them by the affirmative vote of four or more Working Interest Owners owning fifty-one per cent or more voting interest.

4.3.3 Vote at Meeting by Non-attending Working Interest Owners. Any Working Interest Owner not represented at a meeting may vote on any item included in the agenda of the meeting by letter or telegram addressed to the Chairman of the meeting, provided such letter or telegram is received prior to the submission of such item to vote. Such vote shall not be counted with respect to any item on the agenda which is amended at the meeting.

4.3.4 Poll Votes. Working Interest Owners may decide any matter by vote taken by letter, telegram or telephone, provided that

the matter will, if possible, first be submitted in writing to each Working Interest Owner with the understanding that no meeting is to be called as provided in Section 4.2.

5

INDIVIDUAL RIGHTS AND PRIVILEGES  
OF WORKING INTEREST OWNERS

5.1 Reservation of Rights. Working Interest Owners severally reserve to themselves all their rights, power, authority and privileges, except as expressly provided in this agreement and the Unit Agreement.

5.2 Specific Rights. Each Working Interest Owner shall have, among others, the following specific rights and privileges:

5.2.1 Access to Unit Area. Access to the Unit Area at all reasonable times to inspect the operations hereunder and all wells and records and data pertaining thereto.

5.2.2 Reports by Request. The right to receive from Unit Operator, upon written request, copies of all reports to any governmental agency, reports of crude oil runs and stocks, inventory reports and all other data pertaining to unit operations. The cost of gathering and furnishing data not ordinarily furnished by Unit Operator to all Working Interest Owners shall be charged solely to Working Interest Owners requesting the same.

## UNIT OPERATOR

6.1 Initial Unit Operator. Cities Service Oil Company is hereby designated as Unit Operator.

6.2 Resignation or Removal. Unit Operator may resign at any time. Working Interest Owners may remove Unit Operator by the affirmative vote of at least eighty-five percent (85%) of the voting interest remaining after excluding the voting interest of Unit Operator. A Unit Operator who resigns or is removed shall not be released from its obligations hereunder for a period of six (6) months after its resignation or discharge unless a successor Unit Operator shall have taken over the operations hereunder prior to the expiration of said period.

6.3 Selection of Successor. In the event of the resignation or removal of a Unit Operator, a successor Unit Operator shall be selected by the Working Interest Owners, provided no Unit Operator who is so removed may vote to succeed itself.

## POWERS AND DUTIES OF UNIT OPERATOR

7.1 Exclusive Right to Operate Unit. Subject to the provisions of this agreement and to the orders, directions and limitations rightfully given or imposed by Working Interest Owners, Unit Operator shall have the exclusive right and be obligated to develop and operate the Unit Area for the production of Unitized Substances.

7.2 Workmanlike Conduct. Unit Operator shall conduct all operations hereunder in a good and workmanlike manner and, in the absence of specific instructions from Working Interest Owners, shall have the right and duty to conduct such operations in the same manner as would a prudent operator under the same or similar circumstances. Unit Operator shall freely consult with Working Interest Owners and keep them advised of all matters arising in connection with such operations which Unit Operator, in the exercise of its best judgment, considers important. Unit Operator shall not be liable to Working Interest Owners for damages unless such damages result from the gross negligence or willful misconduct of Unit Operator.

7.3 Liens and Encumbrances. Unit Operator shall keep the lands and leases in the Unit Area free from all liens and encumbrances occasioned by its operations hereunder, except the lien of Unit Operator granted hereunder.

7.4 Employees. The number of employees used by Unit Operator in conducting operations hereunder, the selection of such employees, the hours of labor, and the compensation for services to be paid any and all such employees shall be determined by Unit Operator. Such employees shall be the employees of Unit Operator.

7.5 Records. Unit Operator shall keep true and correct books, accounts and records of its operations hereunder.

7.6 Reports to Working Interest Owners. Unit Operator shall furnish to each Working Interest Owner, monthly reports of the development and operation of the Unit Area.



7.7 Reports to Governmental Authorities. Unit Operator shall make all reports to governmental authorities that it has the duty to make as Unit Operator.

7.8 Engineering and Geological Information. Unit Operator shall furnish to each Working Interest Owner, upon written request, a copy of the log of, and copies of engineering and geological data pertaining to, wells drilled by Unit Operator.

7.9 Expenditures. Unit Operator is authorized to make single expenditures not in excess of Ten Thousand Dollars (\$10,000) without prior approval of Working Interest Owners.

7.10 Settlements. Unit Operator may settle any single damage claim not involving an expenditure in excess of One Thousand Dollars (\$1,000) provided such payment is a complete settlement of such claim.

7.11 Fair Employment. In connection with the performance of work under this Agreement, the Unit Operator shall not discriminate against any employee or applicant for employment because of race, religion, color or national origin. The aforesaid provisions shall include, but not be limited to, the following: employment, , upgrading, demotion or transfer; recruitment or recruitment advertising, lay off or termination; rates of pay or other forms of compensation and selection for training including apprenticeship. The Unit Operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer, setting forth the provisions of the

non-discrimination clause. The Unit Operator agrees to insert the foregoing provisions in all sub-contracts hereunder, except sub-contracts for standard commercial supplies or raw materials.

8

## TAXES

8.1 Ad Valorem Taxes. Unit Operator shall make and file for ad valorem tax purposes, all necessary renditions and returns with the proper taxing authorities or governmental subdivisions covering all real and personal property of each Working Interest Owner within the Unit Area and used in connection with the development and operation of the Unit Area. All such ad valorem taxes due and payable on account of real and personal property of each Working Interest Owner located within the Unit Area and used in connection with unit operations shall be paid by Unit Operator for the joint account in the same manner as other costs and expenses of unit operations.

If the unit has not been effected prior to January 1, 1959, the Working Interest Owners of the respective Tracts will prepare and file tax returns in accordance with the established assessment procedure. The Working Interest Owners filing returns as above set out will pay the entire tax and will bill the Unit Operator for the proportion of the calendar year subsequent to the date the unit becomes effective. The Unit Operator will render a statement for the portion of the tax billed in accordance with this Section 8.1 to the various Working Interest Owners based on their Unit participation.

8.2 Direct Taxes and Assessments. Each Working Interest Owner shall pay or cause to be paid all production, severance, gathering and other direct taxes and assessments imposed upon or on account of the production or handling of its share of Unitized Substances.

9

#### INSURANCE

9.1 Insurance. Unit Operator shall carry, with respect to unit operations subject to this agreement;

9.1.1 Workmen's Compensation and Employers Liability Insurance as required by the laws of the State of New Mexico.

9.1.2 Such other insurance as set forth in Exhibit "E".

10

#### ADJUSTMENT OF INVESTMENTS

10.1 Personal Property Taken Over. Upon the effective date hereof, Working Interest Owners shall deliver to Unit Operator possession of:

10.1.1 Wells and Casing. All wells completed in the Unitized Formation together with the casing therein;

10.1.2 Well and Lease Equipment. The tubing in each such well, together with the wellhead connections thereon, and all other lease and operating equipment used in the operation of such wells which Working Interest Owners

determine is necessary or desirable for conducting unit operations;  
and

10.1.3 Records. A copy of all production and well records  
pertaining to such wells.

10.2 Inventory and Evaluation of Personal Property. Working  
Interest Owners shall at unit expense inventory and evaluate in accordance  
with the provisions of Exhibit "D" the personal property so taken over.  
Material and equipment shall be appraised at time of inventory with regard  
to its age, use and physical condition. In this connection, Working Interest  
Owners agree to furnish Unit Operator a list of their underground equipment  
prior to the taking of such inventory.

10.3 Investment Adjustment. Upon approval by Working Interest  
Owners of such inventory and evaluation, each Working Interest Owner shall  
be credited with the value of its interest in all personal property so taken  
over by Unit Operator under Section 10.1.2, and charged with an amount  
equal to that obtained by multiplying the total value of all such personal  
property so taken over by Unit Operator under Section 10.1.2 by such Work-  
ing Interest Owner's Secondary Participation, as shown in Exhibit "C".  
If the charge against any Working Interest Owner is greater than the amount  
credited to such Working Interest Owner, the resulting net charge shall be  
paid and in all other respects be treated as any other item of unit expense  
chargeable against such Working Interest Owner. If the credit to any  
Working Interest Owner is greater than the amount charged against such

Working Interest Owner, the resulting net credit shall be paid to such Working Interest Owner by Unit Operator out of funds received by it in settlement of the net charges described above.

10.4 General Facilities. The acquisition of warehouses, warehouse stocks, lease houses, camps, facility systems, water supply wells, water pressure plant and lines necessary for operations hereunder shall be by negotiation by and between the owners thereof and Unit Operator, subject to the approval of Working Interest Owners.

10.5 Ownership of Personal Property and Facilities. Each Working Interest Owner, individually, shall by virtue hereof own an undivided interest in all personal property and facilities taken over or otherwise acquired by Unit Operator pursuant to this agreement equal to its Secondary Participation, shown in Exhibit "C".

## 11

### DEVELOPMENT AND OPERATING COSTS

11.1 Basis of Charge to Working Interest Owners. Unit Operator initially shall pay and discharge all costs and expenses incurred in the development, operation and supervision of the Unit Area. Working Interest Owners shall reimburse Unit Operator for all such costs and expenses, in proportion to their respective Unit Participation shown on Exhibit "C" in effect at the time said costs and expenses were incurred, except that all charges, including installation costs, for equipment, additions and enlargements of existing facilities, other than normal

replacements, shall be based on the Secondary Participation as shown in Exhibit "C". It is specifically agreed that all charges relating to conversion of wells for injection purposes, enlargement of lift equipment and construction of plant and plant facilities shall be based on Secondary Participation as specified in Exhibit "C". All charges, credits and accounting for costs and expenses shall be in accordance with Exhibit "D".

11.2 Budgets. Before or as soon as practical after the effective date hereof, Unit Operator shall prepare a budget of estimated costs and expenses for the remainder of the calendar year and on or before the first day of October thereafter, shall prepare a budget of estimated costs and expenses for the ensuing calendar year. Such budgets shall set forth the estimated costs and expenses by quarterly periods. Unless otherwise specified in the budget, it shall be presumed for the purpose of advance billings that the estimated costs and expenses for each month of a quarterly period shall be one-third ( $1/3$ ) of the estimate for the quarterly period. Budgets so prepared shall be estimates only and shall be subject to adjustment and correction by Working Interest Owners and Unit Operator from time to time whenever it shall appear that an adjustment or correction is proper. A copy of each such budget and adjusted budget shall be promptly furnished each Working Interest Owner.

11.3 Advance Billings. Unit Operator shall have the right at its option to require Working Interest Owners to advance their respective proportions of such costs and expenses by submitting to Working Interest

Owners, on or before the 15th day of any month, an itemized estimate of such costs and expenses for the succeeding month with a request for payment in advance. Within fifteen (15) days thereafter, each Working Interest Owner shall pay to Unit Operator its proportionate part of such estimate. Adjustment between estimates and the actual costs shall be made by Unit Operator at the close of each calendar month, and the accounts of the Working Interest Owners shall be adjusted accordingly.

11.4 Commingling of Funds. No funds received by Unit Operator under this agreement need be segregated by Unit Operator or maintained by it as a joint fund, but may be commingled with its own funds.

11.5 Lien of Unit Operator. Each Working Interest Owner grants to Unit Operator a lien upon such Working Interest Owner's leasehold and other mineral interests (exclusive of a 1/8 royalty interest) in each Tract, its interest in all jointly owned materials, equipment and other property and its interest in all Unitized Substances, as security for payment of the costs and expenses chargeable to it, together with interest thereon at the rate of six percent (6%) per annum. Unit Operator shall have the right to bring any action at law or in equity to enforce collection of such indebtedness with or without foreclosure of such lien. In addition, upon default by any Working Interest Owner in the payment of costs and expenses chargeable to it, Unit Operator shall have the right to collect and receive from the purchaser or purchasers the proceeds of such Working Interest Owner's share of Unitized Substances up to the amount

owing by such Working Interest Owner plus interest, as aforesaid, until paid. Each such purchaser shall be entitled to rely upon Unit Operator's statement concerning the existence and amount of any such default.

11.6 Wells Drilled by Unit Operator. All wells drilled by Unit Operator shall be drilled on a competitive contract basis at the usual rates prevailing in the area. Unit Operator may employ its own tools and equipment in the drilling of wells, but in such event the charge therefor shall not exceed the prevailing rate in the area, and such work shall be performed by Unit Operator under the same terms and conditions as are customary and usual in the area in contracts of independent contractors doing work of a similar nature.

11.7 Burden of Unsigned One-eighth (1/8) Royalty Interest. Should the owner of a Royalty Interest fail or refuse to execute or become bound by the Unit Agreement and as a result thereof the royalty payments with respect to such Tract are more or less than a basic one-eighth (1/8) royalty computed on the basis of the Unitized Substances allocated to such Tract under the Unit Agreement said differences shall be borne by or inure to the benefit of Working Interest Owners in proportion to their respective Unit Participations.

11.8 Burden of Excess Royalty and Other Interests. If any interest contributed by a Working Interest Owner is burdened with a royalty in excess of the customary one-eighth (1/8) or by an overriding royalty, production payment or similar obligation such excess burden



shall be borne solely by the Working Interest Owner contributing such interest.

12

#### OIL IN LEASE TANKS ON EFFECTIVE DATE

12.1 Gauge of Merchantable Oil. Unit Operator shall make a proper and timely gauge of all lease and other tanks within the Unit Area in order to ascertain the amount of merchantable oil above the pipeline connection, in such tanks as of 7:00 o'clock A.M. on the effective date hereof. All such oil which has been produced legally shall be and remain the property of the Working Interest Owners entitled thereto the same as if the unit had not been formed; and such Working Interest Owners shall promptly remove said oil from the Unit Area. Any such oil not so removed shall be sold by Unit Operator for the account of such Working Interest Owners, subject to the payment of all royalty to Royalty Owners under the terms and provisions of the applicable lease or leases and other contracts.

13

#### OPERATION OF NON-UNITIZED FORMATIONS

13.1 Right to Operate in Non-Unitized Formations. Any working Interest Owner now having, or hereafter acquiring, the right to drill for and produce oil, gas or other minerals, other than Unitized Substances, within the Unit Area shall have the full right to do so notwithstanding this agreement. In exercising said right, however, such Working Interest

Owner shall exercise every reasonable precaution to prevent unreasonable interference with operations hereunder. No Working Interest Owner shall produce Unitized Substances through any well within the Unit Area drilled or operated by it. If any Working Interest Owner drills any well into or through the Unitized Formation, the Unitized Formation shall be cased or otherwise protected in such a manner that the Unitized Formation and the production of Unitized Substances will not be adversely affected.

13.2 Dual Completions. No well shall be dually completed to produce from the Unitized Formation and any other formation within the Unit Area.

13.3 Appropriated Water Rights. Any Working Interest Owner who has appropriated water rights within the Unit Area shall agree to the allocation of such amount of water as is required for the operation of the unit up to limit appropriated by Chaves County Underground Water Basin to such Working Interest Owner. This is not deemed as an assignment of the appropriated water rights to the unit, but is a covenant to allow the unit so much of the appropriated water as is required for efficient operation of the waterflood program, subject to the limitations and requirements of the State Engineer's office.

#### 14

#### TITLES

14.1 Title Representation and Indemnification. Each Working Interest Owner represents that it is the owner of the respective Working

Interests set forth opposite its name in Exhibit "C" and hereby indemnifies and holds the other Working Interest Owners harmless from any loss due to failure, in whole or in part, of its title to any such interest, except failure of title arising out of operations hereunder; provided however, that such indemnity shall be limited to an amount equal to the net value that has been received from the sale of Unitized Substances attributed hereunder to the interest as to which title failed. Each failure of title will be effective, insofar as this agreement is concerned, as of 7:00 o'clock A.M. on the first day of the calendar month in which such failure is finally determined and there shall be no retroactive adjustment of development and operating expenses, Unitized Substances or the proceeds therefrom as a result of title failure.

14.2 Failure Because of Unit Operations. The failure of title of any Working Interest in any Tract by reason of unit operations, including non-production from such Tract, shall not operate to reduce or otherwise affect the Unit Participation of the Working Interest Owner whose title failed.

15

#### LIABILITY, CLAIMS AND SUITS

15.1 Individual Liability. The duties, obligations and liabilities of Working Interest Owners shall be several and not joint or collective; and nothing contained herein shall ever be construed as creating a partnership of any kind, joint venture, or an association or trust between or among Working Interest Owners.

15.2 Settlements. In the event claim is made against any Working Interest Owner or any Working Interest Owner is sued on account of any matter or thing arising from the development and operation of the Unit Area and over which such Working Interest Owner individually has no control because of the rights, powers and duties granted by this agreement and the Unit Agreement, said Working Interest Owner shall immediately notify the Unit Operator of such claim or suit. Working Interest Owners shall assume and take over the the further handling of such claim or suit and all costs and expenses of handling settling or otherwise discharging such claim or suit shall be borne by Working Interest Owners as any other cost or expense of operating the Unit Area.

