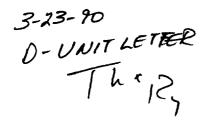
Unocal North American Oil & Gas Division Unocal Corporation 1004 North Big Spring Street. Suite 300 P.O. Box 3100 Midland, Texas 79702 Telephone (915) 684-8231

Southwestern Region



ر الاردان المراجعة مسور ال

March 20, 1990

Oil Conservation Division Energy and Minerals Division P. O. Box 2088 Santa Fe, New Mexico 87501-2088

Attn: Mr. William J. LeMay, Director

RE: 1990 Plan of Development Wilson Deep Unit W/2 Section 12-21S-34E Lea County, New Mexico S/Wilson Prospect (0855)

Gentlemen:

Please find enclosed for your approval two copies of Union's 1990 Plan of Development for the Wilson Deep Unit.

Also enclosed is a Revised Exhibit "A" and "B". When the Unit terminated effective December 20, 1965, save and except the W/2 Section 13-21S-34E, these exhibits were never revised. On Tract 11, the Lessee of record is now Marks & Garner, although the Working Interest Owner in the Wilson Deep Unit is Kaiser-Francis Oil Company.

Should you have any questions, please let me know.

Sincerely yours,

UNION OIL COMPANY OF CALIFORNIA dba UNOCAL

Luida H. Hulen

Linda H. Hicks Supervisor of Contracts

LHH/jb Enclosures 1990 PLAN OF DEVELOPMENT WILSON DEEP UNIT LEA COUNTY, NEW MEXICO

TO: Oil Conservation Division Energy and Minerals Division P. O. Box 2088 Santa Fe, New Mexico 87504-2088

Attn: Mr. William J. LeMay, Director

Pursuant to provisions of Section 9 of the Unit Agreement for the Development and Operation of the Wilson Deep Unit Area, Union Oil Company of California, as Operator, respectfully submits for approval the Plan of Development of the Wilson Deep Unit for the period ending December 31, 1990.

### SUMMARY OF PAST OPERATIONS:

Only one well, the Wilson Deep Unit Well #1, was drilled in this Unit. In 1965, the Unit contracted down to the W/2 Section 13-21S-34E. Union has not filed a Plan of Development since the Unit contraction. Attached is a production history of the Unit from 1974 through 1989. The well has been producing from Morrow perforations at 12,320-12,344' and has made 4,622 MMCF plus 2,122 BC. The well made 31 MMCF plus 88 BC for 1989.

### PLAN OF DEVELOPMENT FOR 1990

No new development drilling is planned for 1990. A recompletion to add additional Morrow pay will be attempted this year.

Submitted this 15 day of March, 1990.

Sincerely yours,

Union Oil Company of California dba Unocal

Landa H. Hechin

Linda H. Hicks Supervisor of Contracts

LHH:jpp

1990 PLAN OF DEVELOPMENT WILSON DEEP UNIT LEA COUNTY, NEW MEXICO

- TO: Oil Conservation Division Energy and Minerals Division P. O. Box 2088 Santa Fe, New Mexico 87504-2088
  - Attn: Mr. William J. LeMay, Director

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Submitted this \_\_\_\_\_ day of \_\_\_\_\_, 1990.

Sincerely yours,

Union Oil Company of California dba Unocal

Linda H. Heck

Linda H. Hicks Supervisor of Contracts

LHH:jpp

	Condensate (Bbls)	Gas (MCF)
<u>1974</u>		
Jan.	32	3420
Feb.	198	8101
Mar.	116	8582
Apr.	90	5983
May	86	5787
June	30	4244
July	32	4115
Aug.	37	5585
Sept.	25	5351
Oct.	0	6552
Nov.	44	9910
Dec.	47	12674
<u>1975</u>		
Jan.	97	11506
Feb.	52	10192
Mar.	13	5051
Apr.	11	7843
Мау	19	4850
June	9	4173
July	5	3545
Aug.	11	2835
Sept.	11	3995
Oct.	6	2420
Nov.	3	3285
Dec.	0	2240
<u>1976</u>		
Jan.	2	1727
Feb.	6	3736
Mar.	0	984
Apr.	2	3133
May	0	4182
June	0	3312
July	0	2879
Aug.	28	3376
Sept.	0	3937
Oct.	0	2134
Nov.	0	1381
Dec.	8	11482

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	Condensate (Bbls)	Gas (MCF)
<u>1977</u>		
Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct. Nov. Dec.	16 3 0 55 6 8 0 11 0 0	12704 10331 10009 3825 11342 6204 0 2793 9056 7525 7456 7349
<u>1978</u>		
Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct. Nov. Dec.	22 5 0 3 62 68 11 0 5 0 0 0 0	7715 6682 7125 6422 6299 6092 6724 6557 6378 5536 5305 5968
<u>1979</u>		
Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct. Nov. Dec.	0 0 127 0 0 0 0 17 3 16 6	5835 5232 6174 4871 5799 4973 5570 5701 5545 5865 1988 3604

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	Condensate (Bbls)	Gas (MCF)
<u>1980</u>		
Jan.	0	2936
Feb.	29	3537
Mar.	6	0
Apr.	2	5634
May	1	4916
June	0	4520
July	0	0
Aug. Sept.	0 0	2585 2212
Oct.	ŏ	2443
Nov.	õ	1884
Dec.	ō	2374
<u>1981</u>		
Jan.	0	3921
Feb.	17	3623
Mar.	8	6062
Apr.	17	4323
May	11	4281
June	4	5783
July	6	2620
Aug. Sept.	0 0	2983
Oct.	0	2166 1661
Nov.	õ	1696
Dec.	0	1630
<u>1982</u>		
Jan.	0	1591
Feb.	5	1451
Mar.	0	1379
Apr.	0	1479
May	8	4079
June	3	5753
July Aug.	14 0	4960 3539
Sept.	3	2931
Oct.	0	2780
Nov.	0	1516
Dec.	0	4096

	Condensate (Bbls)	Gas (MCF)
<u>1983</u>		
Jan. Feb. Mar.	0 16 14	4832 4075 4399
Apr. May June	8 14 0	4327 5038 4973
July Aug. Sept. Oct.	0 0 0 0	3777 3223 4249 2355
Nov. Dec.	0	2355 1476 615
<u>1984</u>		
Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct. Nov. Dec.	0 0 0 3 19 0 0 15 1 6 14	4024 2917 3901 3812 4890 5402 6246 5832 6082 5441 4914 5680
<u>1985</u> Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct. Nov.	2 9 3 8 3 0 2 0 0 3 3	5307 3204 3633 4482 4713 5146 4598 4959 4914 4838 4497
Dec.	11	4201

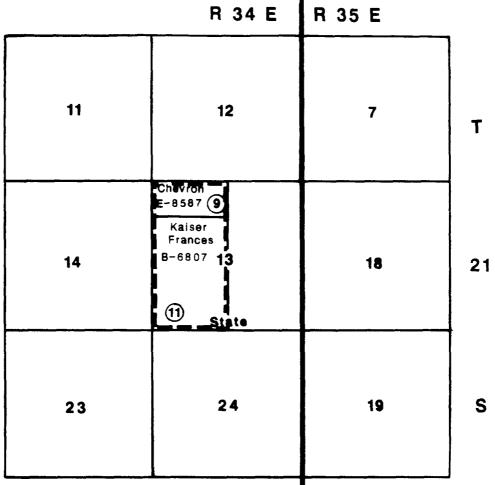
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	Condensate (Bbls)	Gas <u>(MCF)</u>
<u>1986</u>		
Jan.	8	3755
Feb.	6	3232
Mar.	5	1550
Apr.	0	39
May	14	2798
June July	0 0	3269 3528
Aug.	0	3416
Sept.	22	4364
Oct.	6	3519
Nov.	0	2574
Dec.	0	2806
<u>1987</u>		
Jan.	0	2600
Feb.	36	2989
Mar.	0	2117
Apr. May	11 0	2974
June	16	3068 3264
July	4	3325
Aug.	0	3557
Sept.	22	3491
Oct.	8	3752
Nov.	11	3767
Dec.	11	3471
<u>1988</u>		
Jan.	0	2734
Feb.	0	2837
Mar.	6 5	3252
Apr.	50	3056 2839
May June	3	3406
July	22	3299
Aug.	0	4030
Sept.	0	1125
Oct.	8	2238
Nov.	6	2249
Dec.	8	2548

	Condensate (Bbls)	Gas (MCF)
<u>1989</u>		
Jan. Feb.	3	2593
Mar.	0 27	2538 3295
Apr. May	3 3	1860 2647
June July	25 0	2419 2719
Aug.	3	3323
Sept. Oct.	10 4	2106 1821
Nov. Dec.	4 6	2714 3045
	5	2042

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WILSON DEEP UNIT

STATE LANDS-320 ACRES

LEA COUNTY, NEW MEXICO

5000 FEET

1 MILE

1 TRACT NUMBER-EXHIBIT "B"

# **REVISED EXHIBIT "A" EFFECTIVE 12-20-65**

---- REVISED UNIT OUTLINE

0 E 0

EXHIBIT "B" WILSON DEEP UNIT LEA COUNTY, NEW MEXICO

(Revised effective 12/20/65)

Two (2) state tracts containing 320.00 acres or 100% of the Unit Area.

PERCENT OF UNIT AREA	100\$
<u>RECAPITULATION</u> <u>ACRES</u>	320.00
TYPE OF ACKEACE	2 State Tracts

L00\$

OIL CONSERVATION COMMISSION P. O. BOX 2088 SANTA FE, NEW MEXICO

2105

December 22, 1964

The Pure Oil Company P. O. Box 671 Midland, Texas

Attention: Mr. E. B. White

Re: Amended Plan of Development, February 2, 1964 to August 2, 1965, Wilson Deep Unit, Lea County, New Mexico.

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Amended Plan of Development covering the period from February 2, 1964 to August 2, 1965, for the Wilson Deep Unit, Lea County, New Mexico, subject to like approval by the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the amended plan will be returned by the Commissioner of Public Lands.

Very truly yours,

A. L. PORTER, Jr., Secretary-Director

ALP/JEK/og cc: Commissioner of Public Lands - Santa Fe

December 22, 1964

The Pure Oil Company P. O. Box 671 Midland, Texas

> Re: Wilson Deep Unit Lea County, New Mexico

Attention: Mr. E. B. White

Gentlemen:

The Commissioner of Public Lands approves as of December 22, 1964, the Amended Plan of Development and Operation for the Wilson Deep Unit. This Amended Plan covers the period ending August 2, 1965.

Our approval of this Amended Plan of Development anticipates the commencement, or causing to be commenced, a second test well on the Unit Area no later than June 30, 1965. If such well was not commenced Operator would take the proper steps to contract the Wilson Deep Unit to the W/2 of Section 13, Township 21 South, Range 34 East.

We are handing two (2) approved copies of this Amended Plan to the Oil Conservation Commission for their consideration.

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The Pure Oil Company
Attention: Mr. E. B. White
December 22, 1964
- page 2 -
Very truly yours,
E. S. JOHENY WALKER
COMMISSIONER OF MUBLIC LANDS
BY:
Ted Bilberry, Director
Oil & Gas Department
ESW/mmr/v
CC:
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico
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AMENDED PLAN OF DEVELOPMENT AND OPERATION FOR WILSON DEEP UNIT AREA LEA COUNTY, NEW MEXICO

TO: The Commissioner of Public Lands State of New Mexico Santa Fe, New Mexico

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SISANTA E.H.H.

