

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
July 10, 1963

EXAMINER HEARING

IN THE MATTER OF:

Application of Skelly Oil Company for a unit agreement, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of its East Bisti Unit Area comprising 17,812 acres of Federal, State and Indian lands in Townships 24 and 25 North, Ranges 9, 10, and 11 West, San Juan County, New Mexico.

CASE 2848

IN THE MATTER OF:

Application of Skelly Oil Company for a waterflood project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Bisti Lower-Gallup Oil Pool, San Juan County, New Mexico, by the injection of water into the Gallup formation through 34 wells in its East Bisti Unit Area.

CASE 2849

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 2848.

MR. DURRETT: Application of Skelly Oil Company for a unit agreement, San Juan County, New Mexico.

MR. JACOBS: Entering an appearance, Ronald J. Jacobs and George W. Selinger for Skelly Oil Company; and as counsel, L. C. White of Gilbert, White and Gilbert. This case and the following case, 2849, both deal with the East Bisti Area, San Juan

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County, one for the unit agreement and one for permission to inject. If there's no objection, we would move that these two cases be consolidated for the purpose of taking testimony.

MR. UTZ: Without objection, Cases 2848 and 2849 will be consolidated for the purposes of testimony only. Separate orders will be written on each case.

MR. JACOBS: We have one witness we ask be sworn at this time.

(Witness sworn.)

MR. UTZ: Any other appearances to be made in either of these cases?

(Whereupon, Skelly's Exhibits Nos. 1 through 8 marked for identification.)

JOHN B. CHAMBERS

called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. JACOBS:

Q Will you please state your name for the record?

A John B. Chambers.

Q You are employed by what company?

A Skelly Oil Company.

Q In what capacity?

A As a unitization engineer.

Q Have you previously testified before this Commission as



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a petroleum engineer?

A I have.

Q Are you familiar with the applications of Skelly Oil Company in these two cases and the unit agreement and the plans to inject into the East Bisti Area in San Juan County, New Mexico?

A I am.

MR. JACOBS: We ask that his qualifications be accepted.

MR. UTZ: Yes, sir, they are acceptable.

Q (By Mr. Jacobs) I hand you what has been marked for identification as Exhibit 1, and ask that you state what that is, please.

A Exhibit 1 is the unit agreement for the development and operation of the East Bisti Unit Area, County of San Juan, State of New Mexico.

Q Is there attached to that exhibit exhibits in the back of that unit agreement?

A Yes, there are.

Q Particularly Exhibit A, what does that show?

A Exhibit A is a map showing the boundaries or boundary of the Unit and the leases and tracts therein.

Q Is this area colored with various shadings?

A Yes, there are three shadings. The area that is not colored depicts Federal lands, that in a light shading depicts allotted Navajo Indian lands, and the dark shading is the State of New Mexico lands.



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Q So there are no fee lands involved in this Unit, is that right?

A There are no fee lands involved.

Q I direct your attention now to what has been marked for identification as Exhibit 3 and ask that you state what that is, please.

A Exhibit 3 is a map showing the Gallegos-Gallup Field and the Bisti Field in San Juan County, and in the various colors are the secondary recovery units presently in existence, with the exception of the blue color to the southeastern portion of the map, which is the proposed East Bisti Unit.

Q Would you identify these by colors?

A The one in green to the north is the Gallegos-Gallup Sand Unit, the West Bisti Unit in a red color, the Central Bisti Unit in yellow, and the Carson Unit in brown.

Q Are all of these areas except the East Bisti Area at the present time under some authorized project by the Commission?

A They are.

Q Then with the approval of the secondary recovery project in the East Bisti Area, this will put the entire Bisti Field under some sort of secondary recovery project?

A Yes.

Q Without going into detail into the unit agreement, Mr. Chambers, in general, what type of an agreement is it?

A It's a Federal-type contract.



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Q Has this agreement been previously submitted to various other parties such as royalty owners?

A Yes, it has been submitted to all the working interest and royalty interest owners.

Q Have you received approval from these various parties?

A We presently have approval from 93 percent of the working interest, 90 percent of the overriding royalty, and 100 percent of the allotted Navajo Indians.

Q Has this agreement been submitted to the State and to the U.S.G.S.?

A Yes.

Q Have you received any type of approval?

A We received preliminary approval from both the State Land Commissioner and the U.S.G.S.

Q Attached to the unit agreement is Exhibit B; what is that?

A Exhibit B is a list on which is shown the individual tracts, the exact acreage in each, the lessees of record, and the working interest and royalty interest owners in each tract, to the best of our knowledge.

Q What is Exhibit C?

A Exhibit C is in actually four parts. Exhibit C-1, part 1, is a list of the individual tracts showing the phase one participation by tracts. Exhibit C-1, part 2, shows the participation for working interest owners in the unit under phase one. Exhibit



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C-2, part 1, shows the individual tract participation under the phase two participation; and Exhibit C-2, part 2, shows the working interest participation under phase two.

Q You say phase one and phase two, Mr. Chambers, what does that mean?

A The unit is being formed on a split participation formula.

Q What is the cut-off point as to the break-off from phase one to phase two?

A Actually the cut-off was 5,750,000 barrels; as soon as that volume of oil had been produced, phase two was to become effective. At this time there has already been in excess of 5,750,000 barrels produced, so the unit will be formed through participation.

Q Do you feel that the formation of this unit for the purposes stated in the unit agreement, that is, the secondary recovery projects, is necessary to protect the correlative rights of all the interested parties therein?

A Yes, I do.

MR. JACOBS: That's all the questions we have on the unit agreement. We will go on to the other phase of it, the injection, unless there is some particular questions you wish to ask now on the unit agreement.

MR. UTZ: Why don't we proceed, and we will ask questions on both phases of the testimony later.



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MR. JACOBS: All right.

Q I call your attention to what has been marked for identification as Exhibit 2. What is that exhibit, Mr. Chambers?

A Exhibit 2 is a map of the unit area on which we have indicated with red circles the proposed injection wells that will be utilized in this waterflood.

Q Have you also shown on there the unit boundary?

A Yes, the unit boundary is shown.

Q Does this map also show the lessees and all the wells completed in the Bisti Field?

A It does.

Q That is, to the East Bisti Area?

A Yes.

Q Does it show all the lessees within a two-mile radius of the proposed injection wells or the limits of the field?

A Yes, it does.

Q What type of a pattern would you call this, Mr. Chambers?

A This would be a modified line drive with additional wells for injection along the gas-oil contact in the northwestern portion of the unit.

Q Are you familiar with the application that has been filed in this case?

A Yes, I am.

Q In paragraph 4 of the application there is listed some thirty-four wells. Do these thirty-four wells as listed in the



application coincide with the thirty-four wells that are circled in red on this Exhibit No. 2?

A The thirty-four wells as listed do coincide; however, there are incorrect locations, specific locations, given for three of these wells.

MR. JACOBS: Mr. Examiner, inadvertently, the exact location of three of the wells was incorrect. The section, township, and range is correct of the unit designation; that is, for instance, in the second well listed on the application, Shell Oil Company Mud 6 No. 14-16 is shown as being located in Unit K, Section 16, 25, 11. The truth and fact, that should be Unit M. With your permission we've prepared an amended application which corrects this typographical error; there are three.

MR. UTZ: Paragraph 3 is the proper locations on your amended application?

MR. JACOBS: Yes, it corrects these three errors, the Shell Oil Company Mud 6, 14-16; Shell Oil Company Mud 6 No. 23-16 which should be K instead of M; and Sun Oil Company Kosaw No. 2, which should be N instead of P.

MR. UTZ: These corrections or amendments to the previous application will be accepted as part of the record.

Q (By Mr. Jacobs) What is the proposed source of the fluid to be injected into the Gallup formation in this unit area?

A The present proposed source of fluid will be the Allison-Menefee formation which is located at a depth of approximately

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3200 feet, within the unit area.

Q What type of a fluid is this?

A It's a brine water.

Q Are there any other possibilities that are being contemplated by the operators for the source of fluid?

A We have considered the possibility of a water sand called the Ojo-Alamo Sand. It is actually located in the vicinity north of the Gallegos-Gallup Unit at a depth of 700 feet. This is a fresh water sand. We are working on the possibility of water rights there and contemplating the possibility of using that water for injection purposes.

Q What volume of fluid are you anticipating to inject?

A We're presently anticipating between twenty-three and thirty thousand barrels of water per day.

Q That would be an average of approximately how many barrels per well per day?

A Well, I would say approximately 600 barrels per day. The maximum volume of 30,000 barrels would most likely be in the event we get all thirty-four wells converted to injection.

Q Now I hand you what has been marked for identification as Exhibit No. 4 and ask that you state what that is, please.

A Exhibit No. 4 is an electric log of the Standard Oil Company of Texas Well No. 9-12-1, which we're using for a type log to show the interval we wish to unitize in the Gallup formation.

Q What is the exact location of that well, Mr. Chambers?



