



SKELLY OIL COMPANY

P. O. BOX 1650

TULSA, OKLAHOMA 74102

July 17, 1969

EXPLORATION AND PRODUCTION
JUDD H. OUALLINE
VICE PRESIDENT

File: West Dollarhide Drinkard Unit
Lea County, New Mexico

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

As provided in paragraph (3) of the order in Order No. R-3764, we are furnishing herewith copies of ratification of agreement executed by the following subsequent to the effective date of the unit:

Estate of Josephine M. Smith
Estate of Charles T. Lupton
Estate of James H. Snowden

These joinders involve tracts which were qualified and included in the unit on the effective date. No new lands are involved. Also attached for your files is a copy of Revised Exhibits "A" and "B" to the Unit Agreement and Exhibit "D" to the Unit Operating Agreement. Exhibit "C", Schedule of Tract Participation, to the Unit Agreement remains the same as that shown in the original document previously furnished you. No expansion or contraction of the unit area occurred.

Very truly yours,

for V. E. Fletcher
Chairman, Working Interest
Owners' Committee

FDM:bls
Attachments

CELEBRATING OUR



50th ANNIVERSARY

CONSENT TO AND RATIFICATION OF
UNIT AGREEMENT AND UNIT OPERATING AGREEMENT
WEST DOLLARHIDE DRINKARD UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS, THAT:

For the consideration and purposes stated in those certain agreements, entitled as above, both being dated August 1, 1968, the undersigned represents that it is a Working Interest Owner within the meaning of that term as used in captioned Unit Agreement and, as such, does hereby consent to ratify, confirm, and join in the execution of said Unit Agreement and Unit Operating Agreement, same being incorporated herein by reference, to the same extent and with like effect as if the undersigned had executed the original of said Unit Agreement and Unit Operating Agreement or a counterpart thereof and, further, the undersigned does hereby commit all of its right, title and interest in and to the lands within said Unit to the terms, provisions and agreements set forth in said Unit Agreement and Unit Operating Agreement.

If the undersigned is also a Royalty Owner, within the meaning of that term as used in said Unit Agreement, then for the considerations and purposes hereinabove stated, this ratification shall extend to the undersigned's Royalty Interest as well as to its Working Interest.

The undersigned hereby acknowledges receipt of copies of said Unit Agreement and Unit Operating Agreement and, further acknowledges that these instruments have been signed and delivered on the date set out hereinbelow subject to the following terms and conditions:

1. Provision 11.5 of the Unit Operating Agreement entitled "Lien of Unit Operator" shall not be applicable to the interest or interests hereby committed to the Unit and Unit Operating Agreements, nor shall Unit Operator have any implied lien on such interest.

2. In the event of default by the undersigned in the payment of its share of Unit expenses, the Unit Operator's sole and only recourse against the undersigned or the interest owned by the undersigned hereby committed to the Unit Agreement and Unit Operating Agreement shall be the right which is hereby granted by the undersigned to the Unit Operator to collect from the purchaser the proceeds from the sale of the undersigned's share of Unitized Substances until the amount owed by the undersigned, plus interest thereon at the rate of eight percent (8%) per annum, has been paid. Each purchaser shall be entitled to rely upon Unit Operator's written statement concerning the amount of any default.

This ratification shall extend to and be binding upon the undersigned, its legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 23rd day of June, 1969.

James M. Snowden, Independent
Executor of the Estate of James
H. Snowden, Deceased

By: Elizabeth G. Lockwood
Elizabeth G. Lockwood, Agent
and Attorney-in-Fact

Elmer L. Lockwood
Elmer L. Lockwood, Independent
Executor of the Estate of James
H. Snowden, Deceased

INDIVIDUAL NOTARY ACKNOWLEDGMENT FORM

STATE OF TEXAS)
) SS:
COUNTY OF TARRANT)

The foregoing instrument was acknowledged before me this 23rd
day of June, 1969, by Elizabeth G. Lockwood, Agent
and Attorney-in-Fact for James M. Snowden, Independent Executor
of the Estate of James H. Snowden, Deceased.

[Signature]
NOTARY PUBLIC

My commission expires:

April, 1971

STATE OF TEXAS)
) SS:
COUNTY OF TARRANT)

The foregoing instrument was acknowledged before me this 23rd
day of June, 1969, by Elmer L. Lockwood, Independent Executor of the
Estate of James H. Snowden, Deceased.

[Signature]
Notary Public

My commission expires:

June, 1971

CORPORATION NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____
day of _____, 196____, by _____,
President of _____,
a _____ corporation, on behalf of said corporation.

NOTARY PUBLIC

My commission expires:

POWER OF ATTORNEY

THE STATE OF NEW YORK

Y

COUNTY OF

New York

Y

KNOW ALL MEN BY THESE PRESENTS:

THAT I, JAMES M. SNOWDEN, EXECUTOR OF THE ESTATE OF JAMES H. SNOWDEN, of said state and county, have made, constituted and appointed, and by these presents do make, constitute and appoint ELIZABETH G. LOCKWOOD, of Fort Worth, Tarrant County, Texas, my true and lawful attorney, for me and in my name, place and stead to take any and all action of every kind or character which my said attorney shall deem proper and advisable in connection with committing the interest owned by the Estate of James H. Snowden in certain leases within the West Dollarhide Drinkard Unit, Lea County, New Mexico, to such Unit, including execution of ratifications of Unit Agreement and Unit Operating Agreement, on such terms and provisions as my attorney deems expedient, giving and granting unto my said attorney full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully, to all intents and purposes, hereby ratifying and confirming whatsoever my said attorney shall and may do by virtue hereof in the premises; and I agree and represent to those dealing with my said attorney in fact that this power of attorney may be voluntarily revoked alone by revocation entered of record in the office of the county clerk of Lea County, New Mexico.

IN WITNESS WHEREOF, I have hereunto set my hand this

10th day of June, 1969.

James M. Snowden
James M. Snowden, Executor of
Estate of James H. Snowden,
Deceased.

THE STATE OF NEW YORK
COUNTY OF New York

Y
Y

The foregoing instrument was acknowledged before me this the 10th day of June, 1969, by JAMES M. SNOWDEN, EXECUTOR OF ESTATE OF JAMES H. SNOWDEN, DECEASED.

My Commission Expires:

March 30, 1971

James Salzman
Notary Public

JEANNE SALZMAN
Notary Public, State of New York
No. 31-3438230
Qualified in New York County

RECEIVED

JUN 30 10 25 AM '69

STATE LAND OFFICE
SANTA FE, N. M.

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
WEST DOLLARHIDE DRINKARD UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledge receipt of a true and correct counterpart of that certain instrument dated August 1, 1968, and entitled "Unit Agreement, West Dollarhide Drinkard Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the West Dollarhide Drinkard Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

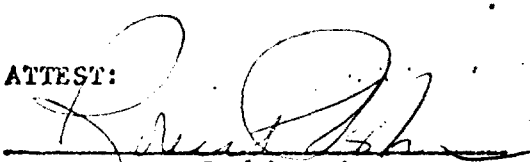
NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 11th day of June, 1969.

ATTEST:


Assistant Cashier

THE FIRST NATIONAL BANK OF DENVER, Trustee
of the Trust Created Under the Will of
Josephine M. Smith, Deceased

By


Vice President

EXHIBIT "B"

RECEIVED
JUN 30 10 25 AM '69

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
WEST DOLLARHIDE DRINKARD UNIT
LEA COUNTY, NEW MEXICO

UNITED OFFICE
SANTA FE, N. M.

KNOW ALL MEN BY THESE PRESENTS: That,

WHEREAS, the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated August 1, 1968, and entitled "Unit Agreement, West Dollarhide Drinkard Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the West Dollarhide Drinkard Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. The undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned executes this instrument solely in its capacity as Trustee under the Will of Charles T. Lupton, Deceased, and not in its individual corporate capacity. It makes no warranties of any kind hereunder and if any liability can be lawfully asserted against it recourse may be had only against the assets of said trust.

The undersigned is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 4 th day of June, 1969, in triplicate.

The First National Bank of Denver,
as Trustee under the Will of
Charles T. Lupton, Deceased

By

John H. Lupton
Vice President

ATTEST:

John H. Lupton
Assistant Cashier

STATE OF COLORADO)
) ss.
City and County of Denver)

The foregoing instrument was acknowledged before me this 4th day of June, 1969, by John R. Liggitt as Vice President of The First National Bank of Denver, a national banking association, on behalf of said association, as Trustee under the Will of Charles T. Lupton, deceased.

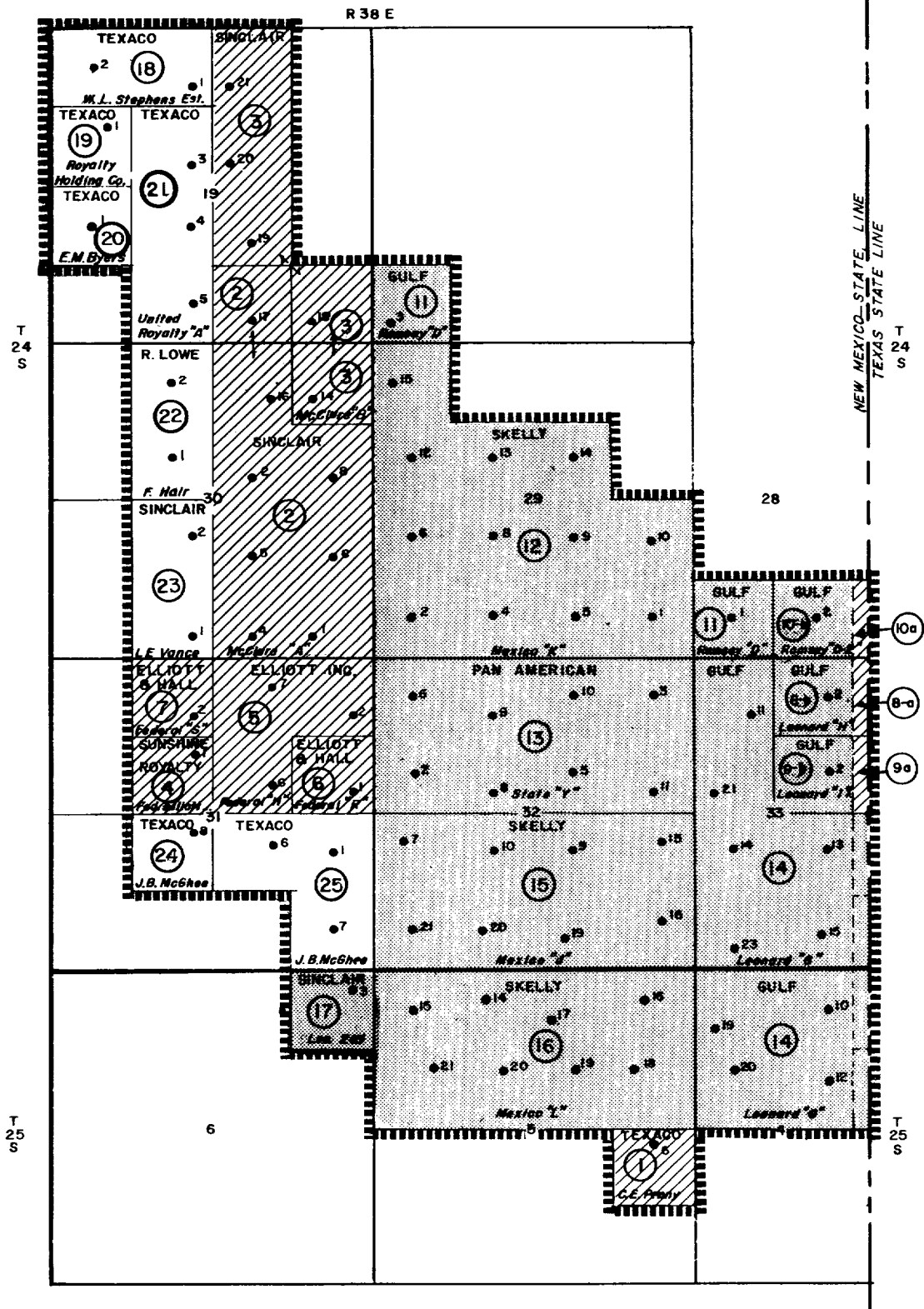
Witness my hand and seal.

My commission expires My Commission expires 12/31/71

[Signature]
Notary Public

My commission expires:
1st Commission Expires May 31, 1971

FIRST REVISION
Effective June 1, 1969



WEST DOLLARHIDE DRINKARD UNIT
LEA COUNTY, NEW MEXICO

EXHIBIT "A"

- Legend*
- UNIT BOUNDARY
 - FEDERAL LANDS
 - STATE LANDS
 - FREE LANDS
 - TRACT NUMBER

EXHIBIT "g"
UNIT AGREEMENT
WEST DOLLARHIDE DRINKARD UNIT
LEA COUNTY, NEW MEXICO

Tract No.	Description of Land	No of Acres	Serial No. and Lease Date	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage
1	T25S - R38E Sec. 5 NE/4 SE/4	40.00	LC-062368 June 1, 1947 H.B.P.	USA - All	Texaco Inc.	Skelly Oil Company 0.62500% Roger B. Owings - 0.12500% John M. Loffland, Jr. 0.12500% T. A. Pedley, Jr. - 0.01563% Graclean M. Pedley - 0.01563% Neville G. Penrose - 0.12500% Effie E. Valentine - 0.00781% Albuquerque National Bank, Test. Tst. of Frank A. Andrews - 0.23147% Mrs. Selma E. Andrews Agency No. 1335, c/o Trust Dept., Republic National Bank of Dallas - 0.26853% First National Bank of Denver, Test. Tst. of Est. of Josephine M. Smith - 0.21484% First National Bank of Denver, Trustee, Est. of Charles T. Lupton 0.06250% Lillian H. Coll, Indv. & as Extrx. & Tst. under Will of M. W. Coll - 0.05859%

Tract No	Description of Land	No. of Acres	Serial No. and Lease Date	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage
2	T24S - R38E Sec. 19: SW/4 SE/4 Sec. 30: SE/4 & S/2 NE/4 & NW/4 NE/4	320.00	LC-067968 Sept. 1, 1949 H.B.P.	USA - All	Atlantic Richfield Co.	R. S. Chancellor - 0.25000% The William K. Warren Foundation-0.25000%	Atlantic Richfield Co. 100%
3	T24S - R38E Sec. 19: W/2 NE/4 & NW/4 SE/4 & SE/4 SE/4 Sec. 30: NE/4 NE/4	200.00	NM-0349952 Sept. 1, 1949 H.B.P.	USA - All	Atlantic Richfield Co.	R. S. Chancellor - 0.25000% The William K. Warren Foundation-0.25000%	Atlantic Richfield Co. 100%
4	T24S - R38E Sec. 31: SE/4 NW/4	40.00	LC-069052 Aug. 1, 1949 H.B.P.	USA - All	Elliott Production Co.	Elliott Production Co.- 12.500000%	Sunshine Royalty Co. - 100%
5	T24S - R38E Sec. 31: N/2 NE/4 & SW/4 NE/4	120.00	LC-069052 Aug. 1, 1949 H.B.P.	USA - All	Elliott Production Co.	None	Elliott Production Co. - 100%
6	T24S - R38E Sec. 31: SE/4 NE/4	40.00	LC-069052 Aug. 1, 1949 H.B.P.	USA - All	Elliott Production Co.	None	Elliott Production Co. - 100%
7	T24S - R38E Sec. 31: NE/4 NW/4	40.00	LC-069052 Aug. 1, 1949 H.B.P.	USA - All	Elliott Production Co.	None	Elliott Production Co. - 100%
8(a)	T24S - R38E Sec. 33: Lot 1	7.21	LC-069752 June 1, 1951 H.B.P.	USA - All	Fred J. Brotherton Aileen Gardner W. E. Irwin Gus Layton James H. Snowden Estate George A. Melhaus, Jr. Reading & Bates, Inc. Barold Div., National Lead Co.	Harold E. Hults-3.125% of 7/8 of 7.21 acres production payment to be retired upon receipt of \$1,000 per acre. Ft. Worth Nat'l. Bank, Trustee for Roy S. Magruder-2.5% of 8/8 of 7.21 acres Helen Magruder Kolliker-2.5% of 8/8 of 7.21 acres	Fred J. Brotherton - 12.50000% Aileen Gardner-12.50000% W. E. Irwin-6.25000% Gus Layton - 25.00000% James H. Snowden Estate- 12.50000% George A. Melhaus, Jr.- 6.25000% Reading & Bates, Inc. - 20.00000% Barold Div., National Lead Co. - 5.00000%

Tract No.	Description of Land	No. of Acres	Serial No. and Lease Date	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage
8(b)	Sec. 33: NE/4 NW/4 (Lot 1 & NE/4 NW/4 Sec. 33-T24S-R38E communitized by agreement dated April 11, 1952)	40.00	B-1732-1 Feb. 29, 1933 H.B.P.	State of New Mexico- All	Gulf Oil Corporation		Gulf Oil Corporation - 100%
9(a)	T24S - R38E Sec. 33: Lot 2	7.24	LC-069752 June 1, 1951 H.B.P.	USA - All	Fred J. Brotherton Aileen Gardner W. E. Irwin Gus Layton James H. Snowden Estate George A. Meihaus, Jr. Barold Div., National Lead Company Reading & Bates, Inc.	Harold E. Hults-3.125% of 7/8 of 7.24 acres production payment to be retired upon receipt of \$1,000 per acre. Ft. Worth Nat'l. Bank, Trustee for Roy S. Magruder-2.5% of 8/8 of 7.24 acres. Helen Magruder Kolliker-2.5% of 8/8 of 7.24 acres.	Fred J. Brotherton - 12.50000% Aileen Gardner-12.50000% W. E. Irwin - 6.25000% Gus Layton - 25.00000% James H. Snowden Estate- 12.50000% George A. Meihaus, Jr.- 6.25000% Barold Div., National Lead Co. - 5.00000% Reading & Bates, Inc.- 20.00000%
9(b)	Sec. 33: SE/4 NW/4 (Lot 2 & SE/4 NW/4 Sec. 33-T24S-R38E communitized by agreement dated April 11, 1952)	40.00	B-1732-1 Feb. 29, 1933 H.B.P.	State of New Mexico- All	Gulf Oil Corporation		Gulf Oil Corporation - 100%
10(a)	T24S - R38E Sec. 28: Lot 4	7.20	NM-02240 Sept. 1, 1951 H.B.P.	USA - All	Mrs. Ruby C. Bell Mrs. E. W. Chaney Featherstone Farms, Ltd.		Mrs. Ruby C. Bell - 25.00000% Mrs. E. W. Chaney - 25.00000% Featherstone Farms, Ltd.- 50.00000%

Tract No.	Description of Land	No. of Acres	Serial No. and Lease Date	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage
10(b)	Sec. 28: SE/4 SW/4 (Lot 4 & SE/4 SW/4 Sec. 28-T24S-R38E communitized by agreement dated Dec. 23, 1953)	40.00	B-1732-1 Feb. 29, 1933 H.B.P.	State of New Mexico- All	Gulf Oil Corporation	Petroleum Land and Royalty Syndicate, c/o Hyman L. Battle, Jr., Trustee-20% net profits interest in 40 acres.	Gulf Oil Corporation - 100%
11	T24S - R38E Sec. 20: SW/4 SW/4 Sec. 28: SW/4 SW/4	80.00	B-1732-1 Feb. 29, 1933 H.B.P.	State of New Mexico- All	Gulf Oil Corporation	Petroleum Land and Royalty Syndicate, c/o Hyman L. Battle, Jr., Trustee-20% net profits interest.	Gulf Oil Corporation - 100%
12	T24S - R38E Sec. 29: NW/4 NW/4 & S/2 NW/4 & SW/4 NE/4 & S/2	480.00	B-9519-0 Feb. 10, 1942 H.B.P.	State of New Mexico- All	Skelly Oil Company	None	Skelly Oil Company-100%
13	T24S - R38E Sec. 32: N/2	320.00	B-9613-0 Apr. 10, 1942 H.B.P.	State of New Mexico- All	Pan American Petroleum Corporation	None	Pan American Petroleum Corporation - 100%
14	T24S - R38E Sec. 33: W/2 NW/4 & SW/4 & Lots 3 & 4	429.99	B-1732-1 Feb. 29, 1933 H.B.P.	State of New Mexico- All	Gulf Oil Corporation	None	Gulf Oil Corporation - 100%
	T25S - R38E Sec. 4: Lots 1, 2, 3 & 4 & SW/4 NW/4 & SE/4 NW/4						
15	T24S - R38E Sec. 32: S/2	320.00	B-9311-0 Sept. 10, 1941 H.B.P.	State of New Mexico- All	Skelly Oil Company	None	Skelly Oil Company-50.00% Texaco Inc. - 25.00% J. D. Kennedy - 2.50% J. C. Maxwell - 17.50% Marilyn Maxwell Trust - 5.00%

Tract No.	Description of Land	No. of Acres	Serial No. and Lease Date	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage
16	T25S - R38E Sec. 5: Lots 1, 2, 3 & 4 & S/2 N/2	321.56	B-9312-5 Sept. 10, 1941 H.B.P.	State of New Mexico - All	Skelly Oil Company	None	Skelly Oil Company - 50.00% Texaco Inc. - 25.00% J. D. Kennedy - 2.50% J. C. Maxwell - 17.50% Marilyn Maxwell Trust - 5.00%
17	T25S - R38E Sec. 6: Lot 1	40.32	B-10272-0 May 10, 1943 H.B.P.	State of New Mexico - All	Atlantic Richfield Co.	None	Atlantic Richfield Co. - 100%
18	T24S - R38E Sec. 19: N/2 NW/4	80.00	April 24, 1953 H.B.P.	Georgia L. Stephen - 6.25% The City Nat'l. Bank, Mineral Wells, Tex. - 6.25%	Texaco Inc.	None	Texaco Inc. - 100%
19	T24S - R38E Sec. 19: SW/4 NW/4	40.00	Sept. 20, 1947 H.B.P.	Daisy D. Blankenship - 1.79688% Royalty Holding Co. - 10.15625% Georgia Lee Clarke - 0.19531% Paul & Martha Lyon - 0.19531% Elizabeth R. Lamb - 0.00244% Myrtle L. Davis - 0.00977% Elmer H. Wahl - 0.07813% C. S. Daley - 0.00487% Earle M. Simon - 0.00488% Roy F. Faskin - 0.00488% Harrison Levy, Executor of Est. of Harry Levy - 0.00488%	Texaco Inc.	None	Texaco Inc. - 100%

Tract No.	Description of Land	No. of Acres	Serial No. and Lease Date	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage	Working Inter Owner and Perce
19 Cont'd.				Joseph Nelson-0.00976% Veva K. Nelson - 0.01954% Margaret R. Ellison - 0.00244% A. W. Wuestenberg - 0.00489% Ernest B. Blake - 0.00244% Joseph C. Blake - 0.00245% Beverly B. Nelson - 0.00488%			
20	T24S - R38E Sec. 19: NW/4 SW/4	40.00	Aug. 19, 1946 H.B.P.	Robert E. Byers - 3.12500% Ronald J. Byers - 3.12500% Constance E. Byers - 6.25000%	Texaco Inc.	None	Texaco Inc. - 100%
21	T24S - R38E Sec. 19: SE/4 SW/4 & NE/4 SW/4 & SE/4 NW/4	120.00	Oct. 29, 1947 H.B.P.	Rocket Oil & Gas Co.-All	Texaco Inc.	None	Texaco Inc. - 100%
22	T24S - R38E Sec. 30: E/2 NW/4	80.00	Jan. 22, 1948 H.B.P.	Ida Harriett (Hair) Fellers-4.166667% Ada Mae Hair Rosebrough 4.166667% Carrie Ellen Thomas Hair - 4.166666%	Ralph Lowe Est.	F. Ferrell Davis 1967 Trust-1.171875% W. B. Davis - 1.171875% Fred B. Turner, Jr. & Juliette M. Turner - 2.343750% Myrtle A. Martin-1.562500%	Ralph Lowe Estate
23	T24S - R38E Sec. 30: E/2 SW/4	80.00	Dec. 21, 1953 H.B.P.	Hugh Corrigan III - 0.78125% J. Patrick Corrigan- 0.78125% Neva Vance-0.44643% Leslie E. Vance - 2.90178%	Atlantic Richfield Co.	Hugh Corrigan III - 0.78125% J. Patrick Corrigan - 0.78125%	Atlantic Richfield 100%

Tract No.	Description of Land	No. of Acres	Serial No. and Lease Date	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage
23	Cont'd.			Rex B. Vance-2.67857% Fern Vance - 2.15774% Atlantic Richfield Co. - 2.75298%			
24	T24S - R38E Sec. 31: NE/4 SW/4	40.00	July 5, 1946 Jan. 18, 1952 H.B.P.	R. F. Imbt-0.31250% H. M. Dow - 0.69444% H. Dillard Schenck - 0.78125% Mrs. Hattie C. Williams-0.39063% Mrs. Hattie C. Williams-0.08545% J. E. Simmons-0.52083% Anderson Carter - 0.09766% Powhatan Carter, Jr. - 0.09766% Eugenia Hill Maxwell- 0.58594% R. W. Hamilton - 0.19531% Jean Simmons Shipley- 0.39063% Lester Alston-0.13020% Tom A. Peays-0.09765% Addie L. Augustine - 0.09765% Forest E. Levers - 0.78125% Helen Swanson-0.38194% Kate G. Gilbert - 0.91146% J. B. McGhee, c/o Trust Dept., First Nat'l. Bank, Santa Fe, New Mexico - 2.08333% June D. Speight - 0.78125% Elizabeth L. Ehrhart- 0.19531%	Texaco Inc.	None	Texaco Inc. - 96.70139% Julianan Cowden - 2.63889% Elton M. Hyder, Jr. - 0.65972%

Tract No.	Description of Land	No. of Acres	Serial No. and Lease Date	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage
24 Cont'd.				Geneva B. Gardner, Admr. CTA of Est. of Mary C. Beeson-0.19531% Elizabeth S. Bell - 0.20616% Juanita Brants Dacy-0.20617% Estate of Jett Cowden-0.39062% Effie Carter-0.19531% James O. Bradish - 0.19531% Continental Nat'l. Bank of Ft. Worth, Guardian of Est. of Ford Bradish, Jr. - 0.19532% June D. Speight A/C 2 - 0.78125% Ervin J. Levers - 0.19532% Julianan Cowden - 0.32986% Elton M. Hyder, Jr. - 0.08246%			
25	T24S - R38E Sec. 31: N/2 SE/4 & SE/4 SE/4	120.00	July 5, 1946 Jan. 18, 1952 H.B.P.	R. F. Imbt-0.31250% H. M. Dow-0.69444% H. Dillard Schenck - 0.78125% Mrs. Hattie C. Williams-0.39063% Mrs. Hattie C. Williams-0.08545% J. E. Simmons-0.52083% Eugenia Hill Maxwell-0.58594% R. W. Hamilton - 0.19531%	Texaco Inc.	None	Texaco Inc. - 96.70139% Julianan Cowden - 2.63889% Elton M. Hyder, Jr. - 0.65972%

West Dolarhide Drinkard Unit
Exhibit "B" - Page 9

FIRST REVISION
Effective June 1, 1969

Tract No.	Description of Land	No. of Acres	Serial No. and Lease Date	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage
25 Cont'd.				Jean Simmons Shipley-0.39063%			
				Lester Alston-0.13020%			
				Tom A. Peays-0.09765%			
				Addie L. Augustine -0.09765%			
				Ervin J. Levers -0.19532%			
				Forest E. Levers -0.78125%			
				Kate G. Gilbert -0.91146%			
				J. B. McGhee-2.08333%			
				Powhatan Carter, Jr.-0.39063%			
				June D. Speight -0.78125%			
				Elizabeth L. Ehrhart-0.19531%			
				Geneva B. Gardner, Admr. CTA of Est. of Mary C. Beeson-0.19531%			
				Elizabeth S. Bell -0.20616%			
				Estate of Jett Cowden-0.39062%			
				James D. Bradish -0.19531%			
				Continental Nat'l Bank of Ft. Worth, Guardian of Est. of Ford Bradish, Jr.-0.19532%			
				Helen Swanson-0.38194%			
				Juanita Brants Dacy-0.20617%			
				June D. Speight A/C 2 - 0.78125%			

Tract No.	Description of Land	No. of Acres	Serial No. and Lease Date	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage
25 Cont'd.				Julianan Cowden - 0.32986% Elton M. Hyder, Jr. - 0.08246%			
	Federal Lands	821.65 Acres			23.25% of Unit Area		
	State Lands	2,111.87 Acres			59.77% of Unit Area		
	Fee Lands	<u>600.00</u> Acres			<u>16.98%</u> of Unit Area		
	TOTAL	3,533.52 Acres			100.00% of Unit Area		

COMMUNITIZED TRACTS

8(a)* T24S - R38E							
Sec. 33: Lot 1	7.21	LC-069752 June 1, 1951 H.B.P.	USA - 15.272% of 1/8	Fred J. Brotherton Aileen Gardner W. E. Irwin Gus Layton James H. Snowden Estate George A. Melhaus, Jr. Reading & Bates, Inc. Barold Div., National Lead Company	Harold E. Hults-3.125% of 7.21/47.21 of 7/8 or 0.41760% production payment to be retired upon receipt of \$1,000 per acre. Ft. Worth Nat'l. Bank, Trustee for Roy S. Magruder-0.38180% Helen Magruder Kolliker-0.38180%	Fred J. Brotherton - 1.90900% Aileen Gardner - 1.90900% W. E. Irwin - 0.95450% Gus Layton - 3.81800% James H. Snowden Estate 1.90900% George A. Melhaus, Jr. 0.95450% Reading & Bates, Inc. 3.04840% Barold Div., National Lead Co. - 0.76960%	Gulf Oil Corporation 84.72800%
8(b)* Sec. 33: NE/4 NW/4	40.00	B-1732-1 Feb. 29, 1933 H.B.P.	State of New Mexico- 84.728% of 1/8	Gulf Oil Corporation			
Total Communitized Acreage	<u>47.21</u>						

* Subject to Communitization Agreement dated April 11, 1952

* Subject to Communization Agreement dated April 11, 1952

Sec. 28: Lot 4	7.20	NM-02240	USA - 15.25424%	Mrs. Ruby C. Bell	Petroleum Land and	Mrs. Ruby C. Bell-3.81356%
		Sept. 1, 1951	of 1/8	Mrs. E. W. Chaney	Royalty Syndicate,	Mrs. E. W. Chaney-3.81356%
		H.B.P.		Featherstone Farms,	c/o Hyman L. Battle,	Featherstone Farms, Ltd.-
				Ltd.	Jr., Trustee-20% of	7.62712%
					84.74576% net	Gulf Oil Corporation -
					profits interest.	84.74576%

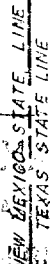
Petroleum land and	Mrs. Ruby C. Bell-3.81356%
Royalty Syndicate,	Mrs. E. W. Chaney-3.81356%
c/o Hyman L. Battle,	Featherstone Farms, Ltd.-
Jr., Trustee-20% of	7.62712%
84.74576% net	Gulf Oil Corporation -
profits interest.	84.74576%

* Subject to Communitization Agreement dated December 23, 1953.

EXHIBIT "D"

TO UNIT OPERATING AGREEMENT
WEST DOLLARHIDE DRINKARD UNIT
LEA COUNTY, NEW MEXICO

<u>Working Interest Owner</u>	<u>Phase I</u> <u>(%)</u>	<u>Phase II</u> <u>(%)</u>	<u>Phase III</u> <u>(%)</u>
Atlantic Richfield Company	16.57711	16.96125	16.57833
Baroid Division, National Lead Company	.01154	.01196	.01241
Mrs. Ruby C. Bell	.02701	.04387	.03051
Fred J. Brotherton	.02877	.02985	.03093
Mrs. E. W. Chaney	.02702	.04388	.03052
Julianan Cowden	.07901	.04956	.06588
Elliott Production Company	4.80297	2.48598	5.15564
Featherstone Farms, Ltd.	.05403	.08775	.06104
Aileen Gardner	.02876	.02985	.03093
Gulf Oil Corporation	14.26211	22.51811	17.43756
Elton M. Hyder, Jr.	.01976	.01239	.01648
W. E. Irwin	.01438	.01492	.01546
J. D. Kennedy	.65774	.66282	.64083
Gus Layton	.05752	.05971	.06186
James H. Snowden Estate	.02876	.02985	.03092
Ralph Lowe Estate	.49689	.14038	.43796
J. C. Maxwell	4.60420	4.63972	4.48581
Marilyn Maxwell Trust	1.31548	1.32563	1.28166
George A. Meihaus, Jr.	.01438	.01492	.01546
Pan American Petroleum Corporation	13.21853	9.05805	13.34837
Reading & Bates, Inc.	.04599	.04774	.04944
Skelly Oil Company	27.32406	27.17057	26.89555
Sunshine Royalty Company	.54318	.77921	.60914
Texaco Inc.	<u>15.76080</u>	<u>13.78203</u>	<u>12.67731</u>
TOTAL	100.00000	100.00000	100.00000



UNIT TOTALS	RI	<u>99.01 %</u>
(Phase III)	WI	<u>99.97 %</u>

WEST DOLLARHIDE DRINKARD UNIT
LEA COUNTY, NEW MEXICO

SCHEDULE OF TRACT SIGN-UP

Tract No.	Phase III Tract Participation (%)	Percentage of Tract Ownership Signed		% of Unit Signed Based on Phase III Factors	
		W.I.	R.I.*	W.I.	R.I.
1	0.17797	100.0	98.1	0.18	0.17
2	10.04427	100.0	100.0	10.04	10.04
3	5.10576	100.0	100.0	5.11	5.10
4	0.60914	100.0	100.0	0.61	0.61
5	3.04279	100.0	100.0	3.04	3.04
6	1.39563	100.0	100.0	1.40	1.39
7	0.71722	100.0	100.0	0.72	0.72
8	0.75083	98.1	100.0	0.74	0.75
9	0.86620	98.1	100.0	0.85	0.87
10	0.80022	100.0	100.0	0.80	0.80
11	1.07269	100.0	100.0	1.07	1.07
12	14.07896	100.0	100.0	14.08	14.08
13	13.34837	100.0	100.0	13.35	13.35
14	14.31710	100.0	100.0	14.32	14.32
15	16.64303	100.0	100.0	16.64	16.64
16	8.99016	100.0	100.0	8.99	8.99
17	0.40994	100.0	100.0	0.41	0.41
18	1.46570	100.0	100.0	1.47	1.47
19	0.38342	100.0	99.9	0.38	0.38
20	0.05381	100.0	100.0	0.05	0.05
21	1.77363	100.0	100.0	1.77	1.77
22	0.43796	100.0	100.0	0.44	0.44
23	1.01836	100.0	97.3	1.02	0.99
24	0.23285	100.0	99.0	0.23	0.23
25	<u>2.26399</u>	100.0	99.1	<u>2.26</u>	<u>2.24</u>
	100.00000			99.97	99.92

* Percentages include overriding royalty interest. Preliminary approval of State Land Office and U.S.G.S. have been secured.

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE
WEST DOLLARHIDE DRINKARD UNIT
LEA COUNTY, NEW MEXICO

SKELLY OIL CO.

EXHIBIT NO. 1

DOCKET OR
CASE NO. 4133

DATE MAY 21, 1969

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. _____
CASE NO. _____

UNIT AGREEMENT
WEST DOLLARHIDE DRINKARD UNIT
LEA COUNTY, NEW MEXICO

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Agreement Proper

UNIT AGREEMENT
WEST DOLLARHIDE DRINKARD UNIT
LEA COUNTY, NEW MEXICO

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CERTIFICATION - DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior, under the act approved February 25, 1920, 41 Stat. 437, as amended, 30 U.S.C. Sec. 181, et seq., and delegated to the Oil & Gas Supervisors of the Geological Survey (33 F. R. 5812), I hereby:

A. Approve the attached agreement for the development and operation of the West Dollarhide Drinkard Unit Area, Lea County, 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, 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 _____

Oil & Gas Supervisor, United States
Geological Survey

Contract Number

UNIT AGREEMENT
WEST DOLLARHIDE DRINKARD UNIT
LEA COUNTY, NEW MEXICO
State of New Mexico No. _____

THIS AGREEMENT, entered into as of the first day of August, 1968, by and between the parties subscribing, ratifying or consenting hereto, and herein referred to as "parties hereto",

WITNESSETH:

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

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Sec. 3, Chap. 88, Laws 1943, as amended by Sec. 1 of Chap. 162, Laws of 1951, Chap. 7, Art. 11, Sec. 39, N.M.S. 1953 anno.) to consent to or approve this agreement on behalf of the State of New Mexico, insofar as it covers and includes lands and mineral interests of the State of New Mexico; 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 of 1943, as amended by Sec. 1, Chap. 162, Laws of 1951, Chap. 7, Art. 11, Sec. 41, N.M.S. 1953 anno.) to amend with the approval of the lessee, any oil and gas lease embracing State lands so that the length of the term of said lease will coincide with the term of this agreement; and

WHEREAS, the Oil Conservation Commission of the State of New Mexico is authorized by law (Art. 111, Chap. 65, Vol. 9, part 2, New Mexico Statutes, 1953 Annotated) to approve this agreement, and the conservation provisions hereof; and

WHEREAS, the Mineral Leasing Act of February 25, 1920 (41 Stat. 437, as amended 30 U.S.C. Sections 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 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 parties hereto hold sufficient interests in the West Dollarhide Drinkard Unit Area, covering the land hereinafter described to give reasonably effective control of operation therein; and

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

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

SECTION 1. ENABLING ACT AND REGULATIONS. 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 and valid, pertinent and reasonable regulations hereafter issued thereunder are accepted and made a part of this agreement as to Federal lands, provided such regulations are not inconsistent with the terms of this agreement; and as to non-Federal 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 is located, are hereby accepted and made a part of this agreement.

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

(a) "Unit Area" is defined as the area described by tracts in Exhibit "B" and depicted on Exhibit "A" attached hereto containing 3,533.52 acres, more or less, or to which it may be extended as herein provided.

(b) "Commissioner" is defined as the Commissioner of Public Land of the State of New Mexico.

(c) "Commission" is defined as the Oil Conservation Commission of the State of New Mexico.

(d) "Director" is defined as the Director of the United States

Geological Survey.

(e) "Secretary" is defined as the Secretary of the Interior of the United States of America or any other person duly authorized to exercise the powers vested in that office.

(f) "Department" is defined as the Department of the Interior of the United States of America.

(g) "Supervisor" is defined as the Oil and Gas Supervisor of the United States Geological Survey for the region in which the Unit Area is situated.

(h) "Unitized Formation" means the Tubb-Drinkard Formation underlying the unitized land; said interval having been heretofore found to occur in Skelly Oil Company's Mexico "L" No. 3 well (located 1980 feet from the east line and 660 feet from the north line of Section 5, Township 25 South, Range 38 East, Lea County, New Mexico) at an indicated depth of from 5,950 feet to 7,367 feet, as recorded on the Schlumberger electrical log Run No. 1 taken April 13, 1952, said log being measured from a derrick floor elevation of 3,168 feet above sea level.

(i) "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

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

(k) "Tract Participation" is defined as the percentage of participation, as shown on Exhibit "C", for allocating Unitized Substances to a Tract under this agreement.

(l) "Unit Participation" of each Working Interest Owner means the sum of the products obtained by multiplying the Working Interest of such Working Interest Owner in each Tract by the Tract Participation of such Tract.

(m) "Working Interest" is defined as 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.

(n) "Working Interest Owner" is defined as and shall mean 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 and operations hereunder. The owner of oil and gas rights which are free of leases or other instruments 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.

(o) "Record Owner" is defined as the holder of the record title to a lease covering Federal lands according to the applicable records of the Department of the Interior of the United States of America.

(p) "Royalty Interest" or "Royalty" is defined as 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 profit contract, or any other payment or burden which does not carry with it the right to search for and produce Unitized Substances.

(q) "Royalty Owner" is defined as and shall mean the owner of a Royalty Interest.

(r) "Voting Interest" shall mean, unless otherwise specifically defined herein, that each Working Interest Owner shall have a voting interest equal to its Unit Participation in effect at the time of voting.

(s) "Usable Well" shall mean a well which, in accordance with good oil field practice, is adequately equipped so that the Unitized Formation is in condition to permit production of Unitized Substances to the surface by conventional production methods.

(t) "Unit Operating Agreement" is defined as and shall mean any agreement or agreements (whether one or more entered into 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, infra, and shall be styled "Unit Operating Agreement, West Dollarhide Drinkard Unit, Lea County, New Mexico."

(u) "Unit Manager" is defined as the person or corporation appointed by the Working Interest Owners to perform the duties of the Unit Operator until

the selection and qualification of a successor Unit Operator as provided for in Section 8 hereof.

SECTION 3. EXHIBITS. Exhibit "A" attached hereto is a map showing the Unit Area and the boundaries and identity of Tracts and leases in said Unit Area to the extent known to the Unit Operator. Exhibit "B" attached hereto is a schedule showing, to the extent known to the Unit Operator, the acreage comprising each Tract and the percentage ownership of each Working Interest Owner in each Tract. Exhibit "C" attached hereto is a schedule showing the Tract Participation of 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 owned by such party.