16

#### INTERNAL REVENUE PROVISION

16.1 Internal Revenue Provision. Each Working Interest Owner hereby elects that it and the operations covered by this agreement be excluded from the application of Sub-Chapter "K" of Chapter 1 of Subtitle "A" of the Internal Revenue Code of 1954, pursuant to Section 761 (a) thereof, or similar provision of an applicable state income tax law. Unit Operator is hereby authorized and directed to execute and file on behalf of each Working Interest Owner such returns and statements as may be required to make such election effective under the law and the regulations promulgated thereunder.

17

#### NOTICES

17.1 Notices. All notices required hereunder shall be in writing and

shall be deemed to have been properly served when sent by mail or telegram to the address of the representative of each Working Interest Owner as furnished to Unit Operator in accordance with Section 4 hereof.

18

#### WITHDRAWAL OF WORKING INTEREST OWNER

18.1 Withdrawal. If any Working Interest Owner so desires, it may withdraw from this agreement by conveying, assigning and transferring without warranty of title, either express or implied, to the other Working Interest Owners who do not desire to withdraw herefrom, all of the former's rights, title and interest in and to its lease or leases, or other operating rights in the Unit Area, insofar as said lease, leases or rights pertain to the Unitized Formation, together with the withdrawing Working Interest Owner's interest in all wells, pipe lines, casing, injection equipment, facilities and other personal property used in conjunction with the development and operation of the Unit Area; provided, that such transfer, assignment or conveyance shall not relieve said Working Interest Owner from any obligation or liability incurred prior to the date of the execution and delivery thereof. The interest so transferred, assigned and conveyed shall be taken and owned by the other Working Interest Owners in proportion to their respective Unit Participations. After the execution and delivery of such transfer, assignment or conveyance, the withdrawing Working Interest Owner shall be relieved from all further obligations and liability hereunder and under said Unit Agreement; and the right of such Working Interest Owner to any benefits subsequently accruing hereunder and under said

Unit Agreement shall cease; provided, that upon delivery of said transfer, assignment or conveyance, the assignees, in the ratio of the respective interests so acquired, shall pay to the assignor for its interest in all jointly-owned equipment, casing and other personal property the fair salvage value thereof, as estimated and fixed by Working Interest Owners.

19

#### ABANDONMENT OF WELLS

19.1 Rights of Former Owners. If Working Interest Owners decide to permanently abandon any well within the Unit Area prior to termination of the Unit Agreement, Unit Operator shall give written notice of such fact to the Working Interest Owners of the Tract on which such well is located and said Working Interest Owners shall have the right and option for a period of ninety (90) days after receipt of such notice to notify Unit Operator of their election to take over and own said well and to deepen or plug back said well to a formation other than the Unitized Formation. Within ten (10) days after said Working Interest Owners have so notified Unit Operator of their desire to take over such well, they shall pay to Unit Operator, for credit to the joint account of the Working Interest Owners, the amount as estimated and fixed by Working Interest Owners to be the net salvage value of the casing and equipment in and on said well. At the same time the Working Interest Owners taking over the well shall agree by letter addressed to Unit Operator to effectively seal off and protect the Unitized Formation, and at such time as the well is ready for abandonment to plug and abandon the well in a workmanlike manner in accordance

with applicable laws.

19.2 Plugging. In the event the Working Interest Owners of a Tract do not elect to take over a well located thereon which is proposed for abandonment, Unit Operator shall plug and abandon the well in accordance with applicable laws.

20

EFFECTIVE DATE AND TERM

20.1 Effective Date. This agreement shall become effective on the date and at the time the Unit Agreement becomes effective.

20.2 Term. This agreement shall continue in full force and effect so long as the Unit Agreement remains in force and effect and thereafter until all unit wells have been abandoned and plugged or turned over to Working Interest Owners in accordance with Section 21 hereof, and all personal and real property acquired for the joint account of Working Interest Owners has been disposed of by Unit Operator in accordance with instructions of Working Interest Owners.

21

ABANDONMENT OF OPERATIONS

21.1 Termination. Upon termination of the Unit Agreement, the following will occur:

21.1.1 Oil and Gas Rights. Possession of all Oil and Gas Rights in and to the several separate Tracts shall revert to the Working Interest Owners thereof.

21.1.2 Right to Operate. Working Interest Owners of any such Tract desiring to take over and continue to operate a well or wells located thereon may do so by paying Unit Operator, for credit to the joint account, the net salvage value of the casing and equipment in and on the well and by agreeing to

properly plug the well at such time as it is abandoned.

21.1.3 Salvaging Wells. With respect to all wells not taken over by Working Interest Owners, Unit Operator shall at the joint expense of Working Interest Owners salvage as much of the casing and equipment in and on such wells as can economically and reasonably be salvaged and shall cause the same to be properly plugged and abandoned.

21.1.4 Cost of Salvaging. Working Interest Owners shall share the cost of salvaging, liquidation or other distribution of assets and properties used in the development and operation of the Unit Area in proportion to their respective Secondary Participations.

## 22

### COUNTERPART EXECUTION

22.1 Execution by Separate Counterparts or Ratifications. This Agreement may be executed in any number of counterparts and each counterpart so executed shall have the same force and effect as an original instrument and as if all of the parties to the aggregate counterparts had signed the same instrument; or may be ratified by a separate instrument in writing referring to this agreement. Each such ratification shall have the force and effect of an executed counterpart and of adopting by reference all of the provisions hereof.



## SUCCESSORS AND ASSIGNS

23.1 Successors and Assigns. The terms and provisions hereof shall be covenants running with the lands and unitized leases covered hereby shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this agreement upon the respective dates indicated opposite their respective signatures.

## UNIT OPERATOR &amp; WORKING INTEREST OWNER

Name	Date Signed	Attest, If a Corporation or Witness If an Individual
------	-------------	---

Cities Service Oil Company

ATTEST:

By \_\_\_\_\_  
Vice-President

By \_\_\_\_\_  
Asst. Secretary

## SUCCESSORS AND ASSIGNS

23.1 Successors and Assigns. The terms and provisions hereof shall be covenants running with the lands and unitized leases covered hereby shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of the parties hereto.

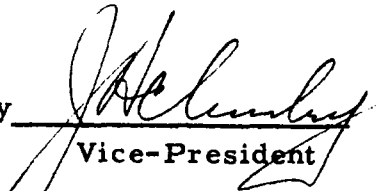
IN WITNESS WHEREOF, the parties hereto have executed this agreement upon the respective dates indicated opposite their respective signatures.

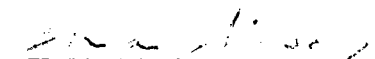
## UNIT OPERATOR &amp; WORKING INTEREST OWNER

Name	Date Signed	Attest, If a Corporation or Witness If an Individual
------	-------------	---

Cities Service Oil Company

ATTEST:

By  6/26/59  
Vice-President

By   
Asst. Secretary

STATE OF Okech )  
COUNTY OF Washington ) ss CORPORATION

The foregoing instrument was acknowledged before me this 26  
day of June, 1958, by J. A. Overley, Vice President  
of Cities Service Co. of Bartlesville Okech, a Oklahoma  
corporation, on behalf of said corporation.

Notary Public  
Notary Public

My Commission Expires: 10-22-61

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss CORPORATION

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_, 1958, by \_\_\_\_\_,  
of \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_  
corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires:

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss CORPORATION

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
Day of \_\_\_\_\_, 1958, by \_\_\_\_\_,  
of \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_  
corporation, on behalf of said corporation.

My Commission Expires:

\_\_\_\_\_  
Notary Public

WORKING INTEREST OWNERS

Name	Date Signed	Attest, If a Corporation or Witness, If an Individual
------	-------------	--

~~COMPANY~~

*K. S. Adams, Jr.*  
K. S. ADAMS, JR.

FEB. 24, 1959

~~ATTEST:~~ WITNESS:

*Ina Paul Kerner*

~~XXX~~

~~XXX~~

COMPANY

MINERAL PROJECTS - VENTURE "D", LTD.  
BY: MINERAL PROJECTS, INC.

By

*Clinton Davidson*

PRESIDENT

ATTEST:

By

*Paul C. Hinchell*

SECRETARY (Cont.)

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

STATE OF TEXAS  
COUNTY OF HARRIS

SS

INDIVIDUAL

The foregoing instrument was acknowledged before me this 24TH  
day of FEBRUARY, 1959, ~~1958~~, by K. S. ADAMS, JR..

F. L. Schwartz  
Notary Public

My Commission Expires:

JUNE 1, 1959

F. L. SCHWARTZ  
Notary Public, in and for Harris County, Texas

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

SS

INDIVIDUAL

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_, 1958, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires:

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

SS

INDIVIDUAL

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_, 1958, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires:

STATE OF NEW JERSEY )  
COUNTY OF MORRIS ) ss CORPORATION

The foregoing instrument was acknowledged before me this 20<sup>th</sup>  
day of Mar. 1959, ~~XXXX~~ by CLINTON DAVIDSON, PRESIDENT  
of MINERAL PROJECTS, INC. of MADISON, NEW JERSEY, a Delaware  
corporation, on behalf of said corporation.

Mary P. Caprio  
Notary Public

My Commission Expires: MARY P. CAPRIO, Notary Public  
My Commission Expires April 18, 1962

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss CORPORATION

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_, 1958, by \_\_\_\_\_,  
of \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_  
corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires:

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss CORPORATION

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
Day of \_\_\_\_\_, 1958, by \_\_\_\_\_,  
of \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_  
corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires:

WORKING INTEREST OWNERS

Name	Date Signed	Attest, If a Corporation or Witness, If an Individual
------	-------------	--

COMPANY

ATTEST:

*RICHARD S ANDERSON INCORPORATED*

By *Richard S. Anderson* *5/19/59*

By *Mary S. Lee*

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

STATE OF Texas )  
COUNTY OF Midland ) SS CORPORATION

The foregoing instrument was acknowledged before me this 19<sup>th</sup> day of May, 1958, by Richard S. Anderson, President of Richard S. Anderson, Corp. of Midland, a Texas corporation, on behalf of said corporation.

Mary D. Love  
Notary Public  
MIDLAND COUNTY, TEXAS  
COMMISSION EXPIRES JAN 1 1960

My Commission Expires:

STATE OF Texas )  
COUNTY OF Midland ) SS CORPORATION

The foregoing instrument was acknowledged before me this 19<sup>th</sup> day of May, 1958, by Richard S. Anderson, President of Richard S. Anderson, Corp. of Midland Texas, a Texas corporation, on behalf of said corporation.

B. Boone  
Notary Public

My Commission Expires:

6-1-59

B. BOONE  
Notary Public, Midland Co. Tex.

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS CORPORATION

The foregoing instrument was acknowledged before me this \_\_\_\_\_ Day of \_\_\_\_\_, 1958, by \_\_\_\_\_, \_\_\_\_\_ of \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of said corporation.

My Commission Expires:

\_\_\_\_\_  
Notary Public

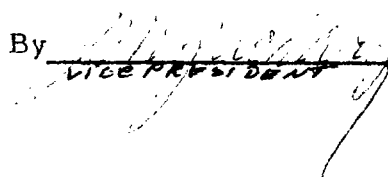


WORKING INTEREST OWNERS

Name Date Signed Attest, If a Corporation  
or Witness, If an Individual

COMPANY  
NEVILLE G. PENROSE, INC.

ATTEST:

By  4-14-59  
VICE PRESIDENT

By R. J. Churchill  
SECRETARY

COMPANY  
Gottlieb & Kaur, Att.

ATTEST: WITNESS

By George W. Slough III 4-14-59

By Bruce Adams

COMPANY

ATTEST:

Brown Copeland  
By James B. Rich MAR 25 1959  
Vice President

By Katharine G. Parks  
SECRETARY

COMPANY

ATTEST:

Witness

By James B. Rich MAR 25 1959

By Katharine G. Parks

COMPANY

ATTEST:

Witness

By  4-14-59

By R. J. Churchill

STATE OF Nebraska )  
COUNTY OF Sarab ) ss CORPORATION

The foregoing instrument was acknowledged before me this 14<sup>th</sup>  
day of April, 1958, by J. M. ZACHARY, Vice President  
of Neville G. Penrose Inc. of FORT WORTH, TEXAS, a New Mexico  
corporation, on behalf of said corporation.

Brelin Adams  
Notary Public

My Commission Expires:

6-1-59

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss CORPORATION

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_, 1958, by \_\_\_\_\_,  
of \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_  
corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires:

STATE OF Maryland )  
COUNTY OF Baltimore ) ss CORPORATION

The foregoing instrument was acknowledged before me this 25<sup>th</sup>  
Day of March, 1958, by John B. Rich, Vice-President  
of Proseco Corporation of \_\_\_\_\_, a Maryland  
corporation, on behalf of said corporation.

Ray D. Bayre  
Notary Public

My Commission Expires:

May 4, 1959

STATE OF Texas  
COUNTY OF Tarrant

SS

INDIVIDUAL

The foregoing instrument was acknowledged before me this 14<sup>th</sup>  
day of April, 1958, by George M. Slaughter Jr.  
and wife, Betty Jo Slaughter.

Freddie Adams  
Notary Public

My Commission Expires:  
6-1-61

STATE OF Texas  
COUNTY OF Tarrant

SS

INDIVIDUAL

The foregoing instrument was acknowledged before me this 14<sup>th</sup>  
day of April, 1958, by J. M. ZACHARY.

Freddie Adams  
Notary Public

My Commission Expires:  
6-1-61

STATE OF Maryland  
COUNTY OF Baltimore

SS

INDIVIDUAL

The foregoing instrument was acknowledged before me this 15<sup>th</sup>  
day of March, 1959, 1958, by John B. Rich.

Gay S. Frazier  
Notary Public

My Commission Expires:  
May 4, 1959

WORKING INTEREST OWNERS

Name

Date Signed

Attest, If a Corporation  
or Witness, If an Individual

COMPANY

ATTEST:

**CACTUS DRILLING COMPANY**

✓ By

4-23-59

By

COMPANY

ATTEST:

By

By

COMPANY

ATTEST:

By

By

COMPANY

ATTEST:

By

By

COMPANY

ATTEST:

By

By

STATE OF Texas )  
✓ COUNTY OF TOM GREEN ) ss CORPORATION

The foregoing instrument was acknowledged before me this 23  
day of April, 1958, by F.M. Lutz, President  
of Cactus Drilling Co of \_\_\_\_\_, a Texas  
corporation, on behalf of said corporation.

My Commission Expires: 6-1-59

[Signature]  
Notary Public  
NOTARY PUBLIC IN AND FOR  
TOM GREEN COUNTY, TEXAS

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss CORPORATION

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_, 1958, by \_\_\_\_\_,  
of \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_  
corporation, on behalf of said corporation.

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss CORPORATION

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
Day of \_\_\_\_\_, 1958, by \_\_\_\_\_,  
of \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_  
corporation, on behalf of said corporation.

My Commission Expires:

\_\_\_\_\_  
Notary Public

WORKING INTEREST OWNERS

Name	Date Signed	Attest, If a Corporation or Witness, If an Individual
------	-------------	--

COMPANY

ATTEST:

By SVB/Boeger - 2/20/59

By \_\_\_\_\_

COMPANY

ATTEST:

*Leath... Corporation*  
By *W. Leath...* 2/20/59

By *W. Leath...*

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

STATE OF New Mexico )  
COUNTY OF Chavez )

ss

INDIVIDUAL

The foregoing instrument was acknowledged before me this 20<sup>th</sup>  
day of February, 1959, by E. B. Hodges.

Ernest Lee Hodges  
Notary Public

My Commission Expires:

3/16/61

STATE OF New Mexico )  
COUNTY OF Chavez )

ss

INDIVIDUAL

The foregoing instrument was acknowledged before me this 1<sup>st</sup>  
day of March, 1959, by John L. Hodges.

\_\_\_\_\_  
Notary Public

My Commission Expires:

3-13-61

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

ss

INDIVIDUAL

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_, 1958, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires:

STATE OF New Mexico )  
COUNTY OF Chaves ) ss CORPORATION

The foregoing instrument was acknowledged before me this 17th  
day of March, 1958, by Clon F Featherstone, President  
of Featherstone Corporation of Roswell, New Mexico, a New Mexico  
corporation, on behalf of said corporation.

John P. Marshall  
Notary Public

My Commission Expires: March 13, 1961

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss CORPORATION

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_, 1958, by \_\_\_\_\_,  
of \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_  
corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires:

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss CORPORATION

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
Day of \_\_\_\_\_, 1958, by \_\_\_\_\_,  
of \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_  
corporation, on behalf of said corporation.

My Commission Expires:

\_\_\_\_\_  
Notary Public



WORKING INTEREST OWNERS

Name	Date Signed	Attest, If a Corporation or Witness, If an Individual
------	-------------	--

COMPANY *GEROR Oil Corporation*

ATTEST:

By *[Signature]* *May 12, 1951*  
*PRESIDENT*

By *[Signature]*  
*SECRETARY*

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

STATE OF Illinois )  
COUNTY OF Pinckney ) ss CORPORATION

The foregoing instrument was acknowledged before me this 15th day of May, 1958, by R. E. Gierke, President of Geopac Oil Corporation of Indianapolis, Indiana, a New Mexico corporation, on behalf of said corporation.