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Oil Conservation Commission State of New Mexico Santa Fe, New Mexico

The Pure Oil Company, as Unit Operator for the Wilson Deep Unit, pursuant to the provisions of Section 9 of the Unit Agreement for the Development and Operation of the Wilson Deep Unit Area, submitted for the approval of the State Land Commissioner and of the New Mexico Oil Conservation Commission, its Plan of Development and Operation for the unitized land for the period February 2, 1964 to February 2, 1965. Such Plan of Development and Operation was approved by the State Land Commissioner on March 17, 1964, and by the Oil Conservation Commission on April 7, 1964. The Plan, as approved, contemplated the drilling of a second test well on the unit area during the last quarter of 1964.

From Morrow Sand perforations 12,320 feet to 12,344 feet, the Wilson Deep Unit #1 well began making gas deliveries to Continental Carbon Company on May 12, 1964, at an initial delivery rate of 5 MMCFG per day. The original reservoir pressure was calculated at 7083 psia. By September 20, 1964, based on a bottom hole pressure build-up test, the reservoir pressure had declined to 4910 psia, and the well was only capable of producing 3.5 MMCFG per day into a market of 5 MMCFG per day. Since that date, and up to November 19, 1964, the production from this zone declined to 2.5 MMCFG per day.

On November 19, 1964, Unit Operator perforated an additional porosity zone in the Pennsylvanian formation at 12,213 feet to 12,219 feet in anticipation of the well yielding another 1 MMCFG per day for the present market.

Immediately prior to perforating, the well had a shut-in tubing pressure of 2150 psi. After perforating the additional zone, the shut-in tubing pressure increased to 4500 psi in 18 hours. Prior to commencing re-delivery from both zones to the market, the well had a shut-in tubing pressure of 5300 psi.

On November 30, 1964, the well was producing 4 MMCFG per day from both zones with a flowing tubing pressure of 1600 psi. Presently, the well is producing 3.5 MMCFG per day from both zones.

Based upon the poor performance and rapid decline of the original producing zone of 12,320 feet to 12,344 feet, and the present unknown quantity and quality of the newly perforated zone of 12,213 feet to 12,219 feet, The Pure Oil Company and the other working interests participants in the Wilson Deep Unit cannot economically justify the drilling of the second test well in the last quarter of 1964.

It is now our plan to continue producing the Wilson Deep Unit #1 from the original perforated zone and the newly perforated zone for our current gas market, and attempt to gather additional information which can be used for determining the lateral extent of the newly perforated zone. We would also desire to gain additional information from other wells to be drilled in the area in the near future by other operators to test formations other than those producing in the #1 unit well. It would now be our plan to commence, or cause to be commenced, the drilling of a second test well on the unit area no later than June 30, 1965, with such well being drilled to a depth sufficient to encounter commercial production of unitized substances, but in no event to exceed below the present producing depths of the #1 unit well.

The Pure Oil Company, as Unit Operator, respectfully submits for the approval of the State Land Commissioner and Oil Conservation Commission this Amended Plan of Development and Operation and respectfully requests that the plan year be extended for an additional six (6) months from February 2, 1965, so that the plan year will cover the period of February 2, 1964, to August 2, 1965.

This Amended Plan of Development and Operation, as approved, shall constitute the further drilling and operation requirements of the Unit Operator of the Wilson Deep Unit for the period ending August 2, 1965, and may be modified or supplemented from time to time with the approval of the State Land Commissioner and the New Mexico Oil Conservation Commission when necessary to meet changed conditions or to protect all parties to the Unit Agreement. Respectfully submitted this Staday of Dacember, 1964.

82103 THE PURE OIL COMPANY .

By Operations Superintendent District

Approved this I Zanday of December

lic Lands

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Commissioner of Publ State of New Mexico

Approved this Zandday of Accu h ter

0il Conservation Commission

Dec 10 8 33 MM , 64 SANTA FE, N. M. RECONTR

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### OIL CONSERVATION COMMISSION P. O. BOX 871 SANTA FE, NEW MEXICO

April 7, 1964

The Pure Oil Company P. O. Box 671 Midland, Texas

Attention: Mr. J. R. Weyler

Re: 1964 Plan of Development, Wilson Deep Unit, Lea County, New Mexico.

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1964 Plan of Development for the Wilson Deep Unit, Lea County, New Mexico, subject to like approval by the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the plan is returned herewith.

Very truly yours,

A. L. PORTER, Jr., Secretary-Director

ALP/JEK/og

cc: Commissioner of Public Lands







January 20, 1964

The Monorable E. S. Johnny Walker Commissioner of Public Lands State Land Office Santa Fe, New Mexico

> RE: Wilson Deep Unit Lea County, New Mexico

Attention: Unit Division

Dear Sir:

Enclosed are four copies of the Plan of Development and Operation for the Wilson Deep Unit Area, Lea County, New Mexico, for the period February 2, 1964, to February 2, 1965.

If this Plan meets with your approval, we would appreciate your indicating such approval on all copies and forwarding same to the Oil Conservation Commission for its approval and then returning one copy to this office. If any additional supporting data or discussion is needed or desired, we shall be glad to provide such data or meet with you or your representatives at your convenience.

Yours very truly,

J. R. Weyler District Superintendent

JRW/GEF:abs Enclosures

cc:<u>Oil Conservation Commission</u> State of New Mexico Santa Fe, New Mexico MAIN OFFICE OCC

1964 MAR 18 AM 11 16

March 18, 1964

The Pure Oil Company P. O. Box 671 Midland, Texas

> Re: Wilson Deep Unit Lea County, New Mexico 1964 Plan of Development

Attention: Mr. B. B. White

Gentlemen:

The Commissioner of Public Lands approves as of March 18, 1964, your Plan of Development and Operation for the Wilson Deep Unit. This report covers the Calendar year for 1964.

We believe this Plan providing for the drilling of one additional well during 1964 to be a logicals program and we trust Pure Oil Company as operator is making plans for the drilling of this well.

We are handing four approved copies of this Plan to the Oil Conservation Commission for their consideration.

Very truly yours,

E. S. JOHNNY WALKER COMMISSIONER OF PUBLIC LANDS

BY :

(Mrs.) Marian M. Rhea, Supervisor Unit Division

ESW/mmr/v

cc: Oil Conservation Commission Santa Fe, New Mexico

### MAIN OFFICE OCC PLAN OF DEVELOPMENT AND OPERATION FOR WILSON DEEP UNIPGARMAR 18 AN 11:17 LEA COUNTY, NEW MEXICO

TO: The Commissioner of Public Lands State of New Mexico Santa Fe, New Mexico

> Oil Conservation Commission State of New Mexico Santa Fe, New Mexico

The Pure Oil Company, as Unit Operator for the Wilson Deep Unit, pursuant to the provisions of Section 9 of the Unit Agreement for the Development and Operation of the Wilson Deep Unit Area, respectfully submits for the approval of the State Land Commissioner and of the New Mexico Oil Conservation Commission, this Plan of Development and Operation for the unitized land for the period February 2, 1964 to February 2, 1965.

On February 18, 1963, the Wilson Deep Unit #1 was spudded at a location 2080 feet from the north line and 2080 feet from the west line of Section 18, Township 21 South, Range 34 East, Lea County, New Mexico. After reaching total depth in the Devonian on July 17, 1963 and subsequently recovering salt water from this formation, the Wilson Deep Unit #1 was plugged back to test shows of gas encountered in Morrow sands of Pennsylvanian age. The well flowed gas at rates up to 7,900,000 standard cubic feet per day with a condensate content of 17.2 barrels per million cubic feet, through perforations from 12,320 feet to 12,344 feet. The calculated absolute open flow potential was 20,700,000 standard cubic feet of gas per day.

Since completing the four point potential test on August 2, 1963, the Wilson Deep Unit #1 has been shut in for lack of gas market. The Unit Operator and other working interest owners have only recently negotiated contracts for the sale thereof. It is expected that deliveries of gas will be commenced in the second quarter of 1964.

It is our plan to produce the Wilson Unit #1 for this impending gas market, at the same time to gather information which can be used for determining the Plan of Development and Operation Wilson Deep Unit Page 2

lateral extent of the producing reservoir. We plan the drilling of a second well within the unit area to test the productive horizon found in the Wilson Deep Unit #1. The drilling of this second unit well should take place in the last quarter of 1964.

This Plan of Development and Operation shall constitute the further drilling and operation obligations of the Unit Operator of the Wilson Deep Unit for the period ending February 2, 1965, and may be modified or supplemented from time to time with the approval of the State Land Commissioner and the New Mexico Oil Conservation Commission when necessary to meet changed conditions or to protect all parties to the Unit Agreement.

Respectfully submitted this /3/L day of march. . 1964.

THE PURE OIL COMPANY

147 District Superintendent

U day of Approved this 1964

her of of New Mexic State

Approved this 7th day of Chil, 1964

Oil Conservation Commiss

MAIN OFFICE OCC

1964 MAR 18 AM 11:17



March 13, 1964

Mr. E. S. Johnny Walker Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, New Mexico

Attention: Mrs. Marian M. Rhea Supervisor, Unit Division

> RE: Wilson Deep Unit Lea County, New Mexico

Dear Sir:

Enclosed for your approval is Plan of Development and Operation covering the captioned. If you find such plan acceptable, would you please sign all copies and pass to the Oil Conservation Commission for their approval and return two complete approved copies to us.

Very truly yours,

THE PURE OIL COMPANY E. B. White

EBW:md Encls.

cc: New Mexico Oil Conservation Commission P. O. Box 871 Santa Fe, New Mexico Attention: Mr. A. L. Porter, Jr.

2705

MAIN OFFICE OCC

1963 FEB 15 PM 4 : 33

February 14, 1963

The Pure Oil Company P. O. Box 671 Midland, Texas

> Re: Wilson Deep Unit, Lea County, New Mexico

Attention: Mr. M. T. Peyton

Gentlemen:

The Commissioner of Public Lands has approved as of February 14, 1963 the Wilson Deep Unit, Lea County, New Mexico.

We are handing to your Mr. Peyton seven originally signed Certificates of Approval for this Unit.

Mr. Peyton has agreed to transmit to us, immediately upon his return to his Midland office, one originally ratified copy of the Wilson Deep Unit Agreement.

Very truly yours,

E. S. JOHNNY WALKER COMMISSIONER OF PUBLIC LANDS

BY: (Mrs.) Marian M. Rhea, Supervisor Unit Division

ESW/mmr/e

cc: Oil Conservation Commission Santa Fe, New Mexico

2705



THE PURE OIL COMPANY

P. O. BOX 671 · MIDLAND, TEXAS · MUTUAL 2-3725

February 15, 1963

Oil Conservation Commission State of New Mexico P. O. Box 871 Santa Fe, New Mexico Re: Wilson Deep Unit Lea County, New Mexico Your Case No. 2705 Your Order No. R-2380

Gentlemen:

On November 28, 1962, you approved the Application of this Company as operator, the content and form of Unit Agreement For The Development and Operation Of The Wilson Deep Unit Area, Lea County, New Mexico.

Pursuant to such approval we have had executed by all of the participants a Unit Agreement and Unit Operating Agreement, a copy of each of which we attach hereto. We are pleased to state to you that Mr. E. S. Walker, Commissioner of Public Lands, State of New Mexico, approved the unit on February 14, 1963.

bay we call to your attention that Section 8 on page 3 of the Unit Agreement has changed to show the well depth as 14,000 feet instead of 13,900 feet; also that Exhibit "B" has been altered with respect to State Lease numbers, dates and Lessee of Record in one or more instances. In no respect has the form of the agreement been altered.