Whenever reference herein or in the Unit Operating Agreement is made to an Exhibit, the reference is to the Exhibit as originally attached or, if revised, to the latest approved revision.

The description and ownership of the respective Tracts have been established by using the best information available. If it subsequently appears that clerical errors, including errors in Tract Ownership or mechanical miscalculations have been made, Unit Operator shall revise the Exhibits to conform with the facts. The revision shall not include any re-evaluation of engineering or geological interpretations used in determining Tract Participations. Errors and miscalculations discovered prior to the effective date of this agreement shall be corrected by Unit Operator in the first revision of Exhibits following the effective date and said first revisions shall be effective as of the effective date of this agreement. The correction of any errors other than the correction of a clerical or mechanical error shall be made by Unit Operator only after first having obtained approval of Working Interest Owners, the Supervisor, and the Commissioner.

Exhibits "A", "B", and "C" shall be revised by Unit Operator whenever changes render such revision necessary, or when requested by the Supervisor or the Commissioner. If an Exhibit is revised pursuant to this agreement, Unit Operator shall certify and file the required number of copies of the revised Exhibit with the Commissioner and the Supervisor, and one (1) copy for record with the County Clerk, Lea County, New Mexico. Except as specified above, a revised Exhibit shall become effective

on such date as may be determined by the Working Interest Owners and set forth on said revised Exhibit.

SECTION 4. EXPANSION. The 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. Such expansion shall be effected in the following manner:

(a) The Working Interest Owner or Owners of a Tract or Tracts desiring to bring such Tract or Tracts into this Unit, shall file an application therefor with Unit Operator requesting such admission.

(b) Unit Operator shall circulate a notice to each Working Interest Owner of the proposed expansion, setting out the basis for admission, the recommended Tract Participation to be assigned to such Tract or Tracts, and other pertinent data. After negotiation (at Working Interest Owners' meeting or otherwise) if at least three Working Interest Owners having in the aggregate eighty percent (80%) based on Phase III Unit Participation have agreed to such Tract or Tracts being brought into the Unit, then Unit Operator shall:

(1) After preliminary concurrence by the Director and the Commissioner prepare a notice of proposed expansion describing the contemplated changes in the boundaries of the Unit Area, the reason therefor, the basis for admission of the additional Tract or Tracts, the Tract Participation to be assigned thereto and the proposed effective date thereof; and

(2) Deliver copies of said notice to the Commissioner, the Supervisor, each Working Interest Owner and to the lessee and lessor whose interests are affected, advising such parties that thirty (30) days will be allowed for submission to the Unit Operator of any objection to such proposed expansion; and

(3) File, upon the expiration of said thirty (30) day period as set out in (2) immediately above with the Commissioner and Supervisor the following: (a) Evidence of mailing or delivering copies of said notice of expansion; (b) An application for such expansion; (c) An instrument containing the appropriate joinder reflecting the qualifications of the new Tract in the same manner required for the qualification of Tracts under Section 15 hereof, Tracts Qualified for Participation; and (d) Copies of any objections received

The expansion shall, after due consideration of all pertinent

information and approval by the Commissioner, the Commission, and the Supervisor, become effective as of the date prescribed in the notice thereof, preferably the first day of a month subsequent to the date of notice or on such other date as may be agreed upon by the Working Interest Owners and approved by the Commissioner, the Commission, and the Supervisor. In any approved expansion of the Unit Area, the revised Tract Participations of these Tracts which were committed prior to each such expansion shall remain in the same ratio one to another.

SECTION 5. UNITIZED LAND AND UNITIZED SUBSTANCES. All land committed to this agreement shall constitute land referred to herein as "unitized land" or "land subject to this agreement". All "unitized land" and Unitized Substances within the Unit Area are unitized under the terms of this agreement. Nothing herein shall be construed to unitize, pool, or in any way affect the oil, gas and other minerals contained in or that may be produced from any formation other than the Unitized Formation as described under Section 2 (h).

SECTION 6. UNIT OPERATOR. Skelly Oil Company is hereby designated the Initial Unit Operator, and by signing this instrument as Unit Operator it agrees and consents to accept the duties and obligations of Unit Operator for the operation, development and production of Unitized Substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as an owner of interests in Unitized Substances, and the term "Working Interest Owner" when used herein shall include or refer to the Unit Operator as the owner of a Working Interest when such an interest is owned by it.

SECTION 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 six (6) months after written notice of intention to resign has been given by Unit Operator to all Working Interest Owners, the Commissioner and the Supervisor, and until all unit wells are placed in a satisfactory condition for suspension, abandonment, or continued operations, as required by the Supervisor as to Federal lands and the Commissioner as to State lands, unless a new Unit Operator shall have taken over and assumed the duties and obligations of Unit Operator prior to the expiration of said period.

The Unit Operator shall, upon default or failure in the performance of its duties or obligations hereunder, be subject to removal by three (3) or more Working Interest Owners having in the aggregate eighty percent (80%) or more of the Phase III Unit Participation remaining after excluding the Phase III Unit Participation of the Unit Operator. Such removal shall be effective upon notice thereof to the Commissioner and the Supervisor

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

The resignation or removal of Unit Operator under this agreement shall not terminate its rights, title or interest as the owner of a Working Interest or other interest in Unitized Substances, but upon the resignation or removal of Unit Operator becoming effective, such Unit Operator shall deliver possession of all wells, equipment, books, and records, materials, appurtenances and any other assets, used in connection with the unit operations and owned by the Working Interest Owners to the new duly qualified successor Unit Operator or to the Unit Manager 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 the removal of any material, equipment, and appurtenances needed for the preservation of any wells.

Nothing herein contained shall be construed to release, relieve or discharge a Unit Operator who resigns or is removed hereunder from any liability for default by it hereunder or from duties accruing or performable by it prior to the effective date of such resignation or removal.

SECTION 8. SUCCESSOR UNIT OPERATOR. Whenever the Unit Operator shall tender its resignation as Unit Operator or shall be removed as hereinabove provided, the Working Interest Owners shall select a successor Unit Operator as herein provided. 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 the Commissioner. If no successor Unit Operator or Unit Manager is selected

as herein provided, the Commissioner and the Director, at their election, may declare this agreement terminated.

In selecting a successor Unit Operator the affirmative vote of three (3) or more Working Interest Owners owning a total of sixty percent (60%) or more of the Phase III Unit Participation shall prevail, provided that if any one Working Interest Owner has a Phase III Unit Participation greater than forty percent (40%), its negative vote or failure to vote shall not be regarded as sufficient unless supported by the vote of two (2) or more Working Interest Owners having combined Phase III Unit Participations of at least five percent (5%). If the Unit Operator who is removed votes only to succeed itself or fails to vote, the successor Unit Operator may be selected by the affirmative vote of Working Interest Owners owning a total of at least fifty-one percent (51%) of the Phase III Unit Participation remaining after excluding the Unit Participation of Unit Operator so removed.

SECTION 9. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT. Costs and expenses incurred by Unit Operator in conducting unit operations hereunder shall be apportioned among, borne and paid by the Working Interest Owners 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 may be agreed upon by the Unit Operator and the Working Interest Owners; however, no such Unit Operating Agreement shall be deemed either to modify any of the terms and conditions of this Unit Agreement or to relieve the Unit Operator of any right or obligation established under this agreement, and in case of any inconsistency or conflict between this agreement and the Unit Operating Agreement, this Unit Agreement shall prevail. Two true copies of any Unit Operating Agreement executed pursuant to this Section shall be filed with the Commissioner and three true copies thereof shall be filed with the Supervisor prior to approval of this agreement.

SECTION 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 which are necessary or convenient for prospecting for, producing, storing, allocating and distributing the Unitized Substances are hereby delegated to and shall be exercised by the Unit Operator as herein provided. Upon request, acceptable evidence of title to said rights shall be deposited with said Unit Operator, and together with this agreement, shall constitute and define the rights, privileges and obligations of Unit Operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this agreement the Unit Operator, in its capacity as Unit Operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

SECTION 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 Unitized Land 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.

SECTION 12. PLAN OF OPERATIONS. 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 additional 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 and any one or more other substances or combination of substances whether produced from the Unitized Formation or not, and that the location of input wells and the rates of injection therein and the rate of production shall be governed by standards of good geologic and petroleum engineering practices and conservation methods. The

parties hereto, subject to prior rights, if any, grant to Unit Operator the use of brine or non-potable water or both from any formation in and under the Unitized Land for injection into the Unitized Formation. 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. The Working Interest Owners, the Commissioner and the Supervisor 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 Commission, the Commissioner and the Supervisor.

Concurrently with the filing of this agreement for final approval by the Commissioner and the Supervisor, Unit Operator shall submit a plan of operation for the Unitized Land for approval and upon approval thereof by the Supervisor and the Commissioner, such plan shall constitute the future operating obligations of the Unit Operator under this Unit Agreement for the period specified therein. Thereafter, from time to time before the expiration of any existing plan, the Unit Operator shall submit for like approval a plan for an additional specified period of operation.

SECTION 13. EASEMENTS OR USE OF SURFACE. The parties hereto, to the extent of their rights and interest, hereby grant to Working Interest Owners the right to use as much of the surface of the land within the Unit Area as may reasonably be necessary for unit operations, including the free use of water from the Unit Area for unit operations, except water from any well, lake, pond or irrigation ditch of Royalty Owner, provided that, nothing herein shall be construed as leasing or otherwise conveying to Working Interest Owners a site for a water, gas injection, processing, or other plant or camp site

SECTION 14. TRACT PARTICIPATION. Tract Participations of each Tract are shown in Exhibit "C", and have been computed in accordance with the following:

(a) Phase I Participation. Beginning at 7:00 A. M. on the effective date hereof and remaining in effect until 7:00 A.M. on the first day of the month next following the month in which the cumulative amount of oil produced from the Unitized Formation underlying the Unit Area on and after September 1, 1957, equals

1,000,000 barrels, the Tract Participation of each Tract shall be as shown under Phase I of Exhibit "C" and shall be determined from the following formula:

Tract Participation Percentage,
Phase I equals

$$100\% \frac{A}{B}$$

Where: A equals total current oil and gas income from such Tract from the Unitized Formation during the period March 1, 1967, to September 1, 1967

B equals the summation of the total current oil and gas income from all Tracts in the Unit Area from the Unitized Formation during the period March 1, 1967, to September 1, 1967.

(b) Phase II Participation. Beginning at 7:00 A.M. on the first day of the month next following the date the 1,000,000 barrels referred to in (a) above shall have been produced and until 7:00 A.M. on the first day of the month next following the date when the cumulative oil produced from the Unitized Formation underlying all of the tracts described in Exhibit "B" after termination of Phase I equals 1,672,835 barrels, the Tract Participation of each Tract shall be as shown under Phase II of Exhibit "C", and shall be determined from the following formula:

Tract Participation Percentage,
Phase II equals

$$25\% \frac{A}{B} \text{ plus } 75\% \frac{C}{D}$$

Where: A and B are as defined in (a) above

C equals the estimated remaining primary barrels of oil producible from the Unitized Formation underlying each such Tract as of September 1, 1967, such estimated remaining primary barrels being as agreed upon by the Working Interest Owners.

D equals the summation of the estimated remaining primary barrels of oil producible from the Unitized Formation underlying all such Tracts in the Unit Area as of September 1, 1967, such estimated remaining primary barrels of oil for each Tract being as agreed upon by the Working Interest Owners.

(c) Phase III Participation Beginning at 7:00 A.M. on the first day of the month next following the date when the 1,672,835 barrels referred to in

(b) above shall have been produced, the Tract Participation of each Tract shall be as shown under Phase III of Exhibit "C", and shall be determined from the following formula:

Tract Participation Percentage,
Phase III equals

$$100\% \frac{E}{F}$$

Where: E equals the estimated quantity of oil ultimately recoverable from the Unitized Formation underlying each such Tract by primary recovery operations as agreed upon by the Working Interest Owners.

F equals the summation of the estimated quantity of oil ultimately recoverable from the Unitized Formation underlying all such Tracts by primary recovery operations as agreed upon by the Working Interest Owners.

If less than all Tracts within the Unit Area qualify for participation hereunder as of the effective date hereof, Unit Operator, with approval of the Working Interest Owners, shall file with the Supervisor, the Commissioner and the Commission a schedule of qualified Tracts as of the said effective date, which schedule shall be designated "Revised Exhibit 'C'" and considered for all purposes as a part of this agreement. Such revised Exhibit "C" shall set forth opposite each such qualified 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 Exhibit "C" attached hereto, but applying the same only to the qualified Tracts, it being expressly understood and agreed that the 1,000,000 barrels referred to in Section 14. Tract Participation (a) and (b) hereof shall be reduced by an amount equal to 1,000,000 times the total Phase I Tract Participation (expressed as a decimal) of all the tracts which fail to qualify for participation; and the 1,672,835 barrels referred to in Section 14 (b) and (c) hereof shall be reduced by an amount equal to 1,672,835 times the total Phase II Tract Participations (expressed as a decimal) of all the Tracts which fail to qualify for participation. Such revised Exhibit "C", upon approval by the Supervisor and the Commissioner, shall supersede, effective as of the effective date hereof, the Tract Participations set forth in Exhibit "C" attached hereto.

The Tract Participations shown on Exhibit "C" attached hereto, or as may be shown on the revised Exhibit "C" as above provided, shall govern the allocation of unitized substances on and after the effective date of this unit agreement, and until the allocation schedule is revised pursuant to this agreement and the revised Tract Participations are approved by the Supervisor and the Commissioner.

SECTION 15. TRACTS QUALIFIED FOR PARTICIPATION. On and after the effective date hereof, and until the enlargement thereof, the tracts within the Unit Area shall be entitled to Participation (as provided in Section 14, Tract Participation, hereof) in the production of Unitized Substances shall be composed of the Tracts listed in Exhibit "B" which corner or have a common boundary (Tracts separated only by a public highway or a railroad right of way shall be considered to have a common boundary); and that otherwise qualify as follows:

(a) Each Tract as to which Working Interest Owners owning one hundred percent (100%) of the Working Interest and as to which Record Owners owning one hundred percent (100%) therein have become parties hereto and as to which Royalty Owners owning seventy-five percent (75%) or more of the Royalty Interest therein have become parties hereto.

(b) Each Tract as to which Working Interest Owners owning one hundred percent (100%) of the Working Interest and as to which Record Owners owning one hundred percent (100%) therein have become parties hereto and as to which Royalty Owners owning less than seventy-five percent (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) Eighty percent (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 percent) which its aggregate Phase I Unit Participation in all Tracts qualifying under paragraph (a) bears to the total Phase I Unit Participation of all Working Interest Owners in all Tracts qualifying under paragraph (a).

(c) Each Tract as to which Working Interest Owners owning less than

one hundred percent (100%) of the Working Interest and as to which Record Owners owning less than one hundred percent (100%) 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 at least 85% of such parties have executed and delivered an indemnity agreement indemnifying and agreeing to hold harmless the other Working Interest Owners in the Unit, their successors and assigns, against all claims and demands which arise out of the qualification of such Tract, which may be made by the owners of Working Interests in such Tract who are not parties hereto; and

(ii) Eighty percent (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 percent) which its aggregate Phase I Unit Participation in all Tracts qualifying under paragraphs (a) and (b) bears to the total Phase I Unit Participation 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 non-subscribing 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.

SECTION 16. 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 within the Unit Area for drilling, operating, camp and other production or development purposes and for pressure maintenance or unavoidably lost) 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 Exhibit "C". The amount of

Unitized Substances so allocated to each 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 and 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 Tracts, or in the proceeds thereof, had this agreement not been entered into, and with the same legal force and effect.

No Tract committed to this agreement and qualified for participation as above provided shall be subsequently excluded from participation hereunder on account of depletion of Unitized Substances from said Tract.

If the Working Interest and the Royalty Interest 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 executed by all such owners and furnished to Unit Operator fixing the divisions of ownership, be divided among such parcels or portions in proportion to the number of surface acres in each.

The Unitized Substances allocated to each Tract shall be delivered in kind to the respective Working Interest Owners and parties entitled thereto by virtue of the ownership of oil and gas rights therein or by purchase from such owners. Each Working Interest Owner and the parties entitled thereto shall have the continuing right to receive such production in kind at a common point within the Unit Area and to sell or dispose of the same as it sees fit. Each such party shall have the right to construct, maintain and operate all necessary facilities for that purpose within the Unit Area, provided the same are so constructed, maintained and operated as not to interfere with operations carried on pursuant hereto. Subject to Section 18, Royalty Settlement, hereof, any extra expenditure incurred by Unit Operator by reason of the delivery in kind of any portion of the Unitized Substances shall be borne by the party receiving the same in kind. In the event any working Interest Owner shall fail to take or otherwise adequately dispose of its proportionate share of the production from the Unitized Formation

currently as and when produced, then so long as such condition continues, Unit Operator, for the account and at the expense of the Working Interest Owner of the Tract or Tracts concerned, and in order to avoid curtailing the operation of the Unit Area, may sell or otherwise dispose of such production to itself or to others on a day-to-day basis at not less than the prevailing market price in the area for like production, and the account of such Working Interest Owner shall be charged therewith as having received such production. The net proceeds, if any, of the Unitized Substances so disposed of by Unit Operator shall be paid to the Working Interest Owner of the Tract or Tracts concerned or a party designated in writing by such Working Interest Owner. Notwithstanding the foregoing, Unit Operator shall not make a sale into interstate commerce of any Working Interest Owner's share of gas production without first giving such Working Interest Owner sixty (60) days notice of such intended sale.

Any party receiving in kind or separately disposing of all or any part of the Unitized Substances allocated to any Tract, or receiving the proceeds therefrom if the same is sold or purchased by Unit Operator, shall be responsible for the payment of all Royalty due under the lease or leases covering the Tracts contributed by it and received into the Unit, and each such party shall hold each other party hereto harmless against all claims, demands and causes of action for such Royalty on the lease or leases and Tracts contributed by it to the Unit Area.

SECTION 17. 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 overproduced 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.

SECTION 18 ROYALTY SETTLEMENT The State of New Mexico and the United States of America and all Royalty Owners who, under an existing contract, are entitled to take in kind a share of the Unitized Substances produced from any Tract unitized hereunder, 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 Interests 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 Royalty due under their leases, except that such Royalty shall be computed in accordance with the terms of this Unit Agreement.

Royalty due the United States 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 land as provided herein at the rate specified in the respective federal 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 unitized lands were a single consolidated lease.

If the amount of production or the proceeds thereof accruing to any Royalty Owner (except the United States of America) in a Tract depends upon the average production per well or the average pipeline run per well from a Tract during any period of time, then such production shall be determined from and after the effective date hereof by dividing the production allocated each Tract

during such period of time by the number of wells located thereon capable of producing as of the effective date hereof, provided, however, any Tract without a producible well on said effective date shall, for the purposes herein contained, be considered as having one such well thereon

All Royalty due the State of New Mexico and the United States of America and the other Royalty Owners hereunder shall be computed and paid on the basis of all Unitized Substances allocated to the respective Tract or Tracts committed hereto, in lieu of actual production from such Tract or Tracts.

Each Royalty Owner (other than the State of New Mexico and the United States of America) that ratifies this agreement represents and warrants that he is the owner of a Royalty Interest in a Tract or Tracts within the Unit Area as his interest appears in Exhibit "B" attached hereto.

SECTION 19. RENTAL SETTLEMENT. Rentals 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 for lands of the State of New Mexico subject to this agreement shall be paid at the rate specified in the respective leases from the State of New Mexico. Rental or minimum royalty for lands of the United States of America subject to this agreement shall be paid at the rate specified in the respective leases from the United States of America, unless rental or minimum royalty is waived, suspended, or reduced by law or by approval of the Secretary or his duly authorized representative.

SECTION 20. CONSERVATION. Operations hereunder and production of Unitized Substances shall be conducted to provide for the most economical and efficient recovery of said substances without waste, as defined by or pursuant to Federal and State laws and regulations.

SECTION 21. DRAINAGE. The Unit Operator shall take such measures as the Supervisor or the Commissioner deems appropriate and adequate to prevent drainage of Unitized Substances from the Unitized Land by wells on land not subject to this agreement.

SECTION 22. 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 or gas on 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 and the Commissioner, respectively, shall, and by their approval hereof, or by the approval hereof by their duly authorized representatives, do hereby establish, alter, change, or revoke the drilling, producing, rental, minimum royalty and royalty requirements of Federal and State leases committed hereto and the regulations in respect thereto to conform said requirements to the provisions of this agreement.

Without limiting the generality of the foregoing, all leases, sub-leases 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 separately owned Tract committed to this agreement, regardless of whether there is any development of any particular Tract of the Unitized Land

(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 Commissioner and the Secretary or his duly authorized representative shall be deemed to constitute such suspension pursuant to such direction or consent as to each and every Tract of Unitized Land. A suspension of drilling or producing operations on specified lands shall be applicable only to such lands

(d) Each lease, sublease, or contract relating to the exploration, drilling, development or operation for Unitized Substances, 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 lease embracing lands of the State of New Mexico which is made subject to this agreement shall continue in force beyond the term provided therein as to the lands committed hereto until the termination hereof

(f) 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 (whether within or without the Unit Area), if oil or gas 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

(g) The segregation of any Federal lease committed to this agreement is governed by the following provision in the fourth paragraph of Section 17(j) of the Mineral Leasing Act as amended by the Act of September 2, 1960 (74 Stat. 781-784): "Any (Federal) lease heretofore or 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 "

construed to be covenants running with the land with respect to the interests of the parties hereto and their successors in interests 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.

SECTION 24. EFFECTIVE DATE AND TERM This agreement shall become binding upon each party who executes or ratifies it as of the date of execution or ratification by such party and shall become effective as of 7.00 o'clock A.M. of the first day of the calendar month next following

(a) The execution or ratification of this agreement and the Unit Operating Agreement by Working Interest Owners owning Tracts with a combined Phase III Unit Participation of at least eighty-five percent (85%), and the execution or ratification of this agreement by Royalty Owners owning Tracts with a combined interest of at least sixty-five percent (65%) of the Royalty Interest in the Unit Area, calculated on the basis of Phase III Unit Participations; and

(b) The approval of this agreement by the Commissioner, the Director or his duly authorized representative, and the Commission; and

(c) The filing of at least one counterpart of this agreement for record in the office of the County Clerk of Lea County, New Mexico, by the Unit Operator; and provided, further, that if (a), (b) and (c) above are not accomplished on or before August 1, 1969, this agreement shall ipso facto expire on said date (hereinafter called "expiration date") and thereafter be of no further force or effect, unless prior thereto this agreement has been executed or ratified by Working Interest Owners owning Tracts with a combined Phase III Unit Participation of at least eighty percent (80%), and the Working Interest Owners owning Tracts with a combined Phase III Unit Participation of at least

sixty-five percent (65%) committed to this agreement have decided to extend said expiration date for a period not to exceed six (6) months (hereinafter called "extended expiration date"). If said expiration date is so extended and (a), (b) and (c) are not accomplished on or before said extended expiration date, this agreement shall ipso facto expire on said extended expiration date and thereafter be of no further force and effect.

Unit Operator shall, within thirty (30) days after the effective date of this agreement, file for record in the office where a counterpart of this agreement is recorded, a certificate to the effect that this agreement has become effective according to its terms and stating further the effective date.

The term of this agreement shall be for and during the time that Unitized Substances are or can be produced in paying quantities from the Unitized Land and so long thereafter as drilling, reworking or other operations (including secondary recovery operations) are prosecuted thereon without cessation of more than ninety (90) consecutive days, and so long thereafter as such Unitized Substances can be produced as aforesaid

This agreement may be terminated at any time with the approval of the Commissioner and the Director by Working Interest Owners owning Tracts with a combined Phase III Unit Participation of at least seventy-five percent (75%). Notice of any such termination shall be given by Unit Operator to all parties hereto.

Upon termination of this agreement, the parties hereto shall be governed by the terms and provisions of the leases and contracts affecting the separate Tracts.

If not otherwise covered by the leases unitized under this agreement, Royalty Owners hereby grant Working Interest Owners a period of six (6) months after termination of this agreement in which to salvage, sell, distribute or otherwise dispose of the personal property and facilities used in connection with Unit Operations.

SECTION 25. RATE OF PROSPECTING, DEVELOPMENT AND PRODUCTION. All production and the disposal thereof shall be in conformity with allocations and quotas made or fixed by any duly authorized person or regulatory body under any Federal or State statute. The Director is hereby vested with authority to alter or modify from time to time, in his discretion, the rate of prospecting and

development and to alter or modify the quantity and rate of production under this Agreement, 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; provided, 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 any lands of the State of New Mexico or privately-owned lands subject to this agreement 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 and Commissioner shall only be exercised after notice to Unit Operator and opportunity for hearing to be held not less than fifteen days from notice.

SECTION 26. NONDISCRIMINATION. In connection with the performance of work under this agreement, the Unit Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), which are hereby incorporated by reference in this agreement.

SECTION 27. APPEARANCES. Unit Operator shall have the right to appear for or on behalf of any and all interests affected hereby before the Commissioner, the Department, and the Commission, and to appeal from any order issued under the rules and regulations of the Commissioner, the Department, or the Commission, or to apply for relief from any of said rules and regulations or in any proceedings relative to operations before the Commissioner, the Department, or the Commission, or any 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.

SECTION 28. 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 certified mail, addressed to such party or parties at their respective addresses set forth in connection with the signature hereto or to the ratification or consent hereof or to such other address as any such party or parties may have furnished in writing to the party sending the notice, demand or statement.

SECTION 29. 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 Federal or State law or rule or regulation issued thereunder in any way affecting such party, or as a waiver by any such party or any right beyond his or its authority to waive.

SECTION 30. WAIVER OF RIGHTS TO PARTITION. Each party hereto covenants that, during the existence of this agreement, it will not resort to any action to partition the Unitized Formation or the Unit Equipment; and to that extent waives the benefits of all laws authorizing such partition.

SECTION 31. UNAVOIDABLE DELAY. All obligations under this agreement requiring the Unit Operator to commence or continue secondary recovery operations or to operate on or produce Unitized Substances from any of the lands covered by this agreement shall be suspended while, but only so long as the Unit Operator despite the exercise of due care and diligence, is prevented from complying with such obligations, in whole or in part, by strikes, acts of God, Federal, State or municipal law or agency, unavoidable accident, 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. Nothing herein shall be construed to require Unit Operator to settle strikes against its will.

SECTION 32. LOSS OF TITLE. In the event title to any Tract of Unitized Land shall fail so as to render the Tract inoperable under this agreement and the true owner cannot be induced to join this Unit Agreement, such Tract shall be automatically regarded as not committed hereto and there shall be such readjustment of future costs and benefits as may be required on account of the loss of such title. If a Tract ceases to be subject to this agreement because of the failure of title, Unit Operator, subject to Section 14. Tract Participation, hereof, shall recompute the Tract Participation of each of the Tracts remaining qualified for participation and shall revise Exhibits "A", "B" and "C" accordingly. The revised exhibits shall be effective as of 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 the failure of title shall be governed by

the Unit Operating Agreement. If title to a Royalty Interest fails, but the Tract to which it relates remains qualified, the parties whose title failed shall not be entitled to share hereunder with respect to such interest. In the event of a dispute as to title as to any Royalty, Working Interest or other interest subject thereto, payment or delivery on account thereof may be withheld without liability or interest until the dispute is finally settled; provided, that as to State or Federal land or leases, no payments of funds due the State of New Mexico or the United States of America shall be withheld, but such funds shall be deposited as directed by the Commissioner or the Supervisor (as the case may be), 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 any title hereunder.

SECTION 33. JOINDER IN DUAL CAPACITY. Execution as herein provided by any party either as a Working Interest Owner or as a Royalty Owner shall commit all interests that may be owned or controlled by such party.

SECTION 34. NONJOINDER AND SUBSEQUENT JOINDER. If the owner of any substantial interest in a Tract within the Unit Area fails or refuses to subscribe or consent to this agreement, the owner of the Working Interest in that Tract may withdraw said Tract from this agreement by written notice to the Supervisor, the Commissioner and the Unit Operator prior to the approval of this agreement by the Supervisor and the Commissioner. Any oil or gas interests in lands within the Unit Area not committed hereto prior to submission of this agreement for final approval may thereafter be committed hereto by the owner or owners thereof subscribing or consenting to this agreement, and, if the interest is a working interest, by the owner of such interest also subscribing to the Unit Operating Agreement. After operations are commenced hereunder, the right of subsequent joinder, as provided in this section, by a Working Interest Owner is subject to such requirements or approvals, if any, pertaining to such joinder, as may be provided for in the Unit Operating Agreement. After final approval hereof, joinder by a non-Working Interest Owner must be consented to in writing by the Working Interest Owner committed hereto and responsible for the payment of any benefits that may accrue hereunder in behalf of such non-Working Interest. Joinder by any Royalty Owner, at any time, must be accompanied by appropriate

joinder of the corresponding Working Interest Owner in order for the interest of such Royalty Owner to be regarded as effectively committed. Joinder to the Unit Agreement by a Working Interest Owner, at any time, must be accompanied by appropriate joinder to the Unit Operating Agreement in order for such interest to be regarded as effectively committed to this Unit Agreement.

The right of subsequent joinder as provided in this Section shall be subject to such requirements or approvals and on such basis as may be agreed upon by Working Interest Owners owning Tracts with Phase III Participation of at least eighty percent (80%) and approval of the Supervisor and the Commissioner. Provided that the Tract participation of each previously qualified Tract shall remain in the same ratio one to the other. Such joinder by a proposed Working Interest Owner must be evidenced by his execution or ratification of this agreement and the Unit Operating Agreement. Such joinder by a Royalty Owner must be evidenced by his execution or ratification of this agreement and must be consented to in writing by the Working Interest Owner responsible for the payment of any benefits that may accrue hereunder in behalf of such Royalty Owner. Except as may be otherwise herein provided, subsequent joinder to this agreement shall be effective at 7:00 o'clock A.M. as of the first day of the month following the filing with the Commissioner and the Supervisor of duly executed counterparts of any and all documents necessary to establish effective commitment of any Tract or interest to this agreement, unless objection to such joinder by the Commissioner or the Supervisor is duly made within sixty (60) days after such filing; provided, however, that as to State lands such subsequent joinder must be approved by the Commissioner.

It is expressly agreed by the parties hereto that the provisions of this Section 34 are made subject to the provisions of Section 15 hereinabove set forth and nothing contained herein shall be construed in controvention or derogation thereof.

SECTION 35. COUNTERPARTS. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties and 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 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 land within the above described Unit Area.

SECTION 36. TAXES. The Working Interest Owners shall render and pay or cause to be rendered and paid 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 or the State of New Mexico or to any lessor who has a contract with his lessee to pay such taxes.

In order to avoid title failure 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 in 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 lien as may arise through non-payment. 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

SECTION 37. CONFLICT OF SUPERVISION. Neither the Unit Operator nor the Working Interest Owners, nor 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 or the Working Interest Owners, or any of them, are hindered, delayed or prevented from complying therewith by reason of 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 which by any provisions of this agreement are vested in the Commission 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.

SECTION 38. NO PARTNERSHIP. The duties, obligations and liabilities of the parties hereto are intended to be several and not joint or collective. This agreement is not intended to create, and shall not be construed to create, an association or trust, or to impose a partnership duty, obligation or liability with regard to any one or more of the parties hereto. Each party hereto shall be individually responsible for its own obligations as herein provided.

SECTION 39. BORDER AGREEMENTS. Unit Operator, with concurrence of Working Interest Owners having a combined Phase III Unit Participation of sixty-five percent (65%) or more, may, subject to approval of the Supervisor, enter into a border-protection agreement or agreements with the Working Interest Owners of adjacent lands along the exterior boundary of the Unit Area 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 and have set opposite their respective names the date of execution.

ATTEST:

SKELLY OIL COMPANY

Assistant Secretary

By: _____
Vice President

Date: _____ UNIT OPERATOR

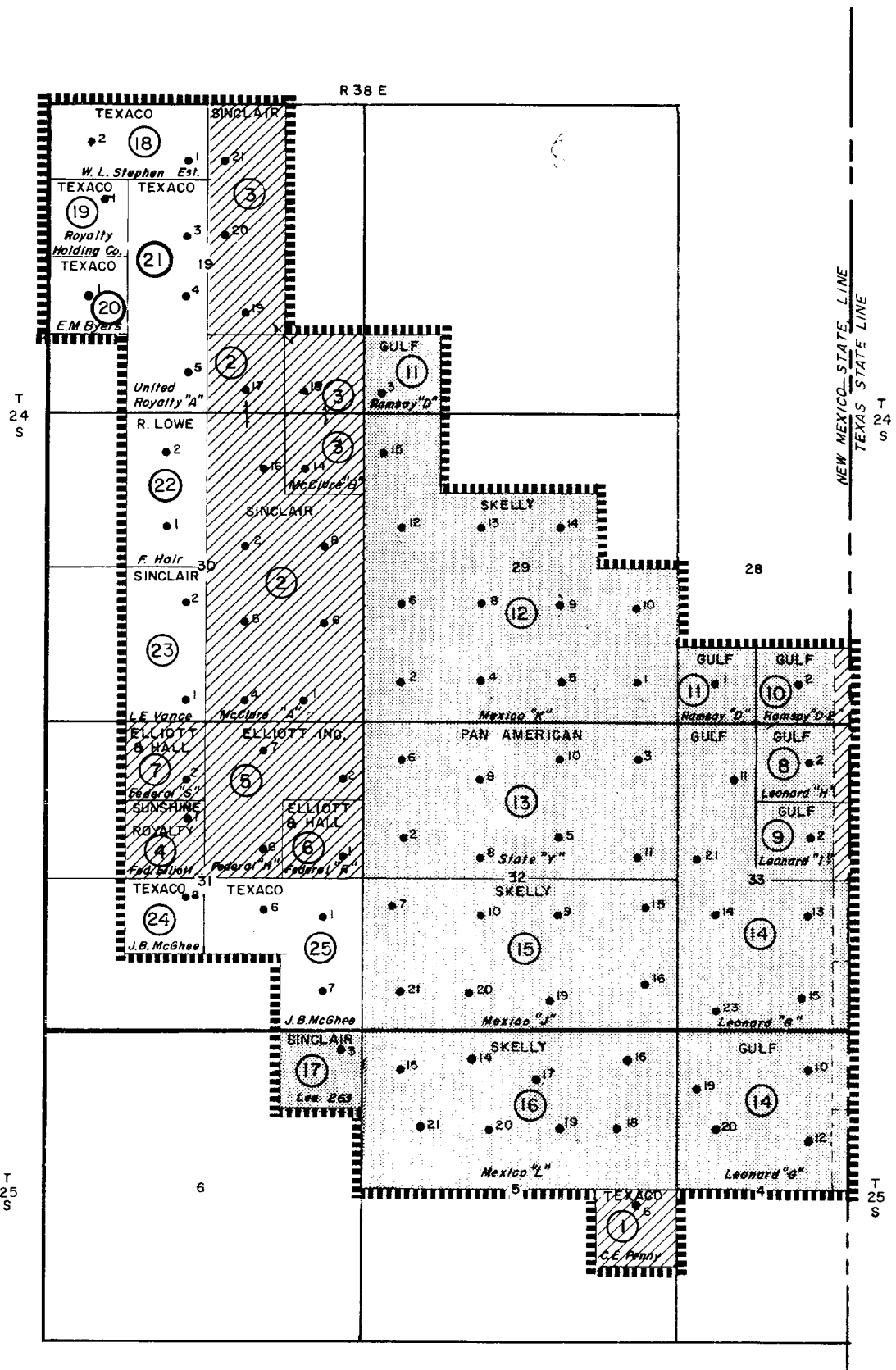
NON-OPERATORS

STATE OF NEW MEXICO)
COUNTY OF LEA) SS:

The foregoing instrument was acknowledged before me this _____ day of _____, 1968, by _____, Vice President for SKELLY OIL COMPANY, on behalf of said company.