My Commission Expires: Oct 8 1962

Jean E. Muehl  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss CORPORATION

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1958, by \_\_\_\_\_, \_\_\_\_\_ of \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires:

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss CORPORATION

The foregoing instrument was acknowledged before me this \_\_\_\_\_ Day of \_\_\_\_\_, 1958, by \_\_\_\_\_, \_\_\_\_\_ of \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of said corporation.

My Commission Expires:

\_\_\_\_\_  
Notary Public

WORKING INTEREST OWNERS

Name

Date Signed

Attest, If a Corporation  
or Witness, If an Individual

COMPANY

GULF OIL CORPORATION

By W. A. Shell JUN 16 1959

ATTEST:

Lawyer	<u>W. A. Shell</u>
Accountant	<u>W. A. Shell</u>
Physician	
Notary	

By L. A. Guile

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS CORPORATION

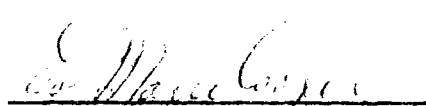
The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1958, by \_\_\_\_\_, \_\_\_\_\_ of \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires:

STATE OF NEW MEXICO )  
COUNTY OF CHAVES ) SS CORPORATION

The foregoing instrument was acknowledged before me this 16 day of June, 1958, by W. A. SHELLSHEAR, Attorney In Fact of GULF OIL CORPORATION of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of said corporation.

  
Notary Public

My Commission Expires:

~~My~~ Commission Expires August 15, 1962

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS CORPORATION

The foregoing instrument was acknowledged before me this \_\_\_\_\_ Day of \_\_\_\_\_, 1958, by \_\_\_\_\_, \_\_\_\_\_ of \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of said corporation.

My Commission Expires:

\_\_\_\_\_  
Notary Public

WORKING INTEREST OWNERS

Name

Date Signed

6/23/57

COMPANY

KERR-MCGEE OIL INDUSTRIES, INC.

By *W. H. Seely*  
Vice President *W. H. Seely*

Attest, If a Corporation  
or Witness, If an Individual

ATTEST:

By *S. B. Robinson*  
*S. B. Robinson*

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

STATE OF Mississippi )  
COUNTY OF Jefferson ) ss CORPORATION

The foregoing instrument was acknowledged before me this 23rd day of January, 1958, by James P. Lee, President of operations of Mississippi, a corporation, on behalf of said corporation.

James P. Lee  
Notary Public

My Commission Expires: January 1, 1960

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss CORPORATION

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1958, by \_\_\_\_\_, \_\_\_\_\_ of \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires:

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss CORPORATION

The foregoing instrument was acknowledged before me this \_\_\_\_\_ Day of \_\_\_\_\_, 1958, by \_\_\_\_\_, \_\_\_\_\_ of \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires:

WORKING INTEREST OWNERS

Name Date Signed Attest, If a Corporation  
or Witness, If an Individual

COMPANY

LATE OIL COMPANY

By [Signature] 4-23-59

ATTEST:

Witness

By [Signature]

COMPANY

Chemical Corn Exchange Bank

By [Signature]

PERSONAL TRUST OFFICER  
AS ONE OF THE EXECUTORS  
OF THE ESTATE OF EDWIN LEE NORTON

COMPANY

Roswell Securities Company

By [Signature] 6-29-59

ATTEST:

By [Signature]

~~ASSISTANT~~ TRUST OFFICER

ATTEST:

By [Signature]

COMPANY

By [Signature] 6-27-59

ATTEST:

Witness

By [Signature]

COMPANY

By \_\_\_\_\_

ATTEST:

By \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

SS

INDIVIDUAL

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_, 1958, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

NOTARY PUBLIC, COMMISSION EXPIRES  
FEBRUARY 1, 1961, DALLAS COUNTY, TEXAS

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

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

SS

INDIVIDUAL

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_, 1958, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

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

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

SS

INDIVIDUAL

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_, 1958, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

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



STATE OF Illinois )  
COUNTY OF LaSalle )

SS

CORPORATION

The foregoing instrument was acknowledged before me this 3rd  
day of June, 1958, by James M. Clark, Personal Trust Officer  
of Chemical Corn Exchange Bank of Chicago, Ill., a Illinois  
corporation, on behalf of said corporation.

Joseph S. Libasci  
Notary Public

My Commission Expires:

STATE OF New York )  
COUNTY OF New York )

SS

CORPORATION

The foregoing instrument was acknowledged before me this 17  
day of July, 1958, by JAMES M. CLARK, Personal Trust Officer  
of CHEMICAL CORN EXCHANGE BANK, a New York  
corporation, on behalf of said corporation.

Joseph S. Libasci  
Notary Public

My Commission Expires:

JOSEPH S. LIBASCI  
NOTARY PUBLIC, State of New York  
No. 43-7540850  
Qual. in Richmond County, Cert.  
Filed with Clerk of New York County  
Commission expires March 30, 1960

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

SS

CORPORATION

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
Day of \_\_\_\_\_, 1958, by \_\_\_\_\_,  
of \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_  
corporation, on behalf of said corporation.

My Commission Expires:

\_\_\_\_\_  
Notary Public

WORKING INTEREST OWNERS

Name

Date Signed  
6-16-59

Attest, If a Corporation  
or Witness, If an Individual

~~COMPANY~~

ATTEST:

By

By

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

STATE OF Texas )  
COUNTY OF Tarrant )

ss

INDIVIDUAL

The foregoing instrument was acknowledged before me this 16th  
day of June, 1958, by J. M. Leonard.

Louise J. Craig  
Notary Public

My Commission Expires: June 1, 1961

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

ss

INDIVIDUAL

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_, 1958, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires:

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

ss

INDIVIDUAL

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_, 1958, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires:

# WORKING INTEREST OWNERS

Name	Date Signed	Attest, If a Corporation or Witness, If an Individual
------	-------------	--

~~COMPANY~~

~~ATTEST:~~

*W. deling Marks*  
*decline Marks, Individually and as Administrator of the*  
*Estate of Sam V. Marks*  
 By \_\_\_\_\_ *4-17-59* By *Julius Adams*

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

STATE OF Oklahoma )  
COUNTY OF Oklahoma )

ss

INDIVIDUAL



The foregoing instrument was acknowledged before me this 17<sup>th</sup>  
day of April, 1958, by Adeline Marks Individually  
and is administrator of the estate of Sam V. Marks.

James C. Fidelity  
Notary Public

My Commission Expires: March 25, 1962

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

ss

INDIVIDUAL

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_, 1958, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires:

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

ss

INDIVIDUAL

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_, 1958, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires:

WORKING INTEREST OWNERS

Name

Date Signed

Attest, If a Corporation  
or Witness, If an Individual

COMPANY

PHILLIPS 1

By

*John M. Houchen*  
VICE PRESIDENT

ATTEST:

By

*J. Houchen*  
ASST. SECRETARY

APPROVED  
Prod. Dept.

COMPANY

ATTEST:

By

By

COMPANY

ATTEST:

By

By

COMPANY

ATTEST:

By

By

COMPANY

ATTEST:

By

By

STATE OF Oklahoma  
COUNTY OF Washington

SS

CORPORATION

The foregoing instrument was acknowledged before me this 20<sup>th</sup>  
day of March, 1958, by Wm M. Houchin, Vice President  
of Phillips Petroleum Company of Bartlesville, Okla, a Delaware  
corporation, on behalf of said corporation.

Wesley A. Hoffman  
Notary Public

My Commission Expires:

Oct. 19, 1962

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

SS

CORPORATION

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_, 1958, by \_\_\_\_\_,  
of \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_  
corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires:

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

SS

CORPORATION

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
Day of \_\_\_\_\_, 1958, by \_\_\_\_\_,  
of \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_  
corporation, on behalf of said corporation.

My Commission Expires:

\_\_\_\_\_  
Notary Public

# WORKING INTEREST OWNERS

Name \_\_\_\_\_ Date Signed \_\_\_\_\_

Attest, If a Corporation  
or Witness, If an Individual

COMPANY

ATTEST:

THE PURE OIL COMPANY

By [Signature] 7-27-59  
Manager, Texas Producing  
Division

APPROVALS	
DEPT.	AS TO FORM
LEGAL	<u>[Signature]</u>
PROD	<u>170</u>
LANE	<u>[Signature]</u>
FINAL	

By \_\_\_\_\_

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_



STATE OF TEXAS )  
COUNTY OF TARRANT )

ss

INDIVIDUAL

The foregoing instrument was acknowledged before me this 27th  
day of July, 1959, by J. L. Morris, Manager of the Texas  
Producing Division of The Pure Oil Company, as attorney-in-fact in behalf  
of The Pure Oil Company.

H. W. Bradshaw  
Notary Public

My Commission Expires:  
June 1, 1961

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

ss

INDIVIDUAL

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_, 1958, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires:

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

ss

INDIVIDUAL

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_, 1958, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires:

WORKING INTEREST OWNERS

Name	Date Signed	Attest, If a Corporation or Witness, If an Individual
COMPANY TEXAS PACIFIC COAL AND OIL COMPANY		ATTEST:

By *H. W. Hines* \_\_\_\_\_  
Vice President  
*Put sec qualification  
and amendment below.*  
COMPANY

By *J. I. Norman* \_\_\_\_\_  
(J. I. Norman) Secretary

APPROVED  
AS TO FORM  
*[Signature]*  
AS TO CONTENT

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

COMPANY

ATTEST:

Notwithstanding anything to the contrary appearing in the foregoing Operating Agreement and in the collateral Unit Agreement and the exhibits attached to them, Texas Pacific Coal and Oil Company does not by execution hereof commit to such Unit, or subject to the Operating Agreement, Tract 37 as described in Exhibit B of the Unit Agreement and by acceptance hereof the Unit Operator agrees that said Agreements and their attached Exhibits stand amended in every respect appropriate to exclude that tract from the effect of such Agreements, including - but without limitation thereto - necessary recomputation of relative participation percentages shown in Exhibit C, attached.

STATE OF Texas )  
COUNTY OF Tarrant ) SS CORPORATION

The foregoing instrument was acknowledged before me this 13<sup>th</sup>  
day of May, 1958, by R. W. Hines, Vice President  
of Texas Pacific Coal and Oil Company, a Texas  
corporation, on behalf of said corporation.

Ruth Barfield  
Notary Public RUTH BARFIELD

My Commission Expires:

June 1, 1959

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS CORPORATION

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_, 1958, by \_\_\_\_\_,  
of \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_  
corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires:

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS CORPORATION

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
Day of \_\_\_\_\_, 1958, by \_\_\_\_\_,  
of \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_  
corporation, on behalf of said corporation.

My Commission Expires:

\_\_\_\_\_  
Notary Public

WORKING INTEREST OWNERS

Name	Date Signed	Attest, If a Corporation or Witness, If an Individual
------	-------------	--

COMPANY

UNION OIL COMPANY OF CALIFORNIA 4/22/59

By Edgar S. Keefe  
Edgar S. Keefe, Attorney-in-Fact *gas*

~~ATTEST:~~

WITNESS:

By [Signature]

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

STATE OF TEXAS )  
COUNTY OF MIDLAND ) ss CORPORATION

The foregoing instrument was acknowledged before me this 1st  
day of July, 1959, by EDGAR S. KEEFE, Attorney-in-Fact for  
UNION OIL COMPANY OF CALIFORNIA, a California  
corporation, on behalf of said corporation.

W. H. Sloan  
Notary Public

My Commission Expires:

June 1, 1961

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss CORPORATION

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_, 1958, by \_\_\_\_\_,  
of \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_  
corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires:

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss CORPORATION

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
Day of \_\_\_\_\_, 1958, by \_\_\_\_\_,  
of \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_  
corporation, on behalf of said corporation.

My Commission Expires:

\_\_\_\_\_  
Notary Public

EXHIBIT "C"

DRICKEY QUEEN SAND UNIT, CHAVES COUNTY, NEW MEXICO

WORKING INTEREST OWNERS UNIT PARTICIPATION (1)

<u>Working Interest Owner</u>	<u>% Primary Participation</u>	<u>% Secondary Participation</u>
Adams, K. S., Jr.	3.12173	2.88019
Anderson, R. S., Inc.	2.07152	1.94544
Antweil, Morris R.	1.08062	1.12768
Bradley, Albert	0.10132	0.10251
Broseco Corp.	6.08209	6.37489
Burns, John J., Estate	0.03369	0.03408
Cactus Drilling Co.	0.79257	0.83902
Cahill, John T.	0.10132	0.10251
Cities Service Oil Co.	18.08408	27.95710
Duncan, J. Walter, Jr.	0.12773	0.12923
Duncan, Raymond T.	0.02021	0.02045
Duncan, Vincent J.	0.04702	0.04758
Duncan, Walter	0.14107	0.14272
Featherstone Corp.	0.96494	0.44658
Geror Oil Corp, et al	0.75308	1.16187
Grace, Joseph Peter	0.09459	0.09570
Gulf Oil Corp.	12.50714	10.47289
Hodge, L. B.	0.96494	0.44658
Howard, Frank A.	0.04056	0.04103
Jennings Drilling Co.	1.08062	1.12768
Kerr McGee Oil Corp.	0.62596	0.63117
Lamont, Thomas S.	0.06751	0.06830
Late Oil Co.	1.27511	0.69761
Leonard, J. M.	1.14739	1.16067
Lundbeck, G. Hilmer, Jr.	0.03369	0.03408
Marks, Adeline, Indiv. & as Adm. Estate Tom V. Marks	0.29981	0.24934
Mary Queens, Inc.	4.50351	2.70706
Miliken, Severance A.	0.10132	0.10251
Mineral Projects, Inc.	1.42548	0.42471
O'Neal, Joseph I.	0.33604	0.33998
Penrose, Neville G., Inc.	10.81267	11.03796
Phillips Petroleum Co.	1.58804	1.19111
Pittman, W. E.	0.95449	0.71456
Pure Oil Co.	1.24055	0.80403

Exhibit "C" - #2

<u>Working Interest Owner</u>	<u>% Primary Participation</u>	<u>% Secondary Participation</u>
Rich, John B.	0.29086	0.30336
Shea, Edward L.	0.10132	0.10251
Shelton and Warren	0.04769	0.15067
Slaughter, Geo. M., III ETUX	0.45526	0.26101
Texas Pacific Coal & Oil	5.73651	5.94345
Trigg, John H.	19.65264	16.48040
Union Oil Co., of Calif.	0.45126	0.61113
Whaley Co.	0.03504	0.14063
Zachary, J. M.	0.60701	0.34802
Totals	100.00000	100.00000

(1) Overriding royalty and oil payments not deducted.

REVISED EXHIBIT "C"

DRICKEY QUEEN SAND UNIT, CHAVES COUNTY, NEW MEXICO

WORKING INTEREST OWNERS UNIT PARTICIPATION (1)  
IN TRACTS QUALIFYING - AUGUST 19, 1959

<u>Working Interest Owner</u>	<u>% Primary Participation</u>	<u>% Secondary Participation</u>
Adams, K. S.	5.28248	4.25846
Anderson, R. S. Inc.	3.59515	2.91977
Baker, Geo. W.	0.71923	0.34440
Broseco Corp.	10.29191	9.34787
Cactus Drilling Co.	1.34118	1.24015
Cities Service Oil Co.	30.60134	41.31555
Featherstone Corp.	1.63284	0.66175
Conoco Oil Corp., et al	1.26173	1.69871
Gordon, Lewis & Mavis H.	0.01210	0.01630
Gulf Oil Corp.	7.41226	8.51025
Hodge, L. B.	1.63284	0.66176
Kerr-McGee Oil Corp.	1.05922	0.93344
Late Oil Co.	0.71924	0.34440
Leonard, J. M.	1.94158	1.71554
Marks, Adeline, Indiv. & as Adm. Estate Tom V. Marks	0.50732	0.36385
Mineral Projects, Inc.	2.41216	0.63030
Norton, E. L. Est.	0.62947	0.30142
Penrose, Neville G. Inc.	17.57764	15.89326
Phillips Petroleum Co.	2.68726	1.76218
Pittman, W. E.	1.61515	1.05722
Pure Oil Company	2.09922	1.19013
Rich, John B.	0.49217	0.44442
Roswell Securities Co.	0.71923	0.34440
Slaughter, Geo. M., III ETUX	0.77037	0.38648
Texas Pacific Coal & Oil Co.	1.19561	2.23446
Union Oil Co.	0.76363	0.90254
White, Jack & Dorothy P.	0.00051	0.00069
Zachary, J. M.	1.02716	0.51530
Totals	100.00000	100.00000

(1) Overriding royalty and oil payments not deducted.



Attached to and made a part of Unit Operating Agreement  
 Drickey Queen Sand Unit, Chaves County, New Mexico.

## ACCOUNTING PROCEDURE

### (UNIT AND JOINT LEASE OPERATIONS)

#### I. GENERAL PROVISIONS

##### 1. Definitions

"Joint property" as herein used shall be construed to mean the subject area covered by the agreement to which this "Accounting Procedure" is attached.

"Operator" as herein used shall be construed to mean the party designated to conduct the development and operation of the subject area for the joint account of the parties hereto.