Due to the above mentioned changes, may we request that you destroy the copy of the Unit Agreement now in your possession, substituting for it the attached copy for your future reference.

Very truly yours,

THE PURE OIL COMPANY

M. T. Peyton / District Landman

MTP/1

MAR STREE GCC

# UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE WILSON DEEP UNIT AREA LEA COUNTY, NEW MEXICO

NO .\_\_\_\_

THIS AGREEMENT, entered into as of the 27th day of December , 1962 by and between the parties subscribing, ratifying or consenting hereto, and herein referred to as the "parties hereto,"

WITNESSETH:

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WHEREAS, the parties hereto are the owners of working, royalty or other oil or gas interests in the unit area subject to this agreement; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Sec. 3, Chap. 88, Laws 1943) as amended by Dec. 1 of Chapter 162, Laws of 1951, (Chap. 7, Art. 11, Sec. 39, N.M. Statutes 1953 Annot.), to consent to and approve the development or operation of State lands under agreements made by lessees of State land jointly or severally with other lessees where such agreements provide for the unit operation or development of part of or all of any oil or gas pool, field, or area; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Sec. 1, Chap. 162), (Laws of 1951, Chap. 7, Art. 11, Sec. 41, N.M. Statutes 1953 Annotated) to amend with the approval of lessee, evidenced by the lessee's execution of such agreement or otherwise, any oil and gas lease embracing State lands so that the length of the term of said lease may coincide with the term of such agreements for the unit operation and development of part or all of any oil or gas pool, field or area; and

WHEREAS, the Oil Conservation Commission of the State of New Mexico (Hereinafter referred to as the "Commission") is authorized by an Act of the Legislature (Chap. 72, Laws 1935; Chap. 65, Art. 3, Sec. 14, N.M. Statutes 1953 Annotated) to approve this agreement and the conservation provisions hereof; and

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

WHECEAS, it is the purpose of the parties hereto to conserve natural resources, prevent waste and secure other benefits obtainable through development and operation of the area subject to this agreement under the terms, conditions and limitations herein set forth;

1.3%, THEREFORE, in consideration of the premises and the promises herein contained, the parties hereto commit to this agreement their respective interests in the bolow defined unit area, and agree severally among themselves as follows:

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

### T-21-S, R-34-E

Section 11 - E-1/2 Section 12 - W-1/2 NW-1/4 and SE-1/4 NW-1/4 and S-1/2 Section 13 - E-1/2 NE-1/4 and NW-1/4 and S-1/2 Section 14 - E-1/2 Section 23 - N-1/2 NE-1/4 Exhibit A attached hereto is a map showing the unit area and the boundaries and identity of tracts and leases in said area to the extent known to the unit operator. Exhibit B attached hereto is a schedule showing to the extent known to the unit operator the acreage, percentage and kind of ownership of oil and gas interests in all lands in the unit area. However, nothing herein or in said schedule or map shall be construed as a representation by any party hereto as to the ownership of any interest other than such interest or interests as are shown on said map or schedule as owned by such party. Exhibits A and B shall be revised by the Unit operator whenever changes in ownership in the unit area render such revisions necessary or when requested by the Commissioner of Public Lands, hereinafter referred to as "Commissioner."

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

2. UNITIZED SUBSTANCES. All oil, gas, natural gasoline and associated fluid hydrocarbons in any and all formations of the unitized land below the depth of 5200 feet below the surface of the land are unitized under the terms of this agreement and herein are called "unitized substances."

3. UNIT OPERATOR. The Pure Oil Company, with offices at First City National Bank Building, Houston 2, Texas, is hereby designated as unit operator and by signature hereto commits to this agreement all interest in unitized substances vested in it as set forth in Exhibit B, and agrees and consents to accept the duties and obligations of unit operator for the discovery, development and production of unitized substances as herein provided. Whenever reference is made herein to the unit operator, such reference means the unit operator acting in that capacity and not as an owner of interests in unitized substances, and the term "working interest owner" when used herein shall include or refer to unit operator as the owner of a working interest when such an interest is owned by it.

4. <u>RESIGNATION OR REMOVAL OF UNIT OPERATOR</u>. Unit operator shall have the right to resign at any time but such resignation shall not become effective until a successor unit operator has been selected and approved in the manner provided for in Section 5 of this agreement. The resignation of the unit operator shall not release the unit operator from any liability or any default by it hereunder occurring prior to the effective date of its resignation.

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

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

5. <u>SUCCESSOR UNIT OPERATOR</u>. Whenever the unit operator shall resign as unit operator or shall be removed as hereinabove provided, the owners of the working interests according to their respective acreage interests in all unitized land shall by a majority vote select a successor unit operator; provided that, if a majority but less than seventy-five percent (75%) of the working interests qualified to vote is owned by one party to this agreement, a concurring vote of sufficient additional parties, so as to constitute in the aggregate not less than seventy-five percent (75%) of the total working interests, shall be required to select a new operator. Such selection shall not become effective until (a) a unit operator so selected shall

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accept in writing the duties and responsibilities of unit operator, and (b) the selection shall have been approved by the Commissioner. If no successor unit operator is selected and qualified as herein provided, the Commissioner at his election may declare this unit agreement terminated.

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6. ACCOUNTING PROVISIONS. The unit operator shall pay in the first instance all costs and expenses incurred in conducting unit operations hereunder, and such costs and expenses and the working interest benefits accruing hereunder shall be apportioned among the owners of the unitized working interests in accordance with an operating agreement entered into by and between the unit operator and the owners of such interests, whether one or more, separately or collectively. Any agreement or agreements entered into between the working interest owners and the unit operator as provided in this section, whether one or more, are herein referred to as the "Operating Agreement." No such agreement or to relieve the unit operator of any right or obligation established under this unit agreement and in case of any inconsistencies or conflict between this unit agreement and the operating agreement, this unit agreement and the operating agreement, this unit agreement shall prevail.

7. <u>RIGHTS AND OBLIGATIONS OF UNIT OPERATOR</u>. Except as otherwise specifically provided herein, the exclusive right, privilege and duty of exercising any and all rights of the parties hereto which are necessary or convenient for prospecting for, producing, storing, allocating and distributing the unitized substances are hereby delegated to and shall be exercised by the unit operator as herein provided. Acceptable evidence of title to said rights shall be deposited with said unit operator and, together with this agreement, shall constitute and define the rights, privileges and obligations of unit operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this agreement the unit operator, in its capacity as unit operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

DRILLING TO DISCOVERY. The unit operator shall, within sixty (60) days 8. after the effective date of this agreement, commence operations upon an adequate test well for oil and gas upon some part of the lands embraced within the unit area and shall drill said well with due diligence to a depth sufficient to test the Devonian formation or to such a depth as unitized substances shall be discovered in paying quantities at a lesser depth or until it shall, in the opinion of unit operator, be determined that the further drilling of said well shall be unwarranted or impracticable; provided, however, that unit operator shall not, in any event, be required to drill said well to a depth in excess of 14,000 feet. Until a discovery of a deposit of unitized substances capable of being produced in paying quantities (to-wit: quantities sufficient to repay the costs of drilling and producing operations with a reasonable profit) unit operator shall continue drilling diligently, one well at a time, allowing not more than six months between the completion of one well and the beginning of the next well, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of the Commissioner, or until it is reasonably proven to the satisfaction of the unit operator that the unitized land is incapable of producing unitized substances in paying quantities in the formation drilled hereunder.

Any well commenced prior to the effective date of this agreement upon the unit area and drilled to the depth provided herein for the drilling of an initial test well shall be considered as complying with the drilling requirements hereof with respect to the initial well. The Commissioner may modify the drilling requirements of this section by granting reasonable extensions of time when in his opinion such action is warranted. Upon failure to comply with the drilling provisions of this article the Commissioner may, after reasonable notice to the unit operator and each working interest owner, lessee and lessor at their last known addresses, declare this unit agreement terminated, and all rights, privileges and obligations granted and assumed by this unit agreement shall cease and terminate as of such date. 9. OBLIGATIONS OF UNIT OPERATOR AFTER DISCOVERY OF UNITIZED SUBSTANCES. Should unitized substances in paying quantities be discovered upon the unit area the unit operator shall on or before six months from the time of the completion of the initial discovery well and within thirty days after the expiration of each twelve months period thereafter file a report with the Commissioner and Commission of the status of the development of the unit area and the development contemplated for the following twelve months period.

It is understood that one of the main considerations for the approval of this agreement by the Commissioner of Public Lands is to secure the orderly development of the unitized lands in accordance with good conservation practices so as to obtain the greatest ultimate recovery of unitized substances.

After discovery of unitized substances in paying quantities, unit operator shall proceed with diligence to reasonably develop the unitized area as a reasonably prudent operator would develop such area under the same or similar circumstances.

If the unit operator should fail to comply with the above covenant for reasonable development, this agreement may be terminated by the Commissioner as to all lands of the State of New Mexico embracing undeveloped regular well spacing or proration units but in such event the basis of participation by the working interest owners shall remain the same as if this agreement had not been terminated as to such lands; provided, however, the Commissioner shall give notice to the unit operator and the lessees of record in the manner prescribed by Sec. 7-11-14, N.M. Statutes 1953 Annotated of intention to cancel on account of any alleged breach of said covenant for reasonable development and any decision entered thereunder shall be subject to appeal in the manner prescribed by Sec. 7-11-17, N.M. Statutes 1953 Annotated and, provided further, in any event the unit operator shall be given a reasonable opportunity after a final determination within which to remedy any default, failing in which this agreement shall be terminated as to all lands of the State of New Mexico embracing undeveloped regular well spacing or proration units.

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

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

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11. ALLOCATION OF PRODUCTION. All unitized substances produced from each tract in the unitized area established under this agreement, except any part thereof used for production or development purposes hereunder, or unavoidably lost, shall be deemed to be produced equally on an acreage basis from the several tracts of the unitized land, and for the purpose of determining any benefits that accure on an acreage basis, each such tract shall have allocated to it such percentage of said production as its area bears to the entire unitized area. It is hereby agreed that production of unitized substances from the unitized area shall be allocated as provided herein, regardless of whether any wells are drilled on any particular tract of said unitized area.

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12. PAYMENT OF RENTALS, ROYALTIES AND OVERRIDING ROYALTIES. All rentals due the State of New Mexico shall be paid by the respective lease owners in accordance with the terms of their leases.

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

All rentals, if any, due under any leases embracing lands other than the State of New Mexico, shall be paid by the respective lease owners in accordance with the terms of their leases and all royalties due under the terms of any such leases shall be paid on the basis of all unitized substances allocated to the respective leases committed hereto.

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

If any lease committed hereto is burdened with an overriding royalty, payment out of production or other charge in addition to the usual royalty, the owner of each such lease shall bear and assume the same out of the unitized substances allocated to the lands embraced in each such lease as provided herein.