Notary Public

My commission expires:



WEST DOLLARHIDE DRINKARD UNIT
LEA COUNTY, NEW MEXICO

EXHIBIT "A"

- Legend*
- UNIT BOUNDARY
 - FEDERAL LANDS
 - STATE LANDS
 - FEE LANDS
 - TRACT NUMBER

EXHIBIT "B"
UNIT AGREEMENT
WEST DOLLARHIDE DRINKARD UNIT
LEA COUNTY, NEW MEXICO

Tract No.	Description of Land	No of Acres	Serial No. and Lease Date	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage
1	T25S - R38E Sec. 5 NE/4 SE/4	40.00	LC-062368 June 1, 1947 H. B. P.	USA - All	Texaco Inc.	Skelly Oil Company 0.62500% Roger B. Owings - 0.12500% John M. Loffland, Jr. 0.12500% T. A. Pedley, Jr. - 0.01563% Gracean M. Pedley - 0.01563% Neville G. Penrose - 0.12500% Effie E. Valentine - 0.00781% Albuquerque National Bank, Test. Tst. of Frank A. Andrews - 0.23147% Mrs. Selma E. Andrews Agency No. 1335, c/o Trust Dept., Republic National Bank of Dallas - 0.26853% First National Bank of Denver, Test. Tst. of Est. of Josephine M. Smith - 0.21484% First National Bank of Denver, Trustee, Est. of Charles T. Lupton 0.06250% Lillian H. Coll, Indv. & as Extrx. & Tst. under Will of M. W. Coll - 0.05859%

West Dollarhide Drinkard Unit
Exhibit "B" - Page 2

Tract No.	Description of Land	No of Acres	Serial No. and Lease Date	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage
2	T24S - R38E Sec 19: SW/4 SE/4 Sec 30: SE/4 & S/2 NE/4 & NW/4 NE/4	320 00	LC-067968 Sept. 1, 1949 H.B.P	USA - All	Sinclair Oil & Gas Co.	R. S. Chancellor - 0.25000% The William K. Warren Foundation-0.25000%	Sinclair Oil & Gas Co 100%
3	T24S - R38E Sec 19: W/2 NE/4 & NW/4 SE/4 & SE/4 SE/4 Sec 30: NE/4 NE/4	200 00	NM-0349952 Sept. 1, 1949 H.B.P	USA - All	Sinclair Oil & Gas Co.	R. S. Chancellor - 0.25000% The William K. Warren Foundation-0.25000%	Sinclair Oil & Gas Co 100%
4	T24S - R38E Sec 31: SE/4 NW/4	40.00	LC-069052 Aug. 1, 1949 H.B.P.	USA - All	Elliott Oil, Inc.	None	Sunshine Royalty Co. - 85.71429% Elliott Production Co. 14.28571%
5	T24S - R38E Sec. 31: N/2 NE/4 & SW/4 NE/4	120.00	LC-069052 Aug. 1, 1949 H.B.P.	USA - All	Elliott Oil, Inc.	None	Elliott Production Co. 100%
6	T24S - R38E Sec. 31: SE/4 NE/4	40.00	LC-069052 Aug. 1, 1949 H.B.P.	USA - All	Elliott Oil, Inc.	None	Frank O. Elliott - 42.85714% Ora R. Hall, Jr. - 42.85714% Elliott Production Co, 14.28572%
7	T24S - R38E Sec. 31: NE/4 NW/4	40.00	LC-069052 Aug. 1, 1949 H.B.P.	USA - All	Elliott Oil, Inc.	None	Frank O. Elliott - 42.85714% Ora R. Hall, Jr. - 42.85714% Elliott Production Co. 14.28572%
8(a)	T24S - R38E Sec. 33: Lot 1	7.21	LC-069752 June 1, 1951 H.B.P.	USA - All	Fred J Brotherton Aileen Gardner W. E. Irwin Gus Layton James H. Snowden Estate	Harold E. Hults - 0.41760% production payment to be re- tired upon receipt of \$1,000 per acre.	Fred J. Brotherton - 1.90900% Aileen Gardner-1.90900 W. E. Irwin - 0.95450% Gus Layton - 3.81800%

Tract No.	Description of Land	No of Acres	Serial No and Lease Date	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage
8(a)							
(b)	Sec 33 NE/4 NW/4 (Lot 1 & NE/4 NW/4 Sec 33-T24S-R38E communitized by agreement dated April 11, 1952)	40 00	B-1732-1 Feb 29, 1933 H B P.	State of New Mexico- All	Gulf Oil Corporation	The Ft Worth National Bank, Trustee for Roy S. Magruder - 0.38180% Helen Magruder Kolliker-0.38180%	James H. Snowden Estate 1.90900% George A. Meihaus, Jr 0.95450% Reading & Bates, Inc 3.04840% Baroid Div., National Lead Co. - 0.76960% Gulf Oil Corporation 84.72800%
9(a)	T24S - R38E Sec. 33 Lot 2	7.24	LC-069752 June 1, 1951 H B.P.	USA - All	Fred J. Brotherton Aileen Gardner W E Irwin Gus Layton James H. Snowden Estate George A. Meihaus, Jr. Baroid Div. National Lead Company Reading & Bates, Inc.	Harold E. Hults - 0.4191% production payment to be re- tired upon receipt of \$1,000 per acre. The Ft. Worth National Bank, Trustee for Roy S. Magruder - 0.3832% Helen Magruder Kolliker - 0.3831%	Fred J. Brotherton - 1.91575% Aileen Gardner-1.9157 W. E. Irwin - 0.95787 Gus Layton - 3.83150% James H. Snowden Esta 1.91575% George A. Meihaus, Jr 0.95788% Baroid Div., National Lead Co. - 0.76630% Reading & Bates, Inc. 3.06520% Gulf Oil Corporation 84.67400%
(b)	Sec. 33: SE/4 NW/4 (Lot 2 & SE/4 NW/4 Sec. 33-T24S-R38E communitized by agreement dated April 11, 1952)	40.00	B-1732-1 Feb. 29, 1933 H.B.P.	State of New Mexico- All	Gulf Oil Corporation		Mrs. Ruby C Bell - 3.81356% Mrs. E. W. Chaney - 3.81356% Mrs Martha Featherst 7.62712% Gulf Oil Corporation 84.74576%
10(a)	T24S - R38E Sec. 28: Lot 4	7.20	NM-02240 Sept. 1, 1951 H B P.	USA - All	Mrs Ruby C. Bell Mrs. E. W. Chaney Mrs Martha Featherstone	Petroleum Land and Royalty Syndicate, c/o Hyman L. Battle, Jr., Trustee-20% net profits interest.	Mrs. Ruby C Bell - 3.81356% Mrs. E. W. Chaney - 3.81356% Mrs Martha Featherst 7.62712% Gulf Oil Corporation 84.74576%

West Dollarhide Drinkard Unit
Exhibit "B" - Page 4

Tract No	Description of Land	No. of Acres	Serial No. and Lease Date	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage
10(b)	Sec. 28: SE/4 SW/4 (Lot 4 & SE/4 SW/4 Sec. 28-T24S-R38E communitized by agreement dated Dec. 23, 1953)	40.00	B-1732-1 Feb. 29, 1933 H. B. P.	State of New Mexico- All	Gulf Oil Corporation		
11	T24S - R38E Sec. 20: SW/4 SW/4 Sec. 28: SW/4 SW/4	80.00	B-1732-1 Feb. 29, 1933 H. B. P.	State of New Mexico- All	Gulf Oil Corporation	Petroleum Land and Royalty Syndicate, c/o Hyman L. Battle, Jr., Trustee-20% net profits interest.	Gulf Oil Corporation - 100%
12	T24S - R38E Sec. 29: NW/4 NW/4 & S/2 NW/4 & SW/4 NE/4 & S/2	480.00	B-9519-0 Feb. 10, 1942 H. B. P.	State of New Mexico- All	Skelly Oil Company	None	Skelly Oil Company-100%
13	T24S - R38E Sec. 32: N/2	320.00	B-9613-0 Feb. 10, 1942 H. B. P.	State of New Mexico- All	Pan American Petroleum Corporation	None	Pan American Petroleum Corporation - 100%
14	T24S - R38E Sec. 33: W/2 NW/4 & SW/4 & Lots 3 & 4	429.99	B-1732-1 Feb. 29, 1933 H. B. P.	State of New Mexico- All	Gulf Oil Corporation	None	Gulf Oil Corporation - 100%
	T25S - R38E Sec. 4: Lots 1, 2, 3 & 4 & SW/4 NW/4 & SE/4 NW/4						
15	T24S - R38E Sec. 32: S/2	320.00	B-9311-0 Sept. 10, 1941 H. B. P.	State of New Mexico- All	Skelly Oil Company	None	Skelly Oil Company-50.0 Texaco Inc. - 25.00% J. D. Kennedy - 2.50% J. C. Maxwell - 17.50% Marilyn Maxwell Trust - 5.00%

West Dollarhide Drinkard Unit
Exhibit "B" - Page 5

Tract No.	Description of Land	No. of Acres	Serial No. and Lease Date	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage
16	T25S - R38E Sec. 5: Lots 1, 2, 3 & 4 & S/2 N/2	321.56	B-9312-5 Sept. 10, 1941 H.B.P.	State of New Mexico - All	Skelly Oil Company	None	Skelly Oil Company-50 Texaco Inc. - 25.00% J. D. Kennedy - 2.50% J. C. Maxwell - 17.50 Marilyn Maxwell Trust 5.00%
17	T25S - R38E Sec. 6: Lot 1	40.32	B-10272-0 May 10, 1943 H.B.P.	State of New Mexico - All	Sinclair Oil & Gas Co.	None	Sinclair Oil & Gas Co 100%
18	T24S - R38E Sec. 19: N/2 NW/4	80.00	April 24, 1953 H.B.P.	Georgia L. Stephen - 6.25% The City Nat'l. Bank, Mineral Wells, Tex. 6.25%	Texaco Inc.	None	Texaco Inc. - 100%
19	T24S - R38E Sec. 19: SW/4 NW/4	40.00	Sept. 20, 1947 H.B.P.	Daisy D. Blankenship - 1.79688% Royalty Holding Co. - 10.15625% Georgia Lee Clarke - 0.19531% Paul & Martha Lyon - 0.19531% Mrs. Elizabeth Rittenhouse Lamb, Ind. & Extrx. of Est. of Austin J. Rittenhouse - 0.00122% Elizabeth R. Lamb - 0.00122% Myrtle L. Davis - 0.00977% Elmer H. Wahl - 0.07813% C. S. Daley - 0.00487% Earl M. Simon - 0.00488% Roy F. Faskin - 0.00488% Harry Levy - 0.00488%	Texaco Inc.	None	Texaco Inc. - 100%

West Dollarhide Drinkard Unit
Exhibit "B" - Page 6

Tract No.	Description of Land	No of Acres	Serial No and Lease Date	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage
19 Cont'd.							
				Joseph Nelson-0.00976%			
				Veva K Nelson -			
				0.01954%			
				Margaret R. Ellison -			
				0.00244%			
				A. W. Wuestenberg -			
				0.00489%			
				Ernest B. Blake -			
				0.00244%			
				Joseph C. Blake -			
				0.00245%			
				Beverly B. Nelson -			
				0.00488%			
20	<u>T24S - R38E</u> Sec. 19: NW/4 SW/4	40.00	Aug. 19, 1946 H.B.P.	Robert E. Byers - 3.12500% Ronald J. Byers - 3.12500% Constance E. Byers - 6.25000%	Texaco Inc.	None	Texaco Inc. - 100%
21	<u>T24S - R38E</u> Sec. 19: SE/4 SW/4 & NE/4 SW/4 & SE/4 NW/4	120.00	Oct. 29, 1947 H.B.P.	Texas Nat'l. Bank of Commerce for A/C of Harris County Charity Foundation Acct. #11 - All		None	Texaco Inc. - 100%
22	<u>T24S - R38E</u> Sec. 30: E/2 NW/4	80.00	Jan. 22, 1948 H.B.P.	Ida Harriett (Hair) Fellers-4.166667% Ada Mae Hair Rosebrough 4.166667% Carrie Ellen Thomas Hair - 4.166666%	Ralph Lowe Est.	Paul L. Davis-1.171875% W. B. Davis - 1.171875% Fred B. Turner, Jr. & Juliette M. Turner - 2.343750% Paul R. Martin-1.562500%	Ralph Lowe Estate - 100%
23	<u>T24S - R38E</u> Sec. 30: E/2 SW/4	80.00	Dec. 21, 1953 H.B.P.	Hugh Corrigan III - 0.78125% J. Patrick Corrigan- 0.78125% Neva Vance-0.44643% Leslie E. Vance - 2.90178%	Sinclair Oil & Gas Co.	Hugh Corrigan III - 0.78125% J. Patrick Corrigan - 0.78125%	Sinclair Oil & Gas Co. - 100%

West Dollarhide Drinkard Unit
Exhibit "B" - Page 7

Tract No	Description of land	No of Acres	Serial No. and Lease Date	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage
23 Cont'd.							
				Rex B. Vance-2.67857% Fern Vance - 2.15774% Sinclair Oil & Gas Co. - 2.75298%			
24	T24S - R38E Sec. 31; NE/4 SW/4	40.00	July 5, 1946 Jan. 18, 1952 H.B.P	R. F. Imbt-0.31250% H. M. Dow - 0.69444% H. Dillard Schenck - 0.78125% Mrs. Hattie C. Williams-0.39063% Mrs. Hattie C. Williams-0.08545% J. E. Simmons-0.52083% Anderson Carter - 0.09766% Powhatan Carter, Jr. - 0.09766% Eugenia Hill Maxwell- 0.58594% R. W. Hamilton - 0.19531% Jean Simmons Shipley- 0.39063% Lester Alston-0.13020% Tom A. Peay-0.09765% Addie L. Augustine - 0.09765% Forest E. Levers - 0.78125% Helen Swanson-0.38194% Kate G. Gilbert - 0.91146% J. B. McGhee, c/o Trust Dept., First Nat'l Bank, Santa Fe, New Mexico - 2.08333% June D. Speight - 0.78125% Elizabeth L. Ehrhart- 0.19531%	Texaco Inc	None	Texaco Inc. - 100%

West Dollarhide Drinkard Unit
Exhibit "B" - Page 8

Tract No.	Description of Land	No. of Acres	Serial No. and Lease Date	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage	
24 Cont'd,				Geneva B. Gardner, Admr. CTA of Est. of Mary C. Beeson-0.19531%				
				Elizabeth S. Bell - 0.20616%				
				Juanita Brants Dacy-0.20617%				
				Estate of Jett Cowden-0.39062%				
				Effie Carter-0.19531%				
				James O. Bradish - 0.19531%				
				Continental Nat'l. Bank of Ft. Worth, Guardian of Est. of Ford Bradish, Jr. - 0.19532%				
				June D. Speight A/C 2 - 0.78125%				
				Ervin J. Levers - 0.19532%				
				Julianan Cowden - 2.63889%				
				Elton M. Hyder, Jr. - 0.65974%				
	25	T24S - R38E Sec. 31: N/2 SE/4 & SE/4 SE/4	120.00	July 5, 1946 Jan. 18, 1952 H.B.P.	R. F. Imbt-0.31250%	Texaco Inc.		Texaco Inc. - 100%
					H. M. Dow-0.69444%			
					H. Dillard Schenck - 0.78125%			
					Mrs. Hattie C. Williams-0.39063%			
Mrs. Hattie C. Williams-0.08545%								
J. E. Simmons-0.52083%								
Eugenia Hill Maxwell-0.58594%								
				R. W Hamilton - 0.19531%				

West Dollarhide Drinkard Unit
Exhibit "B" - Page 9

Tract No.	Description of Land	No. of Acres	Serial No. and Lease Date	Basic Royalty		Lessee of Record	Overriding Royalty		Working I Owner and P
				Owner and Percentage			Owner and Percentage		

25 Cont'd.

	Jean Simmons Shipley-								
	0.39063%								
	Lester Alston-0.13020%								
	Tom A. Peay-0.09765%								
	Addie L. Augustine -								
	0.09765%								
	Ervin J. Levers -								
	0.19532%								
	Forest E. Levers -								
	0.78125%								
	Kate C. Gilbert -								
	0.91146%								
	J. B. McGhee-2.08333%								
	Powhatan Carter, Jr. -								
	0.39063%								
	June D. Speight -								
	0.78125%								
	Elizabeth L. Ehrhart-								
	0.19531%								
	Geneva B. Gardner,								
	Admr. CTA of Est.								
	of Mary C. Beeson-								
	0.19531%								
	Elizabeth S. Bell -								
	0.20616%								
	Estate of Jett								
	Cowden-0.39062%								
	James D. Bradish -								
	0.19531%								
	Continental Nat'l.								
	Bank of Ft. Worth,								
	Guardian of Est. of								
	Ford Bradish, Jr. -								
	0.19532%								
	Helen Swanson-0.38194%								
	Juanita Brants Dacy-								
	0.20617%								
	June D. Speight A/C								
	2 - 0.78125%								

West Dollarhide Drinkard Unit
Exhibit "B" - Page 10

Tract No.	Description of Land	No. of Acres	Serial No. and Lease Date	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage
25 Cont'd.				Julianan Cowden - 2.63889% Elton M. Hyder, Jr - 0.65974%		
	Federal Lands	821.65 Acres			23.25% of Unit Area	
	State Lands	2,111.87 Acres			59.77% of Unit Area	
	Fee Lands	600.00 Acres			16.98% of Unit Area	
	TOTAL	3,533.52 Acres			100.00% of Unit Area	

EXHIBIT "C"

UNIT AGREEMENT
SCHEDULE OF TRACT PARTICIPATION
WEST DOLLARHIDE DRINKARD UNIT
LEA COUNTY, NEW MEXICO

Tract No.	TRACT PARTICIPATION (%)		
	Phase I	Phase II	Phase III
1	0.20922	0.05231	0.17797
2	10.24564	10.48875	10.04427
3	4.79752	5.28622	5.10576
4	0.54318	0.77921	0.60914
5	3.43045	1.72975	3.04279
6	0.88184	0.39934	1.39563
7	0.49068	0.35689	0.71722
8 (a)	0.09077	0.04886	0.11466
(b)	<u>0.50358</u>	<u>0.27109</u>	<u>0.63617</u>
	0.59435	0.31995	0.75083
9 (a)	0.13933	0.18994	0.13275
(b)	<u>0.76979</u>	<u>1.04947</u>	<u>0.73345</u>
	0.90912	1.23941	0.86620
10 (a)	0.10806	0.17550	0.12207
(b)	<u>0.60031</u>	<u>0.97497</u>	<u>0.67815</u>
	0.70837	1.15047	0.80022
11	1.42746	0.81950	1.07269
12	14.16922	13.91421	14.07896
13	13.21853	9.05805	13.34837
14	10.96097	19.40308	14.31710
15	18.11256	21.96047	16.64303
16	8.19712	4.55224	8.99016
17	0.51100	0.31266	0.40994
18	2.46941	2.11354	1.46570
19	0.74186	0.54090	0.38342
20	0.00000	0.00000	0.05381
21	2.86733	2.63118	1.77363
22	0.49689	0.14038	0.43796
23	1.02295	0.87362	1.01836
24	0.32568	0.12298	0.23285
25	<u>2.66865</u>	<u>1.75489</u>	<u>2.26399</u>
TOTAL	100.00000	100.00000	100.00000

Case 4133

WORKING INTEREST OWNERS
WEST DOLLARHIDE DRINKARD UNIT
LEA COUNTY, NEW MEXICO

*Atlantic Richfield Company
(Formerly Sinclair Oil & Gas Company)
Attn: Mr. R. F. Sawyer
P. O. Box 1470
Midland, Texas 79701

Baroid Division
National Lead Company
Attn: Mr. H. L. Richardson, Jr.
P. O. Box 1675
Houston, Texas 77001

Mrs. R. C. Bell
1331 Third Street
New Orleans, Louisiana 70130

Mr. Fred J. Brotherton
185 East Palisade Avenue
Englewood, New Jersey 07631

Mrs. E. W. Chaney
P. O. Box 285
Roswell, New Mexico 88201

Elliott Production Company
P. O. Box 1355
Roswell, New Mexico 88201

Mr. F. O. Elliott
P. O. Box 703
Roswell, New Mexico 88201

Featherstone Farms, Ltd.
Petroleum Building
Roswell, New Mexico 88201

Miss Aileen Gardner
127 LeRoy Place
San Francisco, California 94109

Gulf Oil Corporation
Attn: District Production Manager
P. O. Box 1938
Roswell, New Mexico 88201

Mr. Ora R. Hall, Jr.
P. O. Box 1754
Roswell, New Mexico 88201

Mr. W. E. Irwin
3700 Bellaire Drive North
Fort Worth, Texas 76109

Mr. J. D. Kennedy
2017 Continental Nat'l. Bank Bldg.
Fort Worth, Texas 76102

Mr. Gus Layton
1714 Commerce Building
Fort Worth, Texas 76102

Ralph Lowe Estate
Attn: Mr. J. A. O'Neill
P. O. Box 832
Midland, Texas 79701

Mr. J. C. Maxwell
2017 Continental Nat'l. Bank Bldg.
Fort Worth, Texas 76102

Marilyn Maxwell Trust
2017 Continental Nat'l. Bank Bldg.
Fort Worth, Texas 76102

Mr. George A. Meihaus, Jr.
P. O. Box 400
Arlington, Texas 76010

Pan American Petroleum Corporation
Attn: Mr. B. A. Landis, Jr.
Mr. K. W. Bolt
P. O. Box 1410
Fort Worth, Texas 76101

Reading & Bates, Inc.
11th Floor, Philtower Building
Tulsa, Oklahoma 74103

**Skelly Oil Company
Attn: Mr. J. R. Teel
P. O. Box 1650
Tulsa, Oklahoma 74102

James H. Snowden Estate
2104 Continental Life Bldg.
Fort Worth, Texas 76102

Sunshine Royalty Company
P. O. Box 1355
Roswell, New Mexico 88201

Texaco Inc.
Attn: Mr. R. D. Rawdon
P. O. Box 3109
Midland, Texas 79704

* Also owns royalty interest.

** Also owns overriding royalty interest.

ROYALTY INTEREST OWNERS
WEST DOLLARHIDE DRINKARD UNIT
LEA COUNTY, NEW MEXICO

Lester Alston
Box 1595
Lovington, New Mexico

Addie L. Augustine
Box 423
Sterling City, Texas

Elizabeth S. Bell
3308 Covert Avenue
Fort Worth, Texas

Ernest B. Blake
72-B Calle Aragon
Laguna Hills, California 92651

Joseph C. Blake
516 Macomb
El Reno, Oklahoma

Daisy D. Blankenship
2103 First National Building
Oklahoma City, Oklahoma

James O. Bradish
5612 West 79 Street
Prarie Village, Kansas

Constance E. Byers
209 West Gate Building
1122 Colorado Street
Austin, Texas 78701

Robert E. Byers
212 Austin National Bank Bldg.
Austin, Texas 78701

Ronald J. Byers
209 Westgate Building
1122 Colorado Street
Austin, Texas 78701

Anderson Carter
Box 725
Lovington, New Mexico

Effie Carter
Box 1296
Roswell, New Mexico

Powhatan Carter, Jr.
Box 328
Fort Sumner, New Mexico

The City National Bank
Mineral Wells, Texas

Georgia Lee Clarke
Box 70
Oklahoma City, Oklahoma 73101

Georgia Lee Clarke
Box 70
Oklahoma City, Oklahoma 73101

Continental National Bank of
Fort Worth
Guardian of Estate of
Ford Bradish, Jr.
c/o Trust Department
P. O. Box 910
Fort Worth, Texas 76101

*Hugh Corrigan III
Station 1, Drawer HC
Vero Beach, Florida 32960

*J. Patrick Corrigan
Station 1, Drawer CR
Vero Beach, Florida 32960

Jett Cowden Estate
P. O. Box 305
Jal Ranch
Alvarado, Texas 76009

Juanita Brants Dacy
Route 5, Box 197
Fort Worth, Texas 76116

C. S. Daley

Myrtle L. Davis
3324 Eastman Drive
Oklahoma City, Oklahoma 73112

H. M. Dow
Box 10
Roswell, New Mexico

Margaret R. Ellison
c/o Ellison & Holmes
701 First National Building
Oklahoma City, Oklahoma 73102

Elizabeth L. Ehrhart
3014 East 6 Street
Tucson, Arizona

Roy F. Faskin
1409 North Pennsylvania
Oklahoma City, Oklahoma

Ida Harriett Fellers
Box 365
San Jon, New Mexico

Geneva B. Gardner, Administratrix
of Estate of Mary C. Beeson
Box 931
Roswell, New Mexico

* Also owns overriding royalty interest.

Royalty Interest Owners
West Dollarhide Drinkard Unit
Page Two

Kate G. Gilbert
411 South Missouri Avenue
Roswell, New Mexico

Carrie Ellen Thomas Hair
12531 Old River School Road
Downey, California 90242

R. W. Hamilton
2206 Woodmont
Austin, Texas

R. F. Imbt
4218 Kenwood Court
Fort Worth, Texas

Mrs. Elizabeth R. Lamb
125 Riverside Drive
Greenwood, Mississippi

Ervin J. Levers
Box 1691
Roswell, New Mexico 88201

Forest E. Levers
Box 1691
Roswell, New Mexico 88201

Harrison Levy, Executor of
Estate of Harry Levy
709 Mercantile Building
30 North Hudson Street
Oklahoma City, Oklahoma 73102

Paul and Martha Lyon
Geary, Oklahoma

Eugenia Hill Maxwell
2017 Continental National Bank Bldg.
Fort Worth, Texas 76102

J. B. McGhee
c/o Trust Department
First National Bank
Santa Fe, New Mexico

Beverly B. Nelson
2534 South Evanston
Tulsa, Oklahoma 74114

Joseph Nelson

Veva K. Nelson
2412 Argosy Way
Hollywood, California

State of New Mexico
Commissioner of Public Lands
Santa Fe, New Mexico

Tom A. Peays
Robert Lee, Texas

Rocket Oil & Gas Company
Attn: Mr. Stanley Singer
Philtower Building
Tulsa, Oklahoma 74103

Ada Mae Hair Rosebrough
3105 Pontiac
Farmington, New Mexico 87401

Royalty Holding Company
4540 N. W. 10th Street
Oklahoma City, Oklahoma 73107

H. Dillard Schenck
Box 1225
Lovington, New Mexico

J. E. Simmons
Box 548
Lovington, New Mexico

Jean Simmons Shipley
Box 548
Lovington, New Mexico

Earle M. Simon
2705 N. W. 25 Street
Oklahoma City, Oklahoma 73107

**Atlantic Richfield Company
(Formerly Sinclair Oil & Gas
Company)
P. O. Box 521
Tulsa, Oklahoma 74102

June D. Speight
Drawer 1687
Lovington, New Mexico

June D. Speight A/C
Drawer 1687
Lovington, New Mexico

Georgia L. Stephen
1507 East 17 Street
Odessa, Texas

Helen Swanson
1110 Chestnut Street
Chico, California

United States Geological Survey
Roswell, New Mexico

Fern Vance
1513 Grand Avenue
Fort Worth, Texas 76106

Leslie E. Vance
2516 Fairway Drive
Fort Worth, Texas 76119

Neva Vance
3312 Creston Avenue
Fort Worth, Texas 76115

** Also owns working interest.

Royalty Interest Owners
West Dollarhide Drinkard Unit
Page Three

Rex B. Vance
P. O. Box 105
Granbury, Texas 76048

Elmer H. Wahl
6 Oakwood Drive
Oklahoma City, Oklahoma 73111

Mrs. Hattie C. Williams
3208 - 29th Street
Lubbock, Texas

A. W. Wuestenberg
2841 N. W. 17 Street
Oklahoma City, Oklahoma

OVERRIDING ROYALTY INTEREST OWNERS
WEST DOLLARHIDE DRINKARD UNIT
LEA COUNTY, NEW MEXICO

Albuquerque National Bank
Testamentary Trustee of
Frank A. Andrews
Albuquerque, New Mexico

Mrs. Selma E. Andrews
Agency No. 1335
c/o Trust Department
Republic National Bank of Dallas
P. O. Box 241
Dallas, Texas 75221

R. S. Chancellor
P. O. Box 391
Midland, Texas

Lillian H. Coll, Individually
and as Executrix and Trustee
under will of M. W. Coll
P. O. Box 919
Roswell, New Mexico

W. B. Collins
P. O. Box 271
Midland, Texas

*Hugh Corrigan III
Station 1, Drawer HC
Vero Beach, Florida 32960

*J. Patrick Corrigan
Station 1, Drawer CR
Vero Beach, Florida 32960

F. Ferrell Davis 1967 Trust
c/o The First Nat'l. Bank of Midland
Attn: Mr. R. L. Noah
P. O. Box 270
Midland, Texas 79701

First National Bank of Denver
Testamentary Trustee of Estate
of Josephine M. Smith
P. O. Box 5590 TA
Denver, Colorado 80217

First National Bank of Denver
Trustee of Estate of Charles T. Lupton
P. O. Box 5590 TA
Denver, Colorado 80217

Fort Worth Nat'l. Bank
Trustee Magruder
Fort Worth National Bank Bldg.
Fort Worth, Texas

Harold Everett Hults
3030 Westcliff Road South
Fort Worth, Texas

Helen M. Kolliker
3812 Hillcrest Drive
El Paso, Texas

John M. Loffland, Jr.
261 Rowan Building
Fort Worth, Texas 76116

Mrs. Myrtle A. Martin
Box 362
Richardson, Texas

Roger B. Owings
1814 Fair Building
Fort Worth, Texas

Gracean M. Pedley
115 McGoodwin Avenue
Princeton, Kentucky

T. A. Pedley, Jr.
4025 East 22 Avenue
Denver, Colorado

Neville G. Penrose
Fair Building
Fort Worth, Texas

Petroleum Land & Royalty Syndicate
c/o Hyman L. Battle, Jr. Trustee
Old Orchard Road, Washington Valley
Morristown, New Jersey 07960

**Skelly Oil Company
Attn: Mr. J. R. Teel
P. O. Box 1650
Tulsa, Oklahoma 74102

Fred B. & Julliette M. Turner
Box 910
Midland, Texas

Effie E. Valentine
Attn: Trust Department
International Trust Company
Denver, Colorado

The W. K. Warren Foundation
P. O. Box 1589
Tulsa, Oklahoma 74101

* Also owns royalty interest.

** Also owns working interest.

PROPOSED DOLLARHIDE DRINKARD UNIT

ELLIOTT & ELLIOTT, INC.
Federal "H" Well No. 7
480' FNL & 1650' FEL, Section 31, T 24 S, R 38 E
Lea County, New Mexico

Elevation: 3136 D.F.

Top Cement @ 2990'

10 3/4" Csg. Set @ 208'
Cmt. W/150 Sks. Circ.

7 5/8" Csg. Set @ 3020'
W/450 Sks. Circ.

Top Tubb 5976'

2 3/8" Tubing, Internally
Coated

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. _____
CASE NO. _____

Top Drinkard 6306'

Double Grip Packer
@ approx. 6350'

5 1/2" Csg. Set @ 6400'
W/400 Sks.

6400'

6521' Openhole

T.D. 6521'

SKELLY OIL CO.

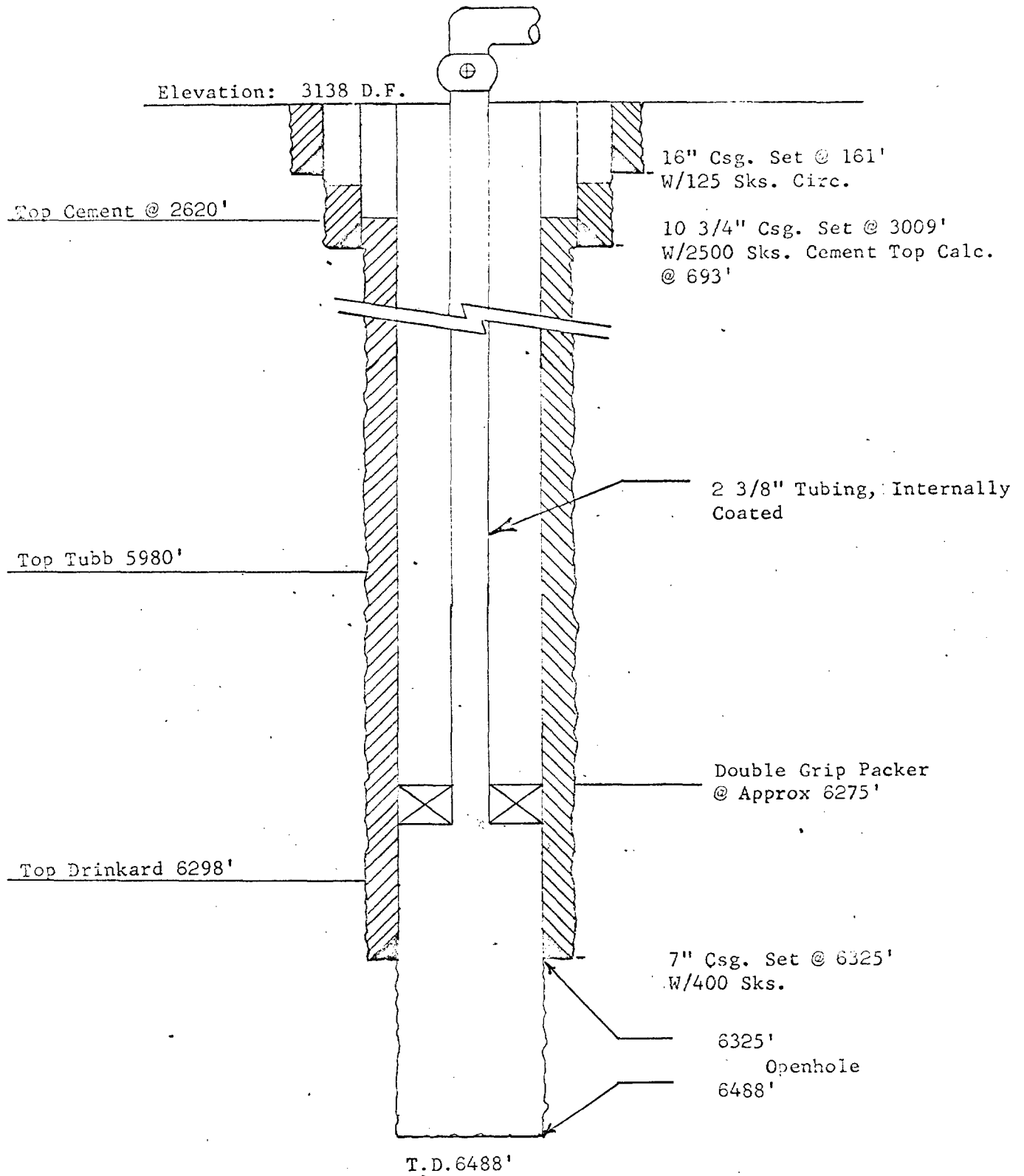
EXHIBIT NO. F

DOCKET OR
CASE NO. 4134

DATE 5/21/69

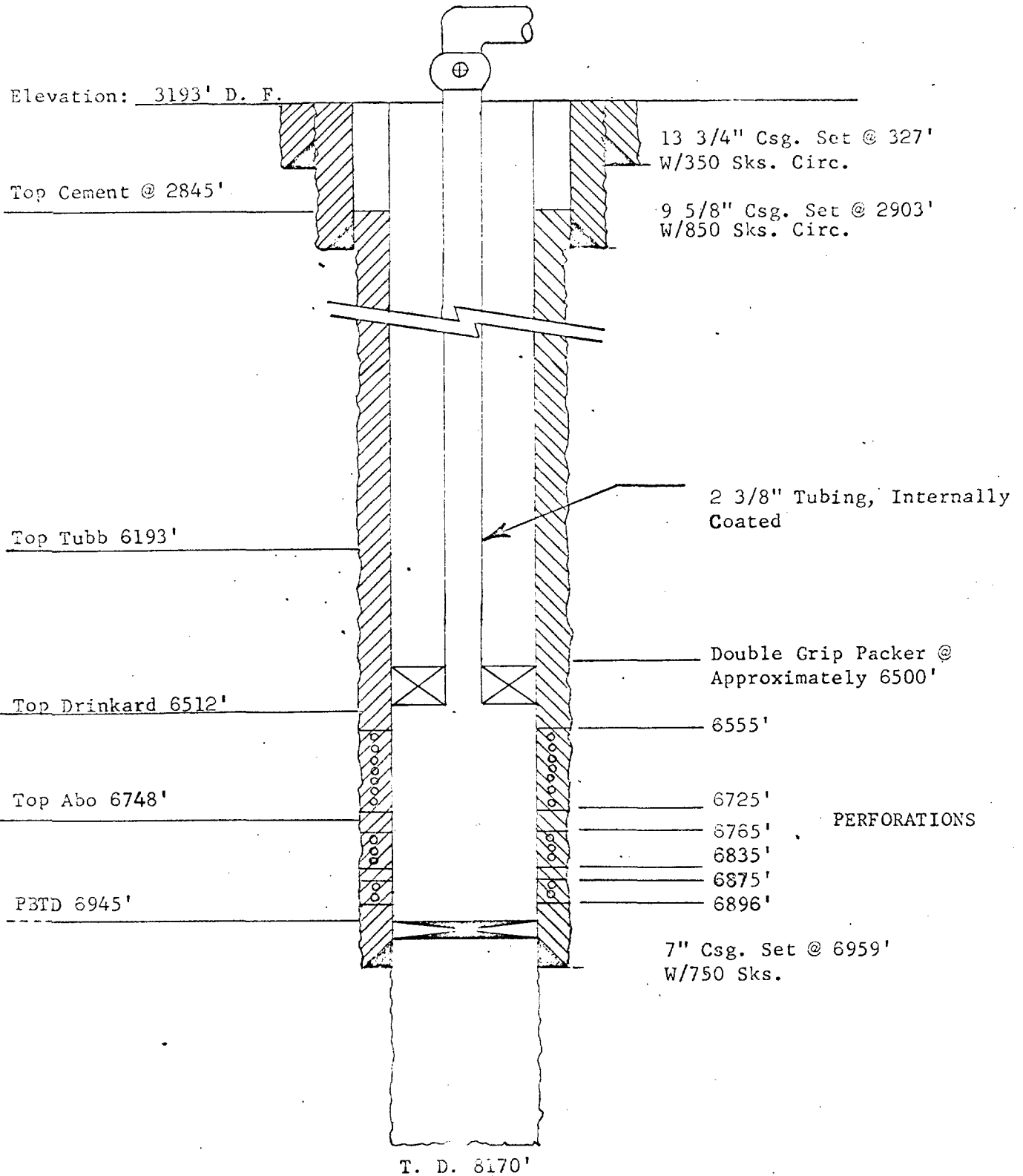
PROPOSED DOLLARHIDE DRINKARD UNIT

ELLIOTT AND HALL
ELLIOTT "R" WELL NO. 1
2310' FNL & 330' FEL, Section 31-24S-38E
Lea County, New Mexico



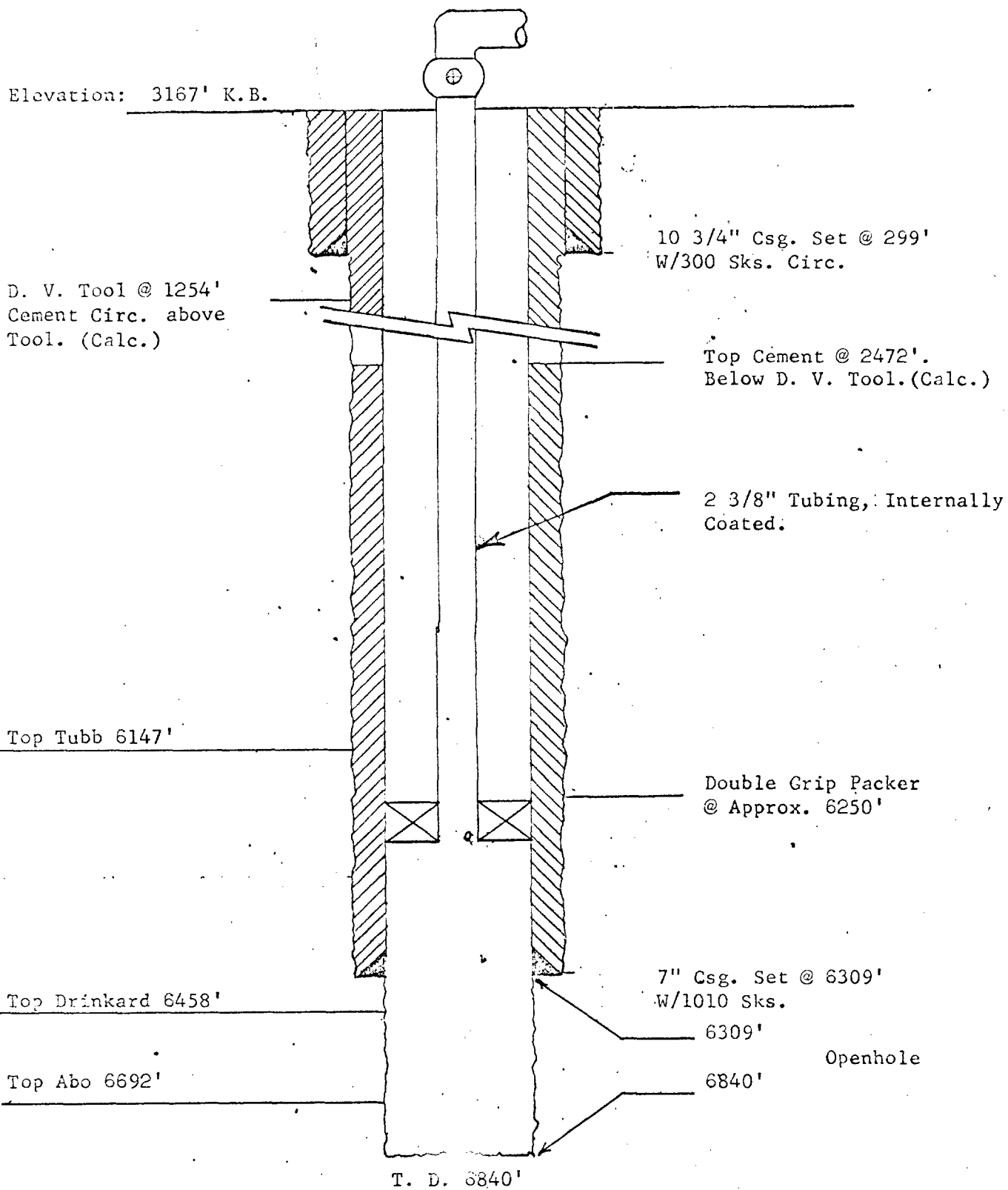
PROPOSED DOLLARHIDE DRINKARD UNIT

GULF OIL CORPORATION
LEONARD "G" WELL NO. 11
990' FNL & 990' FWL, Section 33-24 S- 38 E
Lea County, New Mexico



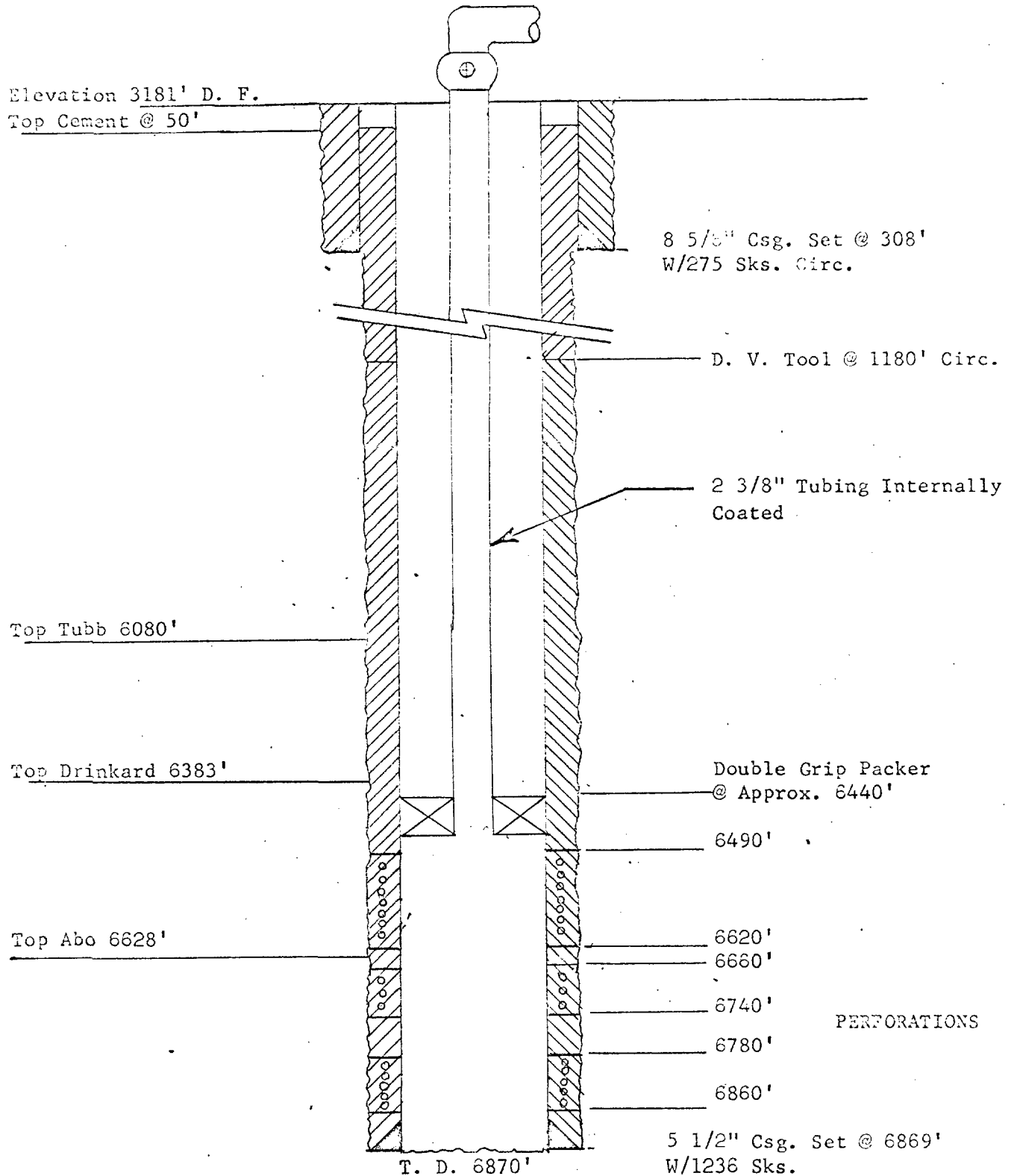
PROPOSED DOLLARHIDE DRINKARD UNIT

GULF OIL CORPORATION
LEONARD "G" WELL NO. 12
1980' FNL & 630' FEL, Section 4, T 25 S, R 38 E
Lea County, New Mexico