"Non-Operator" as herein used shall be construed to mean any one or more of the non-operating parties.

##### 2. Statements and Billings

Operator shall bill Non-Operator on or before the last day of each month for its proportionate share of costs and expenditures during the preceding month. Such bills will be accompanied by statements, reflecting the total costs and charges as set forth under Subparagraph A below:

- A. Statement in detail of all charges and credits to the joint account.
- B. Statement of all charges and credits to the joint account, summarized by appropriate classifications indicative of the nature thereof
- C. Statements as follows:
  - (1) Detailed statement of material ordinarily considered controllable by operators of oil and gas properties;
  - (2) Statement of ordinary charges and credits to the joint account summarized by appropriate classifications indicative of the nature thereof; and
  - (3) Detailed statement of any other charges and credits.

##### 3. Payments by Non-Operator

Each party shall pay its proportion of all such bills within fifteen (15) days after receipt thereof. If payment is not made within such time, the unpaid balance shall bear interest at the rate of six per cent (6%) per annum until paid.

##### 4. Adjustments

Payment of any such bills shall not prejudice the right of Non-Operator to protest or question the correctness thereof. Subject to the exception noted in Paragraph 5 of this section I, all statements rendered to Non-Operator by Operator during any calendar year shall conclusively be presumed to be true and correct after twenty-four (24) months following the end of any such calendar year, unless within the said twenty-four (24) month period Non-Operator takes written exception thereto and makes claim on Operator for adjustment. Failure on the part of Non-Operator to make claim on Operator for adjustment within such period shall establish the correctness thereof and preclude the filing of exceptions thereto or making of claims for adjustment thereon. The provisions of this paragraph shall not prevent adjustments resulting from physical inventory of property as provided for in Section VI, Inventories, hereof.

##### 5. Audits

A Non-Operator, upon notice in writing to Operator and all other Non-Operators, shall have the right to audit Operator's accounts and records relating to the accounting hereunder for any calendar year within the twenty-four (24) month period following the end of such calendar year, provided, however, that Non-Operator must take written exception to and make claim upon the Operator for all discrepancies disclosed by said audit within said twenty-four (24) month period. Where there are two or more Non-Operators, the Non-Operators shall make every reasonable effort to conduct joint or simultaneous audits in a manner which will result in a minimum of inconvenience to the Operator.

#### II. DEVELOPMENT AND OPERATING CHARGES

*Subject to limitations hereinafter prescribed, Operator shall charge the joint account with the following items:*

##### 1. Rentals and Royalties

Delay or other rentals, when such rentals are paid by Operator for the joint account; royalties, when not paid directly to royalty owners by the purchaser of the oil, gas, casinghead gas, or other products.

##### 2. Labor

- A. Salaries and wages of Operator's employees directly engaged on the joint property in the development, maintenance, and operation thereof, including salaries or wages paid to geologists and other employees who are temporarily assigned to and directly employed on a drilling well.
- B. Operator's cost of holiday, vacation, sickness and disability benefits, and other customary allowances applicable to the salaries and wages chargeable under Subparagraph 2 A and Paragraph 11 of this Section II. Costs under this Subparagraph 2 B may be charged on a "when and as paid basis" or by "percentage assessment" on the amount of salaries and wages chargeable under Subparagraph 2 A and Paragraph 11 of this Section II. If percentage assessment is used, the rate shall be based on the Operator's cost experience.
- C. Costs of expenditures or contributions made pursuant to assessments imposed by governmental authority which are applicable to Operator's labor cost of salaries and wages as provided under Subparagraphs 2 A, 2 B, and Paragraph 11 of this Section II.

##### 3. Employee Benefits

Operator's current cost of established plans for employees' group life insurance, hospitalization, pension, retirement, stock purchase, thrift, bonus, and other benefit plans of a like nature, applicable to Operator's labor cost, provided that the total of such charges shall not exceed ten per cent (10%) of Operator's labor costs as provided in Subparagraphs A and B of Paragraph 2 of this Section II and in Paragraph 11 of this Section II.

#### 4. Material

Material, equipment, and supplies purchased or furnished by Operator for use of the joint property. So far as it is reasonably practical and consistent with efficient and economical operation, only such material shall be purchased for or transferred to the joint property as may be required for immediate use; and the accumulation of surplus stocks shall be avoided.

#### 5. Transportation

Transportation of employees, equipment, material, and supplies necessary for the development, maintenance, and operation of the joint property subject to the following limitations:

- A. If material is moved to the joint property from vendor's or from the Operator's warehouse or other properties, no charge shall be made to the joint account for a distance greater than the distance from the nearest reliable supply store or railway receiving point where such material is available, except by special agreement with Non-Operator.
- B. If surplus material is moved to Operator's warehouse or other storage point, no charge shall be made to the joint account for a distance greater than the distance from the nearest reliable supply store or railway receiving point, except by special agreement with Non-Operator. No charge shall be made to the joint account for moving material to other properties belonging to Operator, except by special agreement with Non-Operator.

#### 6. Service

- A. Outside Services:  
The cost of contract services and utilities procured from outside sources.
- B. Use of Operator's Equipment and Facilities:  
Use of and service by Operator's exclusively owned equipment and facilities as provided in Paragraph 5 of Section III entitled "Operator's Exclusively Owned Facilities."

#### 7. Damages and Losses to Joint Property and Equipment

All costs or expenses necessary to replace or repair damages or losses incurred by fire, flood, storm, theft, accident, or any other cause not controllable by Operator through the exercise of reasonable diligence. Operator shall furnish Non-Operator written notice of damages or losses incurred as soon as practicable after report of the same has been received by Operator.

#### 8. Litigation Expense

All costs and expenses of litigation, or legal services otherwise necessary or expedient for the protection of the joint interests, including attorneys' fees and expenses as hereinafter provided, together with all judgments obtained against the parties or any of them on account of the joint operations under this agreement, and actual expenses incurred by any party or parties hereto in securing evidence for the purpose of defending against any action or claim prosecuted or urged against the joint account or the subject matter of this agreement.

- A. If a majority of the interests hereunder shall so agree, actions or claims affecting the joint interests hereunder may be handled by the legal staff of one or more of the parties hereto; and a charge commensurate with cost of providing and furnishing such services rendered may be made against the joint account; but no such charge shall be made until approved by the legal departments of or attorneys for the respective parties hereto.
- B. Fees and expenses of outside attorneys shall not be charged to the joint account unless authorized by the majority of the interests hereunder.

#### 9. Taxes

All taxes of every kind and nature assessed or levied upon or in connection with the properties which are the subject of this agreement, the production therefrom or the operation thereof, and which taxes have been paid by the Operator for the benefit of the parties hereto.

#### 10. Insurance and Claims

- A. Premiums paid for insurance required to be carried for the benefit of the joint account, together with all expenditures incurred and paid in settlement of any and all losses, claims, damages, judgments, and other expenses, including legal services, not recovered from insurance carrier.
- B. If no insurance is required to be carried, all actual expenditures incurred and paid by Operator in settlement of any and all losses, claims, damages, judgments, and any other expenses, including legal services, shall be charged to the joint account.

#### 11. District and Camp Expense (Field Supervision and Camp Expense)

A pro rata portion of the salaries and expenses of Operator's production superintendent and other employees serving the joint property and other properties of the Operator in the same operating area, whose time is not allocated directly to the properties, and a pro rata portion of the cost of maintaining and operating a production office known as Operator's District Office office located at or near Hobbs, New Mexico (or a comparable office if location changed), and necessary suboffices (if any), maintained for the convenience of the above-described office, and all necessary camps, including housing facilities for employees if required, used in the conduct of the operations on the joint property and other properties operated in the same locality. The expense of, less any revenue from, these facilities should be inclusive of depreciation or a fair monthly rental in lieu of depreciation on the investment. Such charges shall be apportioned to all properties served on some equitable basis consistent with Operator's accounting practice, which is on a well basis with 1 drilling well being equal to 6 producing wells. The charges under this Paragraph 11 shall not exceed \$50.00 per producing well per month. The charges under this paragraph may be amended from time to time by agreement between Operator and Non-Operator if, in practice, they are found to be insufficient or excessive.

## 12. Administrative Overhead

Operator shall have the right to assess against the joint property covered hereby the following management and administrative overhead charges, which shall be in lieu of all expenses of all offices of the Operator not covered by Section II, Paragraph 11, above, including salaries and expenses of personnel assigned to such offices, except that salaries of geologists and other employees of Operator who are temporarily assigned to and directly serving on the joint property will be charged as provided in Section II, Paragraph 2, above. Salaries and expenses of other technical employees assigned to such offices will be considered as covered by overhead charges in this paragraph unless charges for such salaries and expenses are agreed upon between Operator and Non-Operator as a direct charge to the joint property.

### WELL BASIS (Rate Per Well Per Month)

<u>Well Depth</u>	<u>DRILLING WELL RATE</u>	<u>PRODUCING WELL RATE</u> (Use Completion Depth)		
	<u>Each Well</u>	<u>First Five</u>	<u>Next Five</u>	<u>All Wells Over Ten</u>
Unitized Formation	\$175.	\$35/well/month		

- A. Overhead charges for drilling wells shall begin on the date each well is spudded and terminate when it is on production or is plugged, as the case may be, except that no charge shall be made during the suspension of drilling operations for fifteen (15) or more consecutive days.
- B. In connection with overhead charges, the status of wells shall be as follows:
- (1) Injection wells for recovery operations, such as for repressure or water flood, shall be included in the overhead schedule the same as producing oil wells.
  - (2) Water supply wells utilized for water flooding operations shall be included in the overhead schedule the same as producing oil wells.
  - (3) Producing gas wells shall be included in the overhead schedule the same as producing oil wells.
  - (4) Wells permanently shut down but on which plugging operations are deferred shall be dropped from the overhead schedule at the time the shutdown is effected. When such wells are plugged, overhead shall be charged at the producing well rate during the time required for the plugging operation.
  - (5) Wells being plugged back, drilled deeper, or converted to a source or input well shall be included in the overhead schedule the same as drilling wells.
  - (6) Temporarily shut-down wells (other than by governmental regulatory body) which are not produced or worked upon for a period of a full calendar month shall not be included in the overhead schedule; however, wells shut in by governmental regulatory body shall be included in the overhead schedule only in the event the allowable production is transferred to other wells on the same property. In the event of a unit allowable, all wells capable of producing will be counted in determining the overhead charge.
  - (7) Wells completed in dual or multiple horizons shall be considered as two wells in the producing overhead schedule.
  - (8) Lease salt water disposal wells shall not be included in the overhead schedule unless such wells are used in a secondary recovery program on the joint property.
- C. The above overhead schedule for producing wells shall be applied to the total number of wells operated under the Operating Agreement to which this accounting procedure is attached, irrespective of individual leases.
- D. It is specifically understood that the above overhead rates apply only to drilling and producing operations and are not intended to cover the construction or operation of additional facilities such as, but not limited to, gasoline plants, compressor plants, repressuring projects, salt water disposal facilities, and similar installations. If at any time any or all of these become necessary to the operation, a separate agreement will be reached relative to an overhead charge and allocation of district expense.
- E. The above specific overhead rates may be amended from time to time by agreement between Operator and Non-Operator if, in practice, they are found to be insufficient or excessive.

## 13. Operator's Fully Owned Warehouse Operating and Maintenance Expense

(Describe fully the agreed procedure to be followed by the Operator.)

N O N E

## 14. Other Expenditures

Any expenditure, other than expenditures which are covered and dealt with by the foregoing provisions of this Section II, incurred by the Operator for the necessary and proper development, maintenance, and operation of the joint property.

### III. BASIS OF CHARGES TO JOINT ACCOUNT

#### 1. Purchases

Material and equipment purchased and service procured shall be charged at price paid by Operator after deduction of all discounts actually received.

## 2. Material Furnished by Operator

Material required for operations shall be purchased for direct charge to joint account whenever practicable, except that Operator may furnish such material from Operator's stocks under the following conditions:

### A. New Material (Condition "A")

- (1) New material transferred from Operator's warehouse or other properties shall be priced f.o.b. the nearest reputable supply store or railway receiving point, where such material is available, at current replacement cost of the same kind of material. This will include material such as tanks, pumping units, sucker rods, engines, and other major equipment. Tubular goods, two-inch (2") and over, shall be priced on car-load basis effective at date of transfer and f.o.b. railway receiving point nearest the joint account operation, regardless of quantity transferred.
- (2) Other material shall be priced on basis of a reputable supply company's preferential price list effective at date of transfer and f.o.b. the store or railway receiving point nearest the joint account operation where such material is available.
- (3) Cash discount shall not be allowed.

### B. Used Material (Condition "B" and "C")

- (1) Material which is in sound and serviceable condition and is suitable for reuse without reconditioning shall be classed as Condition "B" and priced at seventy-five per cent (75%) of new price.
- (2) Material which cannot be classified as Condition "B" but which,
  - (a) After reconditioning will be further serviceable for original function as good secondhand material (Condition "B"), or
  - (b) Is serviceable for original function but substantially not suitable for reconditioning,shall be classed as Condition "C" and priced at fifty per cent (50%) of new price.
- (3) Material which cannot be classified as Condition "B" or Condition "C" shall be priced at a value commensurate with its use.
- (4) Tanks, buildings, and other equipment involving erection costs shall be charged at applicable percentage of knocked-down new price.

## 3. Premium Prices

Whenever materials and equipment are not readily obtainable at the customary supply point and at prices specified in Paragraphs 1 and 2 of this Section III because of national emergencies, strikes or other unusual causes over which the Operator has no control, the Operator may charge the joint account for the required materials on the basis of the Operator's direct cost and expense incurred in procuring such materials, in making it suitable for use, and in moving it to the location, provided, however, that notice in writing is furnished to Non-Operator of the proposed charge prior to billing the Non-Operator for the material and/or equipment acquired pursuant to this provision, whereupon Non-Operator shall have the right, by so electing and notifying Operator within 10 days after receiving notice from the Operator, to furnish in kind, or in tonnage as the parties may agree, at the location, nearest railway receiving point, or Operator's storage point within a comparable distance, all or part of his share of material and/or equipment suitable for use and acceptable to the Operator. Transportation costs on any such material furnished by Non-Operator, at any point other than at the location, shall be borne by such Non-Operator. If, pursuant to the provisions of this paragraph, any Non-Operator furnishes material and/or equipment in kind, the Operator shall make appropriate credits therefor to the account of said Non-Operator.

## 4. Warranty of Material Furnished by Operator

Operator does not warrant the material furnished beyond or back of the dealer's or manufacturer's guaranty; and in case of defective material, credit shall not be passed until adjustment has been received by Operator from the manufacturers or their agents.

## 5. Operator's Exclusively Owned Facilities

The following rates shall apply to service rendered to the joint account by facilities owned exclusively by Operator:

- A. Water, fuel, power, compressor and other auxiliary services at rates commensurate with cost of providing and furnishing such service to the joint account but not exceeding rates currently prevailing in the field where the joint property is located.
- B. Automotive equipment at rates commensurate with cost of ownership and operation. Such rates should generally be in line with the schedule of rates adopted by the Petroleum Motor Transport Association, or some other recognized organization, as recommended uniform charges against joint account operations and revised from time to time. Automotive rates shall include cost of oil, gas, repairs, insurance, and other operating expense and depreciation; and charges shall be based on use in actual service on, or in connection with, the joint account operations. Truck and tractor rates may include wages and expenses of driver.
- C. A fair rate shall be charged for the use of drilling and cleaning-out tools and any other items of Operator's fully owned machinery or equipment which shall be ample to cover maintenance, repairs, depreciation, and the service furnished the joint property; provided that such charges shall not exceed those currently prevailing in the field where the joint property is located. Pulling units shall be charged at hourly rates commensurate with the cost of ownership and operation, which shall include repairs and maintenance, operating supplies, insurance, depreciation, and taxes. Pulling unit rates may include wages and expenses of the operator.
- D. A fair rate shall be charged for laboratory services performed by Operator for the benefit of the joint account, such as gas, water, core, and any other analyses and tests; provided such charges shall not exceed those currently prevailing if performed by outside service laboratories.
- E. Whenever requested, Operator shall inform Non-Operator in advance of the rates it proposes to charge.
- F. Rates shall be revised and adjusted from time to time when found to be either excessive or insufficient.

## IV. DISPOSAL OF LEASE EQUIPMENT AND MATERIAL

The Operator shall be under no obligation to purchase interest of Non-Operator in surplus new or secondhand material. The disposition of major items of surplus material, such as derricks, tanks, engines, pumping units, and tubular goods, shall be subject to mutual determination by the parties hereto; provided Operator shall have the right to dispose of normal accumulations of junk and scrap material either by transfer or sale from the joint property.

## 1. Material Purchased by the Operator or Non-Operator

Material purchased by either the Operator or Non-Operator shall be credited by the Operator to the joint account for the month in which the material is removed by the purchaser.

## **2. Division in Kind**

Division of material in kind, if made between Operator and Non-Operator, shall be in proportion to their respective interests in such material. Each party will thereupon be charged individually with the value of the material received or receivable by each party, and corresponding credits will be made by the Operator to the joint account. Such credits shall appear in the monthly statement of operations.