13. LEASES AND CONTRACTS CONFORMED AND EXTENDED INSOFAR AS THEY APPLY TO LANDS WITHIN THE UNITIZED AREA. The terms, conditions and provisions of all leases, subleases, operating agreements and other contracts relating to the exploration, drilling development or operation for oil or gas of the lands committed to this agreement, shall as of the effective date hereof, be and the same are hereby expressly modified and amended insofar as they apply to lands within the unitized area to the extent necessary to make the same conform to the provisions hereof and so that the respective terms of said leases and agreements will be extended insofar as necessary to coincide with the term of this agreement and the approval of this agreement by the Commissioner and the respective lessors and lessees shall be effective to conform the provisions and extend the term of each such lease as to lands within the unitized area to the provisions and term of this agreement; but otherwise to remain in full force and effect. Each lease committed to this agreement, insofar as it applies to lands within the unitized area, shall continue in force beyond the term provided therein so long as this agreement remains in effect, provided, drilling operations upon the initial test well provided for herein shall have been commenced or said well is in the process of being drilled by the unit operator prior to the expiration of the shortest term lease committed to this agreement. Termination of this agreement shall not affect any lease which pursuant to the terms thereof or any applicable laws would continue in full force and effect thereafter. The commencement, completion, continued operation or production of a well or wells for unitized substances on the unit area shall be construed and considered as the commencement, completion, continued operation or production on each of the leasehold interests committed to this agreement and operations or production pursuant to this agreement shall be deemed to be operations upon and production from each leasehold interest committed hereto and there shall be no obligation on the part of the unit operator or any of the owners of the respective leasehold interests committed hereto to drill offsets to wells as between the leasehold interests committed to this agreement, except as provided in Section 9 hereof.

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Any lease embracing lands of the State of New Mexico having only a portion of its lands committed hereto shall be segregated as to the portion committed and as to the portion not committed and the terms of such leases shall apply separately as to such segregated portions commencing as of the effective date hereof. Notwithstanding any of the provisions of this agreement to the contrary, any lease embracing lands of the State of New Mexico having only a portion of its lands committed hereto shall continue in full force and effect beyond the term provided therein as to all lands embraced in such lease, if oil and gas, or either of them, are discovered and are being produced in paying quantities from some part of the lands embraced in such lease committed to this agreement at the expiration of the secondary term of such lease; or if, at the expiration of the secondary term, the lessee or the unit operator is then engaged in bona fide drilling or reworking operations on some part of the lands embraced in such lease shall remain in full force and effect so long as such operations are being diligently prosecuted, and if they result in the production of oil or gas, said lease shall continue in full force and effect as to all of the lands embraced therein, so long thereafter as oil and gas, or either of them, are being produced in paying quantities from any portion of said lands.

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14. CONSERVATION. Operations hereunder and production of unitized substances shall be conducted to provide for the most economical and efficient recovery of said substances without waste, as defined by or pursuant to State laws or regulations.

15. DRAINAGE. In the event a well or wells producing oil or gas in paying quantities should be brought in on land adjacent to the unit area draining unitized substances from the lands embraced therein, unit operator shall drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances.

16. COVENANTS RUN WITH LAND. The covenants herein shall be construed to be covenants running with the land with respect to the interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer or conveyance of interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferee or other successor in interest. No assignment or transfer or any working, royalty or other interest subject hereto shall be binding upon unit operator until the first day of the calendar month after the unit operator is furnished with the original, photostatic or certified copy of the instrument of transfer.

17. EFFECTIVE DATE AND TERM. This agreement shall become effective upon approval by the Commissioner and shall terminate in two years after such date unless (a) such date of expiration is extended by the Commissioner, or (b) a valuable discovery of unitized substances has been made on unitized land during said initial term or any extension thereof in which case this agreement shall remain in effect so long as unitized substances are being produced from the unitized land and, should production cease, so long thereafter as diligent operations are in progress for the restoration of production or discovery of new produced as aforesaid. This agreement may be terminated at any time by not less than seventy-five percent (75%) on an acreage basis of the owners of the working interests signatory hereto with the approval of the Commissioner. Likewise, the failure to comply with the drilling requirements of Section 8 hereof may subject this agreement to termination as provided in said section.

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

19. APPEARANCES. Unit operator shall, after notice to other parties affected, have the right to appear for and on behalf of any and all interests affected hereby before the Commissioner of Public Lands and the New Mexico Oil Conservation Commission, and to appeal from orders issued under the regulations of the Commissioner or Commission or to apply for relief from any of said regulations or in any proceedings

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its own behalf relative to operations pending before the Commissioner or Commission; provided, however, that any other interested party shall also have the right at his own expense to appear and to participate in any such proceeding.

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

21. UNAVOIDABLE DELAY. All obligations under this agreement requiring the anit operator to commence or continue initiang or to operate on or produce anitized exbedances from any of the lands covered by this agreement shall be suspended while, but only so long as, the unit operator despite the exercise of due care and diligence is prevented from complying with such obligations, in whole or in part, by strikes, wur, acts of God, Federal, State or runnicipal law or agencies, unavoidable accidents, uncontrollable delays in transportation, inability to obtain necessary materials in open market, or other matters beyond the reasonable control of the unit operator whether similar to matters herein enumerated or not.

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

23. SUBSEQUENT JOINDER. Any oil or gas interest in lands within the unit area not committed hereto prior to the submission of this agreement for final approval either by the Commission or Commissioner may be committed hereto by the owner or eveners of such rights subscribing or consenting to this agreement or executing a ratification thereof, and if such owner is also a working interest owner, by subscribing to the operating agreement providing for the allocation of costs of exploration, development and operation. A subsequent joinder shall be effective as of the first day of the month following the filing with the Commissioner and the Commission of duly executed counterparts of the instrument or instruments committing the interect of such owner to this agreement, but such joining party or parties before participating in any benefits hereunder shall be required to assume and pay to unit operator their proportionate share of the unit expense incurred prior to such party's or parties: joinder in the unit agreement, and the unit operator shall make appropriate adjustments caused by such joinder, without any retroactive adjustment of revenue.

24. COUNTERPARTS. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties or may be ratified or conconted to by separate instrument in writing specifically referring hereto, and shall be binding upon all those parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all such parties had signed the same document and regardless of whether or not it is executed by all other parties ewalng or claiming an interest in the lands within the above described unit area.

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

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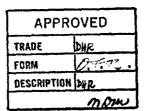
### UNIT OPERATOR

THE PURE OIL COMPANY

Southern Producing Division

Address: First City National Eank Bldg. Houston 2, Texas

December 27, 1962



WORKING INTEREST OWNERS

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ATTEST:	PHILLIPS PETROLEUM COMPANY
Secretary	By <u>Ce. Ce of Alt</u> Jay M. Tay
Date <u>2-11-63</u>	Address: Darilesville, Oklahoma
•	GULF OIL CORPORATION
Date	ByAttorney in Fact
	Address:
	SHELL OIL COMPANY
Date	ByAttorney in Fact
	Address:
	FRANCES P. BOLTON d.b.z. WYOMING OIL COMPANY
Date	By
	Address:
ATTEST:	WILSON OIL COMPANY
Secretary	By President
Date	Address:

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Vice-President
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STATE OF TEXAS SS COUNTY OF HARRIS The foregoing instrument was acknowledged before me this Discussion of the Southern Producing Division of THE PURE OIL COMPANY, a Corporation, on behalf of said Corporation Corporatión. ت بر ر ۲ 1 1 Notary Public My Commission Expires: 1.63 STACE OF TEXAS ð COUNTY OF MIDIAND § 2 My Commission Expires: Notary Public STATE OF OKIAHOMA ð COUNTY OF WASHINGTON ð The foregoing instrument was ach ottledged before me this <u>1114</u> day of <u>Actual</u>, 1963 by <u>C.C. Jote</u> of PHILLIPS <u>Company</u> Comparison, on behalf of said corporation. Cardena y Johnission Expires: ---UTY Copyrission Expires 5 FILLESSON 1, 1963 STATE OF TEXAS Q COURTY OF MIDLAND & The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ of GULF OIL corporation, on behalf of said corpor-CORPORATION, a icn. ومصالمشام وتعين المدانسان والاراد وواري Notary Public GINEL OF TIMES ð COUNTY OF MIDLAND 🛛 🐧 The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_\_ of SHELL \_\_\_\_\_\_, 1962 by \_\_\_\_\_\_\_ corporation, on behalf of said corporation. vis contrat, a\_\_\_\_ the formation Empires: Notary Public

STATE OF TEXAS COUNTY OF HARRIS 0 The foregoing instrument was acknowledged before me this day of \_\_\_\_\_\_, 1962 by C. W. HANGOCK of THE PURE OIL COMPANY, an Ohio corporation, on behalf of said corporation. My Commission Expires: Notary Public STATE OF TEXAS ð COUNTY OF MIDLAND The foregoing instrument was acknowledged before me this Sthe day of going instruction,  $\frac{1}{1}$ ,  $\frac{1962}{1}$  by \_\_\_\_\_\_\_\_\_ corporation, on behalf of said corporation. of TEXACO INC.. Commission Expires: 1963 STATE OF OKLAHOMA Ŏ COUNTY OF WASHINGTON ð The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_, 1962 by \_\_\_\_\_ of PHILLIPS PETROLEUM COMPANY, a corporation, on behalf of said corporation. My Commission Expires: Notary Public STATE OF TEXAS ð COUNTY OF MIDLAND § The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_, 1962 by \_\_\_\_ of GULF OIL CORPORATION, a corporation, on behalf of said corporation. My Commission Expires: Notary Public STATE OF TEXAS ð COUNTY OF MIDLAND The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of , 1962 by \_\_\_\_\_\_\_ corporation, on behalf of said corporation. OIL COMPANY, a

My Commission Expires:

Notary Public

STATE OF TEXAS ð COUNTY OF HARRIS 0 The foregoing instrument was acknowledged before me this day of , 1962 by C. W. FANCOCK of THE PURE OIL COMPANY, an Ohio corporation, on benalf of said corporation. My Commission Expires: Notary Public STATE OF TEXAS ð COUNTY OF MIDLAND § The foregoing instrument was acknowledged before me this day of , 1962 by of TEXACO INC., corporation, on behalf of said corporation. a My Commission Expires: Notary Public STATE OF OKLAHOMA Ő. COUNTY OF WASHINGTON ð The foregoing instrument was acknowledged before me this day of \_\_\_\_\_, 1962 by \_\_\_\_\_\_ corporation, on behalf of said PETROLEUM COMPANY, a corporation. My Commission Expires: Notary Public STATE OF TEXAS COUNTY OF MEDIEND-0-The foregoing instrument was acknowledged before me this .5-12 day of , 1962 by <u>FOMORYLOCK</u> Attorney In Fact of GULF OIL <u>PENNSYLVANIA</u> Corporation, on behalf of said corpor-CORPORATION, a ation. Ly commission Expires: Notary Public My Commission Expires August 15, 1966 STATE OF TEXAS Q COUNTY OF MIDLAND The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of of SHELL \_, 1962 by \_\_\_\_\_ corporation, on behalf of said corporation. OIL COLLPANY, a My Commission Expires: Notary Public

STATE OF TEXAS

COUNTY OF HARRIS

The foregoing instrument was acknowledged before me this day of , 1952 by C. W. HANCOCK of THE PURE OIL COMPANY, an Ohio corporation, on behalf of said corporation.

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STATE OF OKLAHOMA COUNTY OF WASHINGTON	Ž Ž
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My Commission Expires:	Notary Public
STATE OF TEXAS §	
Che foregoing ins	strument was acknowledged before me this 4th day of , 1962 by <u>La Kindsey</u> of SHELL <u>Corporation</u> , on behalf of said corporation
My Commission Expires	Notary Public Jean Akins Notary Public in and for Notary Public in and for

STATE OF

The foregoing instrument was admoviled before me this day of \_\_\_\_\_\_, 1962 by FRANCUS 2. BOLITON of MYOMING OIL COMPANY, a company, on behalf of said company.

Ly Commission Expires:

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COUNTY OF De State

The foregoing instrument was acknowledged before me this ded day of <u>Automatican</u>, 1962 by <u>Automatican</u> <u>President</u> of WILSON OIL <u>Junited</u>, a <u>Jan Arexice</u> corporation, on benalf of said corporation.