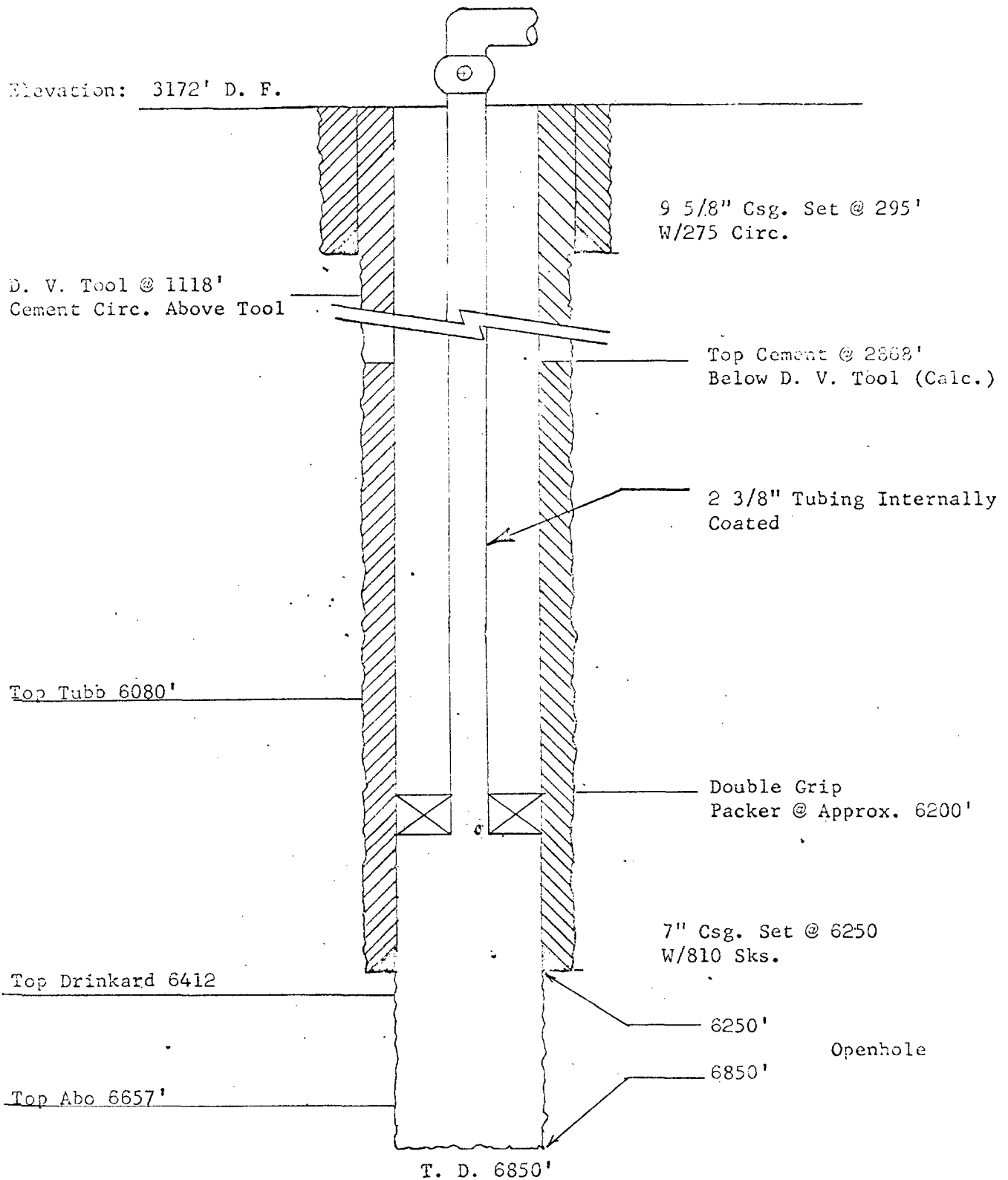
PROPOSED DOLLARHIDE DRINKARD UNIT

GULF OIL CORPORATION
LEONARD "G" WELL NO. 14
1980' FSL & 660' FWL, Section 33, T 24 S, R 38 E
Lea County, New Mexico



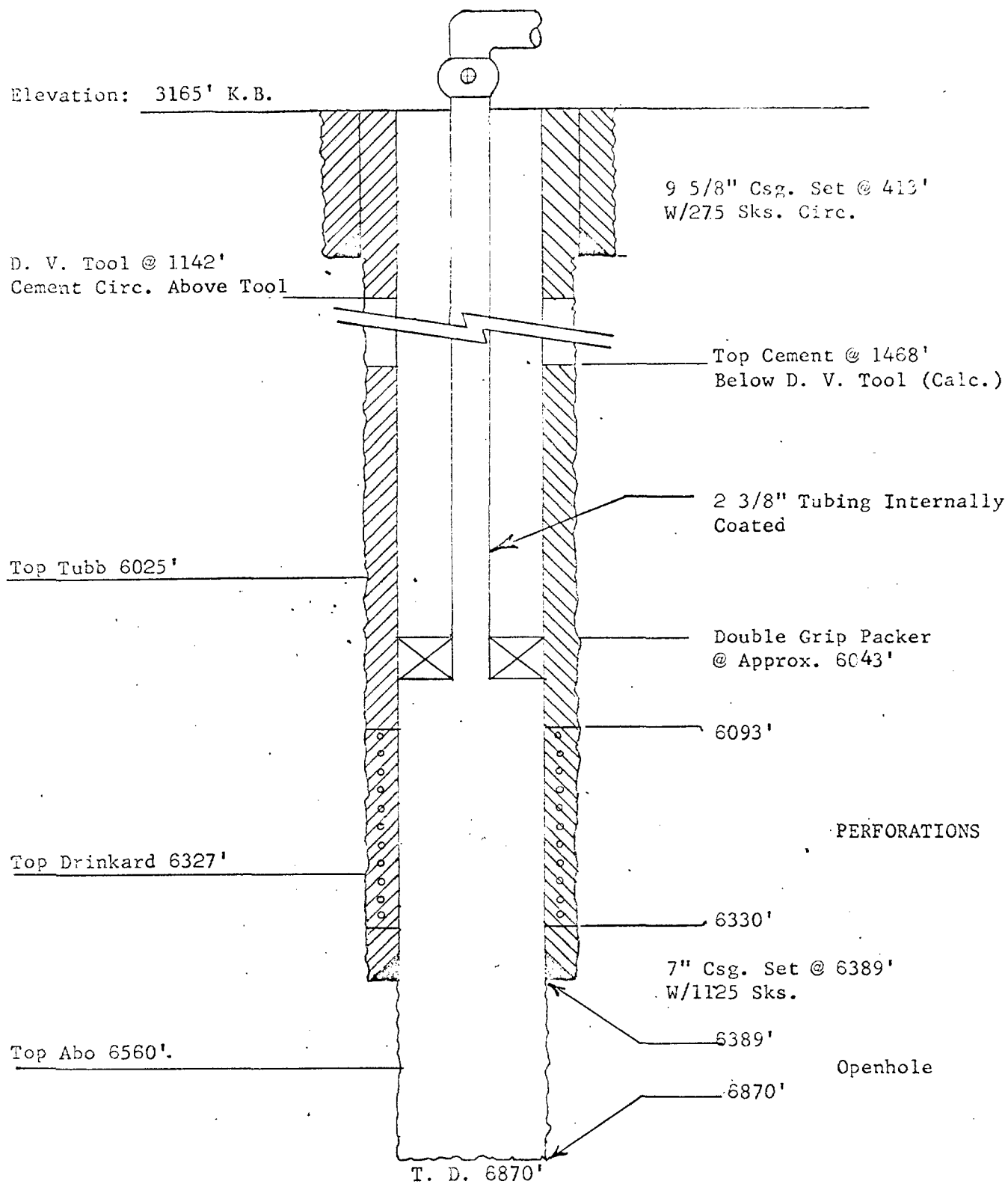
PROPOSED DOLLARHIDE DRINKARD UNIT

GULF OIL CORPORATION
LEONARD "G" WELL NO. 15
560' FSL & 781' FEL, Section 33, T 24 S, R 38 E
Lea County, New Mexico



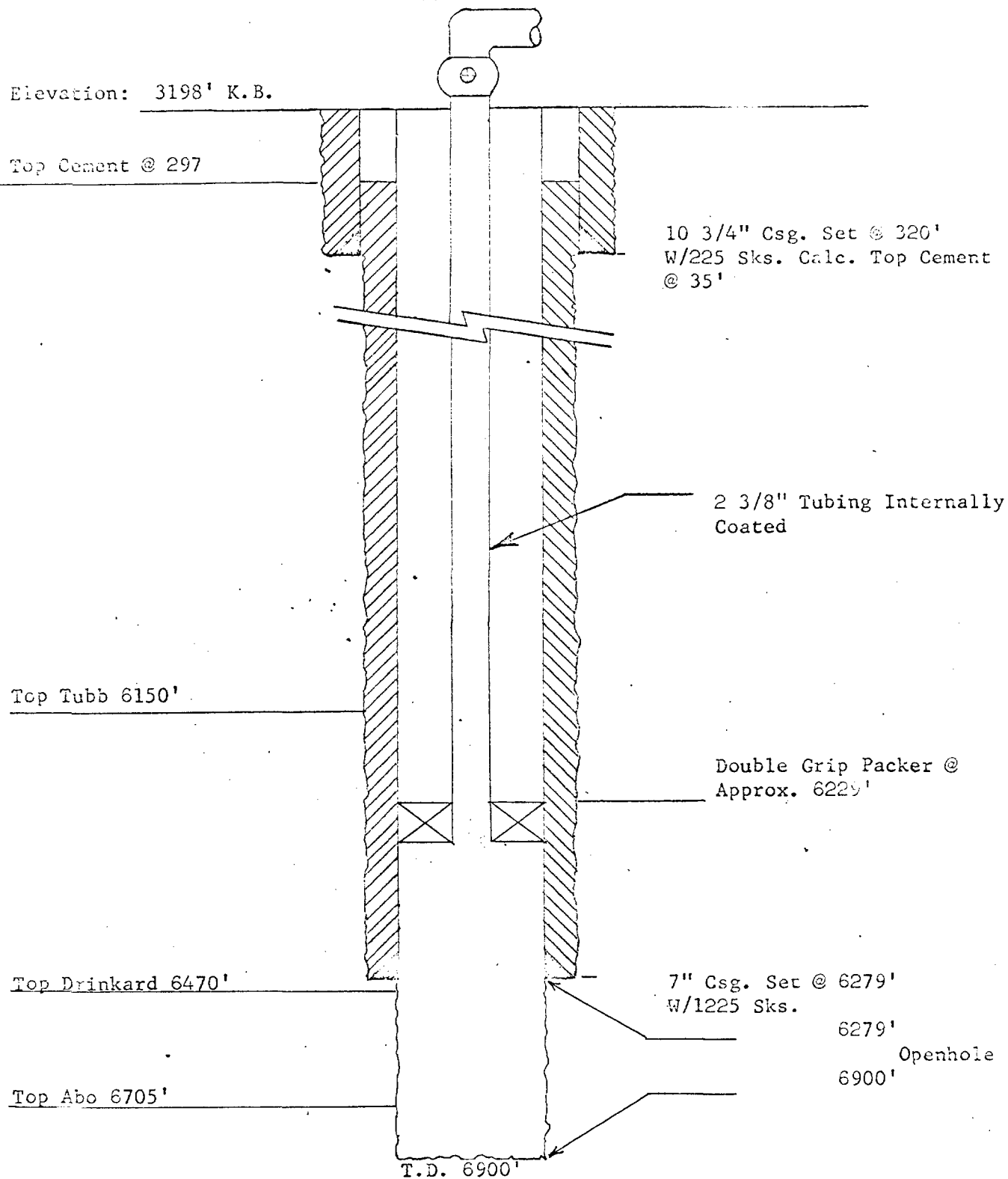
PROPOSED DOLLARHIDE DRINKARD UNIT

GULF OIL CORPORATION
LEONARD "G" WELL NO. 19
990' FNL & 330' FWL, Section 4, T 25 S, R 38 E
Lea County, New Mexico



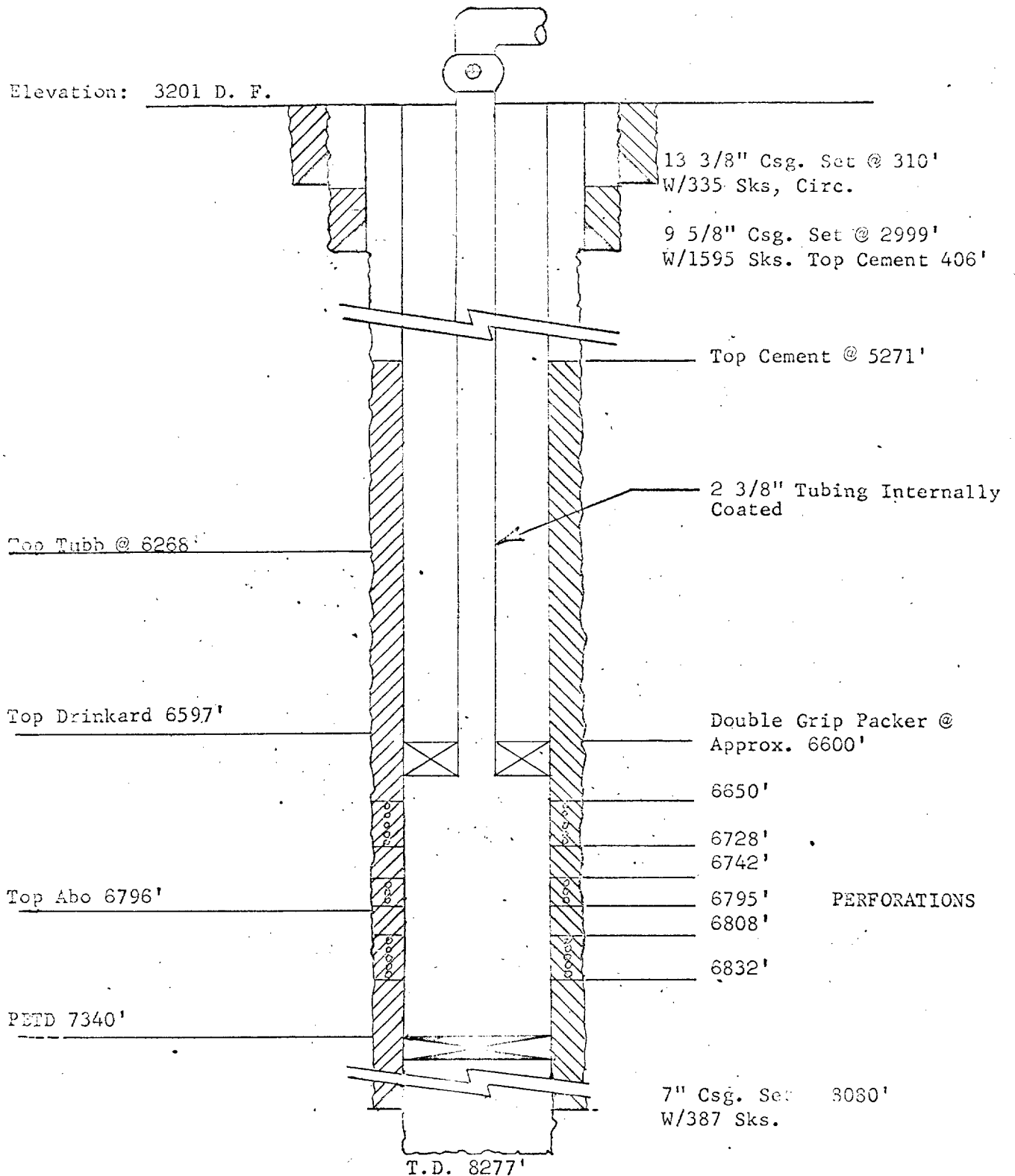
PROPOSED DOLLARHIDE DRINKARD UNIT

GULF OIL CORPORATION
LEONARD "I" WELL NO. 2
629' FEL & 1980' FNL, Section 33, T 24 S, R 38 E
Lea County, New Mexico



PROPOSED DOLLARHIDE DRINKARD UNIT

GULF OIL CORPORATION
W. A. RAMSAY "D" WELL NO. 2
660' FSL & 779' FEL, Section 28, T 24 S, R 38 E
Lea County, New Mexico

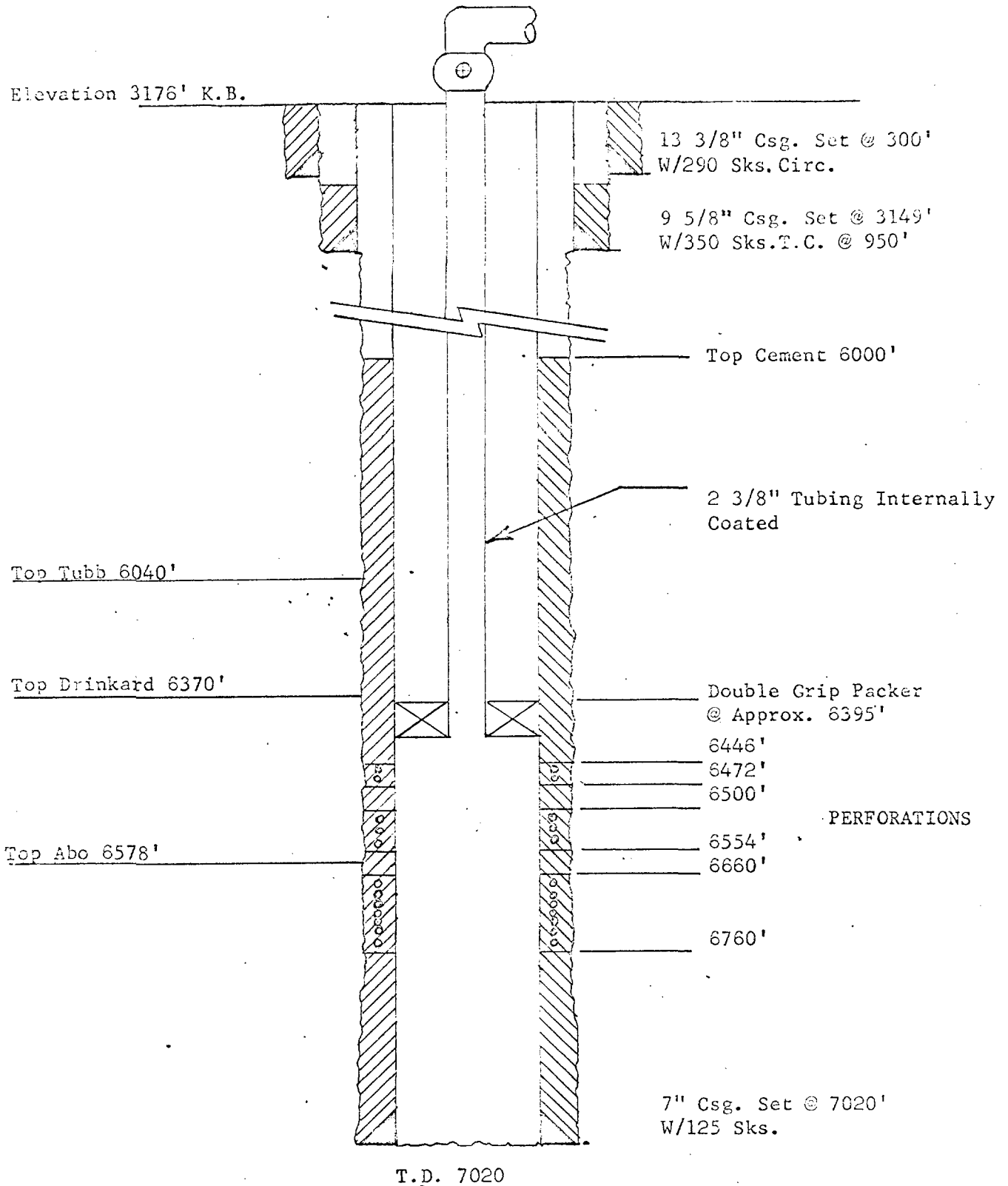


RALPH LOWE
F. HAIR WELL NO. 1
1980' FNL & 1980' FWL, Section 30, T 24 S, R 38 E
Lea County, New Mexico

T.D. 6626'

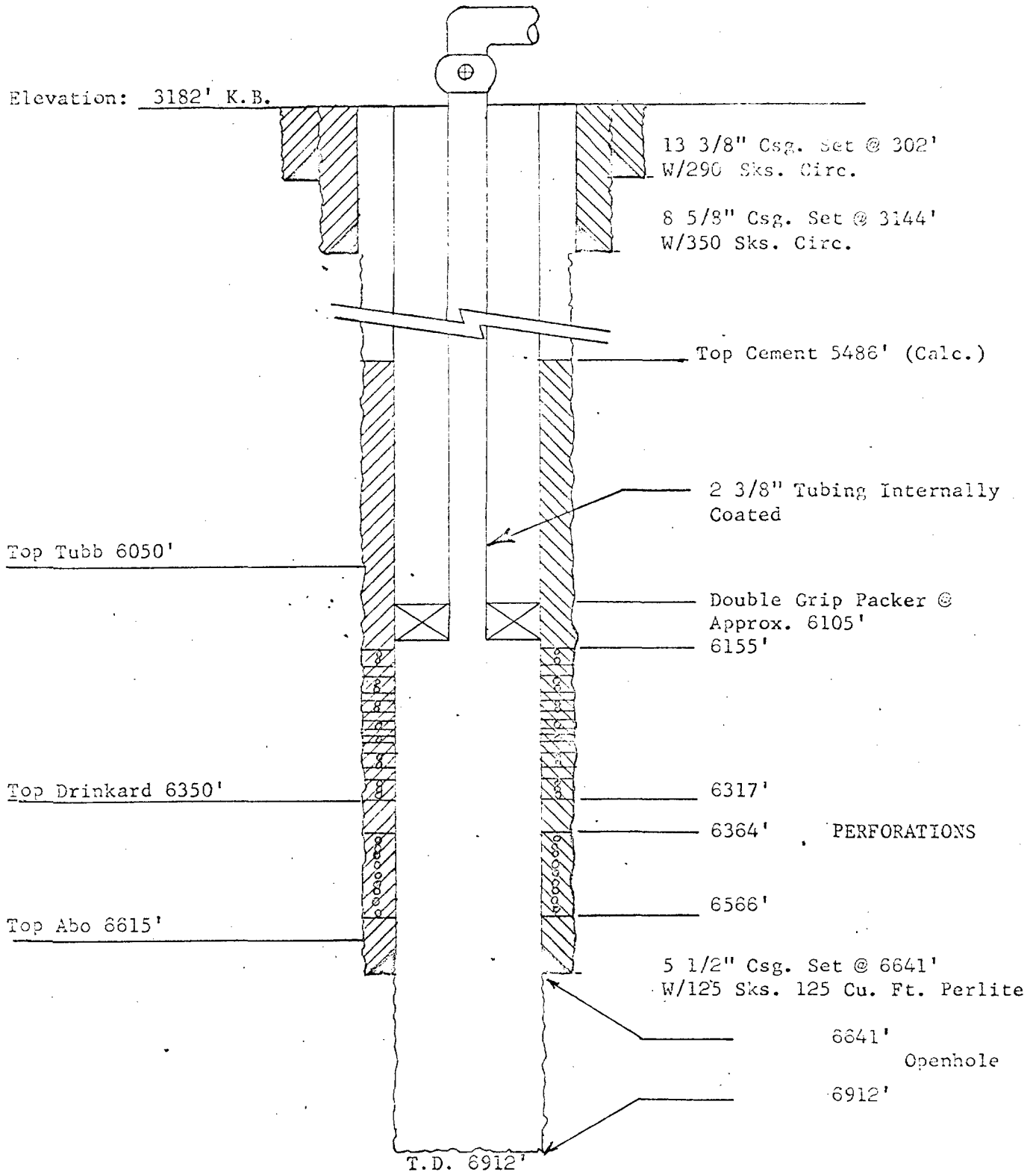
PROPOSED DOLLARHIDE DRINKARD UNIT

PAN AMERICAN PETROLEUM CORPORATION
 STATE "Y" WELL NO. 6
 660' FNL & 660' FWL, Section 32, T 24 S, R 38 E
 Lea County, New Mexico



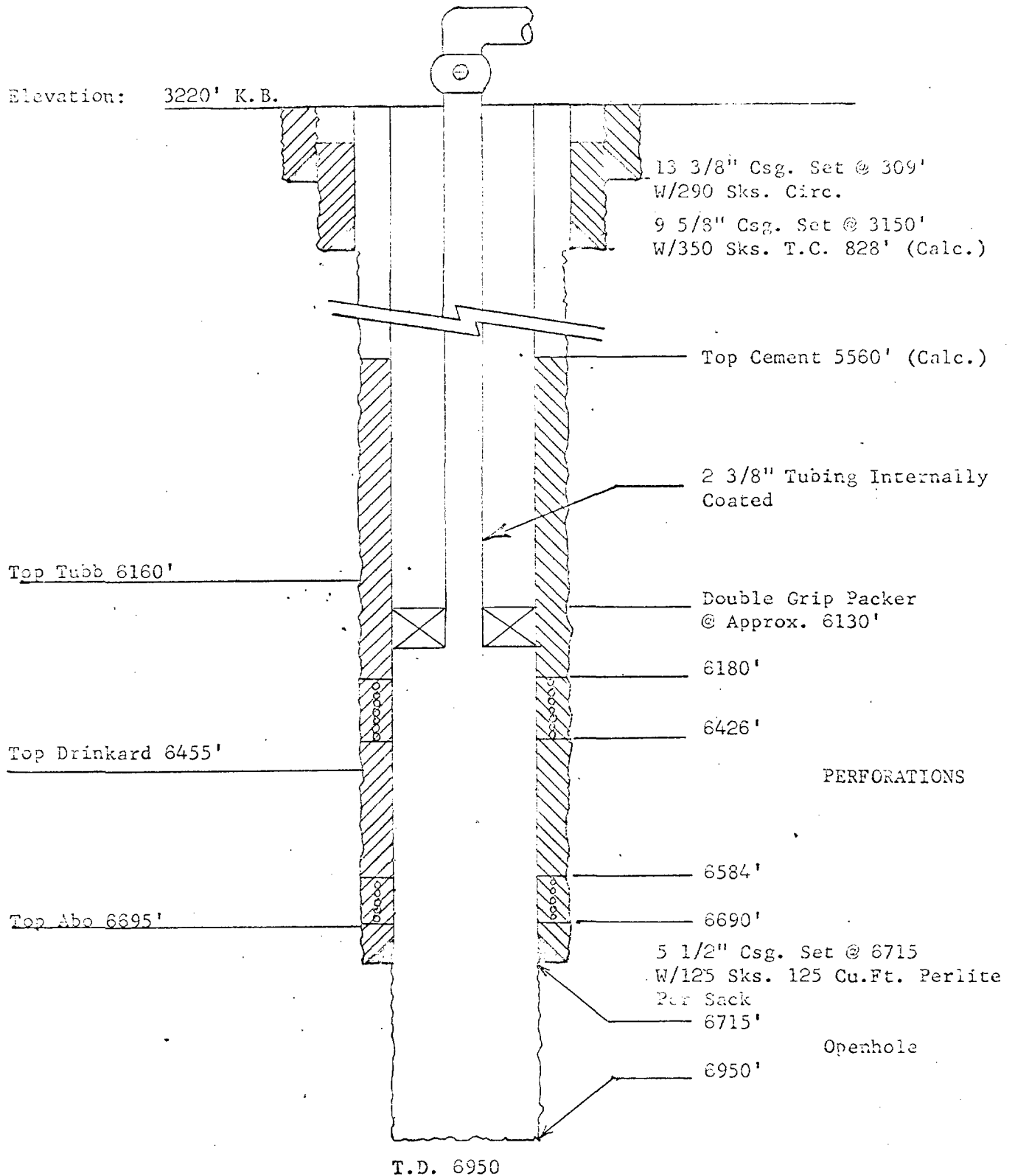
PROPOSED DOLLARHIDE DRINKARD UNIT

PAN AMERICAN PETROLEUM CORPORATION
 STATE "Y" WELL NO. 8
 2310' FNL & 1980' FWL, Section 32, T 24 S, R 38 E
 Lea County, New Mexico



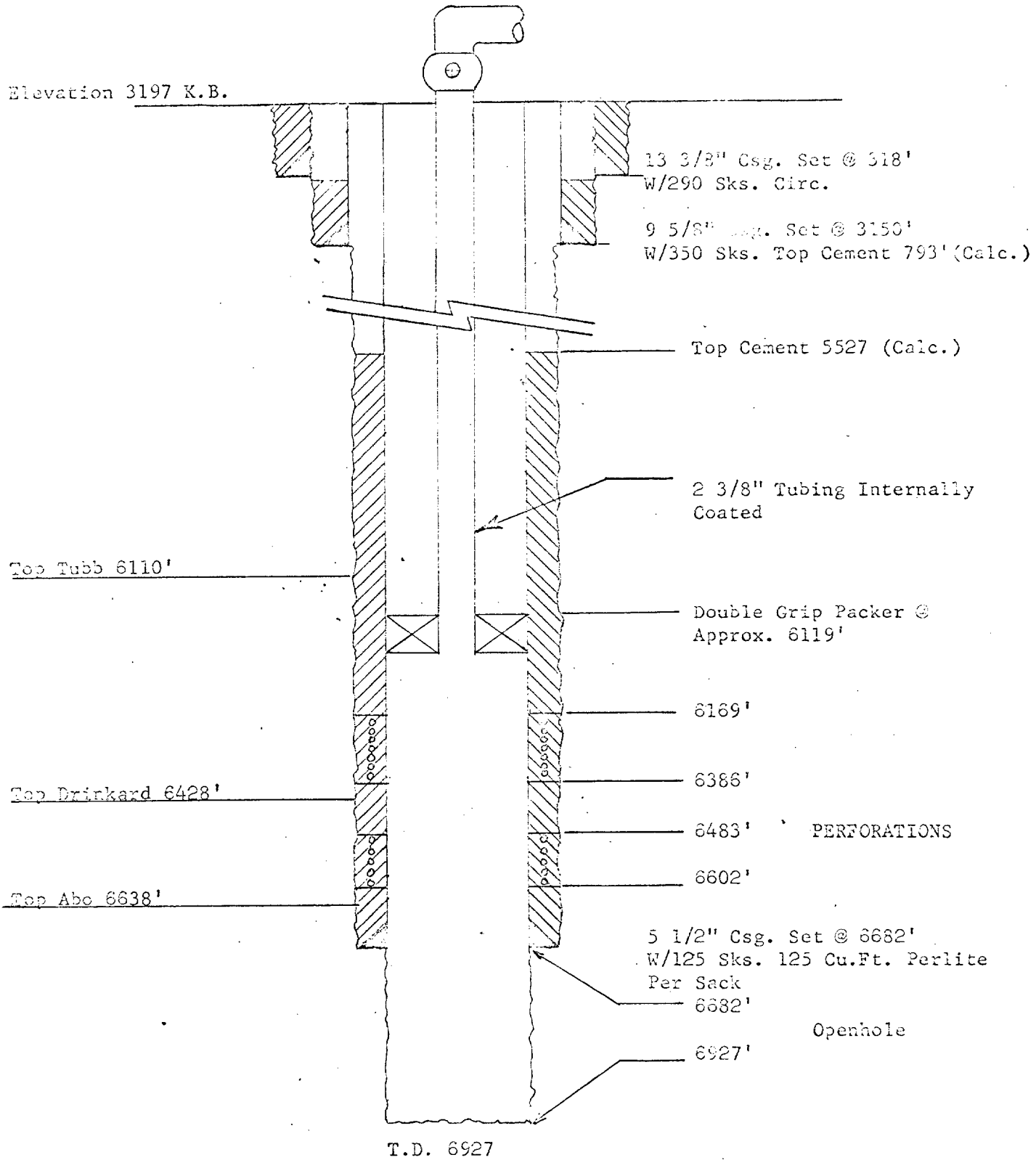
PROPOSED DOLLARHIDE DRINKARD UNIT

PAN AMERICAN PETROLEUM CORPORATION
 STATE "Y" WELL NO. 10
 660' FNL & 1980' FEL, Section 32, T 24 S, R 38 E
 Lea County, New Mexico



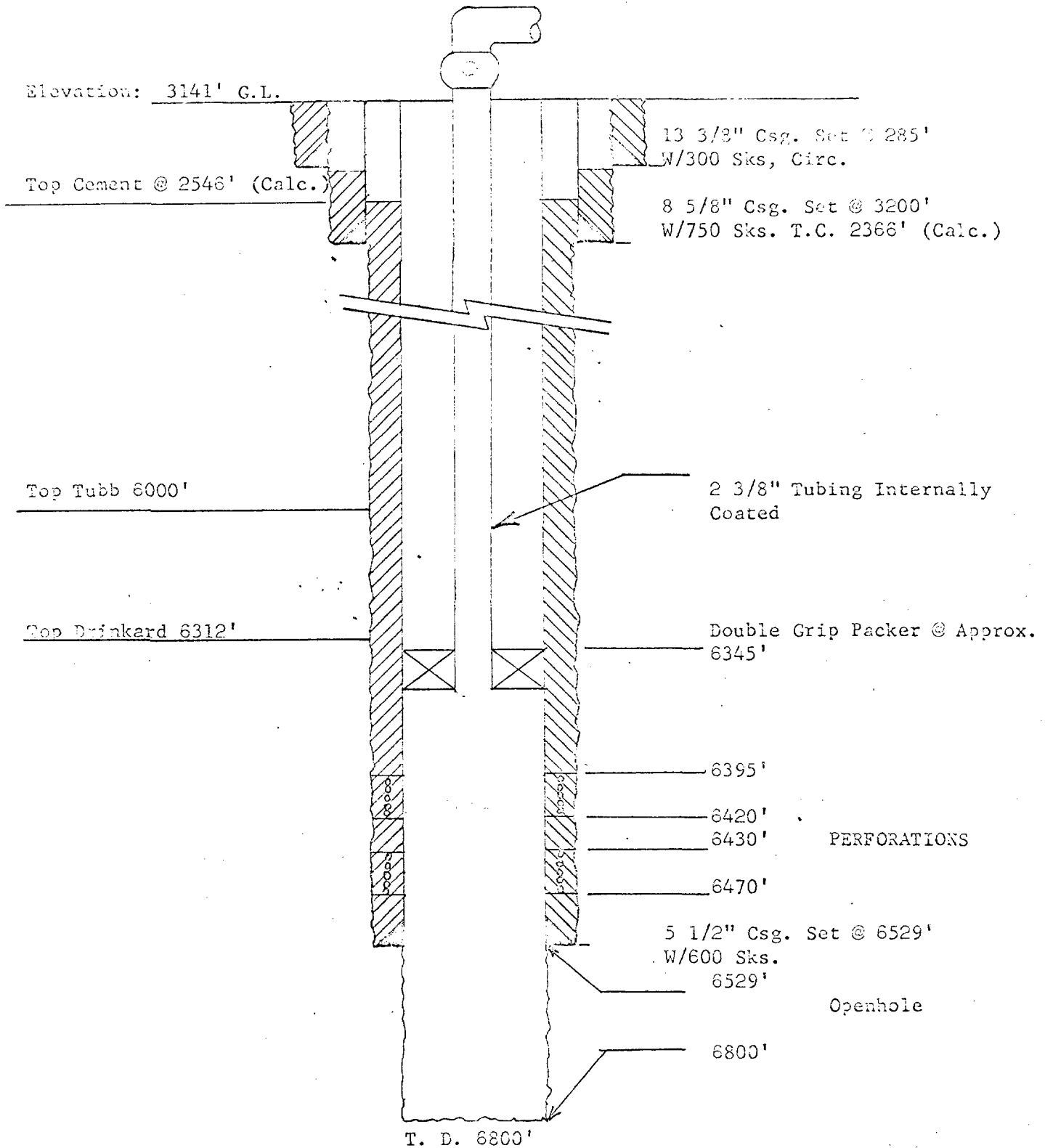
PROPOSED MELLARHIDE DRINKARD UNIT

PAN AMERICAN PETROLEUM CORPORATION
 STATE "Y" WELL NO. 11
 2310' FNL & 660' FEL, Section 32, T 24 S, R 38 E
 Lea County, New Mexico



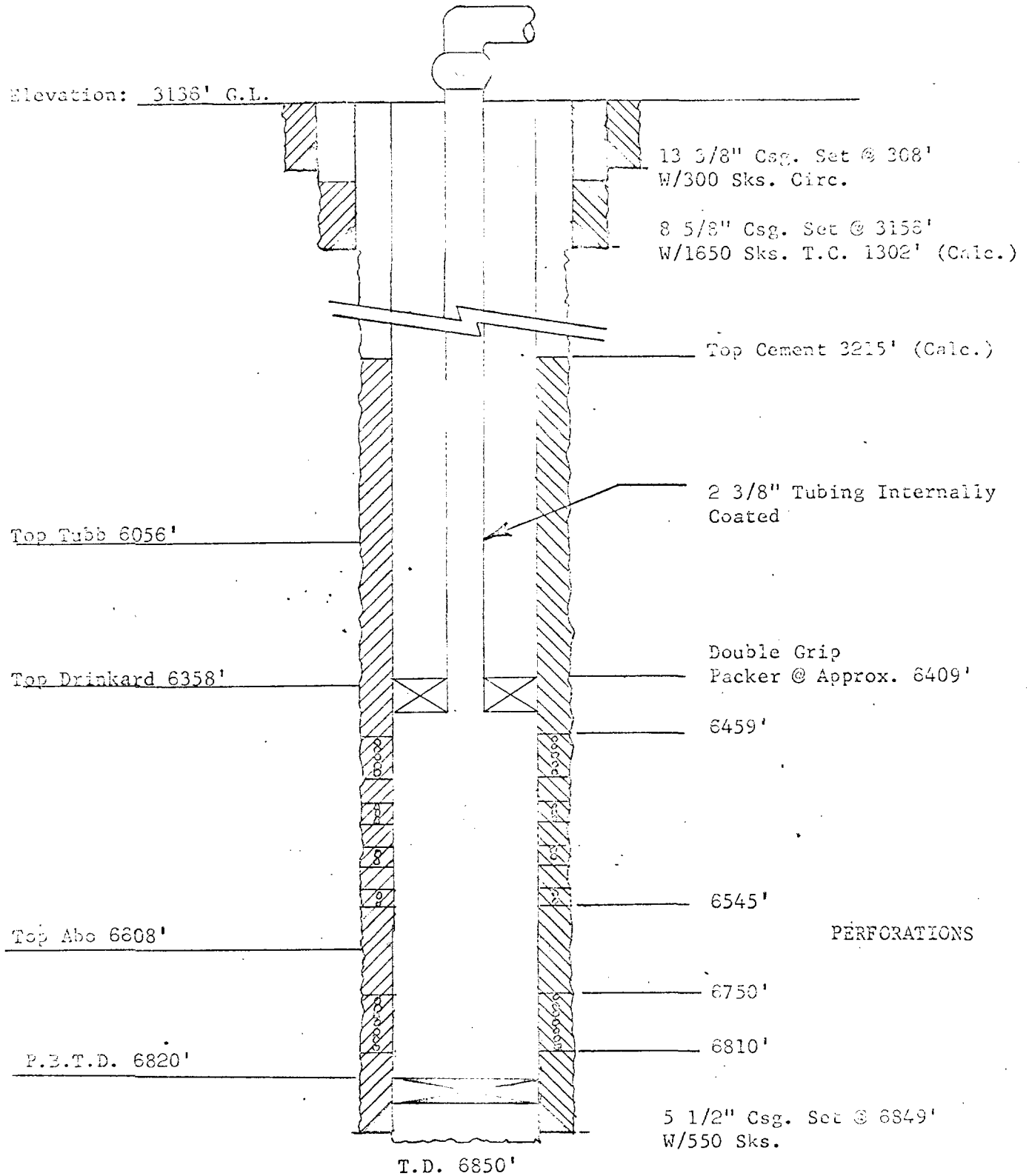
PROPOSED DOLLARIDE DRINKARD UNIT

SINCLAIR OIL CORPORATION
J. H. MC CLURE WELL NO. 1
330' FSL & 990' FEL, Section 30, T 24 S, R 38 E
Lea County, New Mexico