## **3. Sales to Outsiders**

Sales to outsiders of material from the joint property shall be credited by Operator to the joint account at the net amount collected by Operator from vendee. Any claims by vendee for defective material or otherwise shall be charged back to the joint account if and when paid by Operator.

## **V. BASIS OF PRICING MATERIAL TRANSFERRED FROM JOINT ACCOUNT**

*Material purchased by either Operator or Non-Operator or divided in kind, unless otherwise agreed, shall be valued on the following basis:*

### **1. New Price Defined**

New price as used in the following paragraphs shall have the same meaning and application as that used above in Section III, "Basis of Charges to Joint Account."

### **2. New Material**

New material (Condition "A"), being new material procured for the joint account but never used thereon, at one hundred per cent (100%) of current new price (plus sales tax if any).

### **3. Good Used Material**

Good used material (Condition "B"), being used material in sound and serviceable condition, suitable for reuse without reconditioning:

A. At seventy-five per cent (75%) of current new price if material was charged to joint account as new, or

B. At sixty-five per cent (65%) of current new price if material was originally charged to the joint property as secondhand at seventy-five per cent (75%) of new price.

### **4. Other Used Material**

Used material (Condition "C"), at fifty per cent (50%) of current new price, being used material which:

A. After reconditioning will be further serviceable for original function as good secondhand material (Condition "B"), or

B. Is serviceable for original function but substantially not suitable for reconditioning.

### **5. Bad-Order Material**

Material and equipment (Condition "D"), which is no longer usable for its original purpose without excessive repair cost but is further usable for some other purpose, shall be priced on a basis comparable with that of items normally used for that purpose.

### **6. Junk**

Junk (Condition "E"), being obsolete and scrap material, at prevailing prices.

### **7. Temporarily Used Material**

When the use of material is temporary and its service to the joint account does not justify the reduction in price as provided in Paragraph 3 B, above, such material shall be priced on a basis that will leave a net charge to the joint account consistent with the value of the service rendered.

## **VI. INVENTORIES**

### **1. Periodic Inventories, Notice and Representation**

At reasonable intervals, inventories shall be taken by Operator of the joint account material, which shall include all such material as is ordinarily considered controllable by operators of oil and gas properties.

Written notice of intention to take inventory shall be given by Operator at least thirty (30) days before any inventory is to begin so that Non-Operator may be represented when any inventory is taken.

Failure of Non-Operator to be represented at an inventory shall bind Non-Operator to accept the inventory taken by Operator, who shall in that event furnish Non-Operator with a copy thereof.

### **2. Reconciliation and Adjustment of Inventories**

Reconciliation of inventory with charges to the joint account shall be made by each party at interest, and a list of overages and shortages shall be jointly determined by Operator and Non-Operator.

Inventory adjustments shall be made by Operator with the joint account for overages and shortages, but Operator shall be held accountable to Non-Operator only for shortages due to lack of reasonable diligence.

### **3. Special Inventories**

Special inventories may be taken, at the expense of the purchaser, whenever there is any sale or change of interest in the joint property; and it shall be the duty of the party selling to notify all other parties hereto as quickly as possible after the transfer of interest takes place. In such cases, both the seller and the purchaser shall be represented and shall be governed by the inventory so taken.

EXHIBIT "E"  
INSURANCE PROVISIONS

Unit Operator shall, in addition to the insurance provided for in Section 9, at all times while operations are conducted hereunder, carry insurance as follows for the benefit of the joint account of the parties hereto covering, where permissible, Working Interest Owners as additional interest insured:

- (1) Public Liability Insurance covering both bodily injury and death with limits of not less than \$100,000 as to any one person, and \$200,000 as to any one accident, and Property Damage Liability Insurance with a limit of not less than \$25,000 per accident.
- (2) Automotive Public Liability Insurance with bodily injury limits of not less than \$100,000 as to any one person and \$200,000 as to any one accident, and Automotive Property Damage Insurance with limit of not less than \$25,000 as to any one accident.

Neither fire, explosion, windstorm nor other property hazard insurance nor underground damage liability insurance shall be provided by Unit Operator for the benefit of the joint interest of the parties hereto.

The premiums paid for insurance referred to in Paragraph (1) shall be a proper charge to the joint account.

It is further understood and agreed that the Unit Operator is not a warrantor of the financial responsibility of the insurer with whom such insurance is carried, and that except for willful negligence Unit Operator shall not be liable to Working Interest Owners for any loss suffered on account of the insufficiency of the insurance carried, or of insurer with

with whom carried. Unit Operator shall not be liable to Working Interest Owners for any loss accruing by reason of Unit Operator's inability to procure or maintain the insurance above mentioned. Unit Operator agrees that if at any time during the life of this agreement it is unable to obtain or maintain such insurance it shall immediately notify in writing Working Interest Owners of such fact.

AMENDMENT TO OPERATING AGREEMENT  
DRICKEY QUEEN SAND UNIT  
CAPROCK FIELD  
CHAVES CO., NEW MEXICO.

The undersigned Working Interest Owners hereby agree to the amendment of the Operating Agreement, Drickey Queen Sand Unit, Caprock Field, Chaves Co., New Mexico, as follows:

1. Section 13.3, Appropriated Water Rights, is hereby deleted and the reference thereto is deleted from the Table of Contents.

2. Section 18.1, Withdrawal, is amended by adding the following provision:

"Notwithstanding anything hereinabove set forth in this Section, a Working Interest Owner may not withdraw from this Agreement by conveying, assigning and transferring its interest if said Working Interest Owner's interest is burdened by any royalties, overriding royalties or other burdens in excess of a one-eighth (1/8) Lessor's royalty, unless the other Working Interest Owners agree to accept said interest subject to the royalties, overriding royalties or other burdens in excess of a one-eighth (1/8) Lessor's royalty then existing and burdening said interest."

This Amendment may be executed in any number of counterparts and each counterpart so executed shall have the same force and effect as an original instrument and as if all of the parties to the aggregate counterparts had signed the same instrument.



IN WITNESS WHEREOF the parties hereto have executed this Amendment upon the respective dates indicated opposite their respective signatures.

Name Date Signed

COMPANY

ATTEST:

By Clinton Davidson 4/13/59

By James C. Hatcher  
Notary Public

K. S. ADAMS, JR.

WITNESS:

By K. S. Adams, Jr. JUNE 10, 1959  
K. S. ADAMS, JR.

E. J. White

STATE OF NEW JERSEY )  
COUNTY OF MORRIS ) ss

CORPORATION

The foregoing instrument was acknowledged before me this 15<sup>th</sup> day of JUNE, 1959, by CLINTON DAVIDSON, PRESIDENT of ALLEGATE PROJECTS, INC., a DELLID WARE corporation, on behalf of said corporation.

My Commission Expires:  
MARY P. CAPRIO, Notary Public  
My Commission Expires April 18, 1962

Mary P. Caprio  
Notary Public

STATE OF TEXAS )  
COUNTY OF HARRIS ) ss

INDIVIDUAL

The foregoing instrument was acknowledged before me this 10TH day of JUNE, 1959, by K. S. ADAMS, JR..

My Commission Expires:

JUNE 1, 1961

Miriam Z. Harrison  
Notary Public

IN WITNESS WHEREOF the parties hereto have executed this Amendment upon the respective dates indicated opposite their respective signatures.

Name

Date Signed

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

*RICHARD S. ANDERSON, INCORPORATED*

By *Richard S. Anderson* *July 13, 1959*  
Richard S. Anderson

*Mary D. Love*  
*Secretary - Treasurer*

STATE OF *Texas* )

CORPORATION ✓

COUNTY OF *Midland* )

ss

The foregoing instrument was acknowledged before me this *13<sup>th</sup>* day of *July*, 195*9*, by *Richard S. Anderson*, *President* of *Richard S. Anderson, Incorporated* a *Texas* corporation, on behalf of said corporation.

My Commission Expires:

*B. Boone*  
Notary Public

*June 1, 1961*

B. BOONE

Midland Co. Tex

STATE OF **TEXAS** )

INDIVIDUAL

COUNTY OF **MIDLAND** )

ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of **July**, 195**9**, by **Richard S. Anderson**.

My Commission Expires:

Notary Public in and for  
Midland, County, Texas

IN WITNESS WHEREOF the parties hereto have executed this Amendment upon the respective dates indicated opposite their respective signatures.

Name

Date Signed

COMPANY

ATTEST:

BROSECO CORPORATION

By John B. Rich  
Vice President

7-2-59

By Nathaniel C. Taylor  
Secretary

By John B. Rich  
John B. Rich

7-2-59

Nathaniel C. Taylor

STATE OF MARYLAND

CORPORATION

CITY OF BALTIMORE

ss

~~NOTARY OF~~

The foregoing instrument was acknowledged before me this 2nd day of July, 1959, by John B. Rich, Vice President of Broseco Corporation, a Maryland corporation, on behalf of said corporation,

My Commission Expires:

May 1, 1961

Ray S. Kuegel  
Notary Public in and for the  
City of Baltimore, State of  
Maryland

STATE OF MARYLAND

INDIVIDUAL

~~NOTARY OF~~ CITY OF BALTIMORE

ss

The foregoing instrument was acknowledged before me this 2nd day of July, 1959, by John B. Rich.

My Commission Expires:

May 1, 1961

Ray S. Kuegel  
Notary Public in and for the  
City of Baltimore, State  
of Maryland

IN WITNESS WHEREOF the parties hereto have executed this Amendment upon the respective dates indicated opposite their respective signatures.

Name Date Signed

COMPANY  
CACTUS DRILLING COMPANY

ATTEST:

By [Signature] ✓ 29.59  
President

By [Signature]  
Secretary

By \_\_\_\_\_

STATE OF TEXAS )  
COUNTY OF Leon Green ) ss CORPORATION

The foregoing instrument was acknowledged before me this 9 day of July, 195 9, by J. M. Late of CACTUS DRILLING COMPANY, a Texas corporation, on behalf of said corporation.

My Commission Expires: 6-1-61  
[Signature]  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss INDIVIDUAL

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 195\_\_\_\_, by \_\_\_\_\_

My Commission Expires: \_\_\_\_\_  
Notary Public

IN WITNESS WHEREOF the parties hereto have executed this Amendment upon the respective dates indicated opposite their respective signatures.

Name

Date Signed

COMPANY

ATTEST:

CITIES SERVICE OIL COMPANY

By

Vice President

6/26/59

By

Assistant Secretary

By

STATE OF

Delaware

CORPORATION

COUNTY OF

Washington

ss

The foregoing instrument was acknowledged before me this 26 day of June, 1959, by J. G. Cleverley, Vice President of Cities Service Oil Co., a Delaware corporation, on behalf of said corporation.

My Commission Expires:

Delma Wilson  
Notary Public

10-22-61

STATE OF

INDIVIDUAL

COUNTY OF

ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 195\_\_\_\_, by \_\_\_\_\_.

My Commission Expires:

\_\_\_\_\_  
Notary Public

IN WITNESS WHEREOF the parties hereto have executed this Amendment upon the respective dates indicated opposite their respective signatures.

Name

Date Signed

COMPANY  
FEATHERSTONE CORPORATION

ATTEST:

By Olen F. Featherstone June 11, 1959  
President

By Donna E. Lawrence  
Secretary

By \_\_\_\_\_

STATE OF NEW MEXICO )  
COUNTY OF CHAVES ) ss CORPORATION

The foregoing instrument was acknowledged before me this 11th day of June, 1959, by Olen F. Featherstone, President of Featherstone Corporation, a Nevada corporation, on behalf of said corporation.

My Commission Expires:

John Marshall  
Notary Public

March 13, 1961

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss INDIVIDUAL

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 195\_\_\_\_, by \_\_\_\_\_.

My Commission Expires:

\_\_\_\_\_  
Notary Public

\_\_\_\_\_

My Commission Expires:

\_\_\_\_\_  
Notary Public

IN WITNESS WHEREOF the parties hereto have executed this Amendment upon the respective dates indicated opposite their respective signatures.

Name

Date Signed

COMPANY

ATTEST:

By

R. E. Geror  
President

June 11, 1959

By

A. E. Butterfield  
Secretary

By

STATE OF ARIZONA

COUNTY OF PIMA

ss

CORPORATION

The foregoing instrument was acknowledged before me this 11th day of June, 1959, by R. E. Geror, President of Geror Oil Corporation, a New Mexico corporation, on behalf of said corporation.

My Commission Expires:

Oct. 8, 1962

Jean E. Markley  
Notary Public

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

ss

INDIVIDUAL

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 195\_\_\_\_, by \_\_\_\_\_.

My Commission Expires:

\_\_\_\_\_  
Notary Public

IN WITNESS WHEREOF the parties hereto have executed this Amendment upon the respective dates indicated opposite their respective signatures

Law	<i>10/16/59</i>
Compt.	
Secy.	
Prod.	

Name

Date Signed

COMPANY

GULF OIL CORPORATION

ATTEST

By

*W. A. Shellshear* 10/16/59

By

*L. J. Price*

By

STATE OF NEW MEXICO

COUNTY OF CHAVES

ss

CORPORATION

The foregoing instrument was acknowledged before me this 16 day of June, 1959, by W. A. SHELLSHEAR, Attorney In Fact of GULF OIL CORPORATION, a Pennsylvania corporation, on behalf of said corporation.

My Commission Expires:

My Commission Expires August 15, 1962

*E. M. Cooper*  
Notary Public

STATE OF

COUNTY OF

ss

INDIVIDUAL

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 195\_\_\_\_, by \_\_\_\_\_.

My Commission Expires:

Notary Public



IN WITNESS WHEREOF the parties hereto have executed this Amendment upon the respective dates indicated opposite their respective signatures.

Name

Date Signed

COMPANY

ATTEST:

By

L. B. Hodges June 7, 1959

By

By

STATE OF

COUNTY OF

ss

CORPORATION

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 195\_\_\_\_, by \_\_\_\_\_, \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of said corporation.

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF

COUNTY OF

ss

INDIVIDUAL

The foregoing instrument was acknowledged before me this 8th day of June, 1959, by L. B. Hodges

My Commission Expires:

Ernest Lee Hodges  
Notary Public

3/14/61

IN WITNESS WHEREOF the parties hereto have executed this Amendment upon the respective dates indicated opposite their respective signatures.

Name Date Signed

COMPANY  
KERR-McGEE OIL INDUSTRIES, INC.

ATTEST:

By *A. L. F. Seale* 8/12/59  
Vice President

By *H. H. Richman*  
Secretary

By \_\_\_\_\_

STATE OF OKLAHOMA )  
COUNTY OF OKLAHOMA ) ss CORPORATION

The foregoing instrument was acknowledged before me this 12<sup>th</sup> day of August, 195 9, by *A. L. F. Seale*, Vice President of Kerr-McGee Oil Industries, Inc., a Delaware corporation, on behalf of said corporation.

My Commission Expires:

*Jonathan Ballinger*  
Notary Public

*June 6, 1960*

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss INDIVIDUAL

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 195\_\_\_\_, by \_\_\_\_\_.

My Commission Expires:

\_\_\_\_\_  
Notary Public

IN WITNESS WHEREOF the parties hereto have executed this Amendment upon the respective dates indicated opposite their respective signatures.

Name Date Signed

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

By *J. M. Leonard*  
**J. M. Leonard**

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss

CORPORATION

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 195\_\_\_\_, by \_\_\_\_\_, \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of said corporation.

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF **TEXAS** )  
COUNTY OF **TARRANT** ) ss

INDIVIDUAL

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of **July**, 195**9**, by **J. M. Leonard**.

My Commission Expires:

**June 1, 1961**

*M. Young*  
Notary Public in and for  
Tarrant County, Texas

IN WITNESS WHEREOF the parties hereto have executed this Amendment upon the respective dates indicated opposite their respective signatures.

Name

Date Signed

~~CORPORATE~~

**ADELINE MARKS, Individually and  
as Administrator of Estate of Tom  
V. Marks**

~~WITNESS:~~

By \_\_\_\_\_

By Adeline Marks \_\_\_\_\_

STATE OF \_\_\_\_\_ } CORPORATION  
COUNTY OF \_\_\_\_\_ } ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 195\_\_\_\_, by \_\_\_\_\_, \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of said corporation.

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF OKLAHOMA } INDIVIDUAL  
COUNTY OF Pottawatomie } ss

The foregoing instrument was acknowledged before me this 14th day of July, 1959, by Adeline Marks, a widow, and as Administrator of Estate of Tom V. Marks

My Commission Expires:

April 6, 1961

Mrs. Mary Casey  
Notary Public

IN WITNESS WHEREOF the parties hereto have executed this Amendment upon the respective dates indicated opposite their respective signatures.

Name

Date Signed

COMPANY

NEVILLE G. PENROSE, INC.

ATTEST:

By

J. M. Zachary  
VICE PRESIDENT

6-30-59

By

R. J. Churchill  
SECRETARY

By

J. M. Zachary

6-30-59

STATE OF TEXAS

COUNTY OF TARRANT

CORPORATION

SS

The foregoing instrument was acknowledged before me this 30th day of June, 1959, by J. M. Zachary, Vice President of Neville G. Penrose, Inc., a New Mexico corporation, on behalf of said corporation.