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A The well is located in the Southeast Quarter of the Northeast Quarter, Section 12, Township 24 North, Range 10 West, San Juan County.

Q The depths that are marked, you say, are 5260 feet and 5845 feet?

A That is correct.

Q Is that the same interval and the same definition that is included in the unit agreement as a definition of the formation to be unitized?

A That's correct.

Q What is the present status of the producing wells in the East Bisti Area?

A Well, the field is essentially 95 percent depleted under primary at the present time.

Q Approximately what is the productivity or rate of production of these wells?

A I would estimate the most prolific well possibly produced in the neighborhood of 35 to 40 barrels of oil per day, the most marginal well probably around half a barrel a day.

Q With an approximate average of about what?

A Around 700 barrels per day for the field.

Q For this part of the field?

A For this portion of the field, yes.

Q You said it was 95 percent depleted. Would you consider this in the nature of a stripper-type operation?



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A At the present time, yes.

Q Are you familiar with the Commission's Rule 701 with reference to the classification of a waterflood project or pressure maintenance project?

A I am.

Q Would you classify the proposed injection and secondary recovery project as a waterflood or pressure maintenance?

A A waterflood.

Q And this primarily because of the productivity, stripper-type production presently in the East Bisti Field area?

A That is correct.

Q Do you have an idea of the approximate pressure in this portion of the field?

A I would estimate the reservoir pressure currently to be in the neighborhood of 300 pounds.

MR. UTZ: What was it initially?

A The original pressure was approximately 1540 pounds.

Q Do you feel that the proposed injection and waterflood project will recover oil that would not otherwise be recovered?

A I do.

Q Do you feel that the waterflood project in the East Bisti Unit Field Area is feasible?

A Yes.

Q I call your attention to what has been marked for identification as Exhibits 5, 6, and 7, and ask that you state what that



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is, please.

A Those are electric logs on three proposed injection wells which are owned and operated by Skelly Oil Company.

Q These electric logs are from the wells, the three Skelly-operated wells that are going to be proposed for injection.

A That is right.

Q These are the electric logs of the wells that you had available to you?

A That is correct.

Q I call your attention to what has been marked for identification as Exhibit No. 8, and ask that you state what that is, please.

A Exhibit No. 8 is a group of schematic diagrams, thirty-four in all, one schematic diagram for each of the proposed injection wells, showing the subsurface equipment and the completion program on each individual well.

Q That is the present condition of these wells, is that right?

A Yes, this is the present condition.

Q What type of work do you anticipate doing to convert these wells to injection?

A Basically, we will pull the tubing in these wells, run plastic-coated tubing with a packer set immediately above the unitized formation.

Q Will the setting of this packer be below the top of the



cement?

A Yes.

Q In your opinion, will the setting of a packer below the top of the cement and the injection through the tubing protect any and all possible fresh water sands or other formations that may be in existence in this area?

A Yes, very definitely.

Q In each of the cases, you have either the top of the cement or the calculated top of the cement, do you not?

A Yes.

Q Are you familiar, Mr. Chambers, with the recent Rule 701-B, recently enacted by the Commission?

A I am.

Q Does this rule call in part 5 for the sending of the application complete with all attachments to the State Engineer's Office?

A It does.

Q Was this caused to be done?

A Yes.

Q In fact, the application, the map, and the diagrammatic or schematic sketches were sent to the State Engineer?

A Yes, they were.

MR. JACOBS: We offer in evidence, Mr. Examiner, Exhibits 1 through 8, inclusive.

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MR. UTZ: Without objection, the Exhibits 1 through 8 will be entered into the record of these cases. Which exhibits were in Case 2848?

MR. JACOBS: Mr. Examiner, we actually consolidated the two and numbered them concurrently. Really, Exhibit 1 and Exhibit 3 more or less applied to the unit agreement, which was the first one, 2848. The remainder of the exhibits, 2, 4, 5, 6, 7, and 8, referred primarily to 2849, the case for permission to inject.

MR. UTZ: We will accept them into the record in that order, then.

(Whereupon, Skelly's Exhibits Nos. 1 through 8, inclusive, received in evidence.)

MR. UTZ: Are there questions of the witness?

MR. DURRETT: Yes, sir, I have a question or two.

CROSS EXAMINATION

BY MR. DURRETT:

Q Did you give a figure on primary production that's been recovered to date?

A I didn't give the exact primary production; as of 6-1-63 it was 5,811,731 barrels, to be exact.

Q One other question. Did you receive any correspondence or any communication whatsoever from the State Engineer's Office concerning your application for the flood?

A Not to my knowledge.



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Q They just haven't said anything one way or another, then?

A Not to my knowledge.

MR. UTZ: Are there other questions?

BY MR. PORTER:

Q I have one question in connection with this total cumulative on primary of 5.8 million, or something like that. Have you made any calculations as to what you would expect to recover under this waterflood project?

A Yes, sir. The Engineering Committee for the Unit made an estimation of 5,947,000 barrels secondary.

Q In other words, about as much as you have already recovered?

A It's very similar, almost one to one ratio, although it was not set up on that basis.

Q This area represents approximately one-third, or maybe a little more than that, of the total area in the pool?

A Yes, sir.

Q I believe the cumulative production in that pool is something over 15 million so apparently that represents about one-third of the production, too?

A Yes, sir.

MR. PORTER: That's all the questions I have.

BY MR. UTZ:

Q Mr. Chambers, did I understand you to say that the



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entire horizontal limits of the Bisti Pool is now under some type of secondary recovery?

A With the exception of the East Bisti Unit, yes, sir.

Q These wells down to the southwest -- southeast, rather, for example, the Gulf Kinebeto in Section 21 and the Gulf Largo Federal "B" in Section 22, are they not a part of this pool?

A To the best of my knowledge, those wells have either been considered non-commercial or have been plugged and abandoned at the present time.

Q That would go also for the Gulf Largo Federal in Section 14?

A Yes, sir.

Q As well as the Gulf South Huerfano No. 1 in the Southwest Quarter of Section 15?

A Yes, sir.

Q That area is, however, a part of the horizontal limits of the Bisti Pool?

A Yes, sir, it is.

Q Now there's a well up here in 25, 11, in the Southwest of the Northwest of Section 15; it is my understanding that that well is now on pump, pumping from seven to eight barrels per day. Has there been any consideration of getting that in this unit?

A Certainly consideration could be given to that. I was unaware that the well had been recompleted, been reopened.

Q It is my understanding that it has. You'd be willing





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to accept that in the unit, would you not, if the operator desired?

A I don't believe that would be a decision that Skelly Oil Company would be able to make. I believe that would be necessarily left up to a vote of the working interest owners participating in this unit as to whether or not the well would come in.

MR. SELINGER: That would involve an enlargement and I don't believe we are in a position to say that should be enlarged or not.

Q (By Mr. Utz) What type of drive did you say that this was going to be?

A The waterflood, the injection program is set up on a modified line drive.

Q So that you have these water blocks or line drives every so often down your trend?

A Yes, sir, basically, attempting to flood in a north-westerly - southeasterly direction as far as setting up a flood bank is concerned.

Q Do you have any type agreement between yourself, line agreement between yourself and the Carson Unit? Was that agreed upon as far as your spacing and injection wells?

A Verbally, yes, this has been agreed to. There is no line agreement, to my knowledge, that has been drawn up on paper at this time.



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Q But they're happy, as well as you?

A They are very contented at the present time, yes, sir.

Q Could you tell me how many wells are producing from 35 to 40 barrels in this unit, proposed unit?

A I could do no more than guess at such a figure. I would say there probably are not over ten or twelve wells producing at that volume.

Q Ten or twelve wells. For the record, what is the normal unit allowable in this pool?

A I believe at the present time it's 94 barrels.

Q So even at 35 or 40 barrels, this would be considered marginal?

A Yes, sir.

Q What is the total number of wells in the proposed unit that are producing the 700 barrels per day?

A Would you repeat the question, please?

Q What is the total number of wells in the proposed unit that are producing the 700 barrels per day?

A There are 128 wells within the unit boundary.

Q That's a pretty low average. Of course, I believe you have stated that you expect this unit to operate under Rule 701?

A Yes, sir.

Q That is your request?

A Yes, sir.

MR. UTZ: Are there any other questions of the witness?



If not, the witness may be excused.

(Witness excused.)

MR. UTZ: Are there any other statements in this case?

MR. DURRETT: We have received a telegram from Mr. John D. Nodell, Jr., Denver Area Attorney for Humble Oil and Refining Company, stating that they support the applications of Skelly in both of these cases. This telegram will be placed in the file if anyone would like to consider it in its entirety.

MR. UTZ: On question, if I may. What do you expect your injection pressures to be?

MR. CHAMBERS: We would estimate it, presently, we would estimate our pressures to be in the neighborhood of a thousand to thirteen or fourteen hundred pounds.

MR. JACOBS: This is the wellhead injection pressure?

MR. CHAMBERS: This would be the wellhead injection pressure, yes, sir.