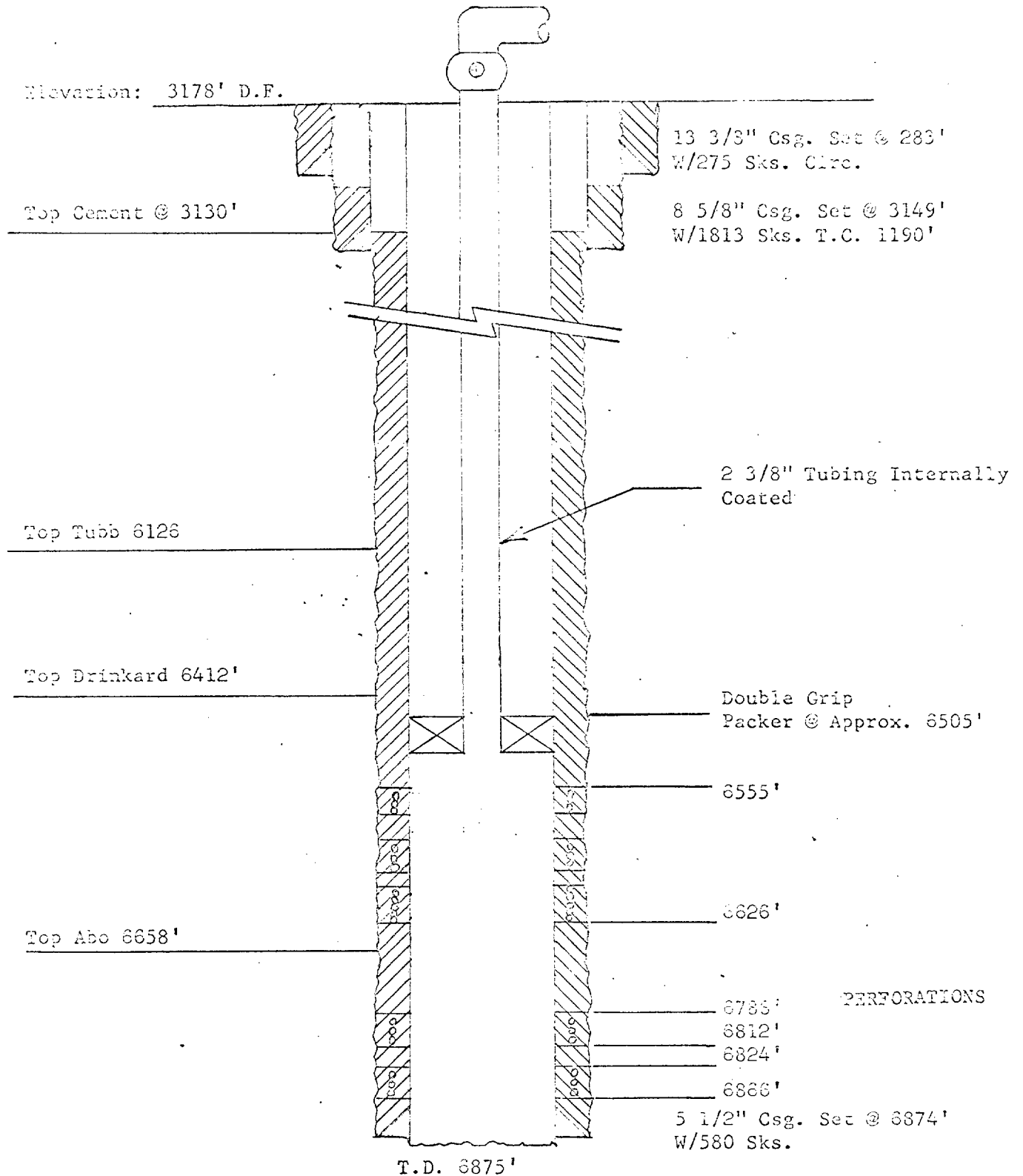
PROPOSED DOLLARHIDE DRINKARD UNIT

SINCLAIR OIL CORPORATION
J. H. MC CLURE WELL NO. 5
1650' FSL & 1980' FEL, Section 30- T 24 S, R 38 E
Lea County, New Mexico



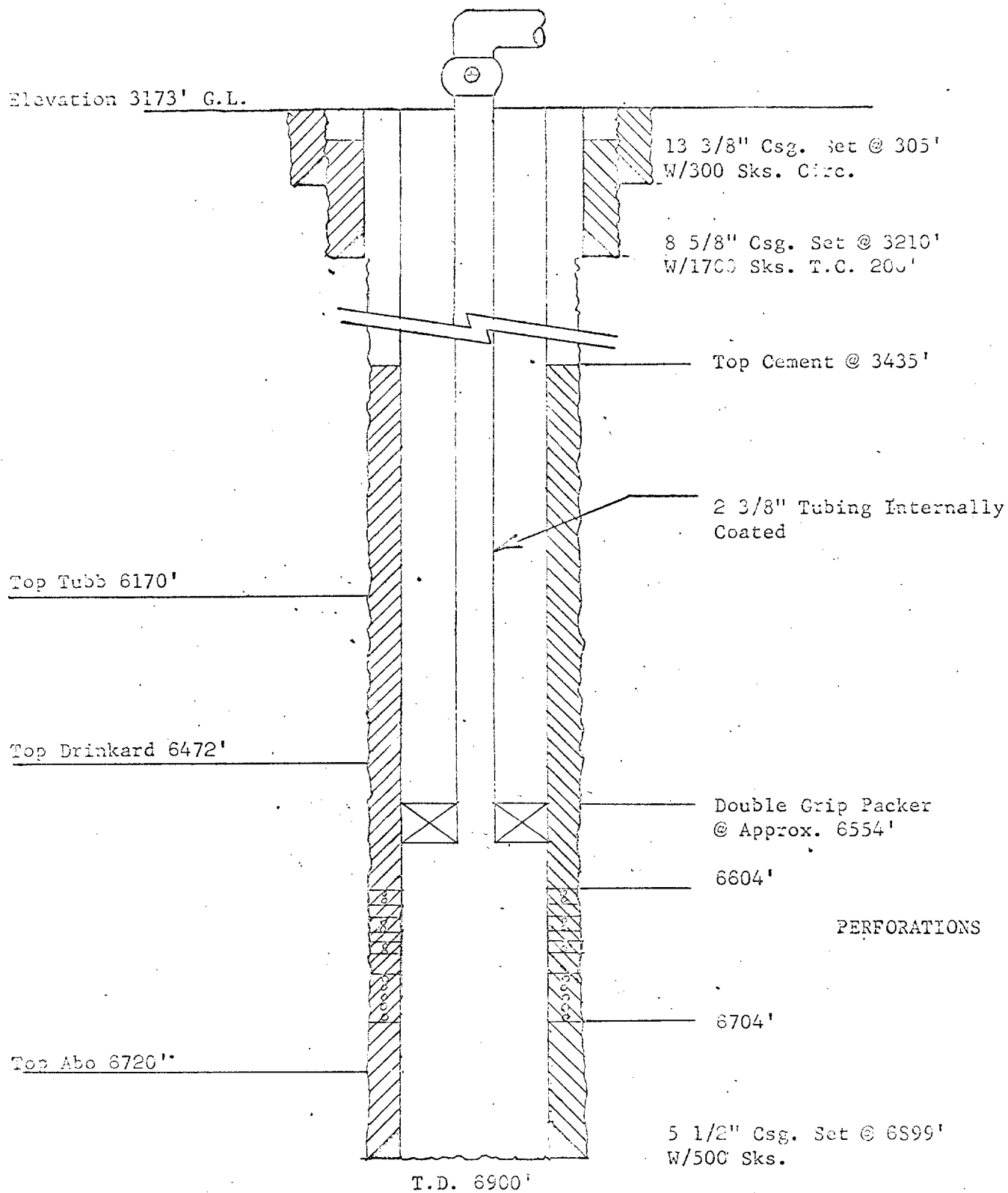
PROPOSED DOLLARHIDE DRINKARD UNIT

SINCLAIR OIL CORPORATION
J.H. Mc CLURE WELL NO. 8
2310' FNL & 660' FEL, Section 30, T 24 S, R 35 E
Lea County, New Mexico



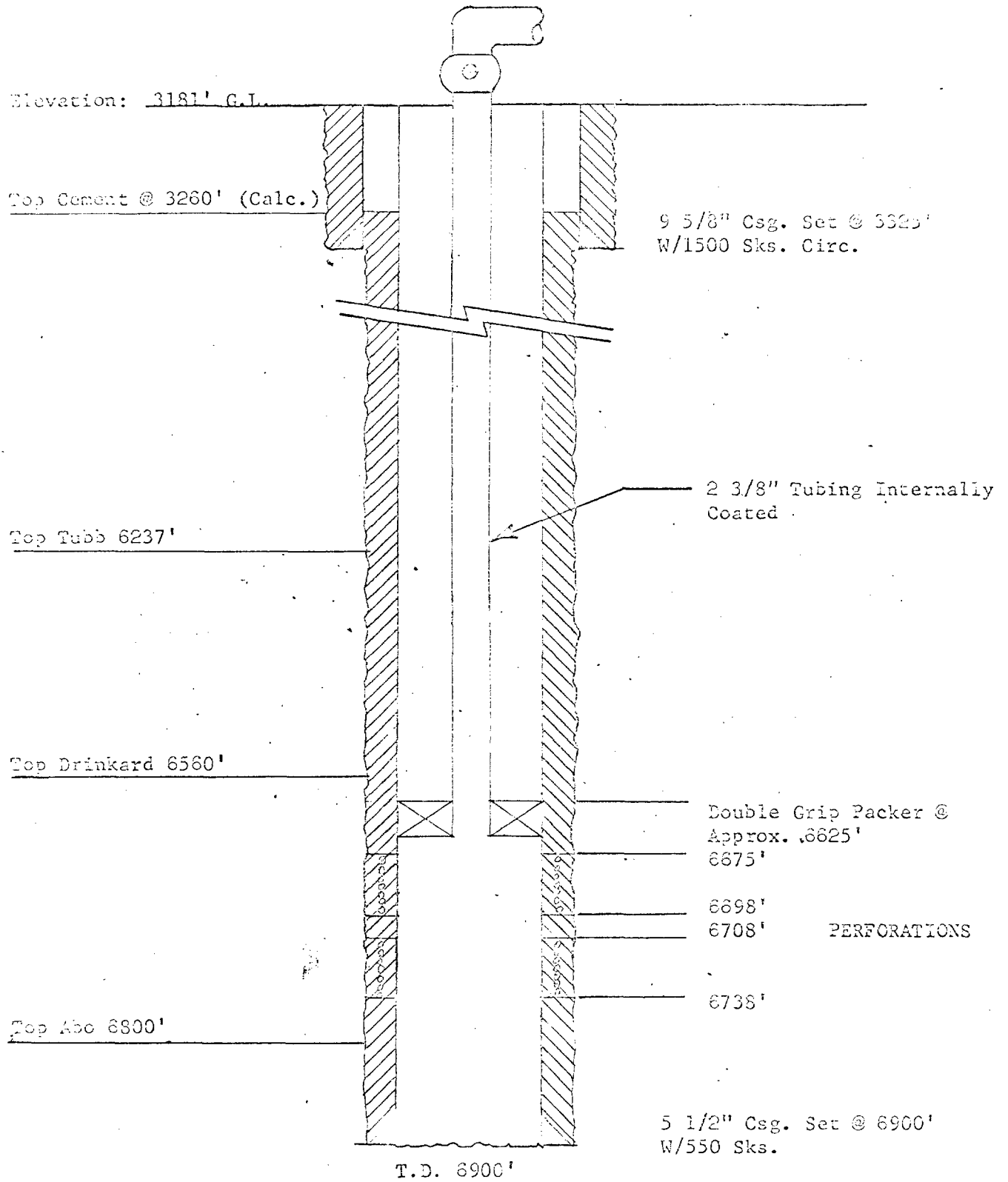
PROPOSED DOLLARWIDE DRINKARD UNIT

SINCLAIR OIL CORPORATION
J. H. MC CLURE WELL NO. 16
990' FNL & 1650' FEL, Section 30, T 24 S, R 38 E
Lea County, New Mexico



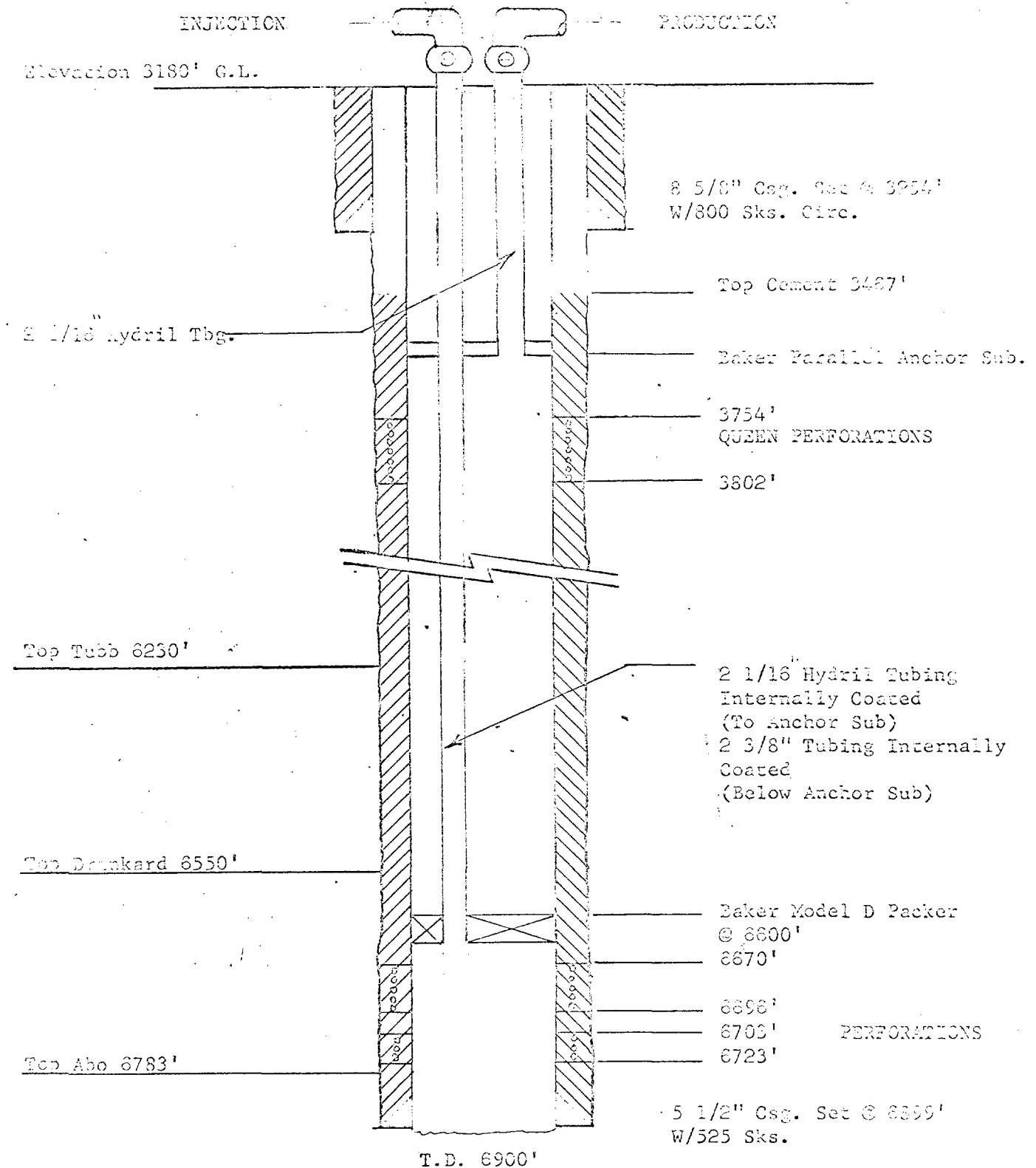
PROPOSED DOLLARHEAD DRINKARD UNIT

SINCLAIR OIL CORPORATION
J. H. MC CLURE WELL NO. 18
330' FSL & 990' FEL, Section 19, T 24 S, R 38 E
Lea County, New Mexico



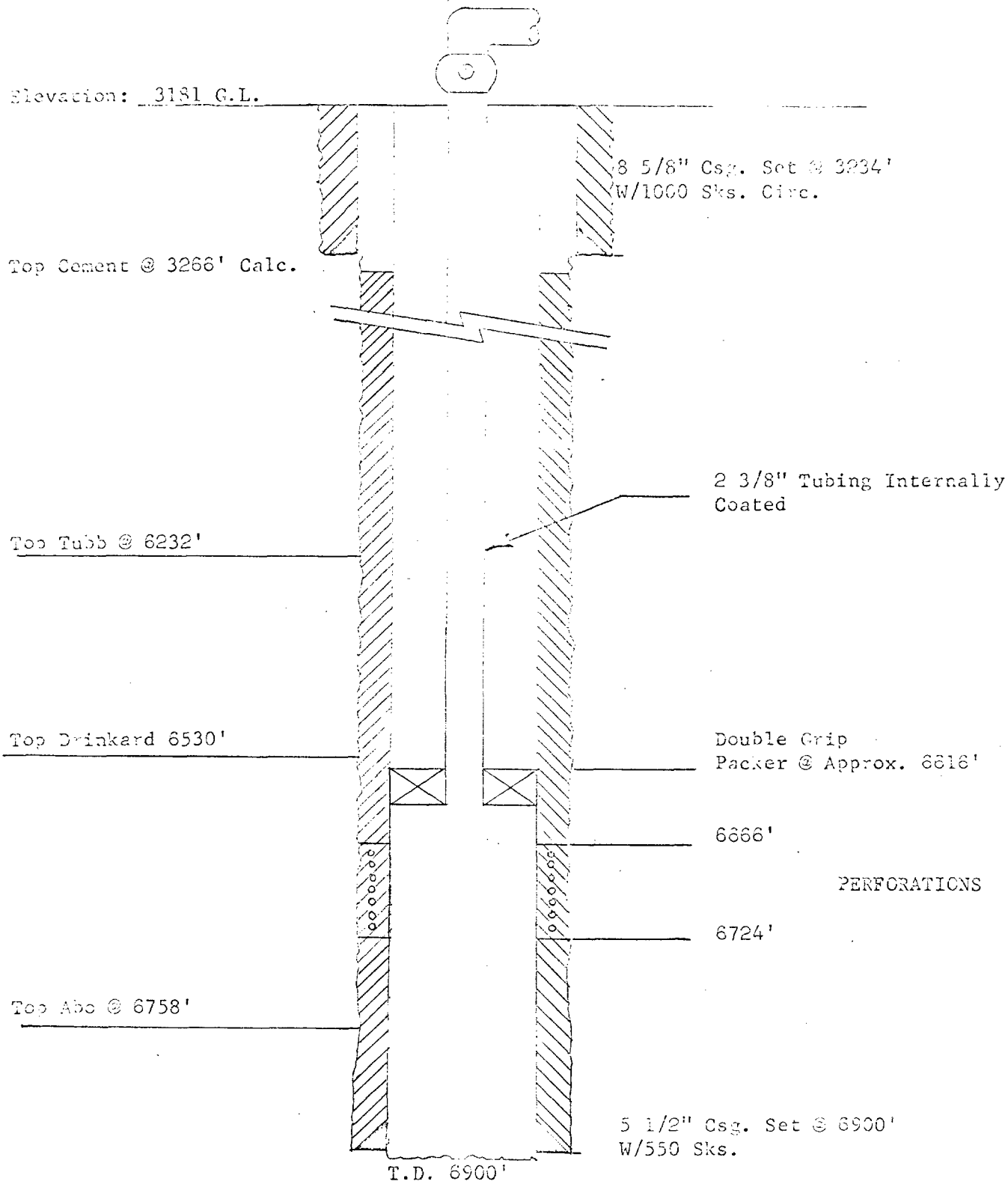
PROPOSED DOMINATE OILFIELD UNIT

SINCLAIR OIL CORPORATION
 J. H. MC CLURE WELL NO. 19
 1650' FSL & 1980' FEL, Section 19, T 24 S, R 38 E.
 Lea County, New Mexico



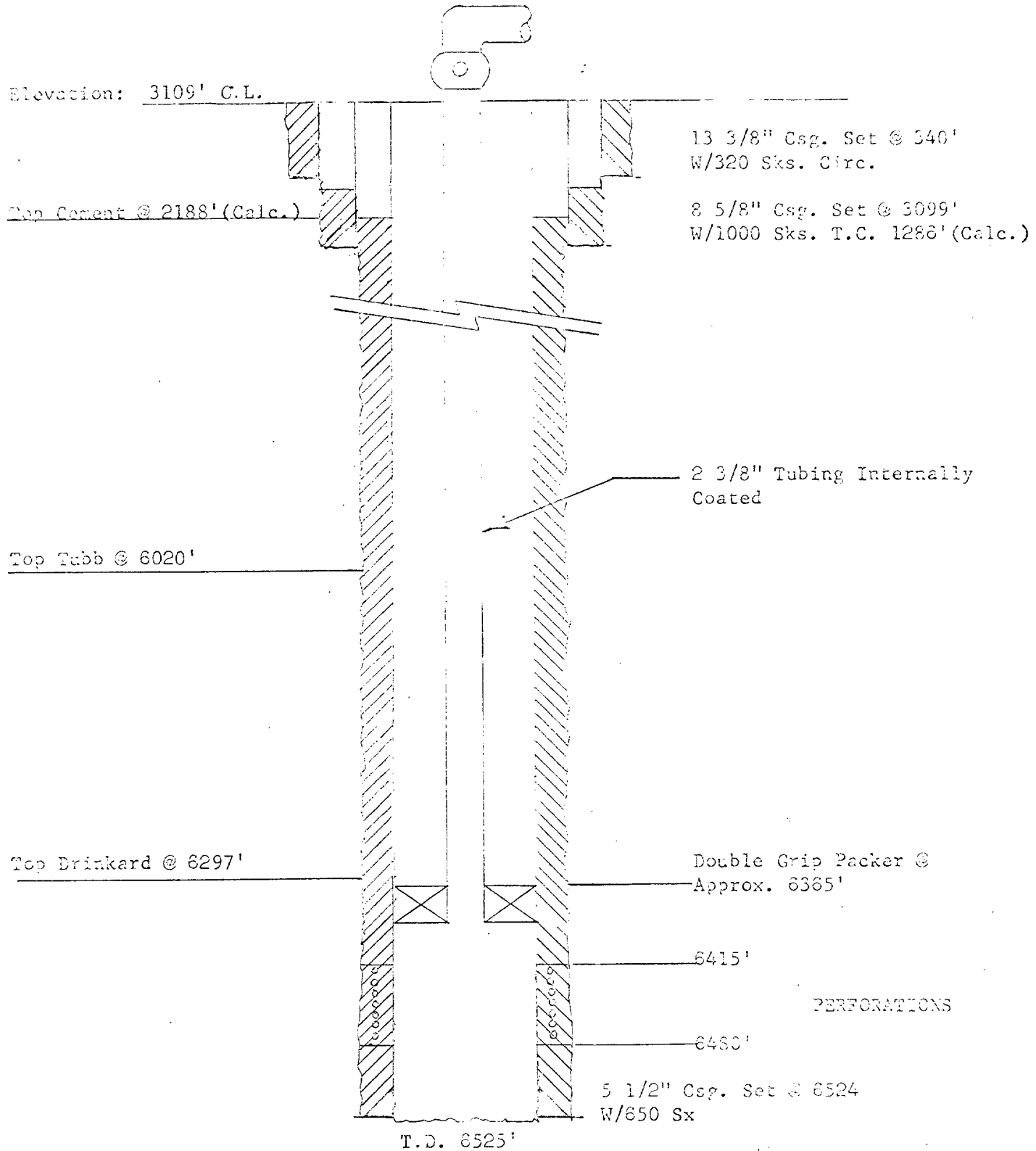
PROPOSED DOLLANWIDE DRINKARD UNIT

SINCLAIR OIL CORPORATION
J. H. MC CLURE WELL NO. 21
990' FNL & 2310' FLL, SECTION 19- T 24 S, R 38 E
LEA COUNTY, NEW MEXICO



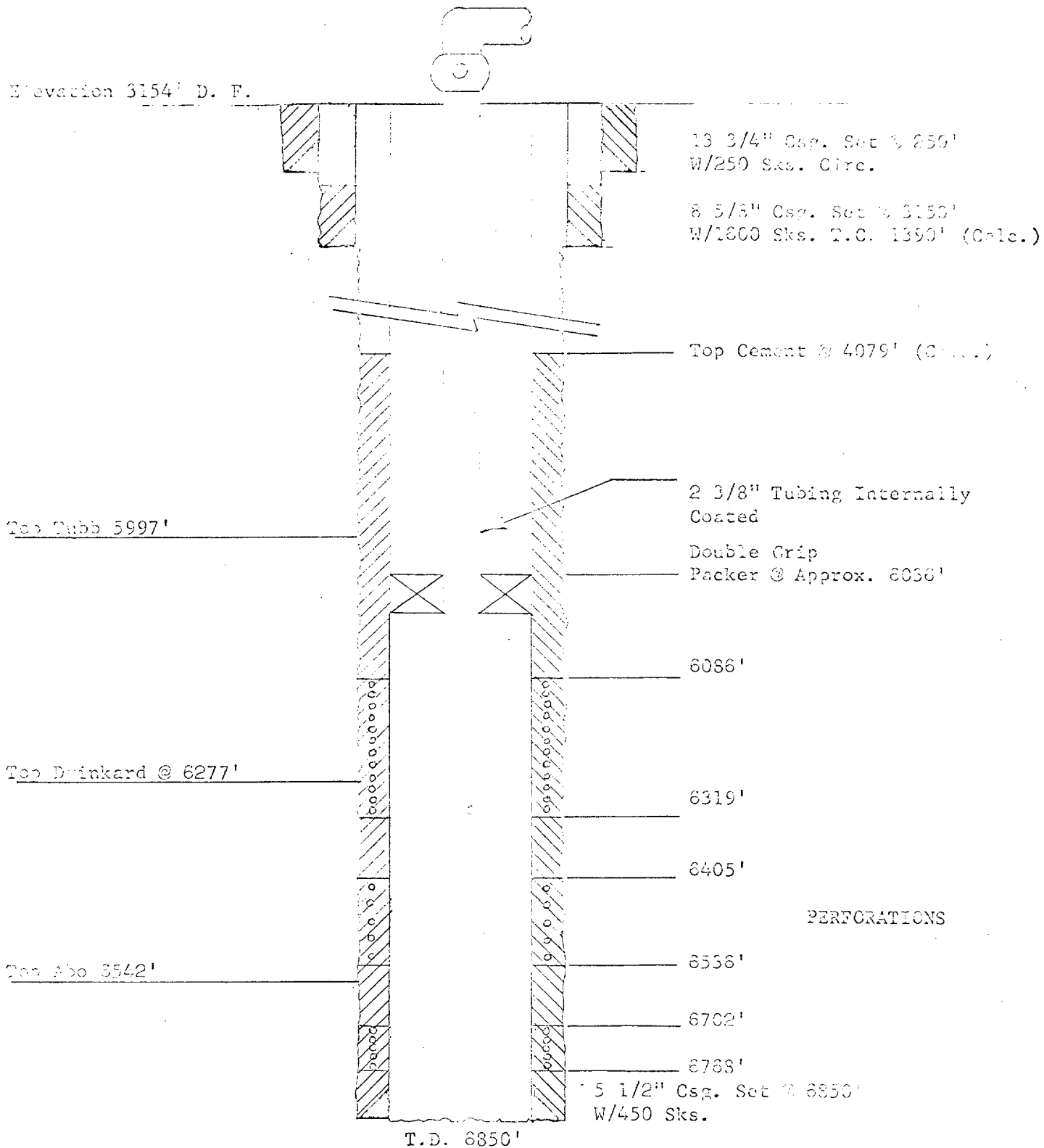
PROPOSED DOLLARIDE DRINKARD UNIT

SINCLAIR OIL CORPORATION
L. E. VANCE WELL NO. 1
330' FSL & 2310' FWL, SECTION 30, T 24 S, R 38 E
LEA COUNTY, NEW MEXICO



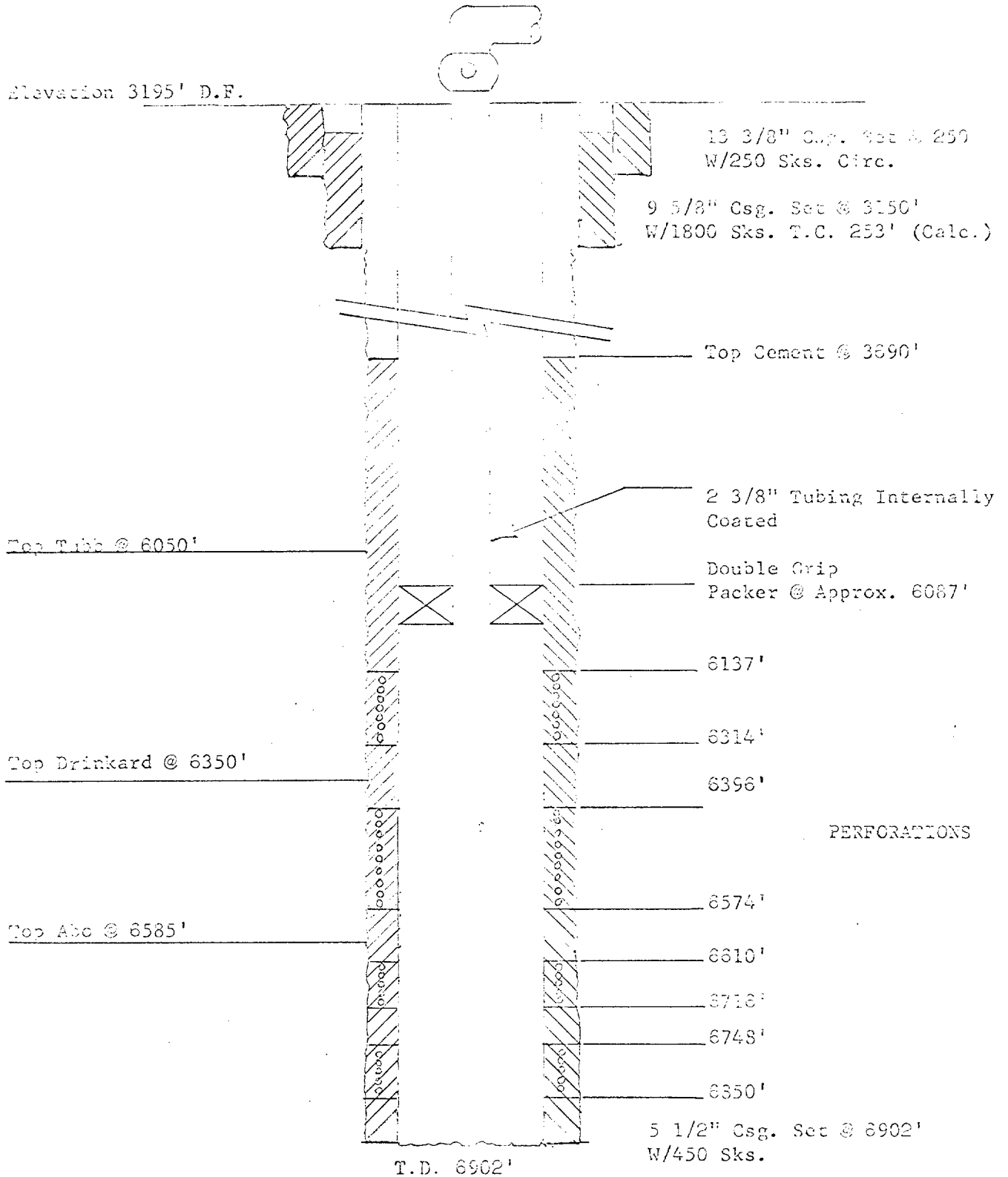
PROPOSED DOLLARFIDE DRAINAGE UNIT

SKEELY OIL COMPANY
MEXICO "J" WELL NO. 7
2310' FSL & 510' FWL. SECTION 32, T 36 N R 26 E
LEA COUNTY, NEW MEXICO



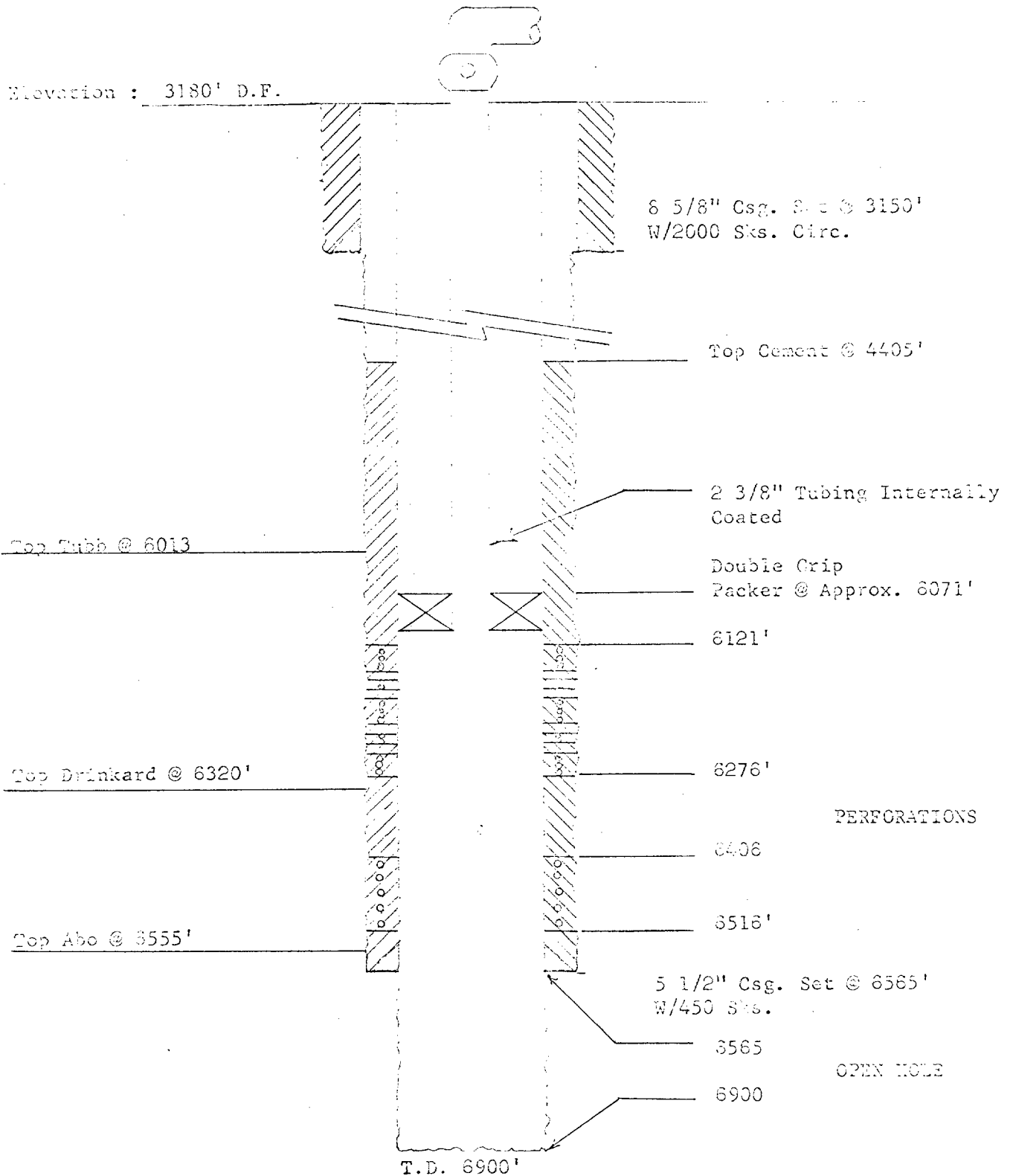
PROPOSED DOLLARHIDE DRINKARD UNIT

SKELLY OIL COMPANY
MEXICO "J" WELL NO. 9
1980' FSL & 1980' FEL, SECTION 32, T 24 S, R 38 E
LEA COUNTY, NEW MEXICO



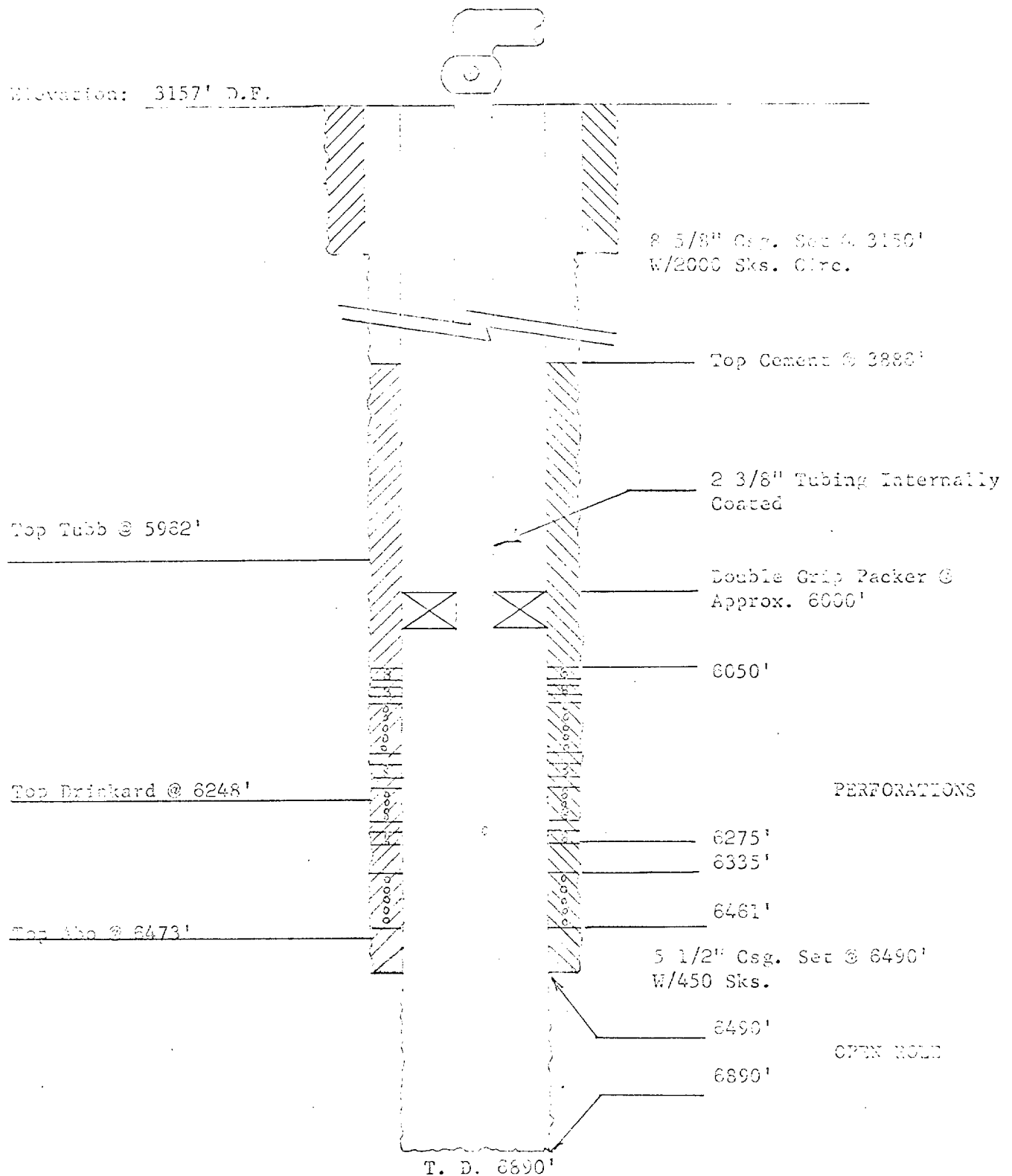
PROPOSED DOLANMIDE DRINKING UNIT

SKELLY OIL COMPANY
MEXICO "J" WELL NO. 18
510' FEL & 810' FEL. SECTION 32, T 24 S, R 38 E
LEA COUNTY, NEW MEXICO



PROPOSED DOLLAMETER L. LINKARD UNIT

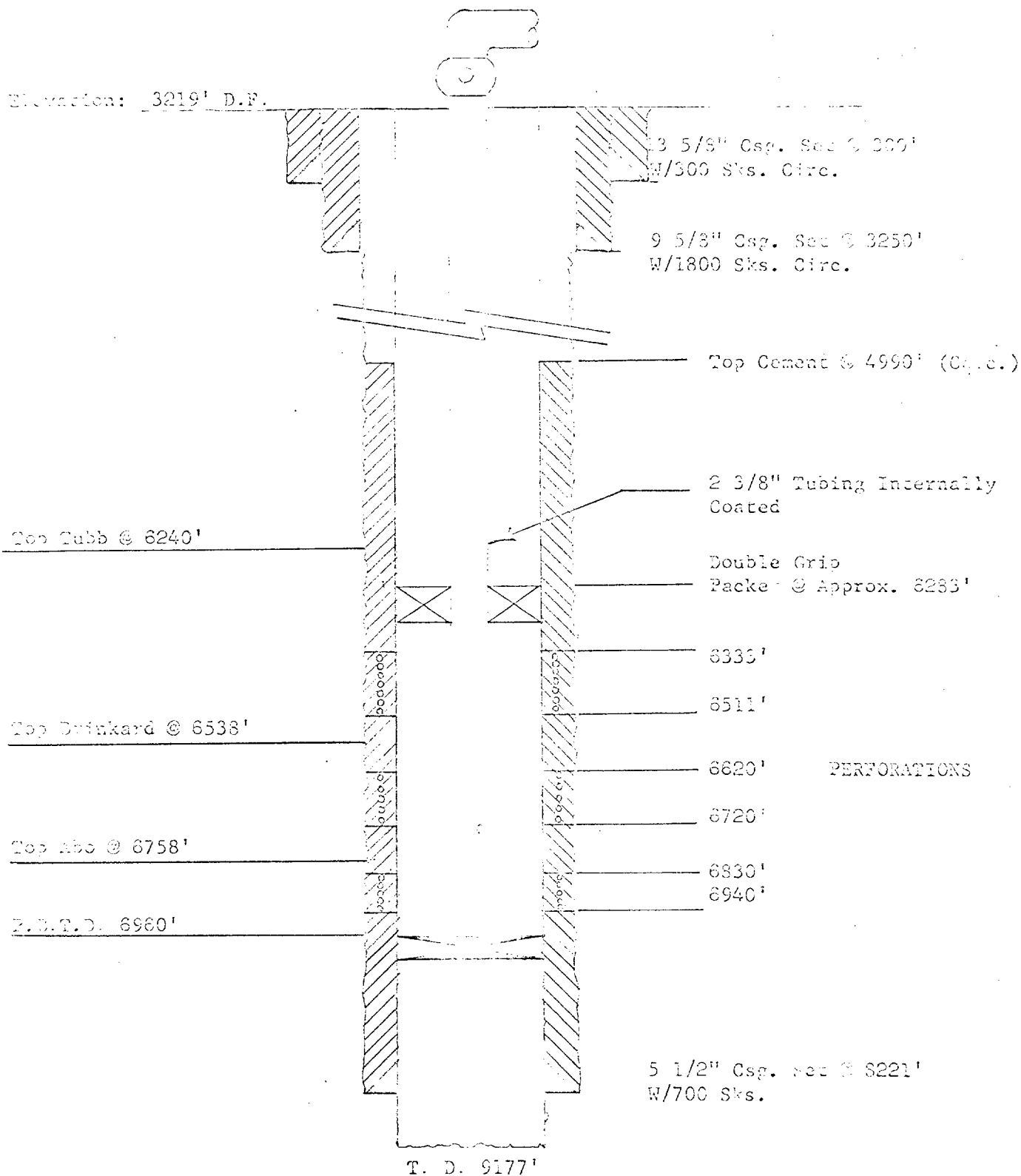
SKELLEY OIL COMPANY
MEXICO "U" WELL NO. 20
660' FSL & 1830' FWL, SECTION 32, T 24 S, R 38 E
LEA COUNTY, NEW MEXICO