My Commission Expires:

Irellia Adams  
Notary Public

June 1, 1961

STATE OF TEXAS

COUNTY OF TARRANT

INDIVIDUAL

SS

The foregoing instrument was acknowledged before me this 30th day of June, 1959, by J. M. Zachary.

My Commission Expires:

Irellia Adams  
Notary Public

June 1, 1961

IN WITNESS WHEREOF the parties hereto have executed this Amendment upon the respective dates indicated opposite their respective signatures.

Name Date Signed

COMPANY

ATTEST:

By PHILLIPS PETROLEUM COMPANY

By

PHILLIPS PETROLEUM COMPANY

By L. E. Fitzgerald  
Vice President

[Signature]  
Assistant Secretary

STATE OF Oklahoma

CORPORATION

COUNTY OF Washington

ss

The foregoing instrument was acknowledged before me this 16<sup>th</sup> day of June, 1959, by L. E. Fitzgerald, Vice-President of Phillips Petroleum Co. a Delaware corporation, on behalf of said corporation.

My Commission Expires:

My Commission Expires Aug. 19, 1960

[Signature]  
Notary Public RAY E. HULING

STATE OF \_\_\_\_\_

INDIVIDUAL

COUNTY OF \_\_\_\_\_

ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 195\_\_\_\_, by \_\_\_\_\_.

My Commission Expires:

Notary Public

IN WITNESS WHEREOF the parties hereto have executed this Amendment upon the respective dates indicated opposite their respective signatures.

Name Date Signed

COMPANY

ATTEST:

By

By

By

STATE OF

CORPORATION

COUNTY OF

ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 195\_\_\_\_, by \_\_\_\_\_, \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of said corporation.

My Commission Expires:

Notary Public

6-1-61

STATE OF

INDIVIDUAL

COUNTY OF

ss

The foregoing instrument was acknowledged before me this 11th day of June, 1959, by W E Pittman.

My Commission Expires:

Notary Public

1-1-61

PHIL BUSBY

Phil Busby

IN WITNESS WHEREOF the parties hereto have executed this Amendment upon the respective dates indicated opposite their respective signatures.

Name Date Signed

COMPANY  
THE PURE OIL COMPANY

ATTEST:

By J. L. Morris July 27, 1959  
Manager, Texas Producing  
Division

By \_\_\_\_\_

APPROVALS	
DEPT.	AS TO FORM
LEGAL	<u>[Signature]</u>
PROD	<u>128</u>
ENG	<u>[Signature]</u>
LAND	<u>[Signature]</u>
FINAL	

By \_\_\_\_\_

STATE OF TEXAS )  
COUNTY OF TARRANT ) ss CORPORATION

The foregoing instrument was acknowledged before me this 27th day of July, 1959, by J. L. Morris, Manager of the Texas Producing Division of The Pure Oil Company, a corporation, as attorney-in-fact on behalf of said corporation.

H. W. Bradshaw H. W. BRADSHAW  
Notary Public

My Commission Expires:

June 1, 1961

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss INDIVIDUAL

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 195\_\_\_\_, by \_\_\_\_\_.

My Commission Expires:

\_\_\_\_\_  
Notary Public



IN WITNESS WHEREOF the parties hereto have executed this Amendment upon the respective dates indicated opposite their respective signatures.

Name

Date Signed

~~COMPANY~~

~~ATTORNEY~~

By *George M. Slaughter, III* 7-8-59  
George M. Slaughter, III

By \_\_\_\_\_

By *Betty Jo Slaughter* 7/13/59  
Betty Jo Slaughter

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS, }  
COUNTY OF TARRANT }

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared  
**Betty Jo Slaughter**  
known to me to be the person whose name **is** subscribed to the foregoing instrument, and acknowledged to me that **she** executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 13<sup>th</sup> day of July A. D. 19 59.

(L. S.)

*Freddie Adams*  
Notary Public in and for **Tarrant** County, Texas.

842--BAPINGTON PRINTING CO., FORT WORTH, TEXAS

STATE OF TEXAS )  
COUNTY OF Tarrant ) ss

INDIVIDUAL

The foregoing instrument was acknowledged before me this 8  
day of July, 1959, by George M. Slaughter, III.

My Commission Expires:  
June 1, 1961

*Freddie Adams*  
Notary Public in and for  
Tarrant County, Texas

IN WITNESS WHEREOF the parties hereto have executed this Amendment upon the respective dates indicated opposite their respective signatures.

Name Date Signed  
TEXAS PACIFIC COAL AND OIL  
COMPANY

ATTEST:

By R. W. Hines June 15, 1959  
Vice President

By [Signature]  
Secretary

By \_\_\_\_\_

STATE OF TEXAS )  
COUNTY OF TARRANT ) ss CORPORATION

The foregoing instrument was acknowledged before me this 15th day of June, 1959, by R. W. Hines, Vice President of Texas Pacific Coal and Oil Company, a Texas corporation, on behalf of said corporation.

My Commission Expires:

June 1, 1961

Ruth Barfield  
Notary Public, Tarrant County,  
Texas.

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss INDIVIDUAL

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 195\_\_\_\_, by \_\_\_\_\_.

My Commission Expires:

\_\_\_\_\_  
Notary Public

IN WITNESS WHEREOF the parties hereto have executed this Amendment upon the respective dates indicated opposite their respective signatures.

Name

Date Signed

COMPANY

~~ATTEST~~

UNION OIL COMPANY OF CALIFORNIA

By Edgar S. Keefe June 20, 1959  
Edgar S. Keefe,  
Attorney-in-Fact *Sub*

By \_\_\_\_\_

By \_\_\_\_\_

STATE OF TEXAS, )  
COUNTY OF MIDLAND. )

ss

CORPORATION

The foregoing instrument was acknowledged before me this 1<sup>st</sup> day of July, 1959, by Edgar S. Keefe, Attorney-in-Fact of UNION OIL COMPANY OF CALIFORNIA, a California corporation, on behalf of said corporation.

My Commission Expires:

ELMA H. SLOAN  
Notary Public

June 1, 1961

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

ss

INDIVIDUAL

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 195\_\_\_\_, by \_\_\_\_\_.

My Commission Expires:

\_\_\_\_\_  
Notary Public

IN WITNESS WHEREOF the parties hereto have executed this Amendment upon the respective dates indicated opposite their respective signatures.

Name Date Signed

COMPANY

ATTEST:

By \_\_\_\_\_

By \_\_\_\_\_

By Lola Zachary 7-9-59  
Lola Zachary

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss

CORPORATION

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 195\_\_\_\_, by \_\_\_\_\_, \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of said corporation.

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF Texas )  
COUNTY OF Tarrant ) ss

INDIVIDUAL

The foregoing instrument was acknowledged before me this 9th day of July, 1959, by Lola Zachary.

My Commission Expires:

Frederic Adams  
Notary Public

June 1, 1961

RATIFICATION AND JOINDER

TO

DRICKEY QUEEN SAND UNIT  
CHAVES COUNTY, NEW MEXICO

Ratification and Joinder to the Drickey Queen Sand Unit  
Agreement, Chaves County, State of New Mexico, dated February  
16, 1959.

For the consideration stated in the above described Unit  
Agreement, the undersigned hereby ratifies, confirms and joins  
in the execution of said Unit Agreement in order to include Tract  
No. 46 of Exhibit "B" which is hereby incorporated pursuant to  
Sections 13 and 31 of said Unit Agreement and made a part thereof  
to the same extent and effect as if the undersigned had executed  
the original of said Unit Agreement. The undersigned further  
agrees that said Tract No. 46 is to participate only in the Unit  
Secondary Production to the extent of 2.0 percent of such Secondary  
Production from and after the effective date of this Ratification and  
Joinder.

The undersigned acknowledges receipt of a copy of said Unit  
Agreement and acknowledges that no representations not incorporated  
herein or in said Unit Agreement have been made to the undersigned  
and that this instrument has been signed and delivered unconditionally.

DATE 8-14-64

Attest, If a Corporation, or  
Witness, If an Individual

Ernest Williams

ROYALTY OWNERS

Missie Taylor

ADDRESS Hope, New Mexico

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS

Attorney-in-Fact

On this \_\_\_\_\_ day of \_\_\_\_\_, 1964 before me personally appeared \_\_\_\_\_, to me known to be the person who executed the foregoing instrument as \_\_\_\_\_ in behalf of \_\_\_\_\_, and acknowledged that he executed the same as the free act and deed of said \_\_\_\_\_.

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS

Corporation

On this the \_\_\_\_\_ day of \_\_\_\_\_, 1964 personally appeared \_\_\_\_\_ to me personally known, who being by me duly sworn did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to the foregoing 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 \_\_\_\_\_ acknowledges said instrument to be the free act and deed of said corporation.

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:

\_\_\_\_\_  
Notary Public

STATE OF New Mexico )  
COUNTY OF Chaves ) SS

Individual

On this 14th day of August, 1964 before me personally appeared Minnie Taylor, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his 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:

3-12-66

Norma Kay East  
Notary Public

RATIFICATION AND JOINDER

TO

DRICKEY QUEEN SAND UNIT  
CHAVES COUNTY, NEW MEXICO

Ratification and Joinder to the Drickey Queen Sand Unit  
Agreement, Chaves County, State of New Mexico, dated February  
16, 1959.

For the consideration stated in the above described Unit  
Agreement, the undersigned hereby ratifies, confirms and joins  
in the execution of said Unit Agreement in order to include Tract  
No. 46 of Exhibit "B" which is hereby incorporated pursuant to  
Sections 13 and 31 of said Unit Agreement and made a part thereof  
to the same extent and effect as if the undersigned had executed  
the original of said Unit Agreement. The undersigned further  
agrees that said Tract No. 46 is to participate only in the Unit  
Secondary Production to the extent of 2.0 percent of such Secondary  
Production from and after the effective date of this Ratification and  
Joinder.

The undersigned acknowledges receipt of a copy of said Unit  
Agreement and acknowledges that no representations not incorporated  
herein or in said Unit Agreement have been made to the undersigned  
and that this instrument has been signed and delivered unconditionally.

DATE August 14, 1964

Attest, If a Corporation, or  
Witness, If an Individual

Ernest Williams

ROYALTY OWNERS

Buddy M. Medlin

ADDRESS West Star Route

Tatum, New Mexico

STATE OF \_\_\_\_\_ )  
 ) SS  
COUNTY OF \_\_\_\_\_ )

Attorney-in-Fact

On this \_\_\_\_\_ day of \_\_\_\_\_, 1964 before me personally appeared \_\_\_\_\_, to me known to be the person who executed the foregoing instrument as \_\_\_\_\_ in behalf of \_\_\_\_\_, and acknowledged that he executed the same as the free act and deed of said \_\_\_\_\_.

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
 ) SS  
COUNTY OF \_\_\_\_\_ )

Corporation

On this the \_\_\_\_\_ day of \_\_\_\_\_, 1964 personally appeared \_\_\_\_\_ to me personally known, who being by me duly sworn did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to the foregoing 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 \_\_\_\_\_ acknowledges said instrument to be the free act and deed of said corporation.

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:

\_\_\_\_\_  
Notary Public

STATE OF New Mexico )  
 ) SS  
COUNTY OF Chaves )

Individual

On this 10th day of August, 1964 before me personally appeared Wesley M. Hedlin, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his 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:

Wesley M. Hedlin  
Notary Public

2-10-66



RATIFICATION AND JOINDER

TO

DRICKEY QUEEN SAND UNIT  
CHAVES COUNTY, NEW MEXICO

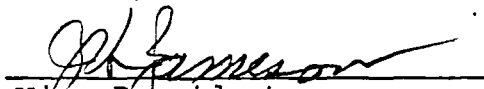
Ratification and Joinder to the Drickey Queen Sand Unit  
Agreement, Chaves County, State of New Mexico, dated February  
16, 1959.

For the consideration stated in the above described Unit  
Agreement, the undersigned hereby ratifies, confirms and joins  
in the execution of said Unit Agreement in order to include Tract  
No. 46 of Exhibit "B" which is hereby incorporated pursuant to  
Sections 13 and 31 of said Unit Agreement and made a part thereof  
to the same extent and effect as if the undersigned had executed  
the original of said Unit Agreement. The undersigned further  
agrees that said Tract No. 46 is to participate only in the Unit  
Secondary Production to the extent of 2.0 percent of such Secondary  
Production from and after the effective date of this Ratification and  
Joinder.

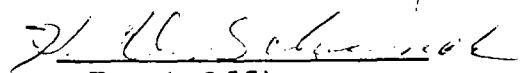
The undersigned acknowledges receipt of a copy of said Unit  
Agreement and acknowledges that no representations not incorporated  
herein or in said Unit Agreement have been made to the undersigned  
and that this instrument has been signed and delivered unconditionally.

DATE August 5, 1964

Attest, If a Corporation, or  
Witness, If an Individual

  
Vice-President

Lovington National Bank  
Trustee for Lynn Medlin  
ROYALTY OWNERS

  
Trust Officer  
ADDRESS \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS Attorney-in-Fact

On this \_\_\_\_\_ day of \_\_\_\_\_, 1964 before me personally appeared \_\_\_\_\_, to me known to be the person who executed the foregoing instrument as \_\_\_\_\_ in behalf of \_\_\_\_\_, and acknowledged that he executed the same as the free act and deed of said \_\_\_\_\_.

My Commission Expires:

\_\_\_\_\_  
Notary Public

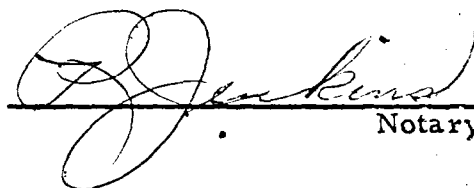
STATE OF New Mexico )  
COUNTY OF Lea ) SS Corporation

On this the 5th day of August, 1964 personally appeared H. D. Schenck to me personally known, who being by me duly sworn did say that he is the President of Trust Officer Lovington National Bank and that the seal affixed to the foregoing 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 H. D. Schenck acknowledges said instrument to be the free act and deed of said corporation.

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:

MY COMMISSION EXPIRES OCTOBER 11, 1967

  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS Individual

On this \_\_\_\_\_ day of \_\_\_\_\_, 1964 before me personally appeared \_\_\_\_\_, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his 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:

\_\_\_\_\_  
Notary Public

RATIFICATION AND JOINDER

TO

DRICKEY QUEEN SAND UNIT  
CHAVES COUNTY, NEW MEXICO

Ratification and Joinder to the Drickey Queen Sand Unit  
Agreement, Chaves County, State of New Mexico, dated February  
16, 1959.

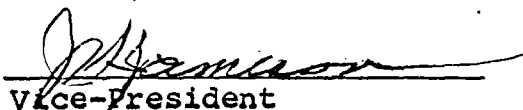
For the consideration stated in the above described Unit  
Agreement, the undersigned hereby ratifies, confirms and joins  
in the execution of said Unit Agreement in order to include Tract  
No. 46 of Exhibit "B" which is hereby incorporated pursuant to  
Sections 13 and 31 of said Unit Agreement and made a part thereof  
to the same extent and effect as if the undersigned had executed  
the original of said Unit Agreement. The undersigned further  
agrees that said Tract No. 46 is to participate only in the Unit  
Secondary Production to the extent of 2.0 percent of such Secondary  
Production from and after the effective date of this Ratification and  
Joinder.

The undersigned acknowledges receipt of a copy of said Unit  
Agreement and acknowledges that no representations not incorporated  
herein or in said Unit Agreement have been made to the undersigned  
and that this instrument has been signed and delivered unconditionally.

Lovington National Bank  
Trustee for Harvey Dale Taylor

DATE August 5, 1964

Attest, If a Corporation, or  
Witness, If an Individual

  
Vice-President

ROYALTY OWNERS

  
Trust Officer

ADDRESS \_\_\_\_\_  
\_\_\_\_\_

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS

Attorney-in-Fact

On this \_\_\_\_\_ day of \_\_\_\_\_, 1964 before me personally appeared \_\_\_\_\_, to me known to be the person who executed the foregoing instrument as \_\_\_\_\_ in behalf of \_\_\_\_\_, and acknowledged that he executed the same as the free act and deed of said \_\_\_\_\_.

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF New Mexico )  
COUNTY OF Lea ) SS

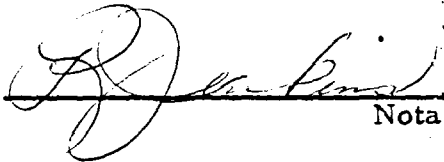
Corporation

On this the 5th day of August, 1964 personally appeared H. D. Schenck to me personally known, who being by me duly sworn did say that he is the ~~XXXXXX~~ of Trust Officer Lovington National Bank and that the seal affixed to the foregoing 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 H. D. Schenck acknowledges said instrument to be the free act and deed of said corporation.

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:

MY COMMISSION EXPIRES OCTOBER 11, 1967

  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS

Individual

On this \_\_\_\_\_ day of \_\_\_\_\_, 1964 before me personally appeared \_\_\_\_\_, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his 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:

\_\_\_\_\_  
Notary Public

RATIFICATION AND JOINDER

TO

DRICKEY QUEEN SAND UNIT  
CHAVES COUNTY, NEW MEXICO

Ratification and Joinder to the Drickey Queen Sand Unit  
Agreement, Chaves County, State of New Mexico, dated February  
16, 1959.