MR. McGANNON: R. L. McGannon, Standard of Texas. We support the application of the unit agreement and the waterflood.

\* \* \*

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STATE OF NEW MEXICO )  
 ) ss  
COUNTY OF BERNALILLO )

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill, and ability.

WITNESS my Hand and Seal this 17th day of July, 1963.

*Ada Dearnley*  
NOTARY PUBLIC

My Commission Expires:

June 19, 1967.

I do hereby certify that the foregoing is a true and correct record of the proceedings in the Examiner Hearing of Case No. 2848-49 heard by me on July 10, 1963.  
*[Signature]*  
Examiner  
New Mexico Oil Conservation Commission



## NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARINGSANTA FE, NEW MEXICOREGISTERHEARING DATE JULY 10, 1963 TIME: 9 A.M.

NAME:	REPRESENTING:	LOCATION:
Joe Gordon	Socony Mobil	Hobbs
J. E. Bohannon, Jr.	Socony Mobil	Hobbs
GUY BUELL	PAN AM	FORT WORTH
GEORGE H. FORD	"	"
Benny W. Selinger	Skelly	Tulsa Okla
Ronald J. Jacobs	"	"
John B. Chambers	"	"
William Singley	"	Farmington, N.M.
A. H. Hurley	"	Tulsa
P. J. M. Gath	U.S.G.S.	Farmington
J. E. Sperber	abnizing <sup>mobil</sup>	abnizing
L. E. Thomas	Amerada	Hobbs
Jason Kellahin	Kellahi & Fox	Santa Fe
Bill Kessler	Gulf Oil Corp.	Roanoke
Lester M. Marshall	"	"

## NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARINGSANTA FE, NEW MEXICOREGISTERHEARING DATE JULY 10, 1963 TIME: 9 A.M.

NAME:	REPRESENTING:	LOCATION:
Lewi Johnson	Val R Ruse & Assoc. Inc.	Elburgue
A. L. Carter, Jr.	N. M. O. C. C.	Santa Fe
R. L. McGannon	Standard Oil Co. of Texas	Hyattsville
L. J. McGannon	"	"
Bob McGannon	"	"
John McGannon	"	Monahan's

**UNIT AGREEMENT**  
**FOR THE DEVELOPMENT AND OPERATION OF THE**  
**EAST BISTI UNIT AREA**

COUNTY of SAN JUAN  
STATE of NEW MEXICO

BEFORE EXAMINER-UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. <u>1</u>
CASE NO. <u>2848 + 2849</u>

UNIT AGREEMENT  
FOR THE DEVELOPMENT AND OPERATION  
OF THE  
EAST BISTI UNIT AREA  
COUNTY OF SAN JUAN  
STATE OF NEW MEXICO

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Certificate of Approval



CERTIFICATION - DETERMINATION

Pursuant to the authority vested in the Secretary of Interior under the allotted Mineral Leasing Act of March 3, 1909, 35 Stat. 783, 25 U.S.C. Sec. 396 and the Tribal Land Mineral Leasing Act of May 11, 1938, 52 Stat. 347, 25 U.S.C. Secs. 396a, et seq., as to certain restricted and allotted Indian lands and delegated to the Commissioner of Indian Affairs by Departmental Order No. 2508 of January 11, 1949, 14 F.R. 258-260, and

Pursuant to the authority vested in the Secretary of the Interior as to Federal lands, under the act approved February 25, 1920, 41 Stat. 437, as amended, 30 U.S.C. Secs. 181, et seq., and delegated to the Director of the Geological Survey pursuant to Departmental Order No. 2365 of October 8, 1947, 43 C.F.R. Sec. 4.611, 12 F.R. 6784, we do hereby:

A. Approve the attached agreement for the development and operation of the East Bisti Unit Area, San Juan County, State of New Mexico.

B. Certify and determine that the unit plan of development and operation contemplated in the attached agreement is necessary and advisable in the public interest for the purpose of more properly conserving the natural resources.

C. Certify and determine that the drilling, producing, rental, and royalty requirements of all Indian leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of this agreement.

D. Certify and determine that the drilling, producing, rental, minimum royalty, and royalty requirements of all Federal leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of this agreement.

Dated \_\_\_\_\_

\_\_\_\_\_  
Area Director, Gallup Area Office  
Bureau of Indian Affairs

Dated \_\_\_\_\_

\_\_\_\_\_  
Director, United States Geological  
Survey

CERTIFICATE OF APPROVAL  
BY COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO  
OF UNIT AGREEMENT FOR DEVELOPMENT AND OPERATION OF THE  
EAST BISTI UNIT AREA, COUNTY OF  
SAN JUAN, NEW MEXICO

There has been presented to the undersigned Commissioner of Public Lands of the State of New Mexico, for examination, an agreement for the development and operation of the East Bisti Unit Area, San Juan County, New Mexico, dated December 1, 1962, in which Skelly Oil Company is designated as Operator, and which has been executed by various parties owning and holding oil and gas leases embracing lands within the Unit Area and upon examination of said agreement, the Commissioner finds:

- (a) That such agreement will tend to promote conservation of oil and gas and the better utilization of reservoir energy in said field;
- (b) That under the operations proposed, the state will receive its fair share of the recoverable oil or gas in place under its land in the area affected;
- (c) That the agreement is in other respects for the best interests of the state;
- (d) That the agreement provides for the unit operation of the field, for allocation of production and sharing of proceeds from the area covered by the agreement in accordance with a formula for participation as specified in the agreement regardless of the particular tract from which production is obtained or proceeds are derived and for repressuring or secondary recovery operations.

NOW, THEREFORE, by virtue of the authority conferred upon me by virtue of the Laws of the State of New Mexico, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the state, do hereby consent to and approve the above referred to East Bisti Unit Agreement as to the lands of the State of New Mexico committed hereto, and all oil and gas leases embracing lands of the State of New Mexico committed to said agreement shall be and the same are hereby amended so that the provisions thereof will conform to the provisions of said Unit Agreement and so that the length of the secondary term of each such lease as to the lands within the Unit Area will be extended, insofar as is necessary, to coincide with the term of said Unit Agreement and in the event the term of said Unit Agreement shall be extended as provided therein, such extension shall also be effective to extend the term of each oil and gas lease embracing lands of the State of New Mexico committed to said Unit Agreement which would otherwise expire, so as to coincide with the extended term of such Unit Agreement.

IN WITNESS WHEREOF, this Certificate of Approval is  
executed as of this \_\_\_\_\_ day of \_\_\_\_\_, 1963.

\_\_\_\_\_  
Commissioner of Public Lands of the  
State of New Mexico

UNIT AGREEMENT  
FOR THE DEVELOPMENT AND OPERATION  
OF THE  
EAST BISTI UNIT AREA  
COUNTY OF SAN JUAN  
STATE OF NEW MEXICO

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UNIT AGREEMENT  
FOR THE DEVELOPMENT AND OPERATION  
OF THE  
EAST BISTI UNIT AREA  
COUNTY OF SAN JUAN  
STATE OF NEW MEXICO  
NO. \_\_\_\_\_

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

W I T N E S S E T H:

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

WHEREAS, the Mineral Leasing Act of February 25, 1920, 41 Stat. 437, as amended, 30 U.S.C. Secs. 181, et seq., authorizes Federal lessees and their representatives to unite with each other, or jointly or separately with others, in collectively adopting and operating under a cooperative or unit plan of development or operation of any oil or gas pool, field, or like area, or any part thereof, for the purpose of more properly conserving the natural resources thereof whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Sec. 3, Chap. 88, Laws 1943) as amended by Sec. 1 of Chap. 162, Laws of 1951 (Chap. 7, Art. 11, Sec. 39, N. M. Stats. 1953 Annot.), to consent to or approve this agreement on behalf of the State of

WHEREAS, it is the purpose of the parties hereto to enable institution and consummation of secondary recovery operations, to conserve natural resources, prevent waste and secure other benefits obtainable through development and operation of the Bisti Gallup Sand subject to this agreement under the terms, conditions and limitations herein set forth.

NOW, THEREFORE, in consideration of the premises and the promises herein contained, the parties hereto commit to this agreement their respective interests in the "Unit Area" and the "Unitized Formation" lying thereunder (as those terms are defined herein) and agree severally among themselves as follows:

1. ENABLING ACT AND REGULATIONS. The Acts of March 3, 1909, May 11, 1938, and the Mineral Leasing Act of February 25, 1920, as amended, supra, and all valid, pertinent regulations, including operating and unit plan regulations, heretofore issued thereunder or valid, pertinent and reasonable regulations hereafter issued thereunder are accepted and made a part of this agreement as to Federal and Indian lands, provided such regulations are not inconsistent with the terms of this agreement; and as to non-Federal and non-Indian lands, the oil and gas operating regulations in effect as of the effective date hereof governing drilling and producing operations not inconsistent with the terms hereof or the laws of the state in which the non-Federal land and non-Indian land are located are hereby accepted and made a part of this agreement.