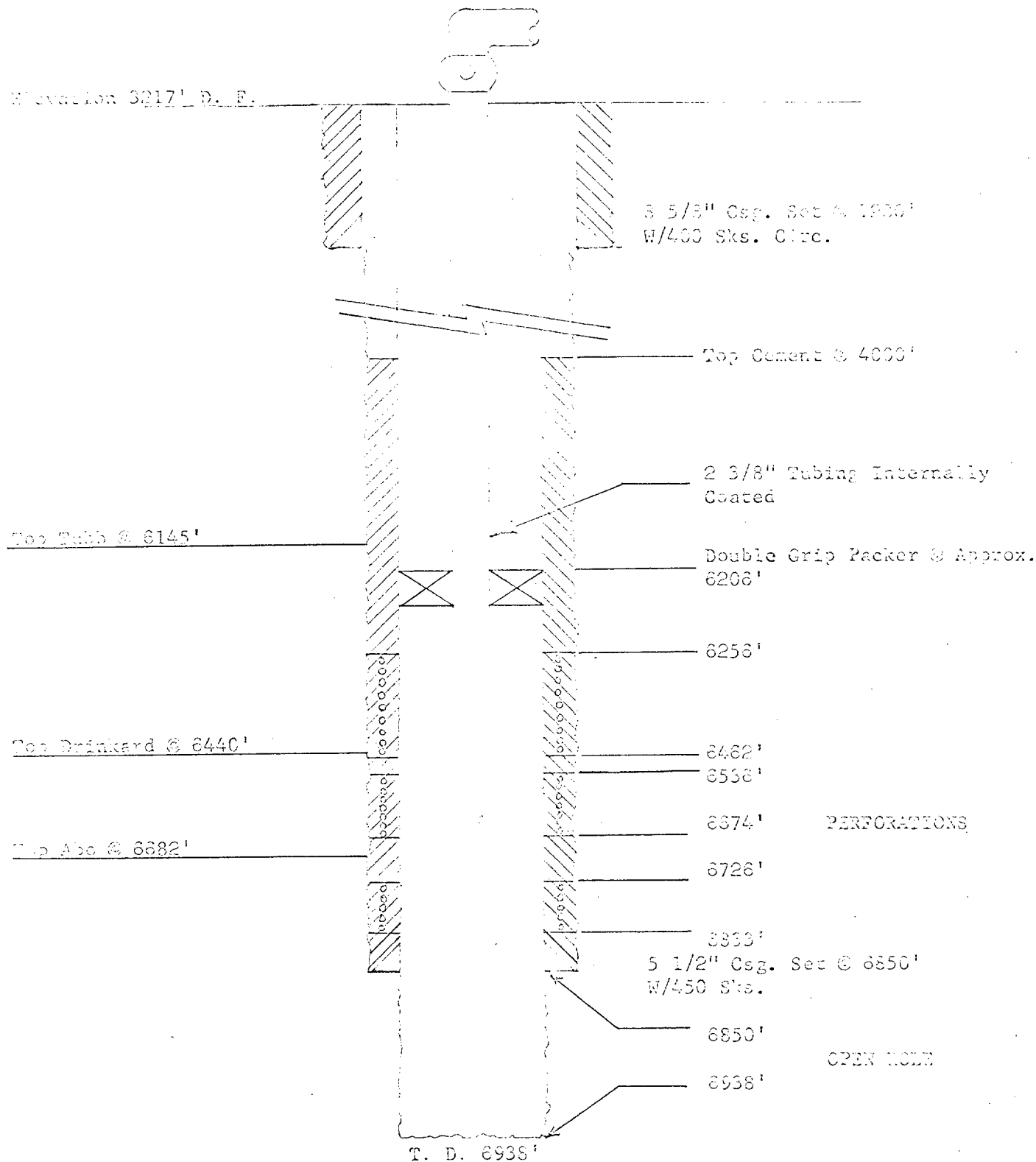
PROPOSED DOLLARIDE DRINKARD UNIT

SKELLY OIL COMPANY
MEXICO "K" WELL NO. 1
660' FEL & 680' FSL, SECTION 29, T 24 S, R 13 E
LEA COUNTY, NEW MEXICO

Elevation: 3219' D.F.

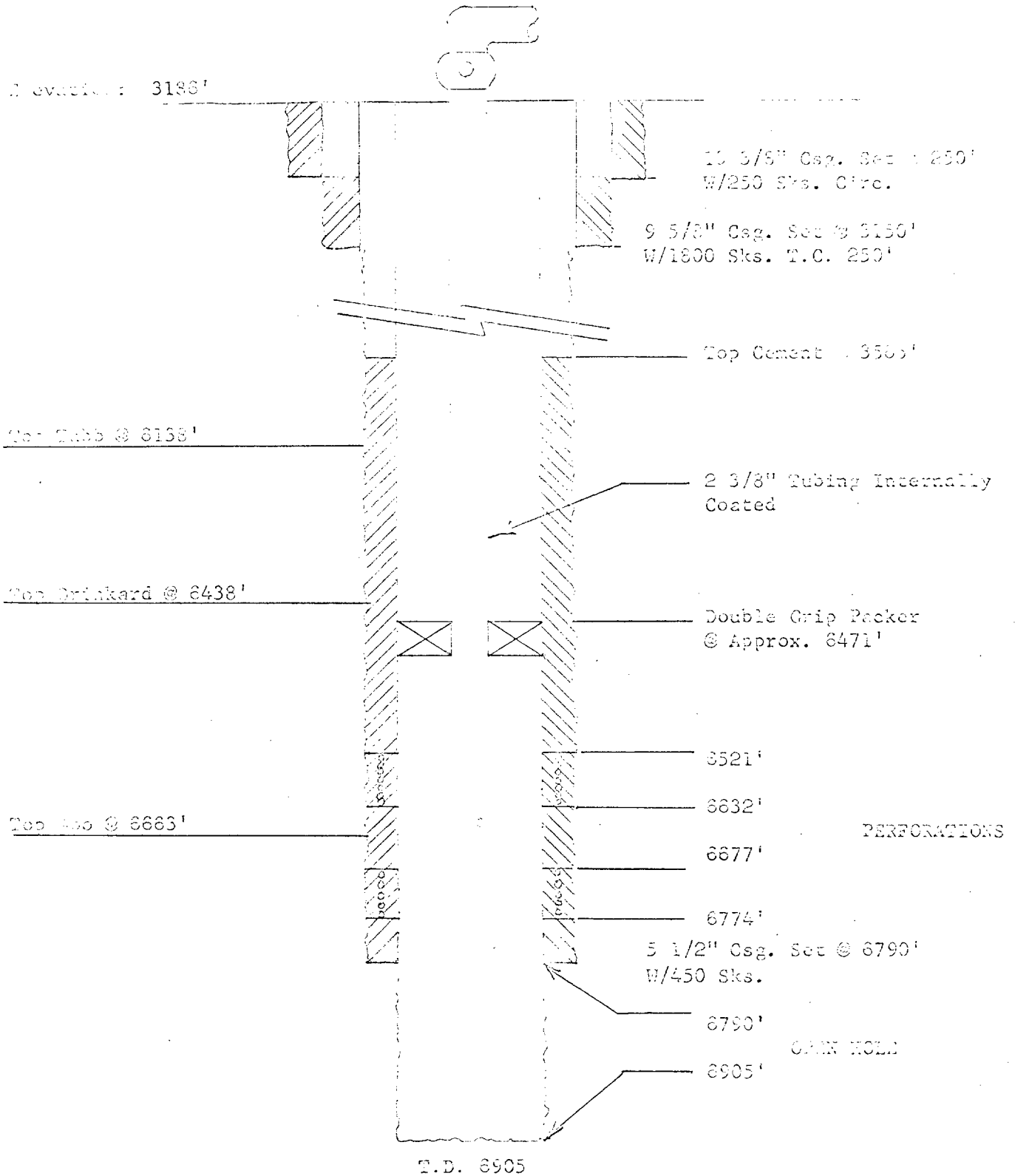


SKELLY OIL COMPANY
MEXICO "K" WELL NO. 4
660' FSL & 1980' FWL, SECTION 29, T 24 S, R 38 E
LEA COUNTY, NEW MEXICO



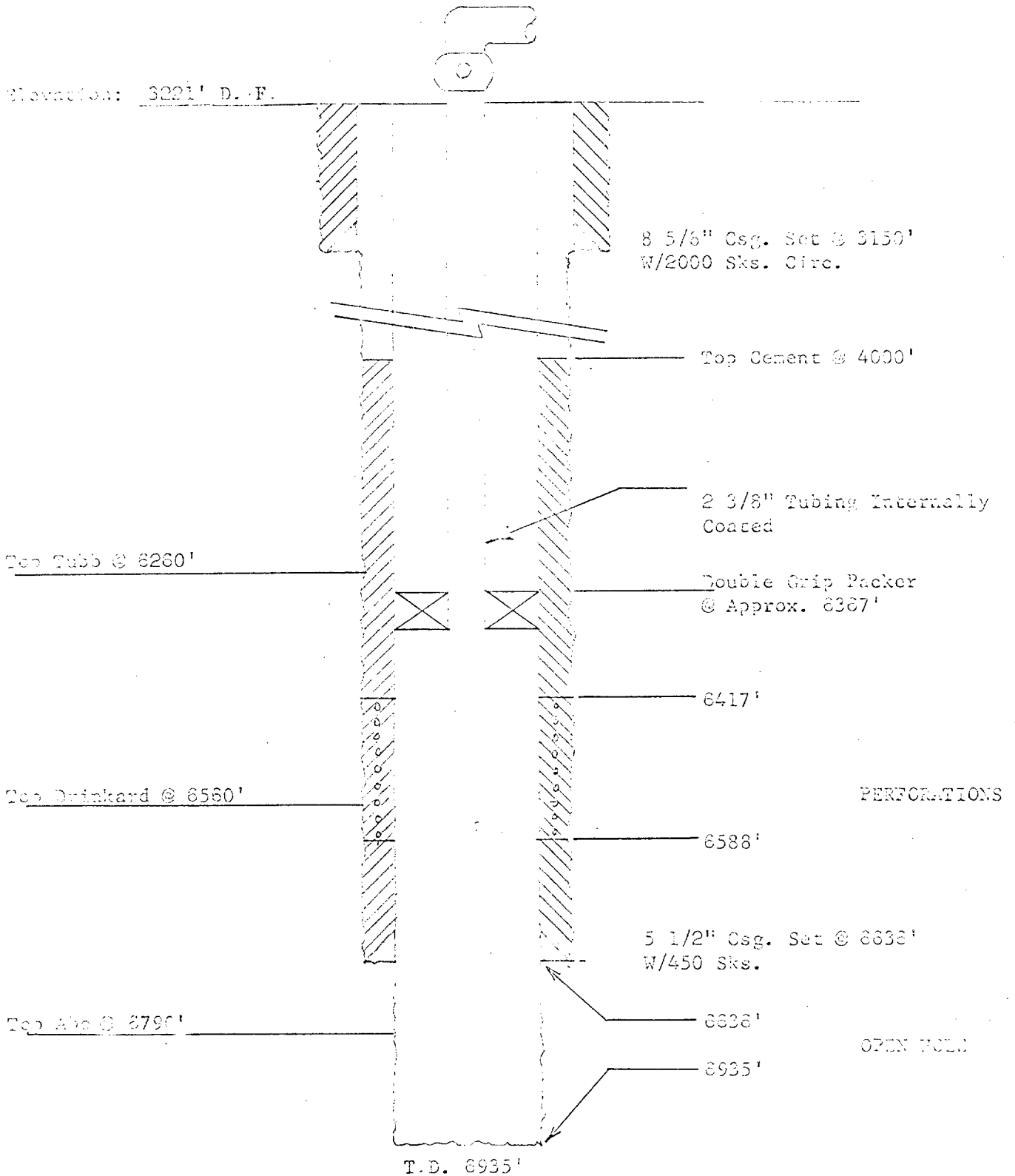
PROPOSED DOLLARIDE DRAINAGE UNIT

SIXEELY OIL COMPANY
MEXICO "K" WELL NO. 6
1980' FSL & 660' FWL, SECTION 29, T 24 S R 38 E
LEA COUNTY, NEW MEXICO



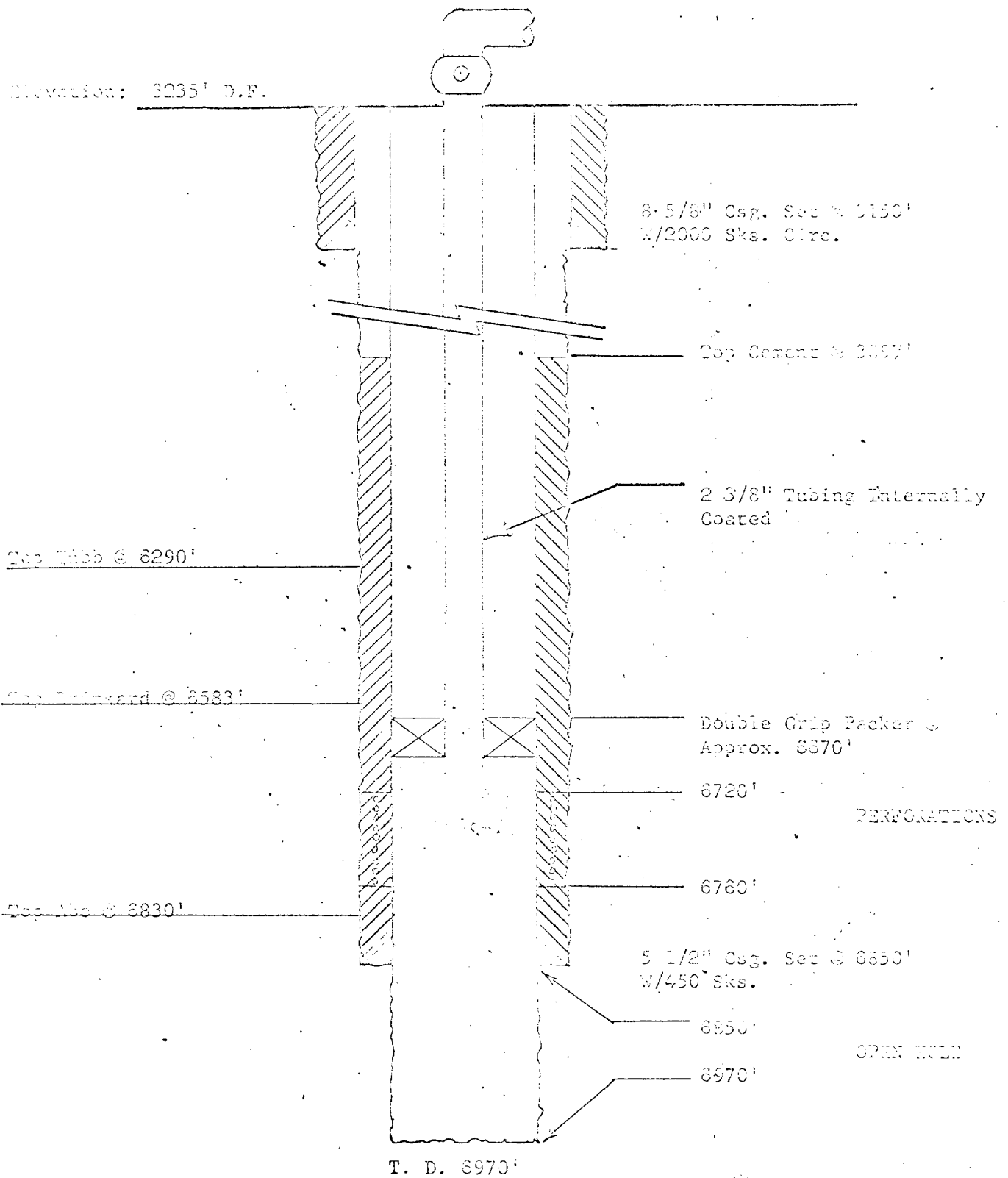
PROPOSED DOLLARIDE DRINKARD UNIT

PRIMLY OIL COMPANY
MEXICO "CO" WELL NO. 9
1980' FEL & 1980' PSL, SECTION 29, T 24 S R 32 E
LEA COUNTY, NEW MEXICO



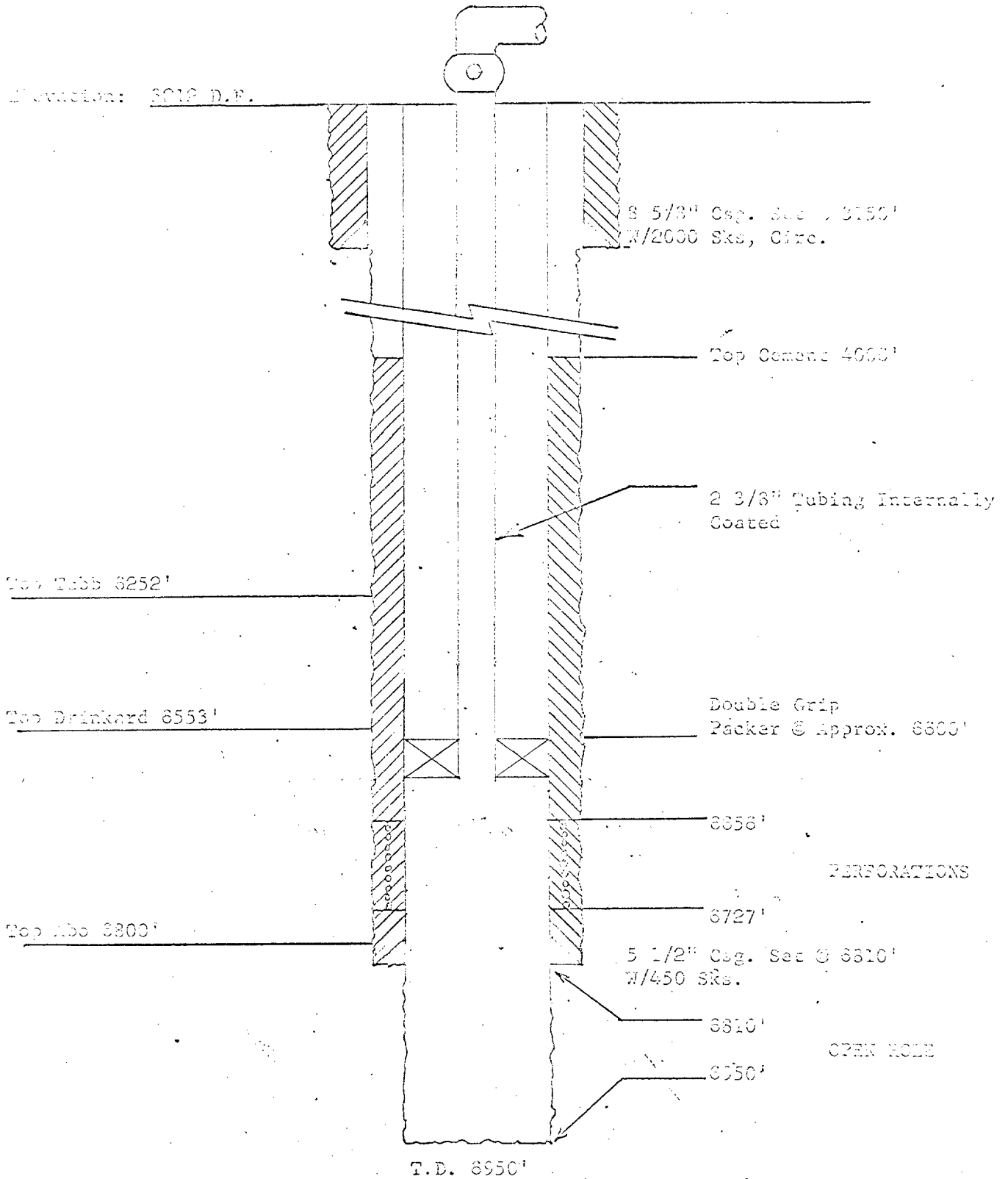
PROPOSED DOLLARD DRILLHOLE UNIT

SKENEY OIL COMPANY
MEXICO "K" WELL NO. 13
1980' FNL & 1980' FNL SECTION 29, T 24 S, R 36 E
LEA COUNTY, NEW MEXICO



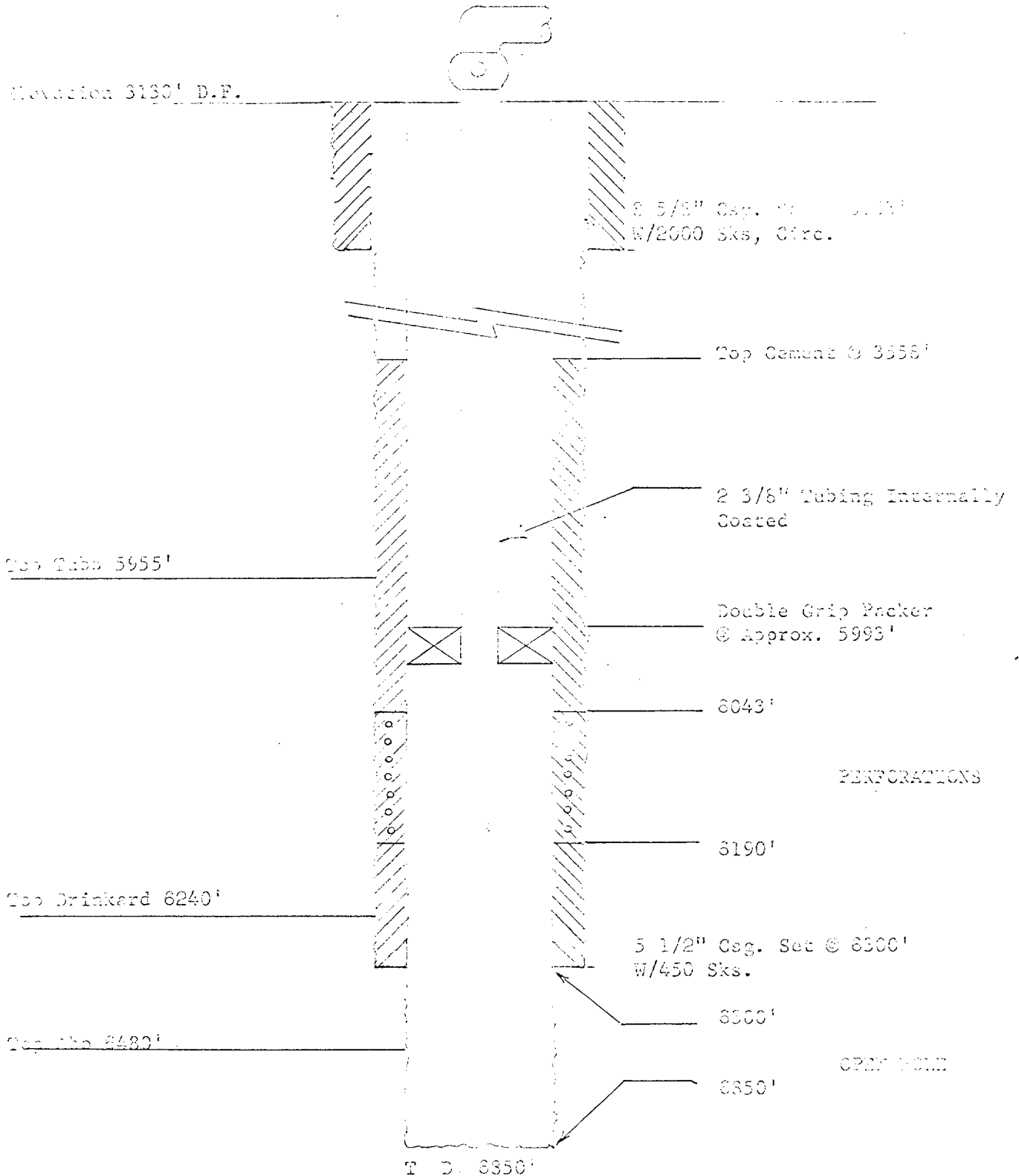
PROPOSED BOLLARD DRINKARD UNIT

SKELLY OIL COMPANY
MEXICO "N" WELL NO. 15
990' FNL & 330' FWL, SECTION 29, T 24 S, R 33 E
LEA COUNTY, NEW MEXICO



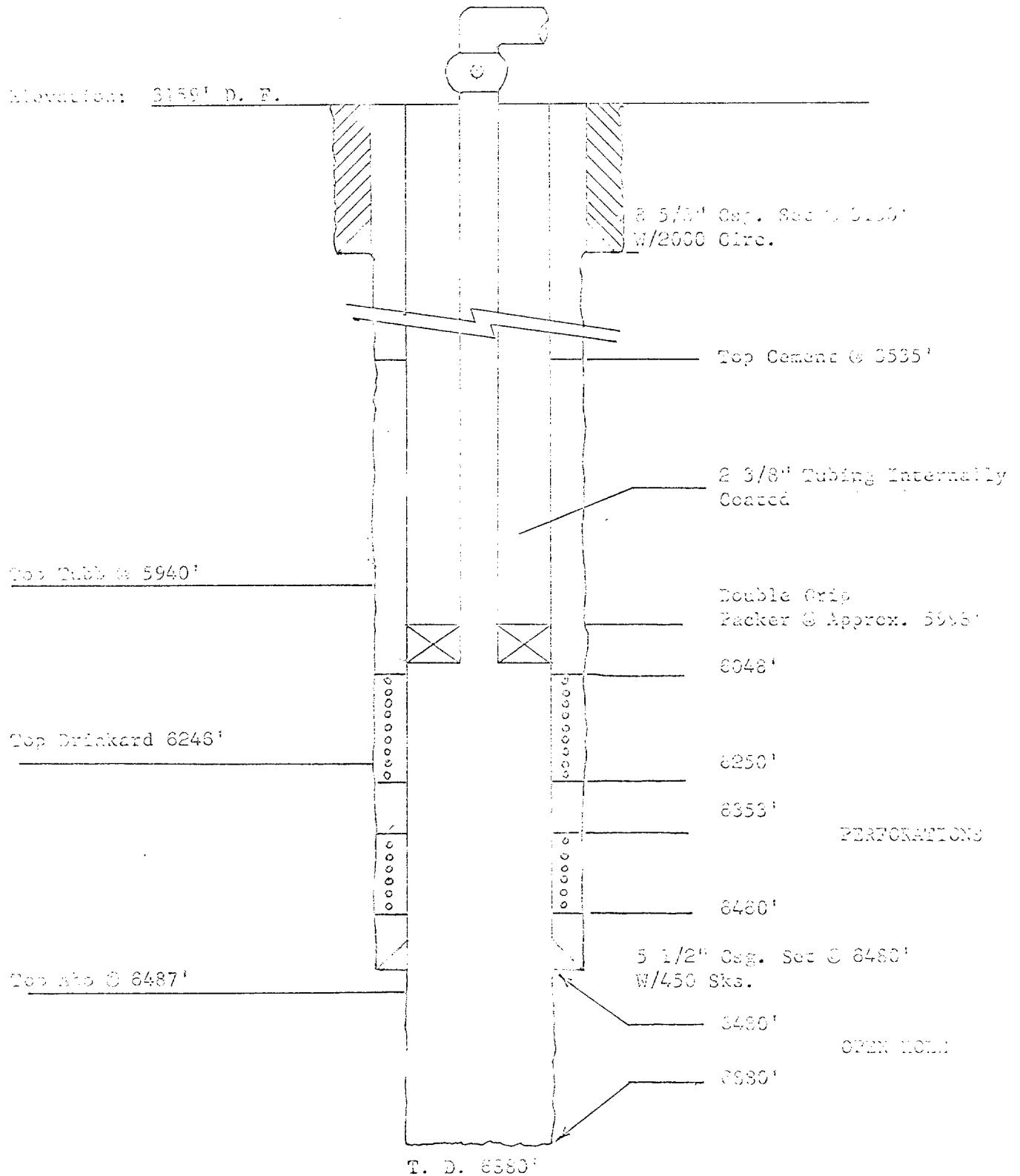
PROPOSED DOLLARIDEA CEMENTED UNIT

SKINLEY OIL COMPANY
 MEXICO "L" WELL NO. 25
 600' FWL & 600' FWL, SECTION 5, T 25 S, R 33 E
 LEA COUNTY, NEW MEXICO



PROPOSED DOLLAMIDE BRICKARD UNIT

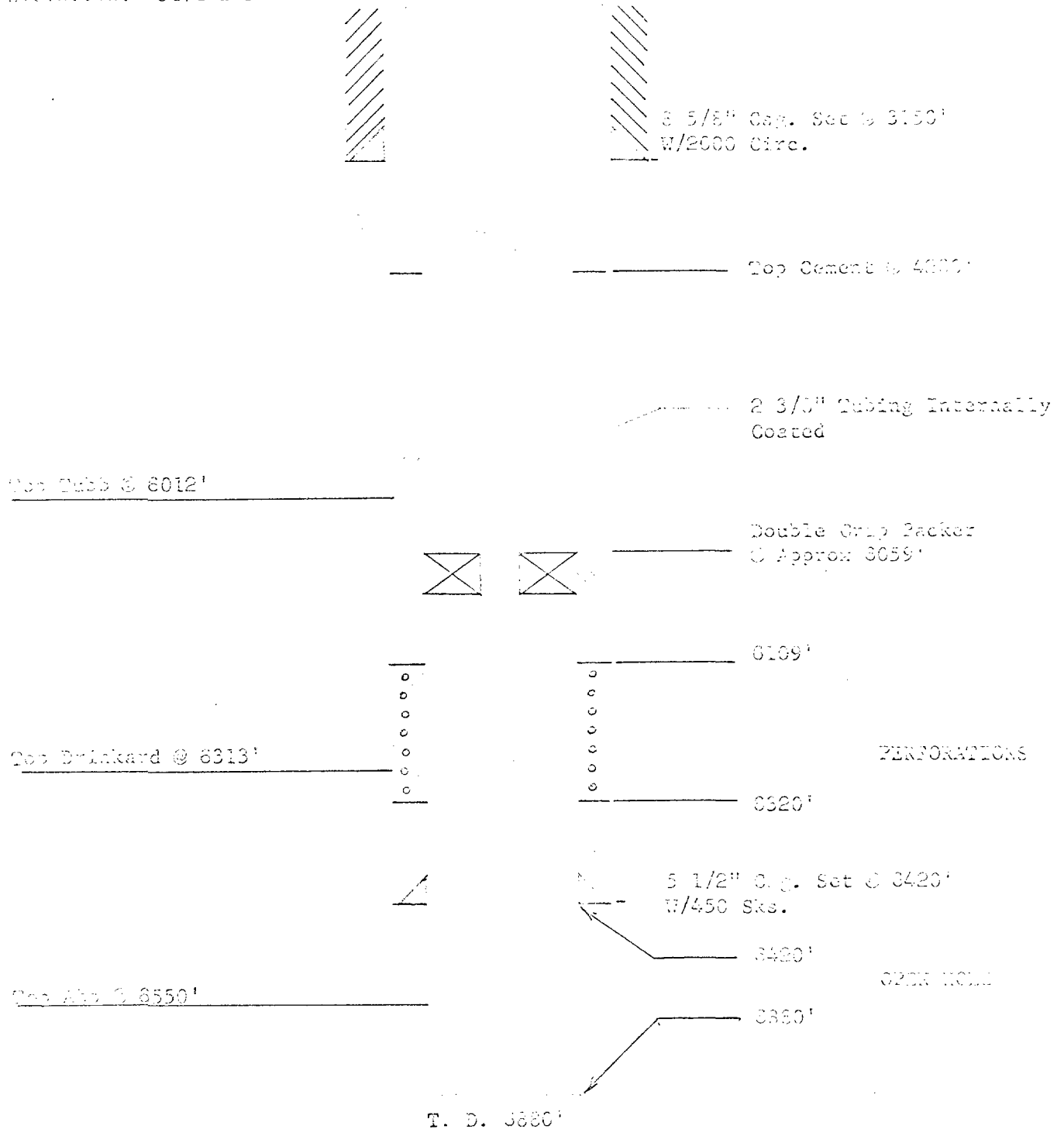
SKELLY OIL COMPANY
MEXICO "D" WELL NO. 17
S10' FNL & 2S10' FTL, SECTION 5, T 25 S. R 36 E
LEA COUNTY, NEW MEXICO



PROPOSED DOLLARIDE DRINKARD UNIT

SKELLY OIL COMPANY
 MEXICO "L" WELL NO. 18
 1353' PNL & 990' FEL, SECTION 5, T 25 S R 33 E
 LEA COUNTY, NEW MEXICO

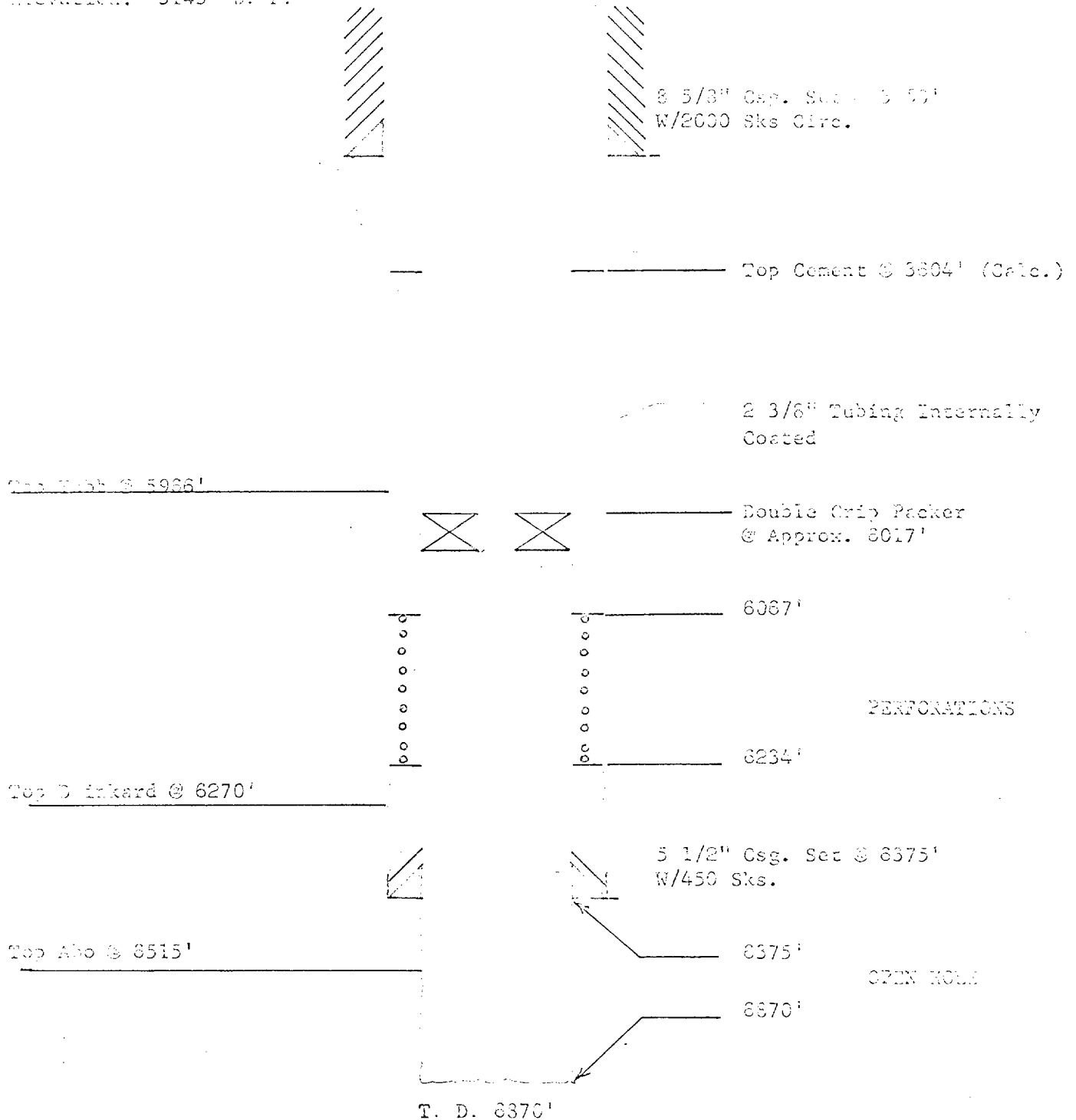
Direction: 3171 D.F.



PROPOSED DOLLARD OIL WELLS

SKELLY OIL COMPANY
MEXICO "L" WELL NO. 20
1682' WEL & 2130' WEL. SECTION 5, T 25 S, R 38 E
LEA COUNTY, NEW MEXICO

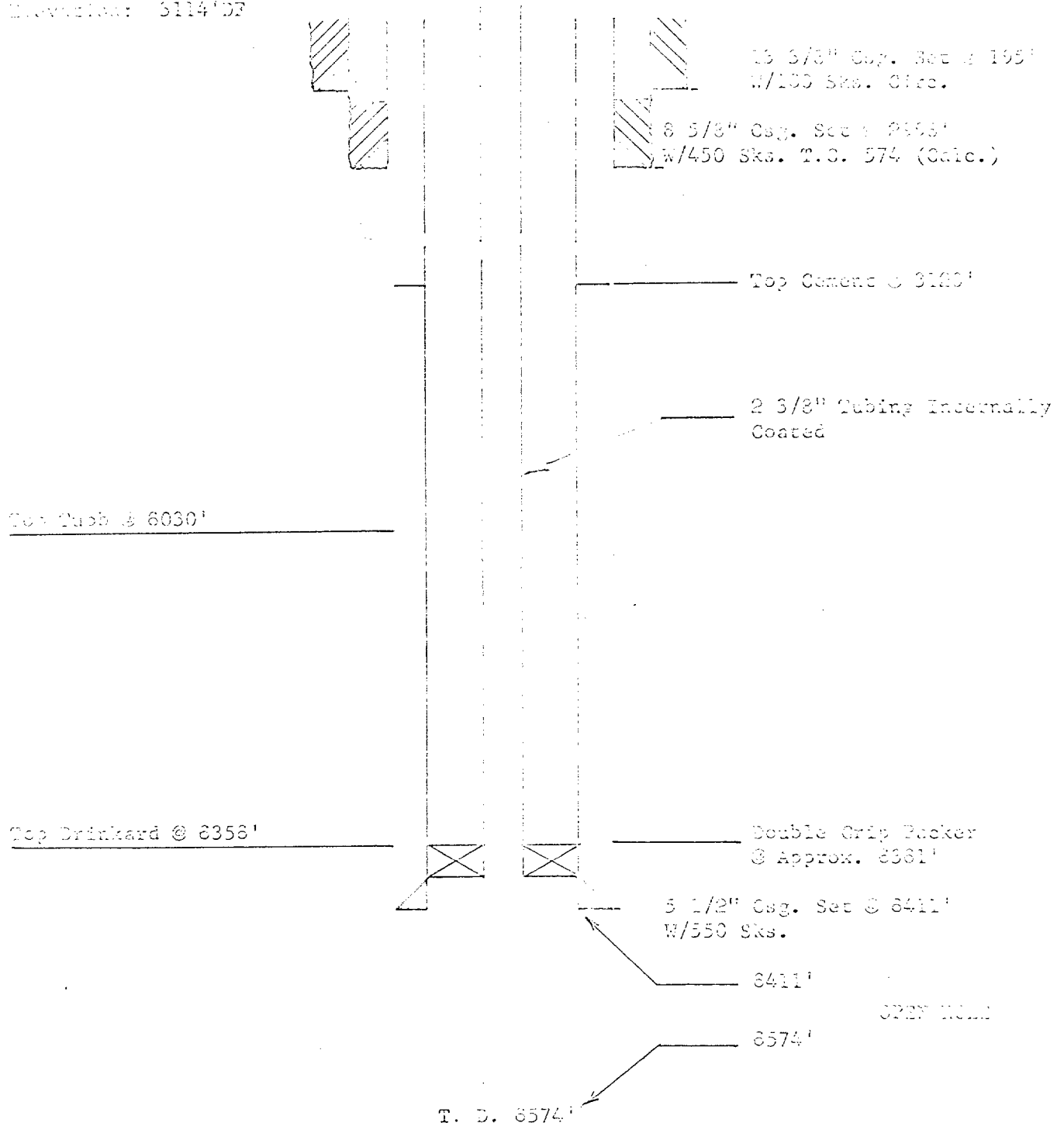
Elevation: 3143' D. F.