My Commission Expires:

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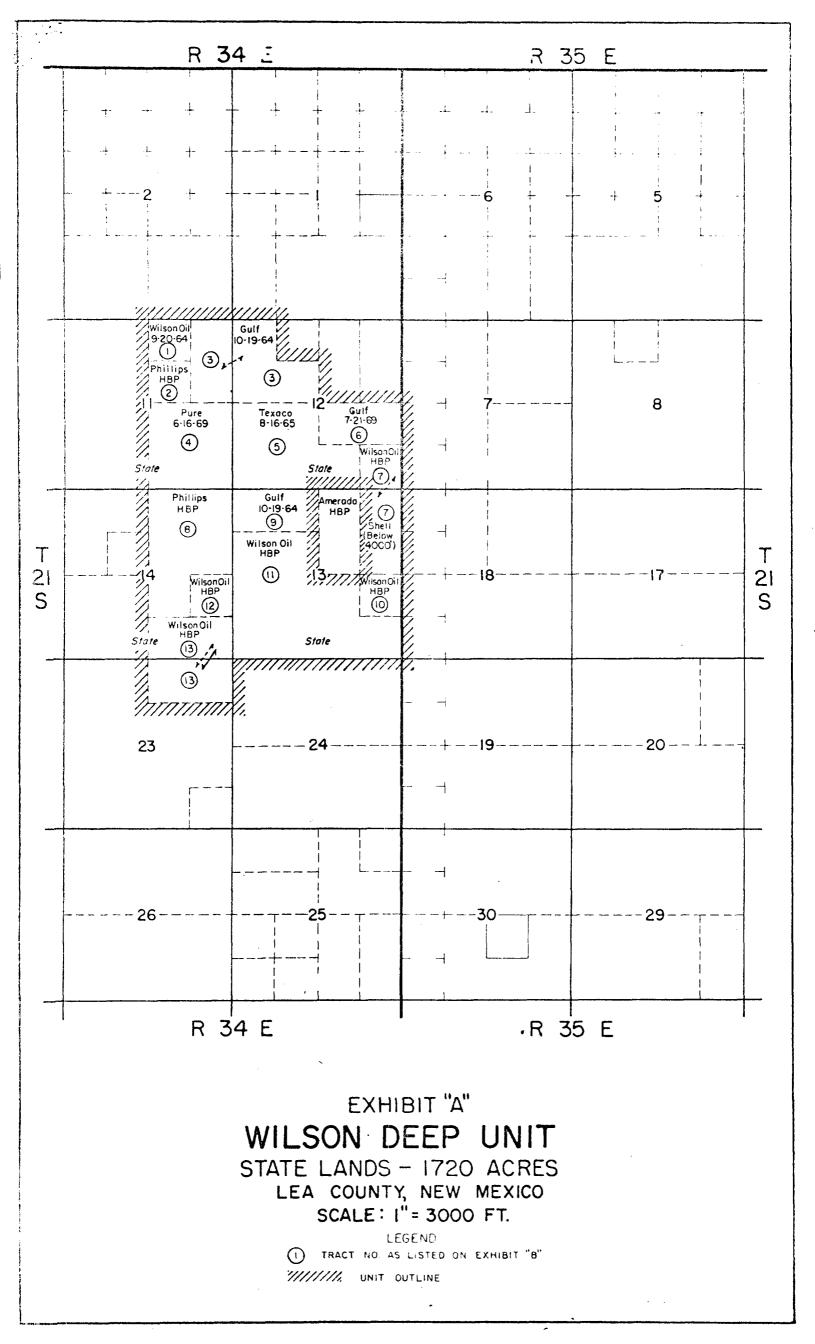
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Notary Public

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WILSON DEBY UNIT	Basic Royalty & Overriding Per Cont of Serial No. & Percentage Lessee of Royalty & Werking Interest Unit Area (Tract es Date of Lease (Based on 122%) Record Percentage and Percentage Participation)		D         E-84,88         State - All         Wilson         1/2         2.32558           9-21-54         2-21-54         2.32558         2.32558	0 E-1922 State - All Phillips None Phillips - All 2,32558 6-10-18	0 2-2506 State - All Gulf Mone oulf - All 11.62791 10-19-54	0 06-5590 State - All Fure None Fure - All 9.30233 6-16-59	0 E-9270 State - All Texas None Texaco - All 11.62791 8-16-55	0 0C-5723 State - All Gulf None Gulf - All 1.65116 7-21-59	) B-1167 State - All Shell None Below 4000' below surface: 6.97674 Shell - All Surface to 4000': Surface to 4000':
NILSON JEN COUNT, N			State -			State	State 1		
	Number So		й б ОС 001	10°C0	<b>೦೦°೧</b> ೦೫	00 <b>•</b> 09 <sup>-</sup> 1	200°00	80 <b>°</b> 00	ය ් ල ් ද
	Tract Description No. of Land	SULT LANDS	1. <u>2-21-S, R-30-E, N.M. P.M.</u> Section 11: <u>N1/L NE-1/4</u>	2. T-21-S, R-30-5, N.M. P. M. Section 11: 51-1/1, 75-1./4	3. Taplas Patient Variation Protein Distriction (2000) Stution Des Walder (2000)	4. Twoles, Rugles, New, P. Me Section 11: SE-1/14	5. T-21-S,R-34-F,N.M.P.M. Section 12: SH-1/4, SM-1/4 GE-1/4	6. T-21-S, E-3h-E, N. M. P. W. Section 12: N-1/2 EE-1/h	7. T-21-S, R-2b-E, N.M., P.N. Section 12: 52-1/4 52-1/4 Section 13: E-1/2 NE-1/4

EXHIBIT "B" WILSON DEEP UMET

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	Per Cent of Unit Area (Tract Participation)		558	558	191	233	161	116	ं7५
	Per Cen Unit Ar Partici		2 <b>.</b> 32558	2.32558	L1.6279L	9.30233	162291	1 <sup>1</sup> 65116	ace: 6.97074
Working Interest	Working Interest and Percentage		Wilson - 1/2 Wyoming - 1/2	Phillips - All	Cult - Tl	Pure - All	Teraco - All	Gulf - All	Eclew 40001 below surface: Shell - All Surface to 40001: Tilson - 1/2 Touring - 1/2
	्रतारांding Royalty & Percentage		None	None	None	None	None	None	None
WIISON DERF UNIT       WIISON DERF UNIT       UNIT       UNIT       Description       Number       Serial No. & Percentage       Description		×	Wilson	Phillips	Gulf	Fure	Texas	Gulf	Shell
	Basic Ruyalty & Percentage (Based on Level		State - All	State - All	Janco - All	State - All	State - All	State - All	State - ALL
	Serial No. & Dute of Lease		E-21.98	₽~1922 6~10~48	10-19-51	65-91-9 06-2200	E-9270 8-16-55	65-72-20 65-72-2	5 <del>-0-3</del> 2
	Number of Acres		0°0°()	l40.cc	20 9 4	CO <b>°</b> 077	200 <b>°</b> 00	ვი <b>°</b> იე	
	of, De	SULLE LANDS	<u>2-21-5, R. 2) 1/4, NE-1/4</u>	T-Plue Burberg, No.N.P. N. South of the Stat/IL Nord /A		2-21-6, 11-21-21, 11.00, P.46 Geotakin 11:1 52-174	<u>1-21-5, R-34-7, N.M. P.M.</u> Section 1.1 53-1/4, 53-1/4 SE-1/4	T-21-5, L-3),-Y, N. W. P. W. Section 12: N. 1/2 FF-1/),	T-21-5, 2.21-F, 1.4, 2.1. Section 12: 5.1/4 52-1/4 Section 13: E-1/2 NE-1/4
	Tract No.	5.55	• r-1 ,	°.		•	v.	ę	•

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	Der Cene of Royolty & Working Interest Unit Area (Tract Percensage and Percentage Particin ticn)		None Wilson - 1/2 2.32558 Wyoming - 1/2	None Fullips - All 2.32558	None Gulf - All Il.62791	None Pure - All 9.30233	None Texaco - All 11.62791	None Gulf - All All 4,65116	None Belew 4000 <sup>t</sup> below surface: 6.97674 Shell - All Surface to 4000 <sup>t</sup> : Wilsen - 1/2 Eyemére - 1/2
	Lessee of Roy Record Fer		Wilson	Phillips	Guil	Fure	Texas	Gulf	Shell
	dasic Royalty & Percentage (Based on 1228)		State - All	State - All	State - All	State - All	State - All	State - All	State - All
	Serial No. & Date of Lease		E84,88 92154	E-1922 6-10-118	1.0-1.9-54	65-9T-9 0675-00	E-9270 8-1.6-55	65-76-2 00-2183	9-6-32 9-6-32
	Aurber of Acres		40.c0	lto.co	00°002	160 <b>°</b> 00	200.00	30 <b>°</b> 00	C)*(\]
	Traci Description No. of Land	STATE LANDS	1. 2-21-S, R-20-2, V. W. P. W. Securitor 11: 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1.		Contraction of a contraction of the contraction of				

EXHIBIT "B" ILSON DEEP UNIT

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### UNIT ACREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE WILSON DEEP UNIT AREA LEA COUNTY, NEW MEXICO

NO.

THIS AGREELENT, entered into as of the day of \_\_\_\_\_, 19 by and between the parties subscribing, ratifying or consenting hereto, and herein referred to as the "parties hereto,"

WITNESSETH:

WHEREAS, the parties hereto are the owners of working, royalty or other oil or gas interests in the unit area subject to this agreement; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Sec. 3, Chap. 88, Laws 1943) as amended by Dec. 1 of Chapter 162, Laws of 1951, (Chap. 7, Art. 11, Sec. 39, N.M. Statutes 1953 Annot.), to consent to and approve the development or operation of State lands under agreements made by leases of State land jointly or severally with other lessees where such agreements provide for the unit operation or development of part of or all of any oil or gas pool, field, or area; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Sec. 1, Chap. 162), (Laws of 1951, Chap. 7, Art. 11, Sec. 41, N. 4. Statutes 1953 Annotated) to amend with the approval of lessee, evidenced by the lessee's execution of such agreement or otherwise, any oil and gas lease embracing State lands so that the length of the term of said lease may coincide with the term of such agreements for the unit operation and development of part or all of any oil or gas pool, field or area; and

WHERMAS, the Oil Conservation Commission of the State of New Mexico (Hereinafter referred to an one "Commission") is authorized by an Act of the Legislature (Chap. 72, Laws 1935; Chap. 65, Art. 3, Sec. 14, N.M. Statutes 1953 Annotated) to approve this agreement and the conservation provisions hereof; and

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

WHEREAS, it is the purpose of the parties hereto to conserve natural resources, prevent waste and secure other benefits obtainable through development and operation of the area subject to this agreement under the terms, conditions and limitations herein set forth;

NOW, THEREFORE, in consideration of the premises and the promises herein contained, the parties mereto commit to this agreement their respective interests in the below defined unit area, and agree severally among themselves as follows:

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

### <u>T-21-S, R-34-E</u>

Section ll = E-1/2Section l2 = W-1/2 NW-1/4 and SE-1/4 NW-1/4 and S-1/2 Section l3 = E-1/2 NE-1/4 and NW-1/4 and S-1/2 Section l4 = E-1/2Section 23 = N-1/2 NE-1/4

**ILLEGIBLE** 

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
CIPP (EXHIBIT NO. 13
CASE NO. 2705

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

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

2. UNITIZED SUBSTANCES. All oil, gas, natural gasoline and associated fluid hydrocarbons in any and all formations of the unitized land below the depth of 5200 feat below the surface of the land are unitized under the terms of this agreement and horain are called "unitized substances."