2. DEFINITIONS. For the purpose of this agreement, the following terms and expressions as used herein shall mean:

(a) "Commission" means the Oil Conservation Commission of the State of New Mexico.

(b) "Commissioner" means the Commissioner of Public Lands of the State of New Mexico.

(c) "Department" means the Department of the Interior of the United States of America.

(d) "Director" means the Director of the United States Geological Survey.

(e) "Indian Commissioner" means the Commissioner of Indian Affairs.

(f) "Royalty Interest" or "Royalty" means an interest other than a Working Interest in or right to receive a portion of the Unitized Substances or the proceeds thereof and includes the royalty interest reserved by the lessor by an oil and gas lease and any overriding royalty interest, oil payment interest, net profits contract, or any other payment or burden which does not carry with it the right to search for and produce Unitized Substances.

(g) "Royalty Owner" means the owner of a Royalty Interest.

(h) "Secretary" means the Secretary of the Interior of the United States of America.

(i) "Supervisor" means the Oil and Gas Supervisor, Branch of Oil and Gas Operations of the Conservation Division of the United States Geological Survey.

(j) "Tract" means each parcel of land described as such and given a Tract number in Exhibit B.

(k) "Tract Participation" means the percentage of Unitized Substances allocated to a Tract under this agreement as shown in Exhibits C-1, Part I, and C-2, Part I.

(l) "Unit Area" means the land shown on Exhibit A, and described by Tracts in Exhibit B, containing 17,811.79 acres, more or less.

(m) "Unit Operating Agreement" means any agreement or agreements, whether one or more, entered into either separately or collectively by and between the Unit Operator and the Working Interest Owners, as provided in Section 9, ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT, and shall be styled "Unit Operating Agreement for the Development and Operation of the East Bisti Unit Area, County of San Juan, State of New Mexico,"

(n) "Unit Participation" means the sum of all Tract Participations or portions thereof which a party is entitled to receive. See Exhibits C-1, Part II, and C-2, Part II.

(o) "Unitized Formation" means the Bisti Gallup Sand Formation, same being that heretofore established underground reservoir encountered in the drilling by Standard Oil Company of Texas of its Federal 9 No. 12-1 Well between the depths of 5,260 feet and 5,845 feet, as shown by the Schlumberger electric log of said well, which said well is located in the SE/4 of the NE/4 of Section 12, T-24-N, R-10-W, San Juan County, New Mexico.

(p) "Unitized Substances" means all oil, gas, gaseous substances, sulphur contained in gas, condensate, distillate and all associated and constituent liquid or liquefiable hydrocarbons within or produced from the Unitized Formation.

(q) "Voting Interest" means each Working Interest Owner's Unit Participation as same is set out in Exhibits C-1,

Part II, and C-2, Part II, whichever is in effect at the time any vote is taken.

(r) "Working Interest" means the right to search for, produce and acquire Unitized Substances whether held as an incident of ownership of mineral fee simple title, under an oil and gas lease, or otherwise.

(s) "Working Interest Owner" means any party hereto owning a Working Interest, including a carried working interest owner, holding an interest in Unitized Substances by virtue of a lease, operating agreement, fee title or otherwise, which interest is chargeable with and obligated to pay or bear, either in cash or out of production, or otherwise, all or a portion of the cost of drilling, developing and producing the Unitized Substances from the Unitized Formation and the operation thereof hereunder. The owner of oil and gas rights which are free of lease or other instrument conveying the Working Interest to another shall be regarded as a Working Interest Owner to the extent of seven-eighths ( $7/8$ ) of his interest in Unitized Substances, and as a Royalty Owner with respect to his remaining one-eighth ( $1/8$ ) interest therein.

3. EXHIBITS. Attached hereto as Exhibit A is a map showing, to the extent known to Unit Operator, the Unit Area and the boundaries and identity of Tracts and leases in said Unit Area. Attached hereto as Exhibit B is a schedule showing to the extent known to Unit Operator the acreage comprising each Tract and the ownership of each interest owner in each Tract. However, nothing herein or in said schedule or map shall be construed as a representation by any party hereto as to the ownership of any interest other than such interest or interests as are shown in said map or schedule as being owned by such party. Attached hereto as Exhibit C-1 is a schedule showing in Part I thereof the Tract Participation of each Tract in the Unit Area and in Part II thereof the Unit Participation of each Working Interest Owner. Said schedule shall become effective at 7:00 a.m. on the effective date of this agreement and shall continue in effect until 7:00 a.m. on the first day of the month next following the month in which the cumulative oil production from the Unitized Formation underlying the Unit Area, as shown on the original Exhibit A, equals 452,997 barrels from and after January 1, 1962 (as determined by the Commission's monthly reports, Form C-115).



Attached hereto as Exhibit C-2 is a schedule showing in Part I thereof the Tract Participation of each Tract included in the Unit Area and in Part II thereof the Unit Participation of each Working Interest Owner. Said schedule shall become effective at 7:00 a.m. on the first day of the month next following the month in which the cumulative oil production from the Unitized Formation underlying the Unit Area, as shown on the original Exhibit A, equals 452,997 barrels from and after January 1, 1962 (as determined by the Commission's monthly reports, Form C-115).

It is hereby agreed by all parties to this agreement that Unit Operator is empowered to correct any mathematical or clerical errors which may exist in the pertinent exhibits to this agreement; provided, however, that correction of any error other than correction of a mathematical or clerical error shall be made by Unit Operator only after first having obtained approval of Working Interest Owners, the Commissioner and the Supervisor.

Exhibits A, B, C-1 and C-2 shall be revised by Unit Operator whenever changes render such revision necessary, and at least two copies of such revision shall be filed with the Commissioner and not less than six copies thereof shall be filed with the Supervisor.

4. EXPANSION OF UNIT AREA. The above described Unit Area may, when practicable, be expanded to include therein any additional tract or tracts regarded as reasonably necessary or advisable for the purposes of this agreement, whenever such expansion is necessary or advisable to conform with the purposes of this agreement. Tract Participations resulting from such expansion shall be on a negotiated basis and, after agreement between the affected parties has been reached, such expansion shall be effected in the following manner:

(a) Unit Operator, with concurrence of at least 65 per cent of the then Voting Interests and after preliminary

concurrence of the Director, the Commissioner and the Commission, shall prepare a notice of proposed expansion describing the contemplated changes in the boundaries of the Unit Area, the reasons therefor, and the proposed effective date thereof, preferably the first day of a month subsequent to the date of notice.

(b) Said notice shall be delivered to the Supervisor and Commissioner and the Commission, and copies thereof mailed to the last known address of each Working Interest Owner, lessee, and lessor whose interests are affected, advising that 30 days will be allowed for submission to the Unit Operator of any objections.

(c) Upon expiration of the 30-day period provided in the preceding item (b) hereof, Unit Operator shall file with the Supervisor, Commissioner and the Commission evidence of mailing of the notice of expansion and a copy of any objections thereto which have been filed with the Unit Operator, together with an application in sufficient number for approval of such expansion and with appropriate joinders.

(d) After due consideration of all pertinent information, the expansion shall, upon approval by the Director, Commissioner and the Commission, become effective as of the date prescribed in the notice thereof.

In any approved expansion of the Unit Area, the revised Tract Participations of those Tracts which were committed prior to each such expansion shall remain in the same ratio one to another.

5. UNITIZED LAND AND UNITIZED SUBSTANCES. All oil, gas, gaseous substances, sulphur contained in gas, condensate, distillate and all associated and constituent liquid or liquefiable hydrocarbons in the lands committed to this agreement are, as to the Bisti Gallup Sand Formation, unitized under the terms of this agreement (and are herein called Unitized Substances) and

said lands shall constitute lands referred to herein as "unitized land" or "land subject to this agreement."

6. UNIT OPERATOR. Skelly Oil Company, a Delaware corporation, is hereby designated as the Unit Operator and by signature hereto as Unit Operator agrees and consents to accept the duties of Unit Operator for the 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 interest 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 interest is owned by it.

7. RESIGNATION OR REMOVAL OF UNIT OPERATOR. Unit Operator shall have the right to resign at any time, but such resignation shall not become effective so as to release Unit Operator from the duties and obligations of Unit Operator and terminate Unit Operator's rights as such for a period of 6 months after notice of intention to resign has been served by Unit Operator on all Working Interest Owners and the Supervisor, Commissioner and the Commission, and until all wells then drilled hereunder are placed in satisfactory condition for suspension or abandonment, whichever is required by the Supervisor as to Federal lands and by the Commission as to State lands, unless a new Unit Operator shall have been selected and approved and shall have taken over and assumed the duties and obligations of Unit Operator prior to the expiration of said period.

The resignation of Unit Operator shall not release Unit Operator from any liability or default by it hereunder occurring prior to the effective date of its resignation.