For the consideration stated in the above described Unit  
Agreement, the undersigned hereby ratifies, confirms and joins  
in the execution of said Unit Agreement in order to include Tract  
No. 46 of Exhibit "B" which is hereby incorporated pursuant to  
Sections 13 and 31 of said Unit Agreement and made a part thereof  
to the same extent and effect as if the undersigned had executed  
the original of said Unit Agreement. The undersigned further  
agrees that said Tract No. 46 is to participate only in the Unit  
Secondary Production to the extent of 2.0 percent of such Secondary  
Production from and after the effective date of this Ratification and  
Joinder.

The undersigned acknowledges receipt of a copy of said Unit  
Agreement and acknowledges that no representations not incorporated  
herein or in said Unit Agreement have been made to the undersigned  
and that this instrument has been signed and delivered unconditionally.

Lovington National Bank  
Trustee for Billy R. Medlin

DATE August 5, 1964

ROYALTY OWNERS

Attest, If a Corporation, or  
Witness, If an Individual

H. C. Schumaker  
Trust Officer

ADDRESS \_\_\_\_\_

J. H. [Signature]  
Vice-President

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS Attorney-in-Fact

On this \_\_\_\_\_ day of \_\_\_\_\_, 1964 before me personally appeared \_\_\_\_\_, to me known to be the person who executed the foregoing instrument as \_\_\_\_\_ in behalf of \_\_\_\_\_, and acknowledged that he executed the same as the free act and deed of said \_\_\_\_\_.

My Commission Expires:

\_\_\_\_\_  
Notary Public

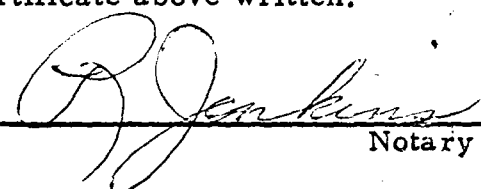
STATE OF New Mexico )  
COUNTY OF Lea ) SS Corporation

On this the 5th day of August, 1964 personally appeared H. D. Schenck to me personally known, who being by me duly sworn did say that he is the ~~President~~ Trust Officer of Lovington National Bank and that the seal affixed to the foregoing 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 H. D. Schenck acknowledges said instrument to be the free act and deed of said corporation.

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:

MY COMMISSION EXPIRES OCTOBER 11, 1967

  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS Individual

On this \_\_\_\_\_ day of \_\_\_\_\_, 1964 before me personally appeared \_\_\_\_\_, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his 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:

\_\_\_\_\_  
Notary Public

RATIFICATION AND JOINDER  
TO

DRICKEY QUEEN SAND UNIT AGREEMENT  
CHAVES COUNTY, NEW MEXICO

Ratification and Joinder to the Drickey Queen Sand Unit Agreement, Chaves  
County, State of New Mexico, dated February 16, 1959.

For the consideration stated in the above described Unit Agreement the under-  
signed hereby ratifies, confirms and joins in the execution of said Unit Agreement  
which is hereby incorporated pursuant to Sections 13 and 31 of said Unit Agreement  
and made a part thereof to the same extent and effect as if the undersigned had  
executed the original of said Unit Agreement, except that this ratification shall  
apply only to the overriding royalty interest of the undersigned in Tract No. 46,  
described as the W/2 NE/4 of Section 22, Township 14 South, Range 31 East, Chaves  
County, New Mexico. The undersigned further agrees that said Tract No. 46 is to  
participate only in the Unit Secondary Production to the extent of 2.0 percent of  
such Secondary Production from and after the effective date of this Ratification  
and Joinder.

The undersigned acknowledges receipt of a copy of said Agreement and acknowl-  
edges that no representations not incorporated herein or in said Agreement have  
been made to the undersigned and that this instrument has been signed and delivered  
unconditionally. Dated this \_\_\_\_\_ day of \_\_\_\_\_, 1964.

ATTEST:

*Robert H. Stephenson*  
Asst. Secretary

OVERRIDING ROYALTY OWNERS

HONDO OIL & GAS COMPANY

By *Boone Masaulay*  
Vice-President

ADDRESS P. O. Box 1978  
Roswell, New Mexico

STATE OF NEW MEXICO

COUNTY OF CHAVES

The foregoing instrument was acknowledged before me this 24th day of  
August, 1964, by BOONE MASULAY, Vice-President of HONDO OIL & GAS  
COMPANY, a New Mexico Corporation on behalf of said Corporation.

My Commission Expires:

Notary Public in and for the  
County of Chaves, State of New Mexico

RATIFICATION AND JOINDER

TO

DRICKEY QUEEN SAND UNIT  
CHAVES COUNTY, NEW MEXICO

Ratification and Joinder to the Drickey Queen Sand Unit Agreement  
and Unit Operating Agreement, Chaves County, State of New Mexico, dated  
February 16, 1959.

For the consideration stated in the above described Unit Agreement  
and Unit Operating Agreement, the undersigned hereby ratifies, confirms  
and joins in the execution of said Agreements in order to include Tract No.  
46 of Exhibit "B" of said Unit Agreement which is hereby incorporated  
pursuant to Sections 13 and 31 of said Unit Agreement and made a part thereof  
to the same extent and effect as if the undersigned had executed the original  
of said Unit Agreement and Unit Operating Agreement. The undersigned  
further agrees that said Tract No. 46 is to participate only in the Unit Sec-  
ondary Production to the extent of 2.0 percent of such Secondary Production from  
and after the effective date of this Ratification and Joinder.

The undersigned acknowledges receipt of a copy of said Agreements  
and acknowledges that no representations not incorporated herein or in  
said Agreements have been made to the undersigned and that this instrument  
has been signed and delivered unconditionally.

WORKING INTEREST OWNERS

DATE

WITNESS

8/24/64

Anne Fleming

Joseph I. O'Neill, Jr.  
Joseph I. O'Neill, Jr., Individually, and as  
Attorney-in-Fact for Catherine C. O'Neill,  
his wife

8/24/64

Anne Fleming

E. T. Anderson  
E. T. Anderson

8/24/64

Anne Fleming

Lillian G. Anderson  
Lillian G. Anderson

8/24/64

Anne Fleming

N. C. Dragisic, Trustee  
N. C. Dragisic, Trustee

8/24/64

Anne Fleming

Elsie J. Dragisic



THE STATE OF TEXAS     )  
                                  )  
COUNTY OF MIDLAND    )

The above and foregoing instrument was acknowledged before me this  
24th day of August, 1964, by JOSEPH I. O'NEILL, JR.,  
Individually, and as Attorney-in-Fact for Catherine C. O'Neill, his wife.

My Commission Expires:  
June 1, 1965

Frances A. Fleming  
Notary Public  
FRANCES A. FLEMING

THE STATE OF TEXAS     )  
                                  )  
COUNTY OF MIDLAND    )

The above and foregoing instrument was acknowledged before me this  
21st day of August, 1964, by E. T. ANDERSON and wife,  
LILLIAN G. ANDERSON.

My Commission Expires:  
June 1, 1965

Frances A. Fleming  
Notary Public  
FRANCES A. FLEMING

THE STATE OF TEXAS     )  
                                  )  
COUNTY OF MIDLAND    )

The above and foregoing instrument was acknowledged before me this  
24th day of August, 1964, by N. C. DRAGISIC and wife,  
ELSIE J. DRAGISIC.

My Commission Expires:  
June 1, 1965

Frances A. Fleming  
Notary Public  
FRANCES A. FLEMING

RATIFICATION AND JOINDER

TO

DRICKEY QUEEN SAND UNIT  
CHAVES COUNTY, NEW MEXICO

Ratification and Joinder to the Drickey Queen Sand Unit Agreement  
and Unit Operating Agreement, Chaves County, State of New Mexico, dated  
February 16, 1959.

For the consideration stated in the above described Unit Agreement  
and Unit Operating Agreement, the undersigned hereby ratifies, confirms  
and joins in the execution of said Agreements in order to include Tract No.  
46 of Exhibit "B" of said Unit Agreement which is hereby incorporated  
pursuant to Sections 13 and 31 of said Unit Agreement and made a part thereof  
to the same extent and effect as if the undersigned had executed the original  
of said Unit Agreement and Unit Operating Agreement. The undersigned  
further agrees that said Tract No. 46 is to participate only in the Unit Second-  
ary Production to the extent of 2.0 percent of such Secondary Production from  
and after the effective date of this Ratification and Joinder.

The undersigned acknowledges receipt of a copy of said Agreements  
and acknowledges that no representations not incorporated herein or in  
said Agreements have been made to the undersigned and that this instrument  
has been signed and delivered unconditionally.

WORKING INTEREST OWNERS

Josephine L. L...  
Herbert L. L...  
ADDRESS 711 W. 1st St.  
Elm Grove, N.Y.

DATE \_\_\_\_\_

Attest, If a Corporation, or  
Witness, If an Individual

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

SS

Attorney-in-Fact

On this \_\_\_\_\_ day of \_\_\_\_\_, 1964 before me personally appeared \_\_\_\_\_, to me known to be the person who executed the foregoing instrument as \_\_\_\_\_ in behalf of \_\_\_\_\_, and acknowledged that he executed the same as the free act and deed of said \_\_\_\_\_.

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

SS

Corporation

On this the \_\_\_\_\_ day of \_\_\_\_\_, 1964 personally appeared \_\_\_\_\_ to me personally known, who being by me duly sworn did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to the foregoing 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 \_\_\_\_\_ acknowledges said instrument to be the free act and deed of said corporation.

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:

\_\_\_\_\_  
Notary Public

STATE OF New York )  
COUNTY OF Nassau )

SS

Individual

On this 22 day of August, 1964 before me personally appeared Joseph F. Dwyer & Richard Dwyer to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his 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:

James F. Mulder  
Notary Public, State of New York  
NO. 30-8049700  
Qualified in Nassau County  
Term Expires March 30, 1966

RATIFICATION AND JOINDER

TO

DRICKEY QUEEN SAND UNIT  
CHAVES COUNTY, NEW MEXICO

Ratification and Joinder to the Drickey Queen Sand Unit Agreement and Unit Operating Agreement, Chaves County, State of New Mexico, dated February 16, 1959.

For the consideration stated in the above described Unit Agreement and Unit Operating Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Agreements in order to include Tract No. 46 of Exhibit "B" of said Unit Agreement which is hereby incorporated pursuant to Sections 13 and 31 of said Unit Agreement and made a part thereof to the same extent and effect as if the undersigned had executed the original of said Unit Agreement and Unit Operating Agreement. The undersigned further agrees that said Tract No. 46 is to participate only in the Unit Secondary Production to the extent of 2.0 percent of such Secondary Production from and after the effective date of this Ratification and Joinder.

The undersigned acknowledges receipt of a copy of said Agreements and acknowledges that no representations not incorporated herein or in said Agreements have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

WORKING INTEREST OWNERS

*Walter J. [Signature]*

DATE 8-18-64

ADDRESS Box 211, La Salle, Illinois

Attest, If a Corporation, or  
Witness, If an Individual

*Velma M. Duncan*

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS Attorney-in-Fact

On this \_\_\_\_\_ day of \_\_\_\_\_, 1964 before me personally appeared \_\_\_\_\_, to me known to be the person who executed the foregoing instrument as \_\_\_\_\_ in behalf of \_\_\_\_\_, and acknowledged that he executed the same as the free act and deed of said \_\_\_\_\_.

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS Corporation

On this the \_\_\_\_\_ day of \_\_\_\_\_, 1964 personally appeared \_\_\_\_\_ to me personally known, who being by me duly sworn did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to the foregoing 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 \_\_\_\_\_ acknowledges said instrument to be the free act and deed of said corporation.

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:

\_\_\_\_\_  
Notary Public

STATE OF Illinois )  
COUNTY OF LA SALLE ) SS Individual

On this 18<sup>th</sup> day of August, 1964 before me personally appeared Walter Duggan Littlejohn, Jr., to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his 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:

Aug 5, 1965

John D. [Signature]  
Notary Public

RATIFICATION AND JOINDER

TO

DRICKEY QUEEN SAND UNIT  
CHAVES COUNTY, NEW MEXICO

Ratification and Joinder to the Drickey Queen Sand Unit Agreement and Unit Operating Agreement, Chaves County, State of New Mexico, dated February 16, 1959.

For the consideration stated in the above described Unit Agreement and Unit Operating Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Agreements in order to include Tract No. 46 of Exhibit "B" of said Unit Agreement which is hereby incorporated pursuant to Sections 13 and 31 of said Unit Agreement and made a part thereof to the same extent and effect as if the undersigned had executed the original of said Unit Agreement and Unit Operating Agreement. The undersigned further agrees that said Tract No. 46 is to participate only in the Unit Secondary Production to the extent of 2.0 percent of such Secondary Production from and after the effective date of this Ratification and Joinder.

The undersigned acknowledges receipt of a copy of said Agreements and acknowledges that no representations not incorporated herein or in said Agreements have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

WORKING INTEREST OWNERS

*James A. Duncan Jr.*

ADDRESS *Box 24, Lordsburg, N.M.*

DATE \_\_\_\_\_

Attest, If a Corporation, or  
Witness, If an Individual

\_\_\_\_\_

STATE OF \_\_\_\_\_ )

) SS

Attorney-in-Fact

COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 1964 before me personally appeared \_\_\_\_\_, to me known to be the person who executed the foregoing instrument as \_\_\_\_\_ in behalf of \_\_\_\_\_, and acknowledged that he executed the same as the free act and deed of said \_\_\_\_\_.

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )

) SS

Corporation

COUNTY OF \_\_\_\_\_ )

On this the \_\_\_\_\_ day of \_\_\_\_\_, 1964 personally appeared \_\_\_\_\_ to me personally known, who being by me duly sworn did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to the foregoing 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 \_\_\_\_\_ acknowledges said instrument to be the free act and deed of said corporation.

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:

\_\_\_\_\_  
Notary Public

STATE OF Colorado )

) SS

Individual

COUNTY OF Denver )

On this 19<sup>th</sup> day of August, 1964 before me personally appeared J. Walter Klunow, Jr., to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his 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:

Sept. 3, 1964

M. Adeline Morse  
Notary Public

RATIFICATION AND JOINDER

TO

DRICKEY QUEEN SAND UNIT  
CHAVES COUNTY, NEW MEXICO

Ratification and Joinder to the Drickey Queen Sand Unit Agreement and Unit Operating Agreement, Chaves County, State of New Mexico, dated February 16, 1959.

For the consideration stated in the above described Unit Agreement and Unit Operating Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Agreements in order to include Tract No. 46 of Exhibit "B" of said Unit Agreement which is hereby incorporated pursuant to Sections 13 and 31 of said Unit Agreement and made a part thereof to the same extent and effect as if the undersigned had executed the original of said Unit Agreement and Unit Operating Agreement. The undersigned further agrees that said Tract No. 46 is to participate only in the Unit Secondary Production to the extent of 2.0 percent of such Secondary Production from and after the effective date of this Ratification and Joinder.

The undersigned acknowledges receipt of a copy of said Agreements and acknowledges that no representations not incorporated herein or in said Agreements have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

WORKING INTEREST OWNERS

Vincent J. Duncan

ADDRESS Box 211, LaSalle, Illinois

Annmarie Duncan

DATE 8/18/64

Carrolla Schreiber  
Attest, If a Corporation, or  
Witness, If an Individual



STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS Attorney-in-Fact

On this \_\_\_\_\_ day of \_\_\_\_\_, 1964 before me personally appeared \_\_\_\_\_, to me known to be the person who executed the foregoing instrument as \_\_\_\_\_ in behalf of \_\_\_\_\_, and acknowledged that he executed the same as the free act and deed of said \_\_\_\_\_.

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS Corporation

On this the \_\_\_\_\_ day of \_\_\_\_\_, 1964 personally appeared \_\_\_\_\_ to me personally known, who being by me duly sworn did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to the foregoing 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 \_\_\_\_\_ acknowledges said instrument to be the free act and deed of said corporation.

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:

\_\_\_\_\_  
Notary Public

STATE OF Colorado )  
COUNTY OF Denver ) SS Individual

On this 18<sup>th</sup> day of August, 1964 before me personally appeared Ernest J. Duran + Armando Duran, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that they executed the same as his 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:

\_\_\_\_\_  
My Commission expires July 20, 1966

Carmelia Achiche  
Notary Public

RATIFICATION AND JOINDER

TO

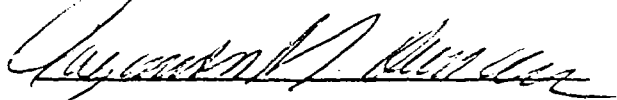
DRICKEY QUEEN SAND UNIT  
CHAVES COUNTY, NEW MEXICO

Ratification and Joinder to the Drickey Queen Sand Unit Agreement and Unit Operating Agreement, Chaves County, State of New Mexico, dated February 16, 1959.

For the consideration stated in the above described Unit Agreement and Unit Operating Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Agreements in order to include Tract No. 46 of Exhibit "B" of said Unit Agreement which is hereby incorporated pursuant to Sections 13 and 31 of said Unit Agreement and made a part thereof to the same extent and effect as if the undersigned had executed the original of said Unit Agreement and Unit Operating Agreement. The undersigned further agrees that said Tract No. 46 is to participate only in the Unit Secondary Production to the extent of 2.0 percent of such Secondary Production from and after the effective date of this Ratification and Joinder.