3. UNIT OPERATOR. The Pure Oil Company, with offices at First City Mational Bank Building, Houston 2, Texas, is hereby designated as unit operator and by signature hereto commits to this agreement all interest in unitized substances vested in it as set forth in Exhibit B, and agrees and consents to accept the duties and obligations of unit operator for the discovery, development and production of unitized substances as herein provided. Whenever reference is made herein to the unit operator, such reference means the unit operator acting in that capacity and not as an owner of interests in unitized substances, and the term "working interest owner" when used herein shall include or refer to unit operator as the owner of a working interest when such an interest is owned by it.

4. <u>RESIGNATION OR REMOVAL OF UNIT OPERATOR</u>. Unit operator shall have the right to resign at any time but such resignation shall not become effective until a successor unit operator has been selected and approved in the manner provided for in Section 5 of this agreement. The resignation of the unit operator shall not release the unit operator from any liability or any default by it hereunder occurring prior to the effective date of its resignation.

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

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

5. SUCCESSOR UNIT OPERATOR. Whenever the unit operator shall resign as unit operator or shall be removed as hereinabove provided, the owners of the working intereses according to their respective acreage interests in all unitized land shall by a majority vote select a successor unit operator; provided that, if a majority but less than seventy-five percent (75%) of the working interests qualified to vote is owned by one party to this agreement, a concurring vote of sufficient additional parties, so as to constitute in the aggregate not less, than seventy-five percent (75%) of the total working interests, shall be required to select a new operator. Such selection shall not become effective until (a) a unit operator so selected shall accept in writing the duties and responsibilities of unit operator, and (b) the selection shall have been approved by the Commissioner. If no successor unit operator is selected and qualified as herein provided, the Commissioner at his election may declare this unit agreement terminated.

6. ACCOUNTING PROVISIONS. The unit operator shall pay in the first instance all costs and expenses incurred in conducting unit operations hereunder, and such costs and expenses and the working interest benefits accruing hereunder shall be apportioned among the owners of the unitized working interests in accordance with an operating agreement entered into by and between the unit operator and the owners of such interests, whether one or more, separately or collectively. Any agreement or agreements entered into between the working interest owners and the unit operator as provided in this section, whether one or more, are herein referred to as the "Operating Agreement." No such agreement shall be deemed either to modify any of the terms and conditions of this unit agreement or to relieve the unit operator of any right or obligation established under this unit agreement and in case of any inconsistencies or conflict between this unit agreement and the operating agreement, this unit agreement shall prevail.

7. <u>RIGHTS AND OBLIGATIONS OF UNIT OPERATOR.</u> Except as otherwise specifically provided herein, the exclusive right, privilege and duty of exercising any and all rights of the parties hereto which are necessary or convenient for prospecting for, producing, storing, allocating and distributing the unitized substances are hereby delegated to and shall be exercised by the unit operator as herein provided. Acceptable evidence of title to said rights shall be deposited with said unit operator and, together with this agreement, shall constitute and define the rights, privileges and obligations of unit operator. Nothing herein, however, shall be construct to transfer title to any lend or to any lease or operating agreement, it being understood that under this agreement the unit operator, in its capacity as unit operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

8. DRILLING TO DISCOVERY. The unit operator shall, within sixty (60) days after the effective date of this agreement, commence operations upon an adequate test well for oil and gas upon some part of the lands embraced within the unit area and shall drill said well with due diligence to a depth sufficient to test the Devenian formation or to such a depth as unitized substances shall be discovered In graying quantities at a lesser depth or until it shall, in the opinion of unit operator, be determined that the further drilling of said well shall be unwarranted or impracticable; provided, however, that unit operator shall not, in any event, be required to drill said well to a depth in excess of 13,900 feet. Until a discovery of a deposit of unitized substances capable of being produced in paying quantities (to-wit: quantities sufficient to repay the costs of drilling and producing operations with a reasonable profit) unit operator shall continue drilling diligently, one well at a time, allowing not more than six months between the completion of one well and the beginning of the next well, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of the Commissioner, or until it is reasonably proven to the satisfaction of the unit operator that the unitized land is incapable of producing unitized substances in paying quantities in the formation drilled hereunder.

any well commenced prior to the effective date of this agreement upon the unit error and drilled to the depth provided herein for the drilling of an initial test well shall be considered as complying with the drilling requirements hereof with respect to the initial well. The Commissioner may modify the drilling requirements of this section by granting reasonable extensions of time when in his opinion such action is warranted. Upon failure to comply with the drilling provisions of this article the Commissioner may, after reasonable notice to the unit operator and each working interest owner, lessee and lessor at their last known addresses, declare this unit agreement terminated, and all rights, privileges and obligations granted and accuded by this unit agreement shall cease and terminate as of such dota 9. <u>OBMIGATIONS OF UNIT OPERATOR AFUER DISCOVERY OF UNITIZED SUBSIALDES</u>. Should unitized substances in paying quantities be discovered upon the unit area the unit operator shall on or before six months from the time of the completion of the initial discovery well and within thirty days after the expiration of each twelve months period thereafter file a report with the Commissioner and Commission of the status of the development of the unit area and the development contemplated for the following twelve months period.

It is understood that one of the main considerations for the approval of this agreement by the Cormissioner of Public Lands is to secure the orderly development of the unitized lands in accordance with good conservation practices so as to obtain the groatest ultimate recovery of unitized substances.

After discovery of unitized substances in paying quantities, unit operator shall proceed with diligence to reasonably develop the unitized area as a reasonably prudent operator would develop such area under the same or similar circumstances.

If the writ operator should fail to comply with the above covenant for reasonable development, this agreement may be terminated by the Commissioner as to all lands of the State of New Mexico embracing undeveloped regular well spacing or proration units but in such event the basis of participation by the working interest owners chall remain the same as if this agreement had not been terminated as to such lands; provided, however, the Commissioner shall give notice to the unit operator and the lessees of record in the manner prescribed by Sec. 7-11-14, N.M. Statutes 1953 Annotated of intention to cancel on account of any alleged breach of said covcount for reasonable development and any decision entered thereunder shall be subject to appeal in the manner prescribed by Sec. 7-11-17, N.M. Statutes 1953 Annotated and, provided further, in any event the unit operator shall be given a reasonable opportunity after a final determination within which to remedy any default, failing in which this agreement shall be terminated as to all lands of the State of New Mexico embracing undeveloped regular well spacing or proration units.

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

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

11. ALLOGATION OF PRODUCTION. All unitized substances produced from each tract in the unitized area established under this agreement, except any part thereof used for production or development purposes hereunder, or unavoidably lost, shall be decoded to be produced equally on an acreage basis from the several tracts of the unitized hand, and for the purpose of determining any benefits that accure on an acreage basis, each such tract shall have allocated to it such percentage of said production as its area bears to the entire unitized area. It is hereby agreed that production of unitized substances from the unitized area shall be allocated as provided herein, regardless of whether any wells are drilled on any particular tract 12. <u>PAMLENT OF RENTALS, ROYALTING AND OVERPIDING ROYALTING.</u> All restals due the State of New Mexico shall be paid by the respective lease owners in accordance with the terms of their leases.

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

All rontals, if any, due under any leases embracing lands other than the State of New Mexico, shall be paid by the respective lease owners in accordance with the terms of their leases and all royalties due under the terms of any such leases shall be paid on the basis of all unitized substances allocated to the respective leases committed hereto.

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

If any lease committed hereto is burdened with an overriding royalty, payment out of production or other charge in addition to the usual royalty, the owner of each such lease shall bear and assume the same out of the unitized substances allocated to the lands embraced in each such lease as provided herein.

13. LEASES AND CONTRACTS COMFORCED AND EXTENDED INSOFAR AS THEY APPLY TO LANDS WITHIN THE UNIFIZED AREA. The terms, conditions and provisions of all leases, subleaces, operating agreements and other contracts relating to the exploration, drilling development or operation for oil or gas of the lands committed to this agreement, shall as of the effective date hereof, be and the same are hereby expressly modified and amonded insofar as they apply to lands within the unitized area to the extent necessary to make the same conform to the provisions hereof and so that the respective terms of sold leases and agreements will be extended insofar as necessary to coincide with the term of this agreement and the approval of this agreement by the Commissioner and the respective lessors and lessees shall be effective to conform the provisions and extend the term of each such lease as to lands within the unitized area to the provisions and term of this agreement; but otherwise to remain in full force and effect. Each lease committed to this agreement, insofar as it applies to lands within the unitized area, chall continue in force beyond the term provided therein go long as this agreement remains in effort, provided, drilling operations upon the initial test well provided for herein shall have been commenced or said well is in the process of being drilled by the unit operator prior to the expiration of the chordeat term leave committed to this agreement. Termination of this agreement shall not affect any lease which pursuant to the terms thereof or any applicable laws would continue in full force and effect thereafter. The commencement, completion, continued escration or production of a well or wells for unitized substances on the unit area shall be construed and considered as the commencement, completion, continued operation or production on each of the leasehold interests committed to this agreement and operations or production pursuant to this agreement shall be deemed to be operations upon and production from each leasehold interest committed hereto and there shall be no obligation on the part of the unit operator or any of the owners of the respective leasshold interests committed hereto to drill offsets to wells as between the leasehold interests committed to this agreement, except as provided in Section 9 horeof.

Any loase embracing lands of the State of New Maxico having only a portion of its lands committed hereto shall be segregated as to the portion committed and as to the portion not committed and the terms of such leases shall apply separately as to such segregated portions commencing as of the effective date hereof. Notwithstanding any of the provisions of this agreement to the contrary, any lease embracing lands of the State of New Maxico having only a portion of its lands committed hereto shall continue in full force and effect beyond the term provided therein as to all lands embraced in such lease, if oil and gas, or either of them, are discovered and are being produced in paying quantities from some part of the lands embraced in such leases committed to this agreement at the empiration of the secondary term of such lease; or if, at the expiration of the secondary term, the lessee or the unit operator is then engaged in bona fide drilling or reworking operations on some part of the lands embraced in such lease shall remain in full force and effect so long as such operations are being diligently prosecuted, and if they result in the production of oil or gas, said lease shall continue in full force and effect as to all of the lands embraced therein, so long thereafter as oil and gas, or either of them, are being produced in paying quantities from any portion of said lands.

14. <u>CONSERVATION</u>. Operations hereunder and production of unitized substances shall be conducted to provide for the most economical and efficient recovery of said substances without waste, as defined by or pursuant to State laws or regulations.

15. <u>DIMINACE</u>. In the event a well or wells producing oil or gas in paying quantities should be brought in on land adjacent to the unit area draining unitized substances from the lands embraced therein, unit operator shall drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances.

16. <u>COVEMANTS RUN WITH LAND</u>. The covenants herein shall be construed to be covenants running with the land with respect to the interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer or conveyance of interest in lard or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferse or other successor in interest. No assignment or transfer or any working, royalty or other interest subject hereto shall be binding upon unit operator until the first day of the calendar month after the unit operator is furnished with the original, photostatic or certified copy of the instrument of transfer.

17. EFFECTIVE DATE AND TERM. This agreement shall become effective upon approval by the Consissioner and shall terminate in two years after such date unless (a) such date of expiration is extended by the Commissioner, or (b) a valuable discovery of unitized substances has been made on unitized land during said initial term or any extension thereof in which case this agreement shall remain in effect to long as unitized substances are being produced from the unitized land and, should production ecase, so long thereafter as diligent operations are in progress for the maturation of production or discovery of new production and so long thereafter as the unitized substances so discovered can be produced as aforesaid. This agreement may be terminated at any time by not less than seventy-five percent (75%) on an acrosse basis of the commissioner. Likewise, the failure to comply with the drilling requirements of Section 8 hereof may subject this agreement to termination as provided in said section.