The Unit Operator may, upon default or failure in the performance of its duties or obligations hereunder, be subject to removal by affirmative vote of at least 75% of the Voting

Interests. Such removal shall be effective upon notice thereof to the Supervisor and Commissioner.

In all such instances of resignation or removal, until a successor Unit Operator is selected and approved, as hereinafter provided, the Working Interest Owners shall be jointly responsible for the performance of the duties of Unit Operator and shall, not later than 30 days before such resignation or removal becomes effective, appoint a common agent to represent them in any action to be taken hereunder.

The resignation or removal of Unit Operator under this agreement shall not terminate its right, title or interest as the owner of a Working Interest or other interests 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 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.

8. SUCCESSOR UNIT OPERATOR. Whenever the Unit Operator shall tender his or its resignation as Unit Operator, or shall be removed as hereinabove provided, the Working Interest Owners shall, by affirmative vote of at least 75 per cent of the Voting Interests, select a successor Unit Operator; provided, however, that should any Working Interest Owner own a Voting Interest of more than 25 per cent, the vote of said party shall not serve to disapprove the selection of a new Unit Operator approved by 80 per cent or more of the Voting Interests of the remaining Working Interest Owners and provided, further, that the Unit Operator shall not vote to

succeed itself and its Voting Interest shall not be counted in a vote concerning its removal as the Unit 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 filed with the Supervisor and approved by the Commissioner. If no successor Unit Operator is selected and qualified as herein provided, the Director may, at his election, declare this agreement terminated.

9. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT.

All costs and expenses incurred by Unit Operator in conducting unit operations hereunder shall be apportioned among, borne and paid by the Working Interest Owners, all in accordance with this agreement and the Unit Operating Agreement. The Unit Operating Agreement shall also provide the manner in which the Working Interest Owners shall be entitled to receive their respective proportionate and allocated share of the benefits accruing hereto in conformity with their underlying operating agreements, leases, or other independent contracts and such other rights and obligations as between Unit Operator and the Working Interest Owners as they may agree upon. However, the Unit Operating Agreement shall not be deemed either to modify the terms and conditions of this agreement or to relieve the Unit Operator of any right or obligation established under this agreement; in case of any inconsistency or conflict between this agreement and the Unit Operating Agreement, this agreement shall prevail. Three (3) true copies of any Unit Operating Agreement shall be filed with the Supervisor and one copy with the Commissioner.

10. RIGHTS AND OBLIGATIONS OF UNIT OPERATOR. Except as otherwise specifically provided herein, the exclusive right, privilege, and duty of exercising any and all rights of the parties hereto (including surface rights) which are necessary

or convenient for the prospecting for, producing, storing, allocating, and distributing the Unitized Substances, are hereby granted and delegated to and shall be exercised by the Unit Operator as herein provided. Upon request therefor, 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, lease, Royalty Interest, Working Interest, operating agreement or communitization 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.

11. EQUIPMENT AND FACILITIES NOT FIXTURES ATTACHED TO REALTY. Each Working Interest Owner has heretofore placed and used on its Tract or Tracts committed to this agreement, various well and lease equipment and other property, equipment and facilities. It is also recognized that additional equipment and facilities may hereafter be placed and used upon the Unit Area as now or hereafter constituted. Therefore, for all purposes of this agreement any and all such equipment shall be considered to be personal property and not fixtures attached to realty. Accordingly, said well and lease equipment and personal property is hereby severed from the mineral estates affected by this agreement, and it is agreed that any and all such equipment and personal property shall be and remain personal property for all purposes.

12. PLAN OF FURTHER DEVELOPMENT AND OPERATION. It is recognized and agreed by the parties hereto that the object and purpose of this agreement is to formulate and to put into effect a secondary recovery project in order to effect the optimum recovery of Unitized Substances, prevent waste and conserve natural resources. The parties hereto agree that the Unit Operator may,

subject to the consent and approval of a plan of operation by the Working Interest Owners, the Supervisor, the Commissioner and the Commission, inject into the Unitized Formation, through any well or wells completed therein, brine, water, air, gas, oil, liquefied petroleum gas, or any other substance or a combination of any of said substances, whether produced from the Unitized Formation or not, and that the location of input wells and the rates of injection therein shall be governed by standards of good geologic and petroleum engineering practices and conservation methods. This agreement is and shall be subject to the conservation laws of the State of New Mexico, to the valid rules, regulations and orders of the Supervisor, Commissioner and the Commission and to all other applicable federal, state and municipal laws, rules, regulations and orders. The parties hereto, subject to prior rights, if any, grant to Unit Operator the use of brine or water or both from any formation in and under the Unit Area for injection into the Unitized Formation; provided, however, no Indian water rights are granted hereby other than those granted in leases or agreements heretofore executed, but said rights may be combined and utilized for unit operations hereunder. After commencement of secondary operations, Unit Operator shall furnish the Commissioner and the Supervisor monthly injection and production reports for each well in the Unit Area. The Working Interest Owners, the Supervisor, and the Commissioner shall be furnished periodic reports on the progress of the plan of operation and any revisions or changes thereto necessary to meet changed conditions or to protect the interests of all parties to this agreement; provided, however, that any major revisions of the plan of operation involving a basic deviation from the initial plan of operation shall be subject to the consent and approval of the Working Interest Owners, the Supervisor, and the Commissioner.

13. PARTICIPATION. Exhibits C-1 and C-2 show the percentages of participation to which each Tract shall be entitled if all Tracts within the Unit Area are committed as of the effective date of this agreement (the qualifications necessary for inclusion of a Tract being set forth in Section 14 hereof). If less than all Tracts within the Unit Area are committed as of the effective date of this agreement, Unit Operator, with approval of the Working Interest Owners, as soon as practicable after the effective date of this agreement, shall file with the Supervisor, Commissioner and the Commission schedules of committed Tracts as of said effective date, which said schedules shall be designated "Revised Exhibit C-1" and "Revised Exhibit C-2" and considered for all purposes as a part of this agreement. Such revised Exhibits C-1 and C-2 shall set forth opposite each such committed Tract the revised Tract Participation therefor (which shall be calculated by using the same Tract factors and formula which were used to arrive at the Tract Participation of each Tract as set out in Exhibits C-1 and C-2 attached hereto, but applying the same only to the committed Tracts). Such revised Exhibits C-1 and C-2, unless disapproved by the Supervisor or Director, Commissioner and the Commission within 30 days after filing, shall supersede, effective as of the effective date hereof, the Tract Participations set forth in Exhibits C-1 and C-2 attached hereto until a further revision or revisions thereof is approved by the Supervisor or Director, Commissioner and the Commission. The Tract Participations shown on Exhibits C-1 and C-2 attached hereto, or as may be shown on the revised Exhibits C-1 and C-2 as above provided, shall govern the allocation of Unitized Substances on and after the effective date of this agreement as set forth in Section 3 hereof, and until the allocation schedule is revised pursuant to this agreement and the revised Tract Participations are approved by the Supervisor or Director, the Commissioner and the Commission.



The acreages of both Federal and non-Federal lands shall be based upon appropriate computations from the courses and distances shown on the last approved public land survey as of the effective date of this agreement.

14. TRACTS QUALIFIED FOR PARTICIPATION. From the effective date hereof, the Tracts which shall be entitled to participation shall be those Tracts which are described in Exhibit B and which, at any time, are qualified as follows:

(a) Each Tract as to which Working Interest Owners owning 100% of the Working Interest therein have become parties hereto and as to which Royalty Owners owning 75% or more of the Royalty Interest therein have become parties hereto.

(b) Each Tract as to which Working Interest Owners owning 100% of the Working Interest therein have become parties hereto and as to which Royalty Owners owning less than 75% of the Royalty Interest therein have become parties hereto and, further, as to which:

(i) All Working Interest Owners in any such Tract have joined in a request for the qualification of such Tract, and

(ii) 80% of the combined voting interests of Working Interest Owners in all Tracts meeting the requirements of paragraph (a) hereof have voted in favor of qualifying such Tract.

For the purpose of this paragraph (b), a Working Interest Owner's "voting interest" shall be equal to the ratio (expressed in per cent) which its aggregate Phase I Unit Participation in all Tracts qualifying under paragraph (a) bears to the total Phase I Unit Participation, as shown on Exhibit C-1, of all Working Interest Owners in all Tracts qualifying under paragraph (a).

(c) Each Tract as to which Working Interest Owners owning less than 100% of the Working Interest therein have become parties hereto, regardless of the percentage of Royalty Interest therein which is committed hereto and, further, as to which:

(i) The Working Interest Owner operating any such Tract and all of the other Working Interest Owners in such Tract who have become parties hereto have joined in a request for qualification of such Tract and have executed and delivered an indemnity agreement indemnifying and agreeing to hold harmless the other Working Interest Owners, their successors and assigns, against all claims and demands which may be made by the owners of Working Interests in such Tract who are not parties hereto and which arise out of the qualification of such Tract; and

(ii) 80% of the combined voting interest of Working Interest Owners in all Tracts meeting the requirements of paragraphs (a) and (b) have voted in favor of the qualification of such Tract and acceptance of the indemnity agreement.