PROPOSED DOLLAR CREEK FILLING UNIT

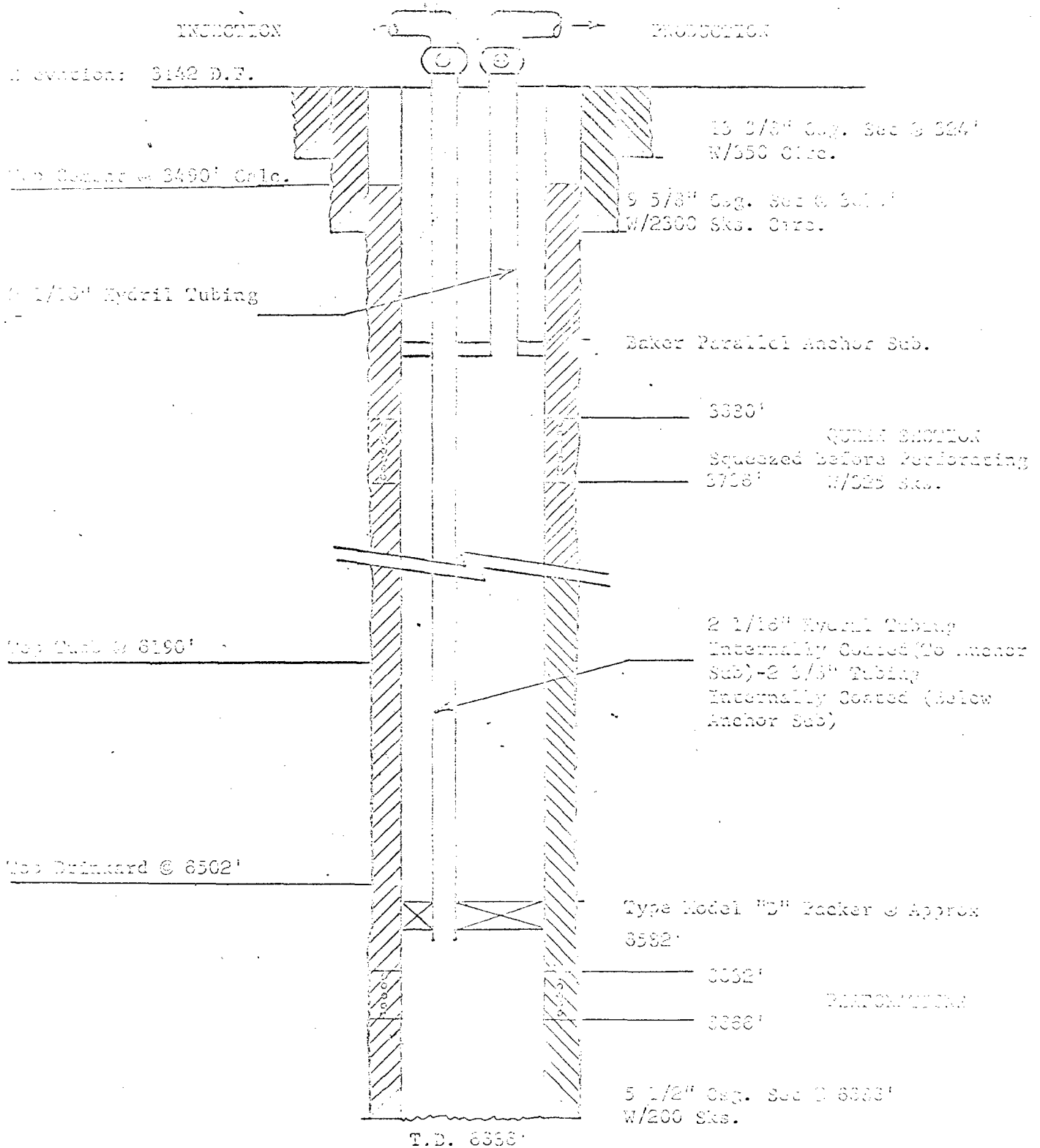
SUNSHINE ENERGY
WELLSITE FEDERAL ACRE NO. 1
1650' FNL & 2310' FNL SECTION 31- T 24 S, R 38 E.
LEA COUNTY, NEW MEXICO

Elevation: 5114' DF



PROPOSED DOMINABLE DRINKARD UNIT

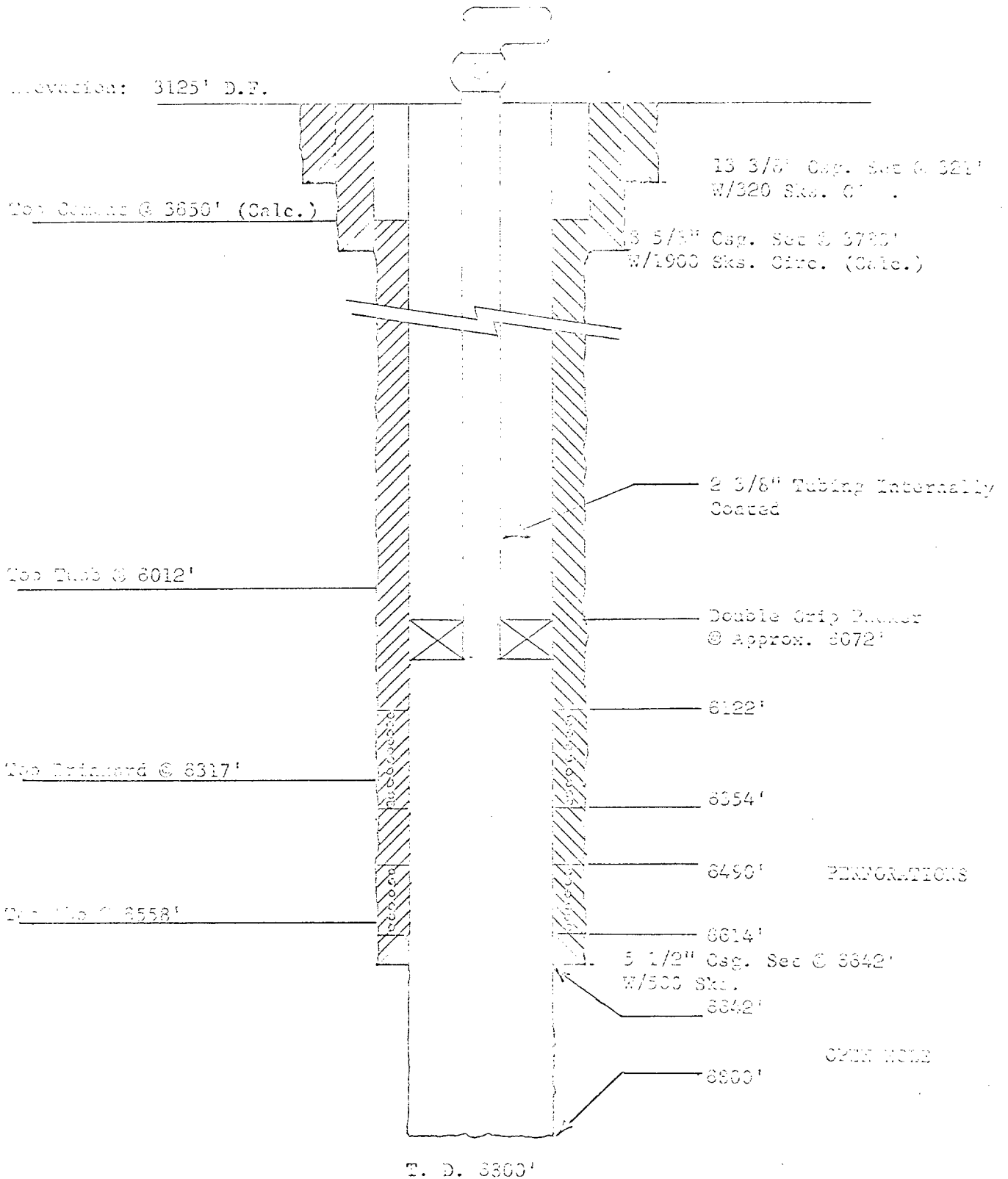
THIRCO, INC.
E. M. DILLON, JR., P.O. 1
630' FWL & 1981' FSL, SECTION 19- T 24 S R 36 E.
LEA COUNTY, NEW MEXICO



PROPOSED DEPTH WELL LOG

TEXAS, 1942.
J. B. Mc (Co. 11 No. 8)
2090' FSL & 1000' PL. SECTION 31-1-24 S, R 24 E
LAW COUNTY, NEW MEXICO

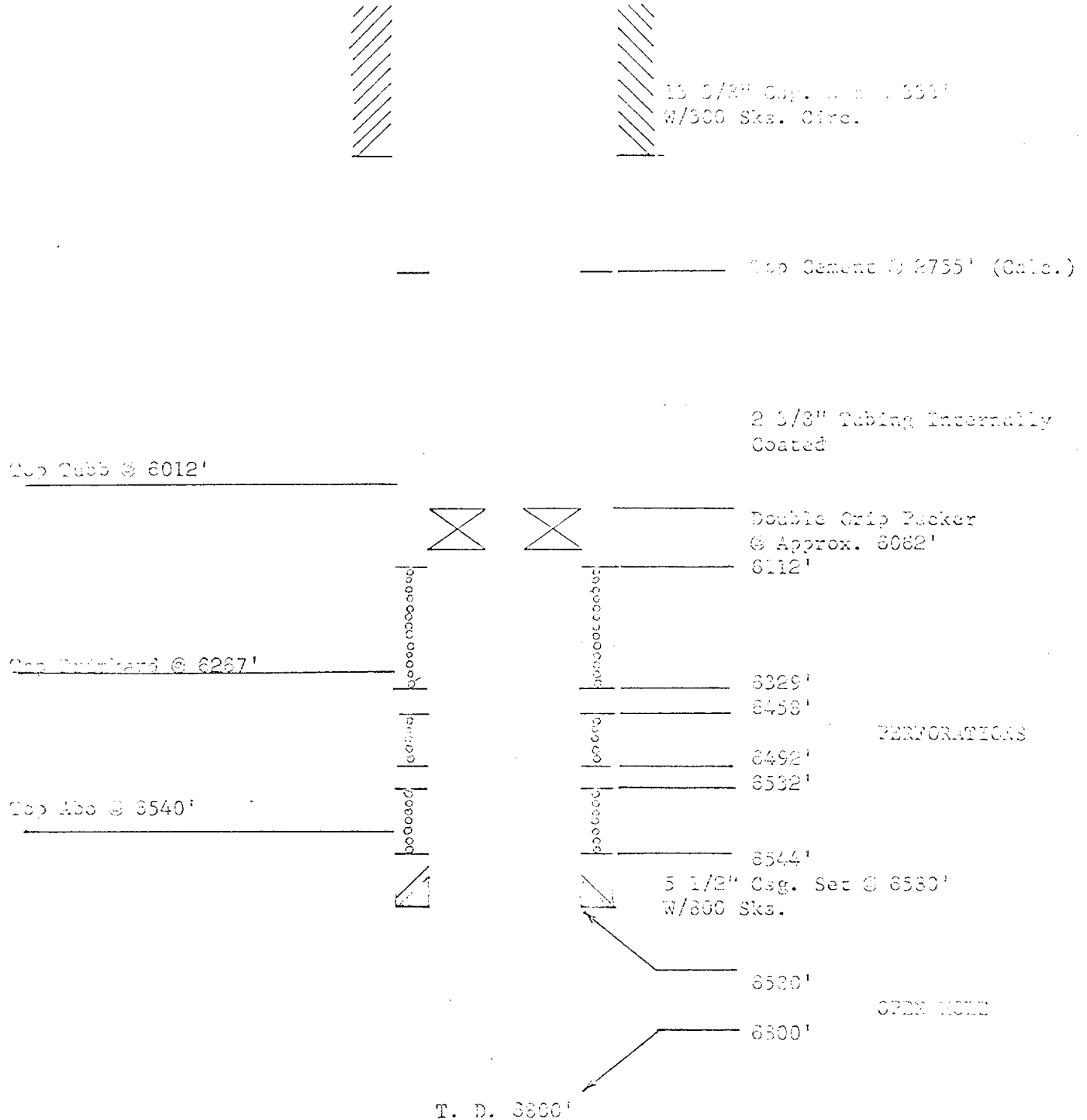
Elevation: 3125' D.F.



PROPOSED BOLLINGER FIELD UNIT

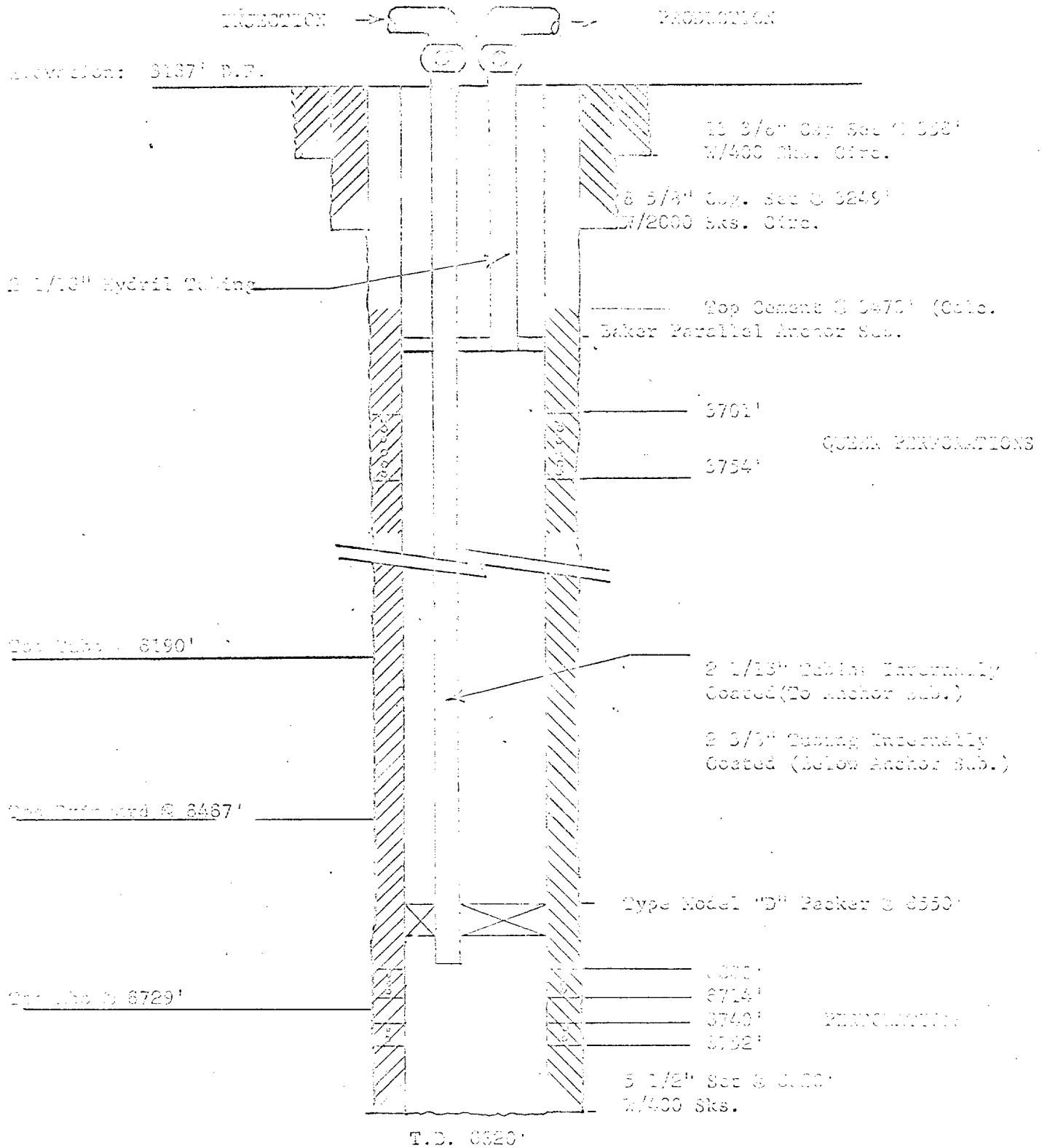
TEX-23, INT.
J. B. MC GEE OIL CO. 7
660' FSL & 680' FSL SECTION 31, T 24 S, R 33 E
LEA COUNTY, NEW MEXICO

Elevation: 3123 D.F.



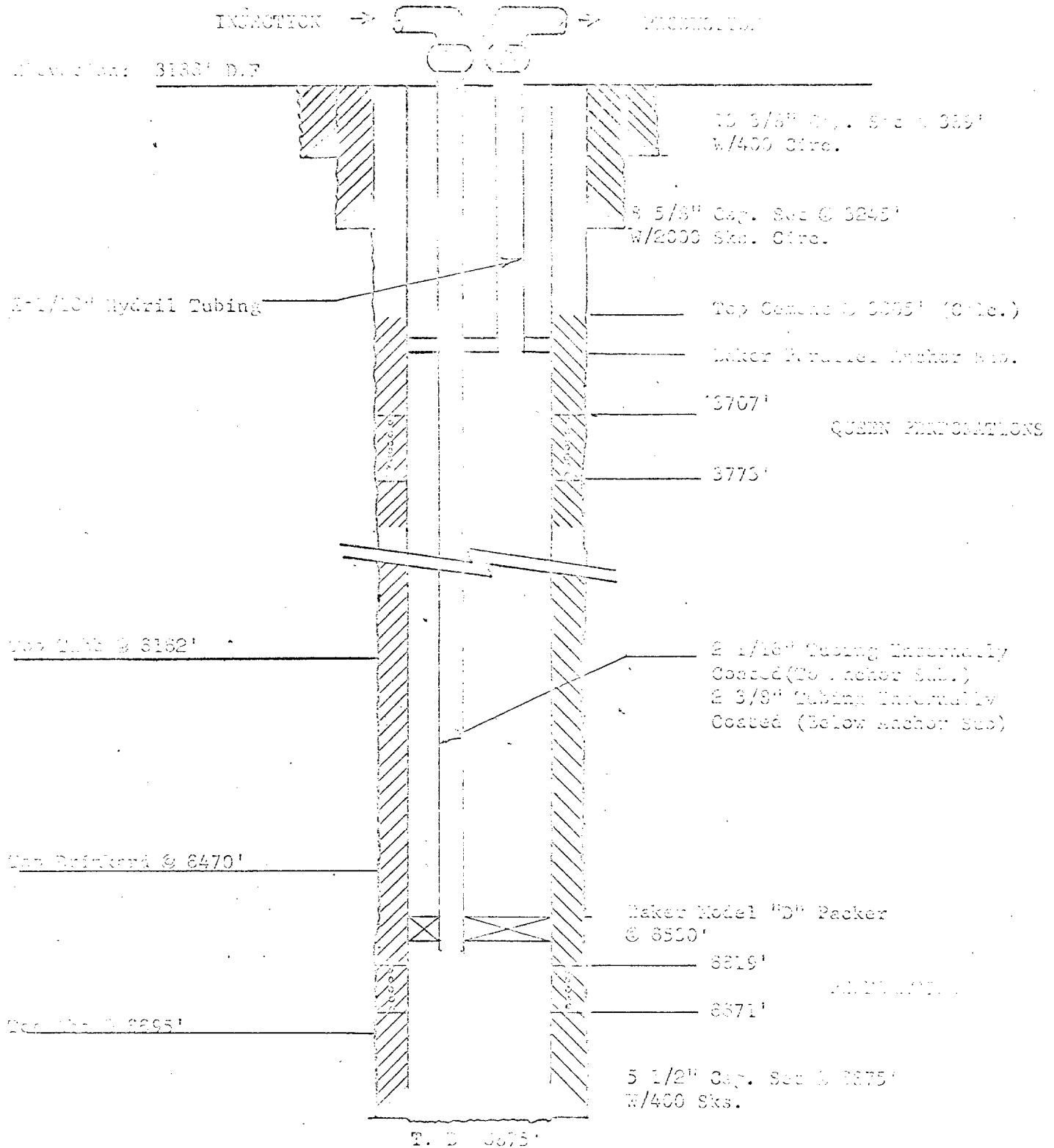
PROPOSED OILFIELD DRAINAGE UNIT

THOMAS, Tex.
STEWARTS HILL, No. 2
330' FRL & 380' FRL. SECTION 19, T 24 N, R 36 E,
LEA COUNTY, TEX. 54130



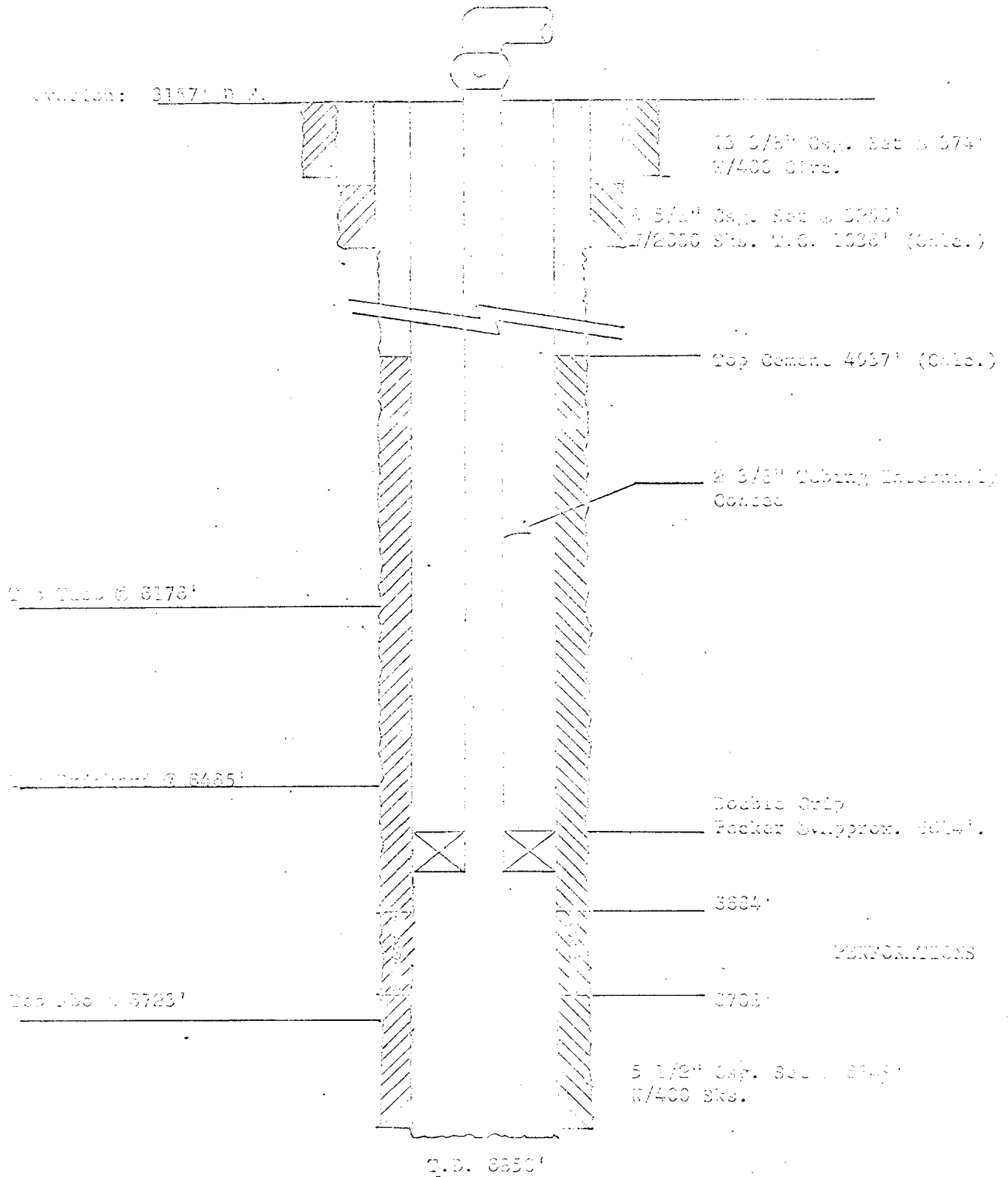
PACIFIC MOUNTAIN OIL FIELD

TEXAS, U.S.
UNITED STATES OF AMERICA
2310' ENL & 2310' ENL, 8-10-19, 7-14-8 & 3-7-72
LEA COUNTY, NEW MEXICO



PROPOSED WORKING DRAWING

TEXAS, 1961
UNITED ROYALTY CO. NO. 5
600' FSL & 2305' FWL, BLOCK 18, T 24 S. R. 38 E
LEA COUNTY, TEXAS



SKELLY OIL CO.

L. C. CASE. P. E.

CONSULTANT, OIL FIELD WATER PROBLEMS

208 SUNSET DRIVE

TULSA, OKLAHOMA 74114

LUTHER 3-9307

EXHIBIT NO. H

DOCKET OR CASE NO. 4134

DATE 5/21/69

February 2, 1968

BEFORE EXAMINER UTIL
OIL CONSERVATION COMMISSION

David A. Love
Mr. V.E. Fletcher, District Superintendant
Skelly Oil Company
Hobbs, New Mexico

Subject: Water Analysis
Dollarhide Tubb-Drinkard

Dear Sir:

Your subject letter of January 29 and the water samples were received. The requested tests were as follows.

Sample no. -	1	2
Description-	Jal Water System Supply Water, taken from 6" main valve. Sec. 32-24s-38e. Drinkard outlot near plant site.	Mexico "K" Lease Taken from gunbarrel Sec. 29-24s-38e Dollarhide Drinkard.
Sodium, Na	1,633	62,088
Calcium, Ca	649	11,058
Milli-grams per liter	Magnesium, Mg 240	3,689
	Sulfate, SO ₄ 2,050	940
	Chloride, Cl 2,400	125,250
	Bicarbonate, HCO ₃ 915	177
	Carbonate, CO ₃ nil	nil
	Total Solids 7,937	203,202
Sp.Gr. at 60°F	1.006	1.142
Dissolved iron, Fe	nil	11.0 mg/l before filter 1.2 " after "
Hydrogen sulfide, H ₂ S	Much	Not present

Definition of Water Character (Palmer Values)

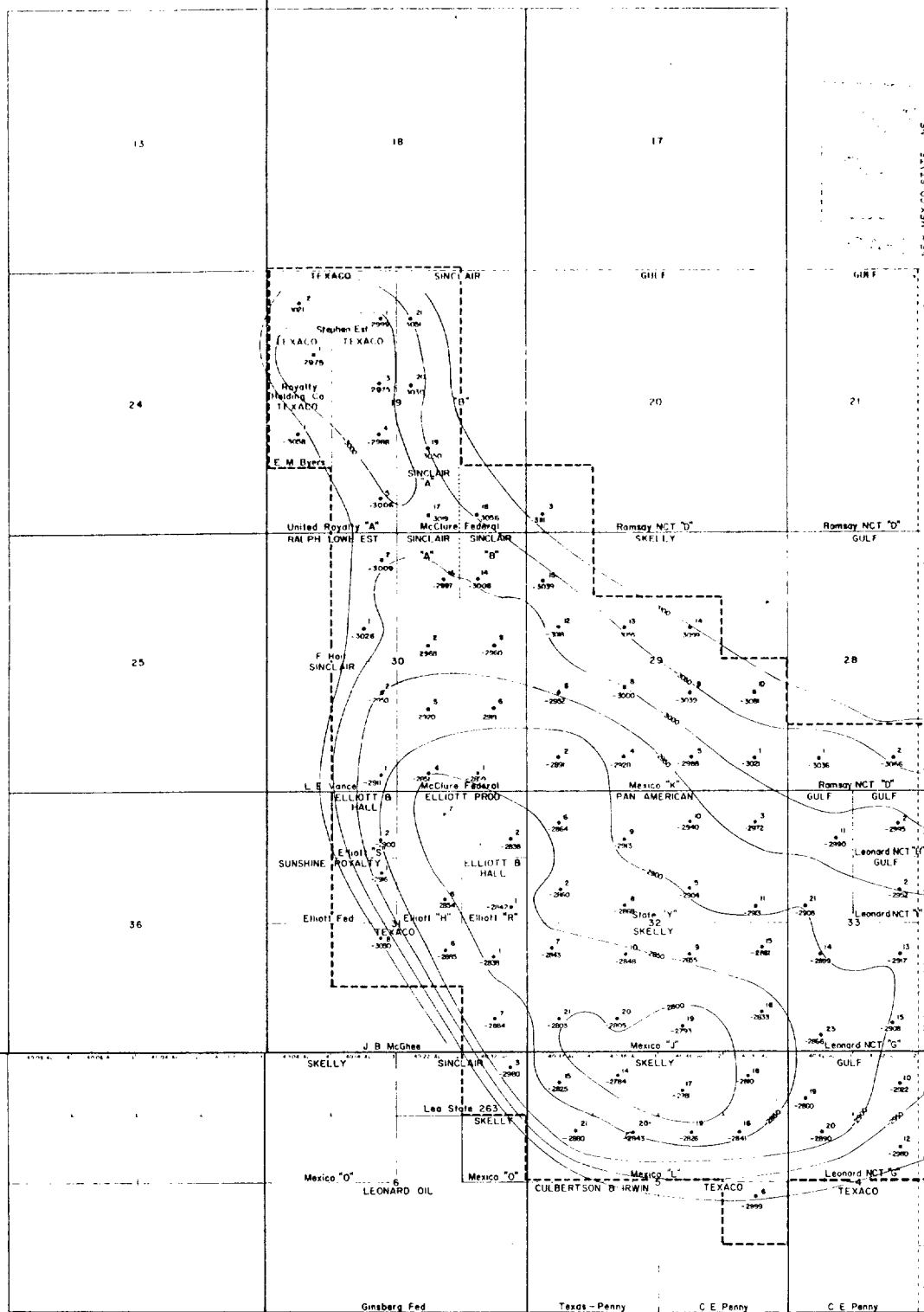
Primary Salinity	58.42	75.94
Secondary Salinity	29.62	23.98
Primary Alkalinity	0.00	0.00
Secondary Alkalinity	11.96	0.08
	100.00%	100.00%

Compatibility Tests: Mixed in % as shown, 24 hrs. standing time:

Mixture-	A	B	C
Sample 1-	5%	50%	75%
Sample 2-	75%	50%	25%
Turbidity, as CaCO ₃ , lbs/1,000 bbl-	1.3	1.1	1.0

R-37-E

R-38-E

T
24
ST
25
S

LEGEND

--- PROPOSED UNIT BOUNDARY
 --- CONTOUR INTERVAL - 50 FEET

STRUCTURE MAP
 CONTOURED ON TOP OF TUBB SAND
 DOLLARHIDE (TUBB DRINKARD) POOL
 LEA COUNTY, NEW MEXICO

SCALE
 1" = 100'

SKELLY OIL CO.

EXHIBIT NO. **I**DOCKET OR
CASE NO. **4134**DATE **5/21/69**

CITIES SERVICE

NORTH DOLLARHIDE
CLEARFORK UNIT

UNION OIL CO. OF CAL.

DOLLARHIDE
CLEARFORK UNIT

WHITE, GILBERT, KOCH & KELLY
(GILBERT, WHITE AND GILBERT)

ATTORNEYS AND COUNSELORS AT LAW

LINCOLN BUILDING

SANTA FE, NEW MEXICO 87501

CARL H. GILBERT (1891-1963)

L. C. WHITE

WILLIAM W. GILBERT

SUMNER S. KOCH

WILLIAM BOOKER KELLY

JOHN F. MCCARTHY, JR.

May 2, 1969

POST OFFICE BOX 787

TELEPHONE 982-4301

(AREA CODE 505)

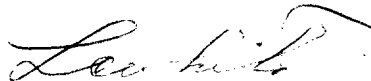
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Re: Skelly Oil Company's Application
re West Dollarhide Drinkard Unit
Lea County, New Mexico and Dollar-
hide Tubb-Drinkard Pool

Gentlemen:

Please enter our appearance as resident counsel for Skelly
Oil Company in the above applications to be heard May 21,
1969.

Very truly yours,



L. C. WHITE

LCW:el

*Docket
mailed*

5/9/69

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 21, 1969

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 3405: (Reopened) (Continued from the May 7, 1969 Examiner Hearing)

In the matter of Case No. 3405 being reopened pursuant to the provisions of Order No. R-3081, which order established 640-acre spacing for the North Indian Hills-Morrow Gas Pool, Eddy County, New Mexico, for a period of one year after first pipeline connection in the pool. All interested parties may appear and show cause why said pool should or should not be developed on 320-acre spacing units.

CASE 4131: Application of Gulf Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Jalmat and South Eunice oil pools, Lea County, New Mexico, in the wellbores of six wells located as follows:

TOWNSHIP 21 SOUTH, RANGE 36 EAST

Arnott Ramsay (NCT-D) Well No. 6 - Unit K - Section 33
Arnott Ramsay (NCT-D) Well No. 7 - Unit M - Section 33
Arnott Ramsay (NCT-D) Well No. 8 - Unit N - Section 33
Arnott Ramsay (NCT-D) Well No. 9 - Unit L - Section 33
J. F. Janda (NCT-B) Well No. 4 - Unit O - Section 32

TOWNSHIP 22 SOUTH, RANGE 36 EAST

J. F. Janda (NCT-F) Well No. 8 - Unit C - Section 4

CASE 4132: Application of Pan American Petroleum Corporation for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for three wells located in Unit D, E, and P of Section 27, Township 18 South, Range 31 East, Shugart Field, Eddy County, New Mexico. Applicant seeks authority to continue to dispose of salt water produced in two unlined surface pits located in the E/2 of said Section 27.

- CASE 4133: Application of Skelly Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the West Dollarhide Drinkard Unit Area comprising 3,533.52 acres, more or less, of Fee, Federal, and State lands in Townships 24 and 25 South, Range 38 East, Lea County, New Mexico.
- CASE 4134: Application of Skelly Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its West Dollarhide Drinkard Unit Area by the injection of water into the Tubb-Drinkard formation through 43 wells located in Townships 24 and 25 South, Range 38 East, Dollarhide Tubb-Drinkard Pool, Lea County, New Mexico. Applicant further seeks a procedure whereby said project may be expanded administratively without a showing of well response.
- CASE 4135: Application of Roy E. Kimsey, Jr. for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil or gas or both, on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for the P. R. Bass-Federal Well No. 1 located in Unit F of Section 3, Township 16 South, Range 30 East, West Henshaw Pool, Eddy County, New Mexico. Applicant seeks authority to continue to dispose of produced salt water in an unlined surface pit located near said well.
- CASE 4136: Application of Mallard Petroleum, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Yates formation in the interval from 3606 feet to 3627 feet in its Milner Federal Well No. 4 located in Unit C of Section 35, Township 20 South, Range 34 East, Lynch Pool, Lea County, New Mexico.
- CASE 4137: Application of Atlantic Richfield Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the East Shugart Unit Area comprising 1359.40 acres, more or less, of Federal and State lands in Townships 18 and 19 South, Range 31 East, Eddy County, New Mexico.

- CASE 4138: Application of Atlantic Richfield Company for a waterflood project and unorthodox injection well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Yates-Seven Rivers-Queen formations through 11 wells in Townships 18 and 19 South, Range 31 East, Shugart Pool, Eddy County, New Mexico. Applicant further seeks an exception to permit the drilling of one of said wells at an unorthodox location 100 feet from the South line and 990 feet from the West line of Section 35, Township 18 South, Range 31 East.
- CASE 4139: Application of Allied Chemical Corporation for a unit agreement, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Milnesand (San Andres) Unit Area comprising 5370.18 acres, more or less, of Federal and Fee lands in Township 8 South, Ranges 34 and 35 East, Roosevelt County, New Mexico.
- CASE 4140: Application of Allied Chemical Corporation for a waterflood project, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Milnesand (San Andres) Unit Area by the injection of water into the San Andres formation through 33 wells located in Township 8 South, Ranges 34 and 35 East, Milnesand-San Andres Pool, Roosevelt County, New Mexico. Applicant further seeks a procedure whereby said project may be expanded administratively without a showing of well response.
- CASE 4141: Application of McCasland Disposal System for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Seven Rivers formation in the intervals from approximately 3756 feet to 3851 feet and from approximately 3918 feet to 3939 feet, respectively, in the Getty Oil Company J. H. Day Wells Nos. 1 and 2, both located in the NW/4 of Section 8, Township 22 South, Range 36 East, Jalmat Pool, Lea County, New Mexico.
- CASE 4142: Application of Tamarack Petroleum Corporation, Inc., for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water by injection into the Queen formation in the interval from 4946 feet to 5040 feet in its Cabot 15 State Well No. 2 located in Unit P of Section 15, Township 19 South, Range 35 East, Pearl-Queen Pool, Lea County, New Mexico.

CASE 4143: Application of Amerada Petroleum Corporation for downhole commingling and special gas-oil ratio limitation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Eumont Gas Pool and the Skaggs-Grayburg Pool in the wellbore of its Fred Turner, Jr., "A" Well No. 2, the Eumont completion of which is presently classified as a gas completion, located in Unit K of Section 18, Township 20 South, Range 38 East, Lea County, New Mexico. Applicant, further seeks the establishment of a special gas-oil ratio limitation for the subject well.

(Continued from the May 7, 1969 Examiner Hearing)

CASE 4121: Application of Roger C. Hanks for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Bar U-Pennsylvanian Pool, Lea County, New Mexico, including a provision for 160-acre spacing and proration units and the assignment of 80-acre allowables.