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

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

20. MOTICES. All notices, demands or statements required horounder to be given or readered to the parties hereto shall be deemed fully given, if given in writing and sent by postpaid registered wail, addressed to such party or parties at their respective addresses set forth in connection with the signatures hereto or to the ratification or consent hereof or to such other address as any such party may have Carnished in writing to party serding the notice, demand or statement.

21. UNIVOIDABLE DELAY. All obligations under this agreement requiring the unit operator to commence or continue drilling or to operate on or produce unitized aubatanees from any of the lands covered by this agreement shall be suspended while, but only so long as, the unit operator despite the exercise of due care and diligence is prevented from complying with such obligations, in whole or in part, by strikes, war, acts of God, Federal, State or municipal law or agencies, unavoidable accidents, uncontrollable delays in transportation, inability to obtain necessary materials in open market, or other matters beyond the reasonable control of the unit operator whether similar to matters herein enumerated or not.

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

2). SUESDOUENT JCINDER. Any oil or gas interest in lands within the unit area not constitued hereto prior to the submission of this agreement for final approval either by the Commission or Commissioner may be committed hereto by the owner or owners of such rights subscribing or consenting to this agreement or executing a relification thereof, and if such owner is also a working interest owner, by subscribing to the operating agreement providing for the allocation of costs of explor-ation, development and operation. A subsequent joinder shall be effective as of the Siget day of the month following the filing with the Commissioner and the Commission of duly executed counterparts of the instrument or instruments committing the interart of such owner to this agreement, but such joining party or parties before partielecting in any bonefits hereunder shall be required to assume and pay to unit operatop their propertionate share of the unit expense incurred prior to such party's or parties: joinder in the unit agreement, and the unit operator shall make appropriate adjustments caused by such joinder, without any retroactive adjustment of revenue.

Ch. COUNTRIVARTS. This agreement may be executed in any number of counter-probe, no one of which needs to be executed by all parties or may be ratified or conscaled to by separate instrument in writing specifically referring hereto, and shall be bidding upon all those parties who have executed such a counterpart, ratification or consum house with the same force and effect as if all such parties had signed the same document and regardless of whether or not it is executed by all other parties evaling or claiming an interest in the lands within the above described unit area.

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

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### UNIT OPERATOR

THE PURE OIL COLPANY

By Manager, Southern Producing Division

Address: First City National Bank Eldg. Houston 2, Texas

### WORKING INTHREST CURRERS

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TEXACO INC.

Date	ByAttorney in Fact
	Address:
NCT207:	PHILLIPS PETROLEUM CONPANY
	By
. Secretary	
Jave	Address:
· · · · ·	GULF OIL CORPORATION
Datio	ByAttorney in Fact
	Address:
	SHELL OIL COMPANY
Date	EyAttorney in Fact
	Address:
	FRANCES P. BOLTON d.b.z. WYOMING OIL COMPANY
	Ву
ATTIST:	WILSON OIL COMPANY
bechevery	By President
Data	Address:

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STATE OF TEXAS	
COUNTY OF HARRIS	
	knowledged before me this day of
, 1962 by C. W. corporation, on behalf of said corpo	HANCOCK of THE PURE OIL COMPANY, an Ohio ration.
	· · · · · ·
My Commission Expires:	Notary Public
STATE OF TEXAS	
COUNTY OF MIDLAND	
The foregoing instrument was ac	knowledged before me this day of
, 1962 by	of TEXACO INC., poration, on behalf of said corporation.
My Commission Expires:	Notary Public
	Notary Lubito
STATE OF OKLAHOMA	:
COUNTY OF WASHINGTON	
The foregoing instrument was ac , 1962 by	of PHILLIPS
PETROLEUM COMPANY, a	corporation, on behalf of said
· · · · · · · · · · · · · · · · · · ·	
My Commission Expires:	Notary Public
STATE OF TEXAS	
COUNTY OF MIDLAND	
	knowledged before me this day of
, 1962 by	of GULF OIL corporation, on behalf of said corpor-
ation.	corporation, on benali of said corpor-
Management and the Transition of	
My Commission Expires:	Notary Public
STATE OF TEXAS	
COUNTY OF MIDLAND	· · ·
	knowledged before me this day of
, 1962 by	of SHELL corporation, on behalf of said corporation.
My Commission Expires:	

.

Notary Public

STATE OF		Q
COUNTY OF	•	į

The foregoing instrument was acknowledged before me this day of , 1962 by FRANCES P. BOLTON of WYOMING OIL COMPANY, a company, on behalf of said company.

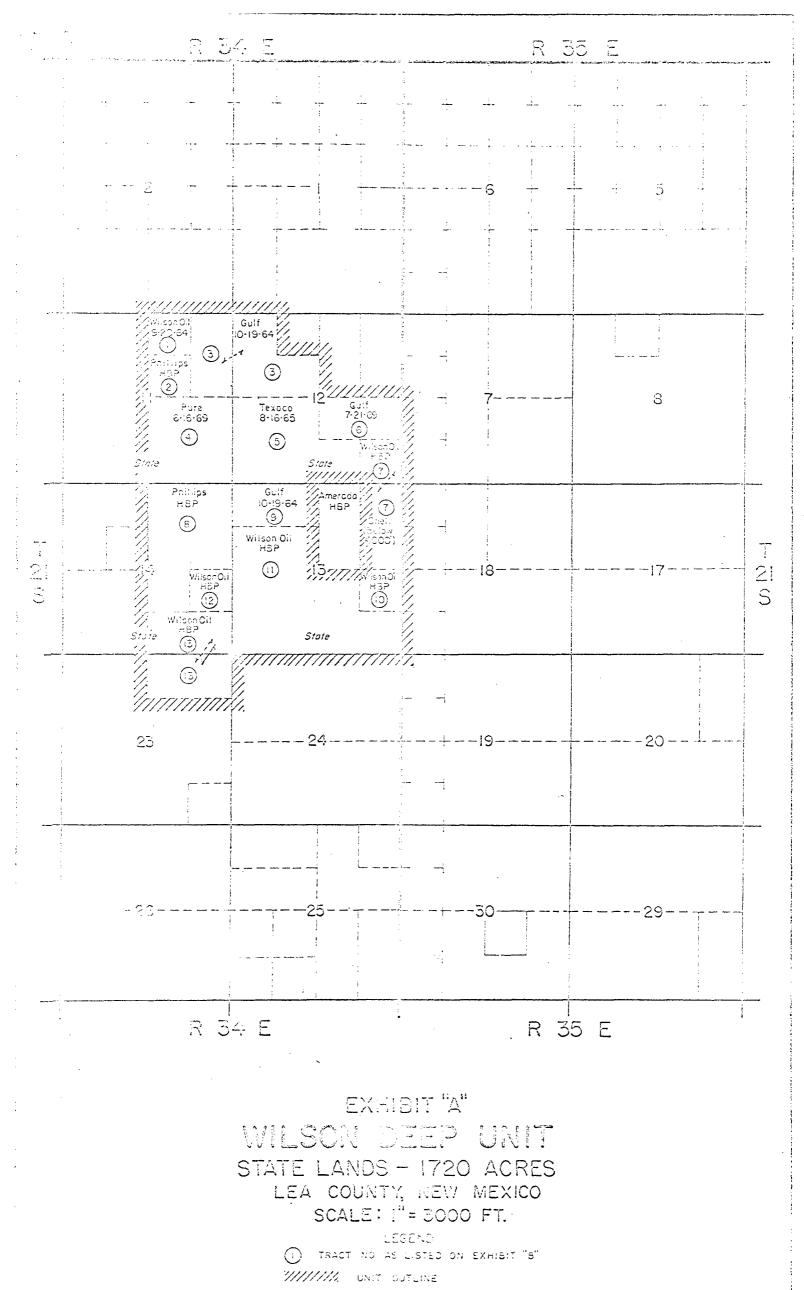
My Commission Expires:

Notary Public

STATE OF NEW MEXICO

My Commission Expires:

Notary Public



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7.	6.	بر •	4.	بن ه	2 •	اسا ت	STATE	Tract No.	
T-21-S,R-34-E,N.M.P.M. Section:12: SI-1/1 SE-1/4 Section 13: E-1/2 NE-1/4	T-21-S, R-34-E, N.M.P.M. Section 12: N-1/2 SE-1/4	T-21-S,R-34-F,N.M.P.M. Section 12: SW-1/4, SW-1/4 SE-1/4	T-21-S,R-34-E,N.M.P.M. Section 11: SE-1/4	T-21-S, R-34-E, N.M.P.M. Section 11: E-1/2 NE-1/4 Section 12: W-1/2 NW-1/4, SE-1/4 NW-1/4	T-21-S,R-34-E,N.M.P.M. Section 11: SW-1/4 NE-1/4	T21S,R34E,N.M.P.M. Section 11: NW1/4 NE1/4	STATE LANDS	Description of Land	
120,00	80.00	200,00	160.00	200,00	00.04	40.00	•	Number of Acres	
B-1167 96-32	0G-5723 7-21-59	E-9270 8-16-55	00-5590 6-16-59	E8586 101954	Er=192 <b>2</b> 6=-1048	E-8488 9-20-54		Serial No. & Date of Lease	
State - All	State - All	State - All	State - All	State - All	State - All	State - All	, , ,	Basic Royalty & Percentage (Based on 121/2%)	EXHIBIT "B" WILSON DEEP.UNIT LEA CCURTY, NEW MEXICO
Shell	Gulf	Техаз	Pure	Gu <b>lf</b>	Erle Payne	Wilson		Lessee of Record	8
None	None	None	None	None	None	None		Overriding Royalty & Percentage	
Belew 4000' below surface: Shell - All Surface to 4000': Wilson - 1/2 Wycming - 1/2	Gulf - All	Texaco - All	Pure - All	Gulf - All	Phillips - All	Wilson - 1/2 Wyoming - 1/2		Working Interest and Percentage	
.face: 6,97671	4.65116	11.62791	9 <b>.</b> 302 <b>33</b>	11.6279 <b>1</b>	2。32558	2,32558		Per Cent of Unit Area (Tra Participation)	