For the purpose of this paragraph (c), a Working Interest Owner's "voting interest" shall be equal to the ratio (expressed in per cent) which its aggregate Phase I Unit Participation in all Tracts qualifying under paragraphs (a) and (b) bears to the total Phase I Unit Participation, as shown on Exhibit C-1, of all Working Interest Owners in all Tracts qualifying under paragraphs (a) and (b). Upon the qualification of such a Tract, the Unit Participation which would have been attributed to the nonsubscribing owners of the Working Interest in such Tract, had they become parties to this agreement and the Unit Operating Agreement, shall be attributed to the Working Interest Owners in such Tract who have become parties to such agreements, in proportion to their respective Working Interests in the Tract.

15. ALLOCATION OF UNITIZED SUBSTANCES. All Unitized Substances produced and saved (less, save and except any part of such Unitized Substances used in conformity with good operating practices on unitized land for drilling, operating, camp and other production or development purposes and for pressure maintenance) shall be apportioned among and allocated to the committed Tracts in accordance with the respective Tract Participations effective hereunder during the respective periods such Unitized Substances were produced, as set forth in the schedule of participation in Exhibits C-1 and C-2. The amount of Unitized Substances so allocated to each committed Tract, and only that amount (regardless of whether it be more or less than the amount of the actual production of Unitized Substances from the well or wells, if any, on such Tract), shall, for all intents, uses and purposes, be deemed to have been produced from such Tract.

The Unitized Substances allocated to each such Tract shall be distributed among, or accounted for to, the parties executing, consenting to or ratifying this agreement entitled to share in the production from such Tract in the same manner, in the same proportions, and upon the same conditions, as they would have participated and shared in the production from such Tract, or in

the proceeds thereof, had this agreement not been entered into, and with the same legal force and effect. It is hereby agreed that production of Unitized Substances from any such committed Tract shall be allocated as provided herein regardless of whether Unitized Substances are being produced from any particular Tract committed hereto. If the Working Interests or the Royalty Interests in any Tract are divided with respect to separate parcels or portions of such Tract and owned severally by different persons, the Tract Participation of such Tract shall, in the absence of a recordable instrument among all owners fixing the division of ownership, be divided among such parcels or portions in proportion to the number of surface acres in each.

16. BALANCING OF PRODUCTION. Unit Operator shall make a proper and timely gauge of all lease and other tanks located on each committed Tract in order to ascertain the amount of merchantable oil in such tanks, above the pipe line connections, as of 7:00 a.m. on the effective date hereof. All Unitized Substances which are a part of the prior allowable of the well or wells from which the same were produced shall be and remain the property of the Working Interest Owners entitled thereto as if the unit had not been formed and such Working Interest Owners shall promptly remove same. Any such Unitized Substances not so removed may be sold by the Unit Operator for the account of such Working Interest Owners, subject to the payment of all royalty to Royalty Owners under the terms and provisions of the applicable lease or leases and other contracts. All such Unitized Substances which are in excess of the prior allowable of the well or wells from which the same were produced shall be regarded and treated the same as Unitized Substances produced after the effective date hereof. If, as of the effective date hereof, any Tract is over-produced with respect to the allowable of the well or wells on that Tract and the amount of such over-production has been sold or otherwise disposed of, such

over-production shall be regarded and included as a part of the Unitized Substances produced after the effective date hereof and the amount thereof charged to such Tract as having been delivered to the persons entitled to Unitized Substances allocated to such Tract.

17. ROYALTY SETTLEMENT. The United States, the Indians, and the State of New Mexico and all Royalty Owners who, under existing contracts, are entitled to take in kind a share of the Unitized Substances produced from any committed Tract, shall hereafter be entitled to take in kind their share of the Unitized Substances allocated to such Tract, and Unit Operator shall make deliveries of such Royalty share taken in kind in conformity with the applicable contracts, laws and regulations. Settlement for Royalty Interest not taken in kind shall be made by Working Interest Owners responsible therefor under existing contracts, laws and regulations on or before the last day of each month for Unitized Substances produced during the preceding calendar month; provided, however, that nothing herein contained shall operate to relieve the lessees of any land from their respective lease obligations for the payment of any royalties due under their leases except that said royalties shall be computed in accordance with the terms of this agreement.

If gas obtained from lands not subject to this agreement is introduced into the Unitized Formation for use in pressure maintenance, stimulation of production, or increasing ultimate recovery, which shall be in conformity with a plan first approved by the Supervisor, Commissioner and the Commission, a like amount of gas, less appropriate deductions for loss 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 pursuant to such conditions and formulae as may be

prescribed or approved by the Supervisor and the Commissioner; provided further, that such right of withdrawal shall terminate on the termination of this agreement. If liquefied petroleum gases obtained from lands or formations not subject to this agreement be injected into the Unitized Formation for the purpose of increasing ultimate recovery, which shall be in conformance with a plan first approved by the Supervisor and Commissioner, part or all of such liquefied petroleum gases may be withdrawn royalty free pursuant to such conditions and formulae as may be prescribed or approved by the Supervisor and Commissioner.

Royalty due the United States and the Indians shall be computed as provided in the operating regulations and paid in value or delivered in kind as to all Unitized Substances on the basis of the amounts thereof allocated to unitized Federal and Indian land as provided herein at the rate specified in the respective Federal and Indian leases, or at such lower rate or rates as may be authorized by law or regulation; provided that for leases on which the royalty rate depends on the daily average production per well, such average production shall be determined in accordance with the operating regulations as though the committed Tracts were included in a single consolidated lease.

Royalty due on account of State lands shall be computed and paid on the basis of all Unitized Substances allocated to such lands.

18. RENTAL SETTLEMENT. Rental or minimum royalties due on leases committed hereto shall be paid by Working Interest Owners responsible therefor under existing contracts, laws and regulations; provided, that nothing herein contained shall operate to relieve the lessees of any land from their respective lease obligations for the payment of any rental or minimum royalty in lieu thereof due under their leases. Rental or minimum royalty for lands of the United States and the Indians subject to this agreement shall

be paid at the rate specified in the respective leases from the United States and the Indians unless such rental or minimum royalty is waived, suspended, or reduced by law or by approval of the Secretary or his duly authorized representative.

Rentals on State of New Mexico lands subject to this agreement shall be paid at the rate specified in the respective leases, or may be reduced or suspended under order of the Commissioner pursuant to applicable laws and regulations.

19. CONSERVATION. Operations hereunder and production of Unitized Substances shall be conducted so as to provide for the most economical and efficient recovery of such substances to prevent waste as defined by State and Federal laws or regulations.

20. DRAINAGE. Unit Operator shall take appropriate and adequate measures to prevent drainage of Unitized Substances from the committed Tracts by wells on land not subject to this agreement; or, with consent of the Supervisor and Commissioner and pursuant to applicable regulations, pay a fair and reasonable compensatory royalty as determined by the Supervisor and Commissioner.

21. LEASES AND CONTRACTS CONFORMED AND EXTENDED. The terms, conditions, and provisions of all leases, subleases, and other contracts relating to exploration, drilling, development, or operation for oil, gas, gaseous substances, sulphur contained in gas, condensate, distillate and all associated and constituent liquid or liquefiable hydrocarbons in and under lands committed to this agreement are hereby expressly modified and amended to the extent necessary to make the same conform to the provisions hereof, but otherwise to remain in full force and effect; and the parties hereto hereby consent that the Secretary as to Federal and Indian leases and the Commissioner as to State leases shall and each by his approval hereof, or by the approval hereof by his duly authorized representative, does hereby establish, alter, change or revoke the drilling, producing, rental, minimum royalty and royalty requirements

of Federal, Indian, and State leases committed hereto and the regulations in respect thereto to conform said requirements to the provisions of this agreement, and without limiting the generality of the foregoing, all leases, subleases, and contracts are particularly modified in accordance with the following:

(a) The development and operation of lands subject to this agreement under the terms hereof shall be deemed full performance of all obligations for development and operation with respect to each and every part or separately owned Tract committed to this agreement, regardless of whether there is any development of any particular part of or Tract of unitized land, notwithstanding anything to the contrary in any lease, operating agreement, or other contract by and between the parties hereto, or their respective predecessors in interest, or any of them.

(b) Drilling and producing operations performed hereunder upon any Tract of unitized land will be accepted and deemed to be performed upon and for the benefit of each and every Tract of unitized land, and no lease shall be deemed to expire by reason of failure to drill or produce wells situated on the land therein embraced.

(c) Suspension of drilling or producing operations on all unitized lands pursuant to direction or consent of the Secretary (or his duly authorized representative) and the Commissioner shall be deemed to constitute such suspension pursuant to such direction or consent as to each and every Tract of unitized land.