The undersigned acknowledges receipt of a copy of said Agreements and acknowledges that no representations not incorporated herein or in said Agreements have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

WORKING INTEREST OWNERS



DATE August 17, 1964

ADDRESS Box 21, Lordsburg, N.M.

Attest, If a Corporation, or  
Witness, If an Individual



STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS

Attorney-in-Fact

On this \_\_\_\_\_ day of \_\_\_\_\_, 1964 before me personally appeared \_\_\_\_\_, to me known to be the person who executed the foregoing instrument as \_\_\_\_\_ in behalf of \_\_\_\_\_, and acknowledged that he executed the same as the free act and deed of said \_\_\_\_\_.

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS

Corporation

On this the \_\_\_\_\_ day of \_\_\_\_\_, 1964 personally appeared \_\_\_\_\_ to me personally known, who being by me duly sworn did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to the foregoing 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 \_\_\_\_\_ acknowledges said instrument to be the free act and deed of said corporation.

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:

\_\_\_\_\_  
Notary Public

STATE OF COLORADO )  
COUNTY OF LA PLATA ) SS

Individual

On this 17th day of August, 1964 before me personally appeared Raymond T. Duncan and Joan R. Duncan, his wife, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that they executed the same as <sup>their</sup> 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:

August 27, 1967

Beatrice C. Reed  
Notary Public

RATIFICATION AND JOINDER

TO

DRICKEY QUEEN SAND UNIT  
CHAVES COUNTY, NEW MEXICO

Ratification and Joinder to the Drickey Queen Sand Unit Agreement and Unit Operating Agreement, Chaves County, State of New Mexico, dated February 16, 1959.

For the consideration stated in the above described Unit Agreement and Unit Operating Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Agreements in order to include Tract No. 46 of Exhibit "B" of said Unit Agreement which is hereby incorporated pursuant to Sections 13 and 31 of said Unit Agreement and made a part thereof to the same extent and effect as if the undersigned had executed the original of said Unit Agreement and Unit Operating Agreement. The undersigned further agrees that said Tract No. 46 is to participate only in the Unit Secondary Production to the extent of 2.0 percent of such Secondary Production from and after the effective date of this Ratification and Joinder.

The undersigned acknowledges receipt of a copy of said Agreements and acknowledges that no representations not incorporated herein or in said Agreements have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

*William R. Lynn*

DATE *Aug. 14<sup>th</sup> 1964*

Attest, If a Corporation, or  
Witness, If an Individual

WORKING INTEREST OWNERS

*Frank A. Howard*  
*Howard*  
ADDRESS *30 Rockefeller Plaza*  
*New York 20, N.Y.*

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS Attorney-in-Fact

On this \_\_\_\_\_ day of \_\_\_\_\_, 1964 before me personally appeared \_\_\_\_\_, to me known to be the person who executed the foregoing instrument as \_\_\_\_\_ in behalf of \_\_\_\_\_, and acknowledged that he executed the same as the free act and deed of said \_\_\_\_\_.

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS Corporation

On this the \_\_\_\_\_ day of \_\_\_\_\_, 1964 personally appeared \_\_\_\_\_ to me personally known, who being by me duly sworn did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to the foregoing 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 \_\_\_\_\_ acknowledges said instrument to be the free act and deed of said corporation.

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:

\_\_\_\_\_  
Notary Public

STATE OF New York )  
COUNTY OF New York ) SS Individual

On this 14<sup>th</sup> day of Aug., 1964 before me personally appeared Frank A. Emma A. Howard, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that they executed the same as ~~his~~ 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:

Rosamond F. Jones  
Notary Public

ROSAMOND F. JONES  
NOTARY PUBLIC, State of New York  
No. 24-7117600  
Qualified in Kings County  
Commission Expires March 30, 1966

RATIFICATION AND JOINDER

TO

DRICKEY QUEEN SAND UNIT  
CHAVES COUNTY, NEW MEXICO

Ratification and Joinder to the Drickey Queen Sand Unit Agreement and Unit Operating Agreement, Chaves County, State of New Mexico, dated February 16, 1959.

For the consideration stated in the above described Unit Agreement and Unit Operating Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Agreements in order to include Tract No. 46 of Exhibit "B" of said Unit Agreement which is hereby incorporated pursuant to Sections 13 and 31 of said Unit Agreement and made a part thereof to the same extent and effect as if the undersigned had executed the original of said Unit Agreement and Unit Operating Agreement. The undersigned further agrees that said Tract No. 46 is to participate only in the Unit Secondary Production to the extent of 2.0 percent of such Secondary Production from and after the effective date of this Ratification and Joinder.

The undersigned acknowledges receipt of a copy of said Agreements and acknowledges that no representations not incorporated herein or in said Agreements have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

WORKING INTEREST OWNERS

*G. Hilmer Lundbeck*  
DATE August 19, 1964

Attest, If a Corporation, or  
Witness, If an Individual

*G. Hilmer Lundbeck*  
ADDRESS

G. Hilmer Lundbeck  
Swedish American Line  
636 Fifth Avenue  
New York, New York 10020

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS

Attorney-in-Fact

On this \_\_\_\_\_ day of \_\_\_\_\_, 1964 before me personally appeared \_\_\_\_\_, to me known to be the person who executed the foregoing instrument as \_\_\_\_\_ in behalf of \_\_\_\_\_, and acknowledged that he executed the same as the free act and deed of said \_\_\_\_\_.

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS

Corporation

On this the \_\_\_\_\_ day of \_\_\_\_\_, 1964 personally appeared \_\_\_\_\_ to me personally known, who being by me duly sworn did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to the foregoing 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 \_\_\_\_\_ acknowledges said instrument to be the free act and deed of said corporation.

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:

\_\_\_\_\_  
Notary Public

STATE OF New York )  
COUNTY OF New York ) SS

Individual

On this 24th day of August, 1964 before me personally appeared Anne W. and E. Helmer Lindbeck, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his 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:

MAR 30 1966

Thomas G. Morgansen  
Notary Public

THOMAS G. MORGANSEN  
Notary Public, State of New York  
No. 4174076, Queens County  
Commenced July 1, 1964  
Queens and New York Counties  
Term Expires March 30, 1966

RATIFICATION AND JOINDER

TO

DRICKEY QUEEN SAND UNIT  
CHAVES COUNTY, NEW MEXICO

Ratification and Joinder to the Drickey Queen Sand Unit Agreement  
and Unit Operating Agreement, Chaves County, State of New Mexico, dated  
February 16, 1959.

For the consideration stated in the above described Unit Agreement  
and Unit Operating Agreement, the undersigned hereby ratifies, confirms  
and joins in the execution of said Agreements in order to include Tract No.  
46 of Exhibit "B" of said Unit Agreement which is hereby incorporated  
pursuant to Sections 13 and 31 of said Unit Agreement and made a part thereof  
to the same extent and effect as if the undersigned had executed the original  
of said Unit Agreement and Unit Operating Agreement. The undersigned  
further agrees that said Tract No. 46 is to participate only in the Unit Second-  
ary Production to the extent of 2.0 percent of such Secondary Production from  
and after the effective date of this Ratification and Joinder.

The undersigned acknowledges receipt of a copy of said Agreements  
and acknowledges that no representations not incorporated herein or in  
said Agreements have been made to the undersigned and that this instrument  
has been signed and delivered unconditionally.

DATE

WITNESS

8/12/64 Sydney Forman

Peter L. Shea  
Peter L. Shea

8/12/64 Philip M. Meltzer

Nancy S. Shea  
Nancy S. Shea

8/12/64 Sydney Forman

ESTATE OF EDWARD L. SHEA  
By Peter L. Shea  
Co-executor for the Estate of  
Edward L. Shea



STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS Attorney-in-Fact

On this \_\_\_\_\_ day of \_\_\_\_\_, 1964 before me personally appeared \_\_\_\_\_, to me known to be the person who executed the foregoing instrument as \_\_\_\_\_ in behalf of \_\_\_\_\_, and acknowledged that he executed the same as the free act and deed of said \_\_\_\_\_.

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS Corporation

On this the \_\_\_\_\_ day of \_\_\_\_\_, 1964 personally appeared \_\_\_\_\_ to me personally known, who being by me duly sworn did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to the foregoing 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 \_\_\_\_\_ acknowledges said instrument to be the free act and deed of said corporation.

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:

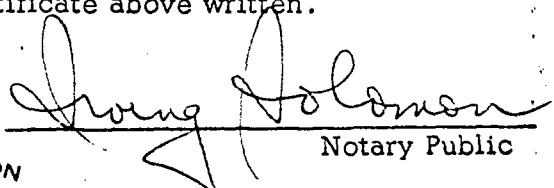
\_\_\_\_\_  
Notary Public

STATE OF NEW YORK )  
COUNTY OF NEW YORK ) SS Individual

On this 13th day of August, 1964 before me personally appeared Peter L. Shea individually and as coexecutor of the Estate of Edward L. Shea, and Nancy S. Shea, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free acts and deeds.

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:

  
Notary Public

IRVING SOLOMON  
Notary Public, State of New York  
No. 03-3765250  
Qualified in Bronx County  
Certificate filed in New York County  
Commission Expires March 30, 1965

RATIFICATION AND JOINDER

TO

DRICKEY QUEEN SAND UNIT  
CHAVES COUNTY, NEW MEXICO

Ratification and Joinder to the Drickey Queen Sand Unit Agreement and Unit Operating Agreement, Chaves County, State of New Mexico, dated February 16, 1959.

For the consideration stated in the above described Unit Agreement and Unit Operating Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Agreements in order to include Tract No. 46 of Exhibit "B" of said Unit Agreement which is hereby incorporated pursuant to Sections 13 and 31 of said Unit Agreement and made a part thereof to the same extent and effect as if the undersigned had executed the original of said Unit Agreement and Unit Operating Agreement. The undersigned further agrees that said Tract No. 46 is to participate only in the Unit Secondary Production to the extent of 2.0 percent of such Secondary Production from and after the effective date of this Ratification and Joinder.

The undersigned acknowledges receipt of a copy of said Agreements and acknowledges that no representations not incorporated herein or in said Agreements have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

WORKING INTEREST OWNERS

Edwina S. Bitard

DATE August 17, 1966

ADDRESS 20 Exchange Ave.

Attest, If a Corporation, or  
Witness, If an Individual

Grace Guerin

New York 5, N.Y.

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS

Attorney-in-Fact

On this \_\_\_\_\_ day of \_\_\_\_\_, 1964 before me personally appeared \_\_\_\_\_, to me known to be the person who executed the foregoing instrument as \_\_\_\_\_ in behalf of \_\_\_\_\_, and acknowledged that he executed the same as the free act and deed of said \_\_\_\_\_.

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS

Corporation

On this the \_\_\_\_\_ day of \_\_\_\_\_, 1964 personally appeared \_\_\_\_\_ to me personally known, who being by me duly sworn did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to the foregoing 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 \_\_\_\_\_ acknowledges said instrument to be the free act and deed of said corporation.

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:

\_\_\_\_\_  
Notary Public

STATE OF New York )  
COUNTY OF New York ) SS

Individual

On this 17<sup>th</sup> day of August, 1964 before me personally appeared William V. Broderick, Esquire, D. B. B. B. to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as <sup>their</sup> 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:

Elizabeth A. Mullen  
Notary Public

ELIZABETH A. MULLEN  
Notary Public, State of New York  
Res. in Rich Co. Clk's #43-26006400  
Cert. Filed in N.Y. Co. Clerk's Office  
Commission Expires March 30, 1965

RATIFICATION AND JOINDER

TO

DRICKEY QUEEN SAND UNIT  
CHAVES COUNTY, NEW MEXICO

Ratification and Joinder to the Drickey Queen Sand Unit Agreement  
and Unit Operating Agreement, Chaves County, State of New Mexico, dated  
February 16, 1959.

For the consideration stated in the above described Unit Agreement  
and Unit Operating Agreement, the undersigned hereby ratifies, confirms  
and joins in the execution of said Agreements in order to include Tract No.  
46 of Exhibit "B" of said Unit Agreement which is hereby incorporated  
pursuant to Sections 13 and 31 of said Unit Agreement and made a part thereof  
to the same extent and effect as if the undersigned had executed the original  
of said Unit Agreement and Unit Operating Agreement. The undersigned  
further agrees that said Tract No. 46 is to participate only in the Unit Sec-  
ondary Production to the extent of 2.0 percent of such Secondary Production from  
and after the effective date of this Ratification and Joinder.

The undersigned acknowledges receipt of a copy of said Agreements  
and acknowledges that no representations not incorporated herein or in  
said Agreements have been made to the undersigned and that this instrument  
has been signed and delivered unconditionally.

ATTEST

*W. F. T. T. T.*

DATE AUG 26 1964

Attest, If a Corporation, or  
Witness, If an Individual

SOUTHWEST CHARITABLE CORPORATION

~~WORKING~~ INTEREST OWNERS

*O. P. C. C. C.*  
President

ADDRESS \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS Attorney-in-Fact

On this \_\_\_\_\_ day of \_\_\_\_\_, 1964 before me personally appeared \_\_\_\_\_, to me known to be the person who executed the foregoing instrument as \_\_\_\_\_ in behalf of \_\_\_\_\_, and acknowledged that he executed the same as the free act and deed of said \_\_\_\_\_.

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF Texas )  
COUNTY OF Dallas ) SS Corporation

On this the 26 day of August, 1964 personally appeared O. D. Alsobrook to me personally known, who being by me duly sworn did say that he is the President of SOUTHWEST CHARITABLE CORPORATION and that the seal affixed to the foregoing 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 O. D. Alsobrook acknowledges said instrument to be the free act and deed of said corporation.

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:

B. L. Bassett  
Notary Public

B. L. BASSETT, Notary Public  
in and for Dallas County, Texas  
My Commission Expires June 1, 1965

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS Individual

On this \_\_\_\_\_ day of \_\_\_\_\_, 1964 before me personally appeared \_\_\_\_\_, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his 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:

\_\_\_\_\_  
Notary Public

RATIFICATION AND JOINDER

TO

DRICKEY QUEEN SAND UNIT  
CHAVES COUNTY, NEW MEXICO

Ratification and Joinder to the Drickey Queen Sand Unit Agreement  
and Unit Operating Agreement, Chaves County, State of New Mexico, dated  
February 16, 1959.

For the consideration stated in the above described Unit Agreement  
and Unit Operating Agreement, the undersigned hereby ratifies, confirms  
and joins in the execution of said Agreements in order to include Tract No.  
46 of Exhibit "B" of said Unit Agreement which is hereby incorporated  
pursuant to Sections 13 and 31 of said Unit Agreement and made a part thereof  
to the same extent and effect as if the undersigned had executed the original  
of said Unit Agreement and Unit Operating Agreement. The undersigned  
further agrees that said Tract No. 46 is to participate only in the Unit Sec-  
ondary Production to the extent of 2.0 percent of such Secondary Production from  
and after the effective date of this Ratification and Joinder.

The undersigned acknowledges receipt of a copy of said Agreements  
and acknowledges that no representations not incorporated herein or in  
said Agreements have been made to the undersigned and that this instrument  
has been signed and delivered unconditionally.

DATE ATTEST EMPIRE TRUST COMPANY

8/12/64 [Signature] [Signature]  
Assistant Secretary Vice President

DATE ATTEST ULSTER CORPORATION

8/14/64 [Signature] [Signature]  
Assistant Secretary Vice President

DATE WITNESS

8/14/64 [Signature] [Signature]  
W. B. Snyder, Trustee

STATE OF \_\_\_\_\_ )  
 ) SS  
COUNTY OF \_\_\_\_\_ )

Attorney-in-Fact

On this \_\_\_\_\_ day of \_\_\_\_\_, 1964 before me personally  
appeared \_\_\_\_\_, to me known to be the person who  
executed the foregoing instrument as \_\_\_\_\_ in behalf  
of \_\_\_\_\_, and acknowledged that he exe-  
cuted the same as the free act and deed of said \_\_\_\_\_.

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF New York )  
 ) SS  
COUNTY OF New York )

Corporation

On this the 14 day of August, 1964 personally ap-  
peared W. B. Snyder to me personally known, who being  
by me duly sworn did say that he is the Vice President of Empire Trust Company  
and that the seal affixed to the foregoing 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 W. B. Snyder acknowledges said instrument to be  
the free act and deed of said corporation.

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:

DONATO CAPOZZI  
Notary Public, State of New York  
No. 24-0558600  
Qualified in Kings County  
Comm. Expires March 30, 1965

Donato Capozzi  
Notary Public

STATE OF New York )  
 ) SS  
COUNTY OF New York )

Individual

On this 14 day of August, 1964 before me personally  
appeared W. B. Snyder, to me known to be the person des-  
cribed in and who executed the foregoing instrument, and acknowledges that he  
executed the same as his 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:

DONATO CAPOZZI  
Notary Public, State of New York  
No. 24-0558600  
Qualified in Kings County  
Comm. Expires March 30, 1965

Donato Capozzi  
Notary Public