ц Ч 12, Shell Oil Company. Petroleum Company; Gulf refers to Gulf Oil Corporation; Fure refers to The Fure Oil Company; Texas and Texaco refers to Texaco Inc.; and Shell refers to As used in this Exhibit, Wilson refers to Wilson Oil Company; Wyoming refers to Frances P. Bolton, d.b.a. Wyoming Oil Company; Phillips refers to Phillips 13 State Tracts Containing 1720.00 Acres or 100.00% of the Unit Area 11. 10,  $\circ$ Ho. а • Tract EXHIBIT "B" T-21-S, R-34-E, N.M.P.M. Section 14: S-1/2 SE-1/4 Section 23: N-1/2 NE-1/4 T-21-S, R-34-E, N.M.P.M. Section 11: NE-1/4 SE-1/4 T-21-S, R-34-E, N.M. P.M. Section 13: NE-1/4 SE-1/4 T-21-S, R-31-E, N.W.P.M. Section 14: NE-1/4, NW-1/4 SE-1/4 T-21-S, R-34-E, N.M.P.M. Section 13: N-1/2 NW-1/4 Description T-21.-S, R-34-E, N.M.P.M. of Land Section 13: S-1/2 NW-1/4, SW--1, W-1/2 SE-1/4 SE-1/4 SE-1/4 **6** 11 / Type of Acreage 1.3 State Tracts of Acres Number 160.00 200,00 360.00 40.00 00.04 80.00 B-11610 11-10-44 11-06-11 B-6807 1-3-39 B--8251 10-31-41 E-8587 10-19-54 E-1923 6-10-48 Serial No. & Date of Lease Percentage State - All State - All State - All State -State - All State - All Basic Royalty & (Based on  $12\frac{1}{2}\%$ ) RECAPITULATION 1720.00 All Acres Lessee Record Gulf Wilson Wilson Francis C. Wilson None Wilson Phillips or Per Cent of Unit Area Overriding Royalty & Percentage None None None None None 100,00% Wilson - 1/2Wyoming - 1/2Gulf - All Wyoming - 1/2 Wilson -1/2Wilson - 1/2Wyoming - 1/2Working Interest Wyoming - 1/2 Wilson - 1/2Phillips - All and Percentage Unit Area (Trac Participation) Per Cent of 11,62791 20.93023 9.30233 2,32558 2,32558 4.65116 Page

GOVERNOR EDWIN L. MECHEM CHAIRMAN

# State of New Mexico **G** il Conservation Commission

LAND COMMISSIONER E. S. JOHNNY WALKER MEMBER



STATE GEOLOGIST A. L. PORTER, JR. SECRETARY - DIRECTOR

P. 0. BOX 871 SANTA FE

November 28, 1962

Re:Case No.2705Mr. Richard MorrisOrder No.R=2380Seth, Montgomery, Federici & AndrewsApplicant:Attorneys at LawBox 828The Pure Oil CompanySanta Fe, New MexicoFederici Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC \_\_\_\_

Artesia OCC\_\_\_\_\_

Aztec OCC \_\_\_\_\_

OTHER\_\_\_\_\_

Unocal North American Oil & Gas Division Unocal Corporation 1004 North Big Spring Street, Suite 300 P.O. Box 3100 Midland, Texas:79702.0115 Efr. ON BIVISION Te ephone (915) 684-8231 BELLE SD

**UNOCAL**®

'92 Mar 34 HM 9 53

Southwestern Region

March 23, 1992

Oil Conservation Division Energy & Minerals Division P. O. Box 2088 Santa Fe, New Mexico 87504-2088

Attn: Mr. William J. LeMay, Director

1992 Plan of Development Wilson Deep Unit Area Lea County, New Mexico S/Wilson Prospect (0855)

Gentlemen:

Please find enclosed for your approval two (2) copies of Union's 1992 Plan of Development for the Wilson Deep Unit.

Should you have any questions, please let me know.

Sincerely,

UNION OIL COMPANY OF CALIFORNIA dba UNOCAL

Luida H. Hecks

Linda H. Hicks Supervisor of Contracts

LHH/jb Enclosures

#### 1992 PLAN OF DEVELOPMENT WILSON DEEP UNIT AREA LEA COUNTY, NEW MEXICO

- TO: Oil Conservation Division Energy & Minerals Division P. O. Box 2088 Santa Fe, New Mexico 88201-2088
  - Attn: Mr. William J. LeMay, Director Oil & Gas Division

Pursuant to provisions of Section 9 of the Unit Agreement for the Development and Operation of the Wilson Deep Unit Area, Union Oil Company of California, as Operator, respectfully submits for approval the Plan of Development of the Wilson Deep Unit for the period ending December 31, 1992.

### SUMMARY OF 1991 OPERATIONS

No new wells were drilled in 1991. The well produced 41.274 MMCF + 58 BC in 1991. This well currently produces 93 MCFPD + 0 BCPD.

#### PLAN OF DEVELOPMENT FOR 1992

No new development drilling is planned for 1992.

This plan may be modified or supplemented from time to time with the approval needed, when necessary, to meet changed conditions or to protect the interest of all parties to the Unit Agreement.

Submitted this 23 day of March , 1992.

Sincerely,

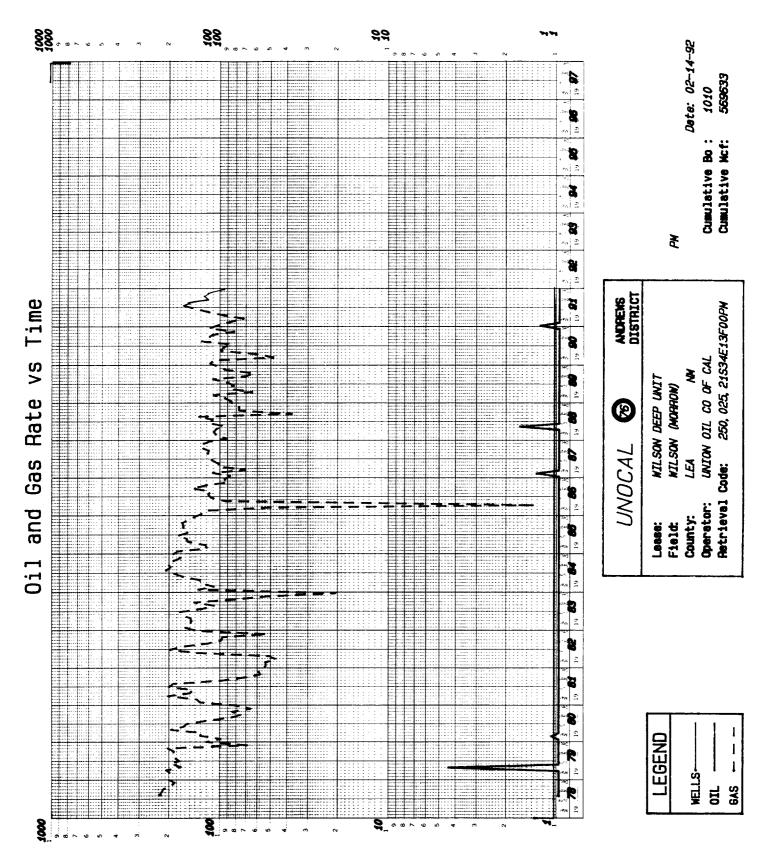
UNION OIL COMPANY OF CALIFORNIA

Linda H. Hicks

Linda H. Hicks Supervisor of Contracts

LHH/jb HICKS/PDWILSON (MCF/DAY)

(COUNT)



(X YO/ 788)

---- REVISED UNIT OUTLINE



(1) TRACT NUMBER-EXHIBIT 'B'

## LEA COUNTY, NEW MEXICO

## STATE LANDS-320 ACRES

### WILSON DEEP UNIT

## **REVISED EXHIBIT "A" EFFECTIVE 12-20-65**

	R 34 E	R 35 E	
11	12	7	Т
14	Chevron E-8587 9 Kaiser Frances B-6807 13	18	21
23	24	19	S

#2705

Unocal North American Oil & Gas Division Unocal Corporation 1004 North Big Spring Street, Suite 300 P.O. Box 3100 Midland, Texas 79702 Telephone (915) 684-8231

ECON DIVISION

**UNOCAL** 

17 TR ~ 17 9 11

0Kd 3-6-91

Southwestern Region

March 1, 1991

Oil Conservation Division Energy and Minerals Division P. O. Box 2088 Santa Fe, New Mexico 87504-2088

Attn: Mr. William J. LeMay Director

RE: 1991 Plan of Development Wilson Deep Unit W/2 Section 12-21S-34E Lea County, New Mexico S/Wilson Prospect (0855)

Gentlemen:

Please find enclosed for your approval two copies of Union's 1991 Plan of Development for the Wilson Deep Unit.

Should you have any questions, please let me know.

Sincerely,

UNION OIL COMPANY OF CALIFORNIA dba UNOCAL

Linda H. Hecks

Linda H. Hicks Supervisor of Contracts

LHH/jb Enclosures 1991 PLAN OF DEVELOPMENT WILSON DEEP UNIT LEA COUNTY, NEW MEXICO

- TO: Oil Conservation Division Energy and Minerals Division P. O. Box 2088 Santa Fe, New Mexico 87504-2088
  - Attn: Mr. William J. LeMay, Director

Pursuant to provisions of Section 9 of the Unit Agreement for the Development and Operation of the Wilson Deep Unit Area, Union Oil Company of California, as Operator, respectfully submits for approval the Plan of Development of the Wilson Deep Unit for the period ending December 31, 1991.

#### SUMMARY OF 1990 OPERATIONS

No new wells were drilled in 1990. This well produced 34.4 MMCF + 112 BC in 1990. This well currently produces 80 MCFPD + 1 BCPD.

PLAN OF DEVELOPMENT FOR 1991

No new development drilling is planned for 1991.

Submitted this <u>1st</u> day of <u>March</u>, 1991.

Sincerely,

UNION OIL COMPANY OF CALIFORNIA

Luca H. Hicks

Linda H. Hicks Supervisor of Contracts

LHH/jb

	R 34 E	R 35 E	
11	12	7	Т
14	Chevron E-8587 9 Kaiser Frances B-6807 13	18	21
23	24	19	S

## REVISED EXHIBIT "A" EFFECTIVE 12-20-65

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### WILSON DEEP UNIT

## STATE LANDS-320 ACRES

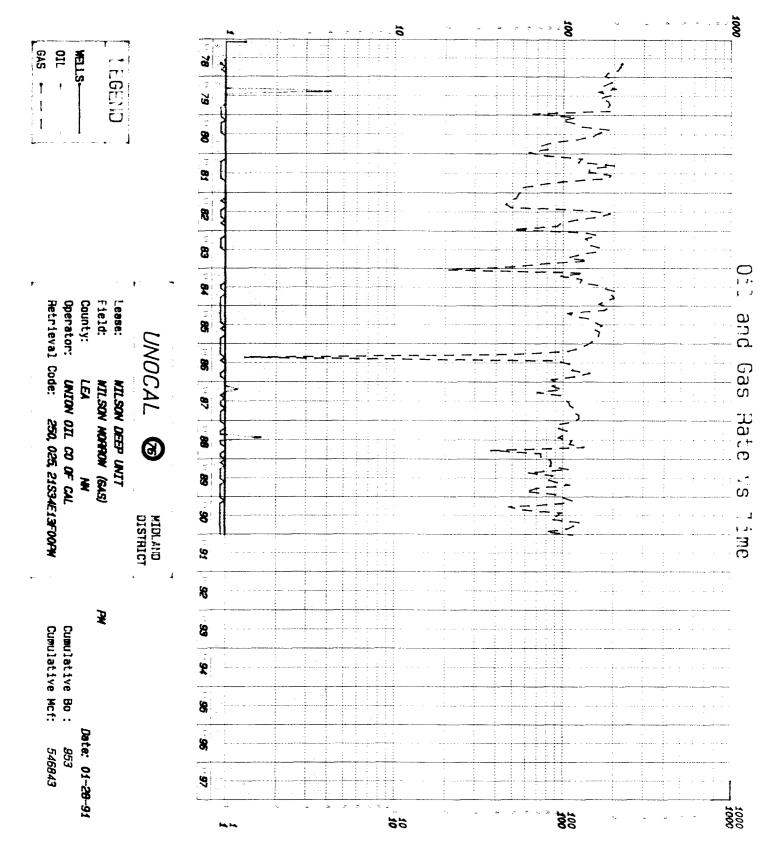
## LEA COUNTY, NEW MEXICO

(1) TRACT NUMBER-EXHIBIT "B"



### --- REVISED UNIT OUTLINE

(BBL, DAY)



(COUNT) (

(XA0/70AY)