(d) Each lease, sublease, or contract relating to the exploration, drilling, development or operation for oil, gas, gaseous substances, sulphur contained in gas, condensate, distillate and all associated and constituent liquid or liquefiable hydrocarbons in and under lands, other than those of the United States and the Indians, in lands committed to this agreement, which by its terms might expire prior to the termination of this agreement, is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of this agreement, as to the land committed so long as such lease remains subject hereto.

(e) Any Federal lease for a fixed term of twenty (20) years or any renewal thereof or any part of such lease which is made subject to this agreement shall continue in force beyond the term provided therein until the termination hereof. Any other Federal lease and any Indian lease committed hereto shall continue in force beyond the term so provided therein or by law as to all formations underlying the committed land so long as such land remains committed hereto.

(f) Each sublease or contract relating to the operation and development of Unitized Substances from lands of the United States and of the Indians committed to this agreement, which by its terms would expire prior to the time at which the underlying lease, as extended by the immediately preceding paragraph, will expire, is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of the underlying lease as such term is herein extended.

(g) The segregation of any Federal lease committed to this agreement is governed by the following provision in the fourth paragraph of Sec. 17(j) of the Mineral Leasing Act, as amended by the Act of September 2, 1960 (74 Stat. 781-784): "Any [Federal] lease hereafter committed to any such [unit] plan embracing lands that are in part within and in part outside of the area covered by any such plan shall be segregated into separate leases as to the lands committed and the lands not committed as of the effective date of unitization: Provided, however, That any such lease as to the nonunitized portion shall continue in force and effect for the term thereof but for not less than two years from the date of such segregation and so long thereafter as oil or gas is produced in paying quantities."

(h) Any Indian lease having only a portion of its lands committed hereto shall be segregated as to the portion committed and the portion not committed, and the provisions of such lease shall apply separately to such segregated portions commencing as of the effective date hereof.

(i) 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 lease 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 Unitized Substances are discovered and are capable of 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 therein, any 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 Unitized Substances, said lease shall continue in full force and effect as to all of the lands embraced therein, so long thereafter as Unitized Substances are produced in paying quantities from any portion of said lands.



22. COVENANTS RUN WITH LAND. The covenants herein shall be construed to be covenants running with the land with respect to the interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferee, or other successor in interest. No assignment or transfer of any Working Interest subject hereto shall be binding upon Unit Operator until the first day of the calendar month after Unit Operator is furnished with the original, photostatic or certified copy of the instrument of transfer; and no assignment or transfer of any Royalty Interest shall be binding upon the Working Interest Owner responsible therefor until the first day of the calendar month after said Working Interest Owner is furnished with the original, photostatic or certified copy of the instrument of transfer.

23. EFFECTIVE DATE AND TERM. This agreement shall become effective upon approval by the Director, Commissioner, and the Indian Commissioner, or their duly authorized representatives, as of the first day of the month following the date of approval by the Director and shall remain in effect so long as Unitized Substances can be produced from the unitized land in paying quantities (i.e., in this particular instance, in quantities sufficient to pay for the cost of producing same) and, should production cease, so long thereafter as diligent operations are in progress for the restoration of production and so long thereafter as such Unitized Substances can be produced as aforesaid. This agreement shall remain in effect during any period of suspension approved by the Director and the Commissioner as provided for in Section 21 (c) hereof.

This agreement may be terminated at any time by Working Interest Owners whose Voting Interests aggregate not less than 75 per cent, subject to the approval of the Director and the Commissioner; notice of any such approval shall be given by Unit Operator to all parties hereto.

24. RATE OF PROSPECTING, DEVELOPMENT, AND PRODUCTION.

The Director is hereby vested with authority to alter or modify, from time to time and in his discretion, the quantity and rate of production under this agreement when such quantity and rate is not fixed pursuant to Federal or State law or does not conform to any state-wide voluntary conservation or allocation program which is established, recognized and generally adhered to by the majority of operators in New Mexico, such authority being hereby limited to alteration or modification in the public interest, the purpose thereof and the public interest to be served thereby to be stated in the order of alteration or modification. Without regard to the foregoing, the Director is also hereby vested with authority to alter or modify from time to time in his discretion the rate of prospecting and development and the quantity and rate of production under this agreement when such alteration or modification is in the interest of attaining the conservation objectives stated in this agreement and is not in violation of any applicable Federal or State law. It is agreed, further, that no such alteration or modification shall be effective as to any land of the State of New Mexico as to the rate of prospecting and development in the absence of the specific written approval thereof by the Commissioner and as to the quantity and rate of production in the absence of specific written approval thereof by the Commission.

Powers in this section vested in the Director shall only be exercised after notice to Unit Operator and opportunity for hearing to be held not less than 15 days from notice.

25. APPEARANCES. Unit Operator shall, after notice to other parties affected, have the right to appear for or on behalf of any and all interests affected hereby before the Department of the Interior and the Commission and to appeal from orders issued under the regulations of said Department or Commission or to apply for relief from any of said regulations or in any proceedings

relative to operations before the Department of the Interior, the Commission, or other legally constituted authority; provided, however, that any other interested party shall also have the right at his or its own expense to be heard in any such proceeding.

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

27. NO WAIVER OF CERTAIN RIGHTS. Nothing in this agreement contained shall be construed as a waiver by any party hereto of the right to assert any legal or constitutional right or defense as to the validity or invalidity of any law of the State of New Mexico, or of the United States or regulations issued thereunder in any way affecting such party, or as a waiver by any such party of any right beyond his or its authority to waive; provided, each party hereto covenants that it will not resort to any action to partition the unitized land or the unit equipment.

28. UNAVOIDABLE DELAY. All obligations under this agreement requiring the Unit Operator to commence or continue drilling or to operate on or to produce Unitized Substances from any of the lands subject to 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, 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.

29. NONDISCRIMINATION. In connection with the performance of work under this agreement, Unit Operator agrees to comply with all of the provisions of Section 301 (1) to (7) inclusive, of Executive Order 10925 (26 F.R. 1977), which are hereby incorporated by reference in this agreement.

Unit Operator shall also comply with the terms and conditions of the Indian leases while engaged in operations thereon with respect to the employment of available Indian labor.

30. LOSS OF TITLE. If any Tract of unitized land ceases to have sufficient Working Interest or Royalty Interest committed to this agreement to meet the conditions of Section 14 because of failure of title to any party hereto, such Tract shall be regarded as not committed hereto as of 7:00 a.m. on the first day of the calendar month in which such failure of title is finally determined; provided, however, that no such Tract shall be so regarded if same can be requalified under said Section 14 within ninety (90) days after the date on which such title failure was finally determined. If any such Tract cannot be so requalified, Unit Operator shall recompute the Tract Participation of each Tract of unitized land remaining subject to this agreement so that such Tract Participations shall remain in the same ratio one to another. Thereafter, Unit Operator shall revise Exhibits C-1 and C-2 conformably with such recomputation. Each such revised exhibit shall be effective at 7:00 a.m. on the first day of the calendar month in which such failure of title is finally determined.

If title to a Working Interest fails, the rights and obligations of Working Interest Owners by reason of such failure shall be governed by the Unit Operating Agreement. If title to a Royalty Interest fails, but the Tract to which it relates remains committed to this agreement, the Royalty Owner whose title failed shall not be entitled to participate hereunder insofar as its participation is based on such lost Royalty Interest.

In the event of a dispute as to the title to any Working or Royalty Interest, or other interest subject hereto, payment or delivery on account thereof may be withheld without liability or interest until the dispute is finally settled; provided, that as to Federal land, Indian land or State land or leases, no payments of funds due the United States, the Indians or the State of New Mexico shall be withheld, but such funds of the United States and the Indians shall be deposited as directed by the Supervisor and such funds of the State shall be deposited as directed by the Commissioner, all to be held as unearned money pending final settlement of the title dispute and then applied as earned or returned in accordance with such final settlement.

Unit Operator, as such, is relieved from any responsibility for any defect or failure of title hereunder.

31. NONJOINDER AND SUBSEQUENT JOINDER. Any oil or gas interest within the Unit Area not committed hereto prior to the effective date of this agreement may thereafter be committed, upon compliance with the applicable provisions of this Section 31 and of Section 14 (TRACTS QUALIFIED FOR PARTICIPATION) by the owner or owners thereof subscribing or consenting to this agreement and, if such uncommitted interest is a Working Interest, by the owner of such interest also subscribing to the Unit Operating Agreement.

Such right of joinder subsequent to the effective date hereof shall be subject to such requirements or approvals and shall be upon such terms and conditions as may be agreed to by at least 65 per cent of the then Voting Interests of the Working Interest Owners, and approval by the Director and the Commissioner, with appropriate revisions of Exhibits C-1 and C-2, effective as of 7:00 a.m. on the first day of the calendar month next following such agreement by the Working Interest Owners.

After final approval of this agreement, joinder by a non-working interest owner must be consented to in writing by the Working Interest Owners committed hereto and responsible for

the payment of any benefits which may accrue hereunder in behalf of such non-working interest.

32. COUNTERPARTS. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or it may be ratified or consented to by separate instrument in writing specifically referring hereto and shall be binding upon all those parties who have executed such a counterpart, ratification, or consent hereto with the same force and effect as if all such parties had signed the same document and regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands within the above described Unit Area; provided, if this agreement has not been approved by the Director and the Commissioner prior to December 1, 1963, it shall thereupon expire and be of no further force and effect.

33. TAXES. The Working Interest Owners shall render and pay for their account and the account of the Royalty Owners all valid taxes on or measured by the Unitized Substances in and under or that may be produced, gathered and sold from the land subject to this agreement after the effective date of this agreement, or upon the proceeds or net proceeds derived therefrom. The Working Interest Owners in each Tract may charge the proper proportion of said taxes to the Royalty Owners having interests in said Tract, and may currently retain and deduct sufficient of the Unitized Substances or derivative products, or net proceeds thereof from the allocated share of each Royalty Owner to secure reimbursement for the taxes so paid. No such taxes shall be charged to the United States, Indians, or the State of New Mexico or to any lessor who has a contract with his lessee which requires the lessee to pay such taxes.

In order to avoid title failures which might incidentally cause the title to a Working Interest or Royalty Interest to fail, the owners of (1) the surface rights to each committed Tract, (2) severed mineral or royalty interest in said Tracts and

(3) improvements located on said Tracts not utilized for Unit Operations shall individually be responsible for the rendition and assessment, for ad valorem tax purposes, of all such property, and for the payment of such taxes, except as otherwise provided in any contract or agreement between such owners and a Working Interest Owner or Owners. If any ad valorem taxes are not paid by such owner responsible therefor when due, Unit Operator may, at any time prior to tax sale, pay the same, redeem such property and discharge such tax liens as may arise through nonpayment. In the event Unit Operator makes any such payment or redeems any such property from tax sale, Unit Operator shall be reimbursed therefor by the Working Interest Owners in proportion to their respective Unit Participations then in effect, and Unit Operator shall withhold from any proceeds derived from the sale of Unitized Substances otherwise due to said delinquent taxpayer or taxpayers an amount sufficient to defray the costs of such payment or redemption, such withholding to be distributed among the Working Interest Owners in proportion to their respective contributions toward such payment or redemption. Such withholding shall be without prejudice to any other remedy, either at law or in equity, which may be available for exercise by the Unit Operator or by the Working Interest Owners.

34. CONFLICT OF SUPERVISION. Neither the Unit Operator nor the Working Interest Owners or any of them shall be subject to any forfeiture, termination, or expiration of any rights hereunder or under any leases or contracts subject hereto, or to any penalty or liability on account of delay or failure in whole or in part to comply with any applicable provisions thereof to the extent that the said Unit Operator, Working Interest Owners, or any of them are hindered, delayed or prevented from complying therewith by reason of the failure of the Unit Operator to obtain, in the exercise of due diligence, the concurrence of proper representatives of the United States and proper representatives of the State of

New Mexico in and about any matters or things concerning which it is required herein that such concurrence be obtained. The parties hereto, including the Commission, agree that all powers and authority vested in the Commission in and by any provisions of this contract are vested in the Commission and shall be exercised by it pursuant to the provisions of the laws of the State of New Mexico and subject, in any case, to appeal or judicial review as may now or hereafter be provided by the laws of the State of New Mexico.

35. NO PARTNERSHIP. It is expressly agreed that the relation of the parties hereto is that of independent contractors and nothing in this agreement contained, express or implied, or any operations conducted hereunder, shall create or be deemed to have created a partnership or association between the parties hereto or any of them.

36. BORDER AGREEMENTS. Subject to the approval of the Supervisor and the Commissioner, the Unit Operator, with concurrence of 65 per cent of the then Voting Interests of the Working Interest Owners, may enter into a border-protection agreement or agreements with the working interest owners of lands adjacent to the committed Tracts with respect to the operations in the border area for the maximum ultimate recovery, conservation purposes and proper protection of the parties and interests.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed as of the date first above written and have set opposite their respective names the date of execution and the address of each of the respective executing parties.

UNIT OPERATOR AND WORKING INTEREST OWNER

ATTEST:

SKELLY OIL COMPANY

\_\_\_\_\_  
Assistant Secretary

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

Date of Signature: \_\_\_\_\_

P. O. Box 1650  
Tulsa, Oklahoma

*Agreed as  
to form  
J. J. J.*



WORKING INTEREST OWNERS

ATTEST:

ELLIOTT AND HALL

\_\_\_\_\_  
Secretary

By \_\_\_\_\_

Date of signature:

\_\_\_\_\_  
Address

\_\_\_\_\_

\_\_\_\_\_

ATTEST:

EL PASO NATURAL GAS PRODUCTS COMPANY

\_\_\_\_\_  
Secretary

By \_\_\_\_\_

Date of signature:

\_\_\_\_\_  
Address

\_\_\_\_\_

\_\_\_\_\_

ATTEST:

GULF OIL CORPORATION

\_\_\_\_\_  
Secretary

By \_\_\_\_\_

Date of signature:

\_\_\_\_\_  
Address

\_\_\_\_\_

\_\_\_\_\_

ATTEST:

SOCONY MOBIL OIL COMPANY

\_\_\_\_\_  
Secretary

By \_\_\_\_\_

Date of signature:

\_\_\_\_\_  
Address

\_\_\_\_\_

\_\_\_\_\_

ATTEST:

PAN AMERICAN PETROLEUM CORPORATION

\_\_\_\_\_  
Secretary

By \_\_\_\_\_

Date of signature:

\_\_\_\_\_  
Address

\_\_\_\_\_

\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

Date of signature:  
\_\_\_\_\_

SHELL OIL COMPANY

By \_\_\_\_\_

\_\_\_\_\_  
Address

\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

Date of signature:  
\_\_\_\_\_

SINCLAIR OIL & GAS COMPANY

By \_\_\_\_\_

\_\_\_\_\_  
Address

\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

Date of signature:  
\_\_\_\_\_

THE CALIFORNIA COMPANY, Successor by  
Merger to Standard Oil Company of Texas

By \_\_\_\_\_

\_\_\_\_\_  
Address

\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

Date of signature:  
\_\_\_\_\_

SUN OIL COMPANY

By \_\_\_\_\_

\_\_\_\_\_  
Address

\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

Date of signature:  
\_\_\_\_\_

SUNRAY DX OIL COMPANY

By \_\_\_\_\_

\_\_\_\_\_  
Address

\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

Date of signature:  
\_\_\_\_\_

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

\_\_\_\_\_  
Address  
\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

Date of signature:  
\_\_\_\_\_

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

\_\_\_\_\_  
Address  
\_\_\_\_\_

ROYALTY OWNERS

Date of signature:  
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\_\_\_\_\_  
Address  
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Date of signature:  
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Address  
\_\_\_\_\_

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } SS:

The foregoing instrument was acknowledged before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_,  
President of \_\_\_\_\_, a \_\_\_\_\_  
corporation, on behalf of said corporation.

My commission expires: \_\_\_\_\_

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

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } SS:

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COUNTY OF \_\_\_\_\_ } SS:

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\_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_,  
as Attorney in Fact in behalf of \_\_\_\_\_.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
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COUNTY OF \_\_\_\_\_ } SS:

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COUNTY OF \_\_\_\_\_ } SS:

The foregoing instrument was acknowledged before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_,  
President of \_\_\_\_\_, a \_\_\_\_\_  
corporation, on behalf of said corporation.

My commission expires: \_\_\_\_\_

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

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } SS:

The foregoing instrument was acknowledged before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_,  
President of \_\_\_\_\_, a \_\_\_\_\_  
corporation, on behalf of said corporation.

My commission expires: \_\_\_\_\_

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

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } SS:

The foregoing instrument was acknowledged before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_,  
as Attorney in Fact in behalf of \_\_\_\_\_.

My commission expires: \_\_\_\_\_

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

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } SS:

The foregoing instrument was acknowledged before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_.

My commission expires: \_\_\_\_\_

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

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } SS:

The foregoing instrument was acknowledged before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_.

My commission expires: \_\_\_\_\_

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

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } SS:

The foregoing instrument was acknowledged before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_.

My commission expires: \_\_\_\_\_

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

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } SS:

The foregoing instrument was acknowledged before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_.

My commission expires: \_\_\_\_\_

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

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } SS:

The foregoing instrument was acknowledged before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_.

My commission expires: \_\_\_\_\_

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



STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } SS:

The foregoing instrument was acknowledged before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_.

My commission expires: \_\_\_\_\_

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

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } SS:

The foregoing instrument was acknowledged before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_.

My commission expires: \_\_\_\_\_

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

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } SS:

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\_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_.

My commission expires: \_\_\_\_\_

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

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } SS:

The foregoing instrument was acknowledged before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_.

My commission expires: \_\_\_\_\_

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

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } SS:

The foregoing instrument was acknowledged before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_.

My commission expires: \_\_\_\_\_

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