WELL COMPLETION DATA
DOLLARHIDE TUBB-DRINKARD
PROPOSED UNIT
LEA COUNTY, NEW MEXICO

BEFORE EXAMINER UTZ

OIL CONSERVATION COMMISSION

EXHIBIT NO. 4134

DATE 5-21-69

REMARKS:

OPERATOR Well No.	LOCATION		ELEVATION		TOTAL DEPTH (Feet)	CASING PROGRAM		PRODUCING UNIT		REMARKS:
	Sec.	Township, Range	D.F. (Feet)	(Feet)		Size (Inches)	Depth (Ft)	Cement	(Sacks)	INTERVAL (Feet)
Elliott and Elliott Federal "H" #2		990 FNL & 330 FEL 31-24S-38E	3157	6514	13 3/8 9 5/8 7	215 3002 6411	200 2050 400	(Circ.) (Circ.)	OH	6411-6514
	#6	2310 FNL & 1650 FEL 31-24S-38E	3135	6850	13 3/8 9 5/8 7	209 3023 6410	225 750 500		OH	6410-6850
	#7	480 FNL & 1650 FEL 31-24S-38E	3136	6521	10 3/4 7 5/8 5 1/2	208 3020 6400	150 450 400	(Circ.)	OH	6400-6521
Elliott and Hall Elliott "R" #1		2310 FNL & 330 FEL 31-24S-38E	3138	6488	16 10 3/4 7	161 3009 6325	125 2500 400	(Circ.)	OH	6325-6488
Elliott "S" #2		990 FNL & 2310 FNL 31-24S-38E	3115	6750	13 3/8 8 5/8 5 1/2	221 3016 6750	140 750 480	(Circ.) (Circ.)	Perf	6448-6730
Gulf Leonard "H" NCT G #10		631 FEL & 667 FNL 4-25S-38E	3171	6890	10 3/4 7	301 6252	150 1350		OH	6252-6890
	#11	990 FNL & 990 FNL 33-24S-38E	3193	8170 PB 6960	13 3/8 9 5/8 7	327 2903 6959	350 850 750		Perf	6555-6896
	#12	1980 FNL & 630 FEL 4-25S-38E	3167	6840	10 3/4 7	299 6309	300 1010		OH	6309-6840
	#13	1980 FSL & 630 FEL 33-24S-38E	3183	6850	10 3/4 7	306 6300	275 1171		OH	6300-6850

WELL COMPLETION DATA
DOLARHIDE TUBB-DRINKARD
PROPOSED UNIT
LEA COUNTY, NEW MEXICO

WELL No.	LOCATION Sec., Township, Range	ELEVATION D.F. (Feet)	TOTAL DEPTH (Feet)	CASING PROGRAM			PRODUCING INTERVAL (Feet)
				Size (Inches)	Depth (Ft)	Cement (Sacks)	
Gulf							
Leonard "H" NCT G #14	1980 FSL & 660 FWL 33-24S-38E	3181	6870	8 5/8 5 1/2	308 6869	275 1236	Perf 6490-6820
	#15 560 FSL & 781 FEL 33-24S-38E	3172	6850	9 5/8 7	295 6250	275 810	OH 6250-6850
	#19 990 FNL & 330 FWL 4-25S-38E	3165	6870	9 5/8 7	413 6389	275 1125	OH 6389-6870
	#20 1650 FNL & 660 FWL 4-25S-38E	3160	6860	9 5/8 7	350 6349	275 2035	OH 6349-6860
	#21 2310 FNL & 330 FWL 33-24S-38E	3193	6900	9 5/8 7	335 6349	275 1265	OH 6349-6900
	#23 330 FSL & 660 FWL 33-24S-38E	3173	6869	8 5/8 5 1/2	267 6869	250 1065	Perf 6464-6830
Ramsey NCT D #1	660 FSL & 660 FWL 28-24S-38E	3224	8222 PB 6890	9 5/8 7 5/8	300 6399	300 820	OH 6399-6890
	#2 660 FSL & 779 FEL 28-24S-38E	3201	8277 PB 7340	13 3/8 9 5/8 7	310 2999 8080	335 1595 387	Perf 6650-6832
	#3 330 FSL & 330 FWL 20-24S-38E	3190	6799	8 5/8 5 1/2	258 6799	225 2200	Perf 6484-6788
	Leonard "H" NCT H #2 660 FNL & 660 FEL 33-24S-38E	3205	6878	9 5/8 7	312 6399	250 3826	OH 6399-6878
	Leonard NCT I #2 629 FEL & 1980 FNL 33-24S-38E	3198	6900	10 3/4 7	320 6279	225 1225	OH 6279-6900

WELL COMPLETION DATA
DIAPHRAGM TUBE-DRINKARD
PROPOSED UNIT
LEA COUNTY, NEW MEXICO

WELL NO.	LOCATION	ELEVATION D.F. (Feet)	TOTAL DEPTH (Feet)	CASING PROGRAM			PRODUCING	
				Size (Inches)	Depth (ft)	Cement (Sacks)	INTERVAL (Feet)	
Ralph Lowe								
#1	1980 FNL & 1980 FWL 30-24S-38E	3124	6626	10 3/4 7 5/8 5 1/2	340 3650 6545	200 1700 325		OH 6545-6626
#2	535 FNL & 2310 FWL 30-24S-38E	3156	6910	10 3/4 7 5/8 5 1/2	325 3240 6910	300 1700 600		Perf 6614-6710
Pan American								
#2	1980 FNL & 660 FWL 32-24S-38E	3168	8920 PB 6879	13 3/8 9 5/8 7	323 3139 7003	375 350 658	(Circ.)	Perf 6041-6846
#3	660 FNL & 660 FEL 32-24S-38E	3213	8100 PB 7040	13 3/8 9 5/8 7	316 3135 8053	375 360 575	(Circ.)	Perf 6580-6989
#5	1980 FNL & 1980 FEL 32-24S-38E	3209	7956 PB 7096	13 3/8 9 5/8 7	318 3145 7203	290 350 783	(Circ.)	Perf 6175-6916
#6	660 FNL & 660 FWL 32-24S-38E	3176	7020 PB 6932	13 3/8 9 5/8 7	300 3149 7020	290 350 236	(Circ.)	Perf 6446-6760
#8	2310 FNL & 1980 FWL 32-24S-38E	3182	6912	13 3/8 8 5/8 5 1/2	302 3144 6641	250 350 236	(Circ.)	Perf 6155-6566 OH 6641-6912
#9	990 FNL & 1980 FWL 32-24S-38E	3192	6922 PB 6600	13 3/8 8 5/8 5 1/2	313 3150 6627	290 350 236		Perf 6108-6580
#10	660 FNL & 1980 FEL 32-24S-38E	3220	6950	13 3/8 9 5/8 5 1/2	309 3150 6715	290 350 236	(Circ.)	Perf 6180-6690 OH 6715-6950

WELL COMPLETION DATA
DOLLARHIDE TUBB-DRINKARD
PROPOSED UNIT
LEA COUNTY, NEW MEXICO

OPERATOR Well No.	LOCATION		ELEVATION		TOTAL DEPTH		CASING PROGRAM			PRODUCING	
	Sec., Township, Range		D.F. (Feet)	(Feet)	Size (Inches)	Depth (ft)	Cement	(Sacks)		INTERVAL (Feet)	FEET/FEET
Pan American State "Y" #11		2310 FNL & 660 FWL	3197	6927	13 3/8	318	290	(Circ.)		Perf 6109-6202	
		32-24S-38E			9 5/8	3150	290			OH 6682-6927	Convert to MW
					5 1/2	6682	236				
Sinclair State 203 #3		330 FNL & 330 FEL	3116	6840	13 3/8	307	325			Perf 6382-6605	
		6-25S-38E			8 5/8	3149	1475				
					5 1/2	6840	578				
Mc Clure #1		330 FSL & 990 FEL	3141	6800	13 3/8	285	300			Perf 6395-6470	
		30-24S-38E			8 5/8	3200	750			OH 6529-6800	Convert to MW
					5 1/2	6529	600				
#2		2310 FNL & 1980 FEL	3141	6850	13	293	300			Perf 6510-6610	
		30-24S-38E			8 5/8	3174	1600			OH 6699-6850	
					5 1/2	6699	700				
#4		330 FSL & 1980 FEL	3125	6960	13 3/8	301	300			Perf 6396-6730	
		30-24S-38E			8 5/8	3131	1500				
					5 1/2	6959	450				
#5		1650 FSL & 1980 FEL	3136	6850	13 3/8	308	300			Perf 6459-6810	Convert to MW
		30-24S-38E			8 5/8	3156	1650				
					5 1/2	6849	550				
#6		1650 FSL & 660 FEL	3175	6885	13 3/8	257	280			Perf 6503-6585	
		30-24S-38E			8 5/8	3064	1500			OH 6638-6885	
					5 1/2	6638	590				
#8		2310 FNL & 660 FEL	3178	6875	13 3/8	283	275				
		30-24S-38E			8 5/8	3149	1813			Perf 6555-6866	Convert to MW
					5 1/2	6874	580				

WELL COMPLETION DATA
DOLARHIDE TUBE-DRINKARD
PROPOSED UNIT
LEA COUNTY, NEW MEXICO

WELL No.	LOCATION Sec., Township, Range	ELEVATION D.F. (Feet)	TOTAL DEPTH (Feet)	CASING PROGRAM				PRODUCING		REMARKS:
				Size (Inches)	Depth (Ft)	Cement (Sacks)	INTERVAL (Feet)			
Sinclair										
#14	Mc Clure #14	990 FNL & 990 FEL	3184	6900	13 3/8	305	275			
		30-24S-38E			8 5/8	3200	1600			
					5 1/2	6900	440		Perf 6023-6825	
#16		990 FNL & 1650 FEL	3173	6900	13 3/8	305	300			
		30-24S-38E			8 5/8	3210	1700			
					5 1/2	6899	500		Perf 6604-6704	Convert to WIN
#17		330 FSL & 1980 FEL	3157	6900	8 5/8	3225	2100			
		19-24S-38E			5 1/2	6900	525			
								(Circ.)	Perf 6624-6722	
#18		330 FSL & 990 FEL	3181	6900	9 5/8	3325	1500			
		19-24S-38E			5 1/2	6900	550			
									Perf 6675-6738	Convert to WIN
#19		1650 FSL & 1980 FEL	3180	6900	8 5/8	3254	800			
		19-24S-38E			5 1/2	6899	525			
								(Circ.)	Perf 6670-6723	Convert to WIN
#20		2310 FNL & 2310 FEL	3180	6900	8 5/8	3224	1000			
		19-24S-38E			5 1/2	6899	525			
								(Circ.)	Perf 6662-6896	Drk-Qn Dual Model D 6550'
#21		990 FNL & 2310 FEL	3181	6900	8 5/8	3234	1000			
		19-24S-38E			5 1/2	6900	550			
								(Circ.)	Perf 6666-6724	Convert to WIN
Vance #1		330 FSL & 2310 FNL	3109	6525	13 3/8	340	320			
		30-24S-38E			8 5/8	3099	1000			
					5 1/2	6524	650		Perf 6415-6480	Convert to WIN
#2		1980 FSL & 2310 FNL	3110	7000	13 3/8	304	300			
		30-24S-38E		PB 6808	8 5/8	3163	2900			
					5 1/2	6837	450		Perf 6470-6710	
Section										
Mexico "J" #7		2310 FSL & 510 FNL	3154	6850	13 3/8	250	250			
		32-24S-37E			8 5/8	3150	1600			
					5 1/2	6850	450		(Circ.)	Perf 6086-6768

WELL COMPLETION DATA
DOLLARHIDE TUBE-DRINKARD
PROPOSED UNIT
LEA COUNTY, NEW MEXICO

WELL NO.		LOCATION	ELEVATION		TOTAL DEPTH		CASING PROGRAM				PRODUCING		PERF LOGS:
Well No.		Sec., Township, Range	D.F. (Feet)	(Feet)	Size (Inches)	Depth (Ft)	Cement	(Sacks)		INTERVAL (Feet)			
Skelley													
Mexico "J" #9		1980 FSL & 1980 FWL 32-24S-38E	3195	6902	13 3/8 9 5/8 5 1/2	250 3150 6902	250 1800 450	(Circ.)		Perf 6137-6850	Convert to MW		
#10		1980 FSL & 1980 FWL 32-24S-38E	3177	6878	13 3/8 9 5/8 5 1/2	250 3150 6878	250 1800 450	(Circ.)		Perf 6120-6840			
#15		510 FSL & 2130 FSL 32-24S-38E	3193	6915	8 5/8 5 1/2	3150 6610	1800 450	(Circ.)		Perf 6174-6572 OH 6610-6915			
#16		510 FSL & 810 FSL 32-24S-38E	3180	6900	8 5/8 5 1/2	3150 6565	2000 450	(Circ.)		Perf 6121-6516 OH 6565-6900	Convert to MW		
#19		2130 FSL & 510 FSL 32-24S-38E	3166	6900	8 5/8 5 1/2	3150 6500	2000 450	(Circ.)		Perf 6057-6468 OH 6500-6900			
#20		660 FSL & 1830 FWL 32-24S-38E	3157	6890	8 5/8 5 1/2	3150 6490	2000 450	(Circ.)		Perf 6050-6461 OH 6490-6890	Convert to MW		
#21		660 FSL & 660 FWL 32-24S-38E	3147	6860	8 5/8 5 1/2	3150 6460	2000 450	(Circ.)		Perf 6049-6436 OH 6460-6860			
Mexico "K" # 1		660 FSL & 660 FSL 29-24S-38E	3219	9177 PB 6960	13 5/8 9 5/8 5 1/2	300 3250 8221	300 1800 700	(Circ.) (Circ.)		Perf 6333-6940	Convert to MW		
# 2		660 FSL & 660 FWL 29-24S-38E	3181	6900	13 3/8 9 5/8 5 1/2	250 3150 6900	250 1600 450	(Circ.)		Perf 6410-6878			
# 4		660 FSL & 1980 FWL 29-24S-38E	3217	6938	8 5/8 5 1/2	1280 6850	400 450	(Circ.)		Perf 6256-6833 OH 6850-6938	Convert to MW		
# 3		1980 FSL & 660 FSL 29-24S-38E	3216	6940	13 3/8 9 5/8 5 1/2	250 3150 6940	250 1800 450	(Circ.)		Perf 6298-6933			

WELL COMPLETION DATA
DOLLARHIDE TURB-DRINKARD
PROPOSED UNIT
LEA COUNTY, NEW MEXICO

OPERATION	LOCATION	ELEVATION	TOTAL DEPTH	CASING PROGRAM			PRODUCING	
Well No.	Sec., Township, Range	D.F. (Feet)	(Feet)	Size (Inches)	Depth (Feet)	Content (Sacks)	INTERVAL (Feet)	REMARKS
Sketch								
Mexico "K" #6	1980 FSL & 660 FWL	3186	6905	13 3/8	250	250	(Circ.)	
	29-24S-38E			9 5/8	3150	1800	Perf 6561-6774 OH 6790-6905	Convert to MIN
				5 1/2	6790	450		
#8	2080 FSL & 1980 FWL	3220	6940	8 5/8	3150	1800	(Circ.)	
	29-24S-38E			5 1/2	6740	450	Perf 6610-6720 OH 6740-6940	
#9	1980 FEL & 1980 FSL	3221	6935	8 5/8	3150	2000	(Circ.)	
	29-24S-38E			5 1/2	6636	450	Perf 6417-6588 OH 6636-6935	Convert to MIN
#10	660 FEL & 1980 FSL	3219	6930	8 5/8	3150	1900	(Circ.)	
	29-24S-38E			5 1/2	6640	450	Perf 6467-6590 OH 6640-6930	
#12	1980 FNL & 660 FWL	3200	6910	8 5/8	3150	2000	(Circ.)	
	29-24S-38E			5 1/2	6830	450	Perf 6628-6722 OH 6830-6910	
#13	1980 FNL & 1980 FWL	3235	6970	8 5/8	3150	2000	(Circ.)	
	29-24S-38E			5 1/2	6850	450	Perf 6720-6760 OH 6850-6970	Convert to MIN
#14	1980 FNL & 1980 FEL	3223	6960 PB 6840	8 5/8	3150	2000	(Circ.)	
	29-24S-38E			5 1/2	6870	200	Perf 6740-6760	
#15	990 FNL & 330 FWL	3212	6950	8 5/8	3150	2000	(Circ.)	
	29-24S-38E			5 1/2	6810	450	Perf 6656-6727 OH 6810-6950	Convert to MIN
Mexico "L" #14	516 FNL & 1830 FWL	3144	6860	8 5/8	3150	800	(Circ.)	
	5-25S-38E			5 1/2	6460	450	Perf 6078-6433 OH 6460-6860	
#15	666 FNL & 660 FWL	3130	6850	8 5/8	3153	2000	(Circ.)	
	5-25S-38E			5 1/2	6300	450	Perf 6043-6190 OH 6300-6850	Convert to MIN
#16	510 FNL & 810 FEL	3170	6890	8 5/8	3150	2000	(Circ.)	
				5 1/2	6540	450	Perf 6065-6500 OH 6540-6890	
#17	810 FNL & 2130 FEL	3159	6880	8 5/8	3150	2000	(Circ.)	
	5-25S-38E			5 1/2	6480	450	Perf 6048-6460 OH 6480-6880	Convert to MIN

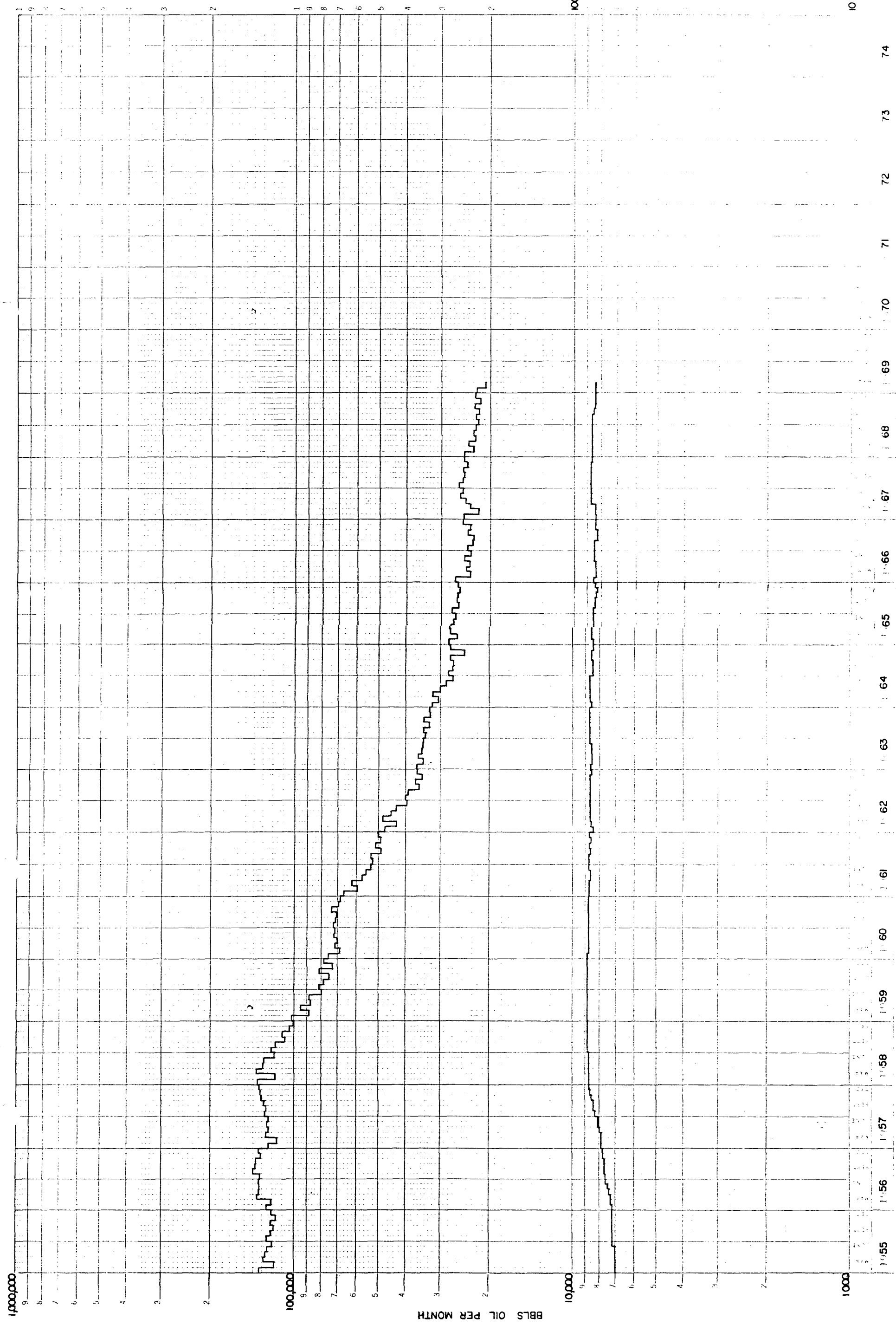
WELL COMPLETION DATA
DOLLARIDE TUBS-DRINKARD
PROPOSED UNIT
LEA COUNTY, NEW MEXICO

COMPANION		LOCATION		ELEVATION		TOTAL DEPTH		CASING PROGRAM			PRODUCING	
Well No.		Sec., Township, Range		D.F. (Feet)	(Feet)	Size (Inches)	Depth (Ft)	Cement (Sacks)		Interval (Feet)	Remarks	
Skelly												
Mexico "L" #18		1656 FNL & 990 FEL 5-25S-38E		3171	6880	8 5/8 5 1/2	3150 6420	2000 450	(Circ.)	Perf 6109-6320 OH 6420-6880	Convert to WIN	
	#19	1656 FNL & 1980 FEL		3159	6870	8 5/8 5 1/2	3150 6385	2000 450	(Circ.)	Perf 6085-6293 OH 6385-6870		
	#20	1662 FNL & 2130 FWL 5-25S-38E		3143	6870	8 5/8 5 1/2	3150 6375	2000 450		Perf 6067-6234 OH 6375-6870	Convert to WIN	
	#21	1650 FNL & 990 FWL 5-25S-38E		3130	6860	8 5/8 5 1/2	3150 6355	2000 450		Perf 6104-6274 OH 6355-6860		
Sunshine Royalty												
Elliott Fed. #1		1650 FNL & 2310 FWL 31-24S-38E		3114	6574	13 3/8 8 5/8 5 1/2	195 2998 6411	160 450 550	(Circ.)	OH 6411-6574	Convert to WIN	
Texaco												
Byers #1		660 FWL & 1981 FSL 19-24S-38E		3142	6686	13 3/4 9 5/8 5 1/2	324 3675 6686	350 2300 200	(Circ.)	Perf 6632-6666	Convert to WIN	
Mc Ghee #1		1980 FSL & 660 FEL 31-24S-38E		3138	8735 PB 7755	13 3/8 9 5/8 5 1/2	320 3498 8705	2200 1162	(Circ.)	Perf 6076-6724	Drk-Dev Dual Model "D"7365'	
	#6	2090 FSL & 1650 FEL 31-24S-38E		3125	6800	13 3/8 8 5/8 5 1/2	321 3780 6642	320 1900 500	(Circ.)	Perf 6122-6614 OH 6642-6800	Convert to WIN	
#7		660 FSL & 660 FEL 31-24S-38E		3128	6800	13 3/8 5 1/2	333 6580	300 800	(Circ.)	Perf 6112-6544 OH 6580-6800	Convert to WIN	
#8		2312 FSL & 2309 FWL 31-24S-38E		3127	6800	13 3/8 8 5/8 5 1/2	350 3680 6700	400 2100 700	(Circ.)	Perf 6073-6608 OH 6700-6880		

WELL COMPLETION DATA
DOLARHIDE TUBB-DRINKARD
PROPOSED UNIT
LEA COUNTY, NEW MEXICO

OPERATOR	LOCATION	ELEVATION	TOTAL DEPTH	CASING PROGRAM	PRODUCTING
Well No.	Sec., Township, Range	D.F. (Feet)	(Feet)	Size (Inches) Depth (Feet) Cement (Sacks)	INTERVAL (Feet)
Texaco					
Penny #6	2323 FSL & 660 FEL 5-25S-38E	3144	6875	13 3/8 330 400 8 5/8 3910 2200 5 1/2 6450 700	OH 6450-6875
Royalty Holding #1	1700 FNL & 984 FWL 19-24S-38E	3155	6830	13 3/8 385 400 8 5/8 3235 2000 5 1/2 6830 550	(Circ.) (Circ.) Perf 6534-6888 Drk-Qn Dual Model D 6500'
Stevens Est. #1	990 FNL & 2305 FWL 19-24S-38E	3174	6815	13 3/8 376 400 8 5/8 3253 2000 5 1/2 6815 400	(Circ.) Perf 6660-6744 Model D 6550' Drk-Qn Dual
#2	660 FNL & 660 FWL 19-24S-38E	3167	6820	13 3/8 356 400 8 5/8 3249 2000 5 1/2 6820 400	(Circ.) Perf 6660-6752 Model D 6550' Convert to WIN Drk-Qn Dual
United Royalty "A" #3	2310 FNL & 2310 FWL 19-24S-38E	3186	6875	13 3/8 389 400 8 5/8 3245 2000 5 1/2 6875 400	(Circ.) Perf 6619-6671 Convert to WIN Drk-Qn Dual Model D 6530'
#4	1980 FSL & 2310 FNL 19-24S-38E	3174	6855	13 3/8 352 400 8 5/8 3250 2000 5 1/2 6855 400	(Circ.) Perf 6626-6726 Drk-Qn Dual Model D 6540'
#5	660 FSL & 2305 FWL 19-24S-38E	3157	6850	13 3/8 374 400 8 5/8 3250 2000 5 1/2 6849 400	(Circ.) Perf 6664-6708 Convert to WIN

NUMBER OF PRODUCING WELLS



WEST DOLLARHIDE TUBB-DRINKARD

47 6840
20 YEARS BY MONTHS
X 3 LOG CYCLES
KEUFFEL & ESSER CO.
MADE IN U.S.A.

SHIELLY OIL CO.

EXHIBIT NO. C

DOCKET OR
CASE NO. 4134

DATE 5-21-69

DATE EXAMINED

BY

FILE NO.

DATE

Attached is a plat which shows the development of the West Dollarhide Drinkard Pool and the proposed Unit Boundary. The proposed injection wells are indicated on this plat and are tabulated below:

COMPANY	LEASE	WELL #	LOCATION UNIT SEC-T-R
Texaco, Inc.	Paul Stephens	2	D 19-24-38
Texaco, Inc.	E. M. Byers	1	L 19-24-38
Texaco, Inc.	United Royalty "A"	3	F 19-24-38
Texaco, Inc.	United Royalty "A"	5	N 19-24-38
Sinclair Oil & Gas Company	McClure Fed.	21	B 19-24-38
Sinclair Oil & Gas Company	McClure Fed.	19	J 19-24-38
Sinclair Oil & Gas Company	McClure Fed.	18	P 19-24-38
Ralph Lowe	F. Hair	1	F 30-24-38
Sinclair Oil & Gas Company	L. E. Vance	1	N 30-24-38
Sinclair Oil & Gas Company	McClure Fed.	1	P 30-24-38
Sinclair Oil & Gas Company	McClure Fed.	5	J 30-24-38
Sinclair Oil & Gas Company	McClure Fed.	8	H 30-24-38
Sinclair Oil & Gas Company	McClure Fed.	16	B 30-24-38
Skelly Oil Company	Mexico "K"	1	P 29-24-38
Skelly Oil Company	Mexico "K"	4	N 29-24-38
Skelly Oil Company	Mexico "K"	6	L 29-24-38
Skelly Oil Company	Mexico "K"	9	J 29-24-38
Skelly Oil Company	Mexico "K"	13	F 29-24-38
Skelly Oil Company	Mexico "K"	15	D 29-24-38
* Gulf Oil Corporation	Ramsay "D"	2	N 28-24-38
* Gulf Oil Corporation	Leonard "I"	2	F 33-24-38
Gulf Oil Corporation	Leonard "G"	11	D 33-24-38
Gulf Oil Corporation	Leonard "G"	14	L 33-24-38
* Gulf Oil Corporation	Leonard "G"	15	N 33-24-38
Skelly Oil Company	Mexico "J"	7	L 32-24-38
Skelly Oil Company	Mexico "J"	9	J 32-24-38
Skelly Oil Company	Mexico "J"	16	P 32-24-38
Skelly Oil Company	Mexico "J"	20	N 32-24-38
Pan American	State "Y"	11	H 32-24-38
Pan American	State "Y"	8	F 32-24-38
Pan American	State "Y"	10	B 32-24-38
Pan American	State "Y"	6	D 32-24-38
Texaco, Inc.	J. B. McGhee	6	J 31-24-38
Texaco, Inc.	J. B. McGhee	7	P 31-24-38
Elliott Production	Elliott "H"	7	B 31-24-38
Elliott and Hall	Elliott "R"	1	H 31-24-38
Sunshine Royalty	Elliott Fed.	1	F 31-24-38
Skelly Oil Company	Mexico "L"	15	D 5-25-38
Skelly Oil Company	Mexico "L"	17	B 5-25-38
Skelly Oil Company	Mexico "L"	18	H 5-25-38
Skelly Oil Company	Mexico "L"	20	F 5-25-38
* Gulf Oil Corporation	Leonard "G"	12	F 4-25-38
Gulf Oil Corporation	Leonard "G"	19	D 4-25-38

*Conversion of these four wells will be temporarily delayed until lease line agreements are made.

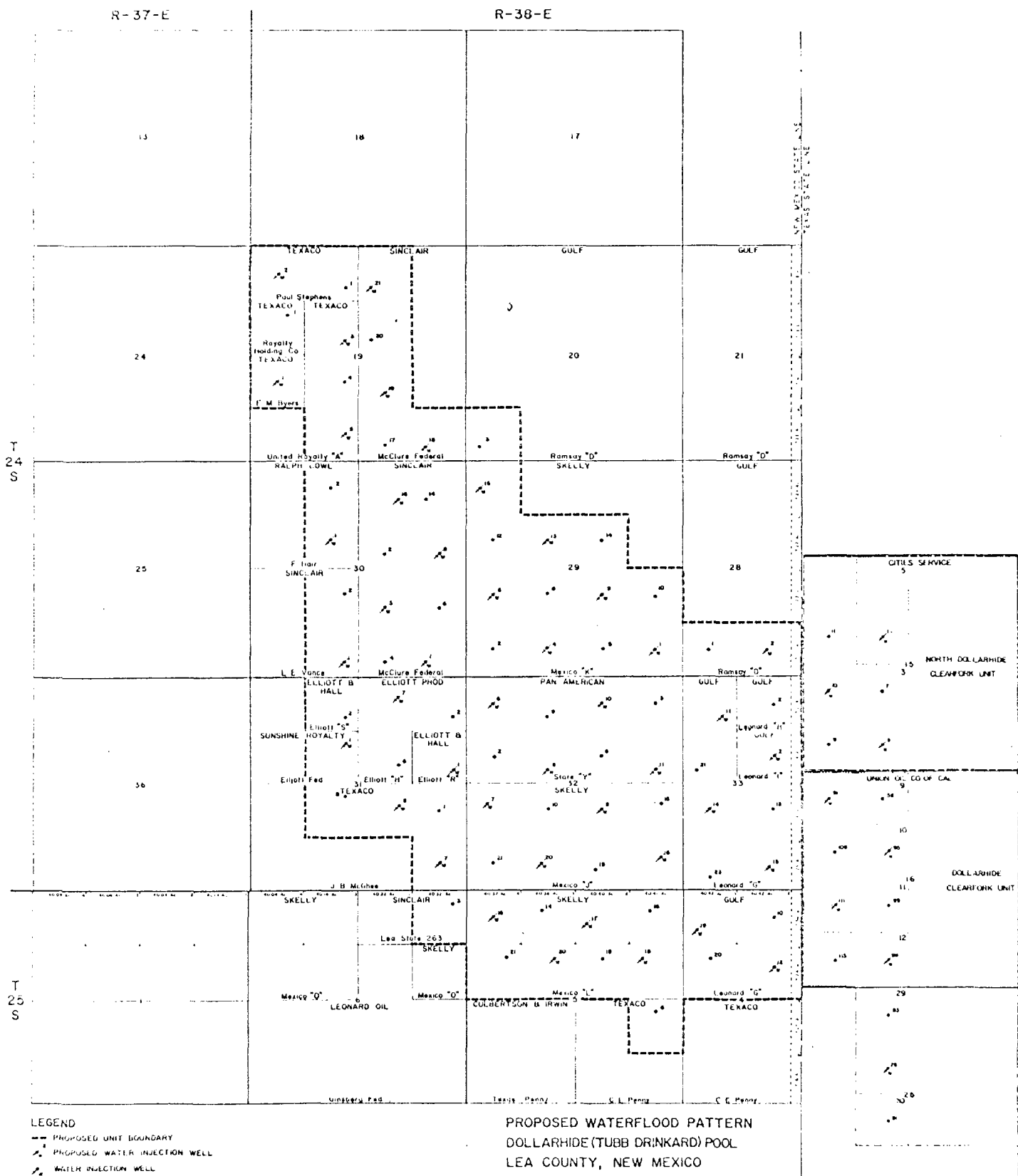
SKELLY OIL CO.

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. _____
CASE NO. _____

EXHIBIT NO. B

DOCKET OR CASE NO. 4134

DATE 5/21/69



Attached is a plat which shows the development of the West Dollarhide Drinkard Pool and the proposed Unit Boundary. The proposed injection wells are indicated on this plat and are tabulated below:

COMPANY	LEASE	WELL #	LOCATION	
			UNIT	SEC-T-R
Texaco, Inc.	Paul Stephens	2	D	19-24-38
Texaco, Inc.	E. M. Byers	1	L	19-24-38
Texaco, Inc.	United Royalty "A"	3	F	19-24-38
Texaco, Inc.	United Royalty "A"	5	N	19-24-38
Sinclair Oil & Gas Company	McClure Fed.	21	B	19-24-38
Sinclair Oil & Gas Company	McClure Fed.	19	J	19-24-38
Sinclair Oil & Gas Company	McClure Fed.	18	P	19-24-38
Ralph Lowe	F. Hair	1	F	30-24-38
Sinclair Oil & Gas Company	L. E. Vance	1	N	30-24-38
Sinclair Oil & Gas Company	McClure Fed.	1	P	30-24-38
Sinclair Oil & Gas Company	McClure Fed.	5	J	30-24-38
Sinclair Oil & Gas Company	McClure Fed.	8	H	30-24-38
Sinclair Oil & Gas Company	McClure Fed.	16	B	30-24-38
Skelly Oil Company	Mexico "K"	1	P	29-24-38
Skelly Oil Company	Mexico "K"	4	N	29-24-38
Skelly Oil Company	Mexico "K"	6	L	29-24-38
Skelly Oil Company	Mexico "K"	9	J	29-24-38
Skelly Oil Company	Mexico "K"	13	F	29-24-38
Skelly Oil Company	Mexico "K"	15	D	29-24-38
* Gulf Oil Corporation	Ramsay "D"	2	N	28-24-38
* Gulf Oil Corporation	Leonard "I"	2	F	33-24-38
Gulf Oil Corporation	Leonard "G"	11	D	33-24-38
Gulf Oil Corporation	Leonard "G"	14	L	33-24-38
* Gulf Oil Corporation	Leonard "G"	15	N	33-24-38
Skelly Oil Company	Mexico "J"	7	L	32-24-38
Skelly Oil Company	Mexico "J"	9	J	32-24-38
Skelly Oil Company	Mexico "J"	16	P	32-24-38
Skelly Oil Company	Mexico "J"	20	N	32-24-38
Pan American	State "Y"	11	H	32-24-38
Pan American	State "Y"	8	F	32-24-38
Pan American	State "Y"	10	B	32-24-38
Pan American	State "Y"	6	D	32-24-38
Texaco, Inc.	J. B. McGhee	6	J	31-24-38
Texaco, Inc.	J. B. McGhee	7	P	31-24-38
Elliott Production	Elliott "H"	7	B	31-24-38
Elliott and Hall	Elliott "R"	1	H	31-24-38
Sunshine Royalty	Elliott Fed.	1	F	31-24-38
Skelly Oil Company	Mexico "L"	15	D	5-25-38
Skelly Oil Company	Mexico "L"	17	B	5-25-38
Skelly Oil Company	Mexico "L"	18	H	5-25-38
Skelly Oil Company	Mexico "L"	20	F	5-25-38
* Gulf Oil Corporation	Leonard "G"	12	F	4-25-38
Gulf Oil Corporation	Leonard "G"	19	D	4-25-38

*Conversion of these four wells will be temporarily delayed until lease line agreements are made.

Case 4134

UNIT AGREEMENT

FOR THE DEVELOPMENT AND OPERATION

OF THE

WEST DOLLARHIDE DRINKARD UNIT

LEA COUNTY, NEW MEXICO

UNIT AGREEMENT
WEST DOLLARHIDE DRINKARD UNIT
LEA COUNTY, NEW MEXICO

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Preamble

Agreement Proper

UNIT AGREEMENT
WEST DOLLARHIDE DRINKARD UNIT
LEA COUNTY, NEW MEXICO

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CERTIFICATION - DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior, under the act approved February 25, 1920, 41 Stat. 437, as amended, 30 U.S.C. Sec. 181, et seq., and delegated to the Oil & Gas Supervisors of the Geological Survey (33 F. R. 5812), I hereby:

A. Approve the attached agreement for the development and operation of the West Dollarhide Drinkard Unit Area, Lea County, 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, 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 _____

Oil & Gas Supervisor, United States
Geological Survey

Contract Number _____

UNIT AGREEMENT

WEST DOLLARHIDE DRINKARD UNIT

LEA COUNTY, NEW MEXICO

State of New Mexico No. _____

THIS AGREEMENT, entered into as of the first day of August, 1968, by and between the parties subscribing, ratifying or consenting hereto, and herein referred to as "parties hereto",

WITNESSETH:

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

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Sec. 3, Chap. 88, Laws 1943, as amended by Sec. 1 of Chap. 162, Laws of 1951, Chap. 7, Art. 11, Sec. 39, N.M.S. 1953 anno.) to consent to or approve this agreement on behalf of the State of New Mexico, insofar as it covers and includes lands and mineral interests of the State of New Mexico; 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 of 1943, as amended by Sec. 1, Chap. 162, Laws of 1951, Chap. 7, Art. 11, Sec. 41, N.M.S. 1953 anno.) to amend with the approval of the lessee, any oil and gas lease embracing State lands so that the length of the term of said lease will coincide with the term of this agreement; and

WHEREAS, the Oil Conservation Commission of the State of New Mexico is authorized by law (Art. 111, Chap. 65, Vol. 9, part 2, New Mexico Statutes, 1953 Annotated) to approve this agreement, and the conservation provisions hereof; and

WHEREAS, the Mineral Leasing Act of February 25, 1920 (41 Stat. 437, as amended 30 U.S.C. Sections 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 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 parties hereto hold sufficient interests in the West Dollarhide Drinkard Unit Area, covering the land hereinafter described to give reasonably effective control of operation therein; and

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

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

SECTION 1. ENABLING ACT AND REGULATIONS. 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 and valid, pertinent and reasonable regulations hereafter issued thereunder are accepted and made a part of this agreement as to Federal lands, provided such regulations are not inconsistent with the terms of this agreement; and as to non-Federal 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 is located, are hereby accepted and made a part of this agreement.

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

(a) "Unit Area" is defined as the area described by tracts in Exhibit "B" and depicted on Exhibit "A" attached hereto containing 3,533.52 acres, more or less, or to which it may be extended as herein provided.

(b) "Commissioner" is defined as the Commissioner of Public Land of the State of New Mexico.

(c) "Commission" is defined as the Oil Conservation Commission of the State of New Mexico.

(d) "Director" is defined as the Director of the United States

Geological Survey.

(e) "Secretary" is defined as the Secretary of the Interior of the United States of America or any other person duly authorized to exercise the powers vested in that office.

(f) "Department" is defined as the Department of the Interior of the United States of America.

(g) "Supervisor" is defined as the Oil and Gas Supervisor of the United States Geological Survey for the region in which the Unit Area is situated.

(h) "Unitized Formation" means the Tubb-Drinkard Formation underlying the unitized land; said interval having been heretofore found to occur in Skelly Oil Company's Mexico "L" No. 3 well (located 1980 feet from the east line and 660 feet from the north line of Section 5, Township 25 South, Range 38 East, Lea County, New Mexico) at an indicated depth of from 5,950 feet to 7,367 feet, as recorded on the Schlumberger electrical log Run No. 1 taken April 13, 1952, said log being measured from a derrick floor elevation of 3,168 feet above sea level.

(i) "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

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

(k) "Tract Participation" is defined as the percentage of participation, as shown on Exhibit "C", for allocating Unitized Substances to a Tract under this agreement.

(l) "Unit Participation" of each Working Interest Owner means the sum of the products obtained by multiplying the Working Interest of such Working Interest Owner in each Tract by the Tract Participation of such Tract.

(m) "Working Interest" is defined as 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.

(n) "Working Interest Owner" is defined as and shall mean 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 and operations hereunder. The owner of oil and gas rights which are free of leases or other instruments 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.

(o) "Record Owner" is defined as the holder of the record title to a lease covering Federal lands according to the applicable records of the Department of the Interior of the United States of America.

(p) "Royalty Interest" or "Royalty" is defined as 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 profit contract, or any other payment or burden which does not carry with it the right to search for and produce Unitized Substances.

(q) "Royalty Owner" is defined as and shall mean the owner of a Royalty Interest.

(r) "Voting Interest" shall mean, unless otherwise specifically defined herein, that each Working Interest Owner shall have a voting interest equal to its Unit Participation in effect at the time of voting.

(s) "Usable Well" shall mean a well which, in accordance with good oil field practice, is adequately equipped so that the Unitized Formation is in condition to permit production of Unitized Substances to the surface by conventional production methods.

(t) "Unit Operating Agreement" is defined as and shall mean any agreement or agreements (whether one or more entered into 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, infra, and shall be styled "Unit Operating Agreement, West Dollarhide Drinkard Unit, Lea County, New Mexico."

(u) "Unit Manager" is defined as the person or corporation appointed by the Working Interest Owners to perform the duties of the Unit Operator until

the selection and qualification of a successor Unit Operator as provided for in Section 8 hereof.

SECTION 3 EXHIBITS. Exhibit "A" attached hereto is a map showing the Unit Area and the boundaries and identity of Tracts and leases in said Unit Area to the extent known to the Unit Operator. Exhibit "B" attached hereto is a schedule showing, to the extent known to the Unit Operator, the acreage comprising each Tract and the percentage ownership of each Working Interest Owner in each Tract. Exhibit "C" attached hereto is a schedule showing the Tract Participation of 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 owned by such party.

Whenever reference herein or in the Unit Operating Agreement is made to an Exhibit, the reference is to the Exhibit as originally attached or, if revised, to the latest approved revision.

The description and ownership of the respective Tracts have been established by using the best information available. If it subsequently appears that clerical errors, including errors in Tract Ownership or mechanical miscalculations have been made, Unit Operator shall revise the Exhibits to conform with the facts. The revision shall not include any re-evaluation of engineering or geological interpretations used in determining Tract Participations. Errors and miscalculations discovered prior to the effective date of this agreement shall be corrected by Unit Operator in the first revision of Exhibits following the effective date and said first revisions shall be effective as of the effective date of this agreement. The correction of any errors other than the correction of a clerical or mechanical error shall be made by Unit Operator only after first having obtained approval of Working Interest Owners, the Supervisor, and the Commissioner.

Exhibits "A", "B", and "C" shall be revised by Unit Operator whenever changes render such revision necessary, or when requested by the Supervisor or the Commissioner. If an Exhibit is revised pursuant to this agreement, Unit Operator shall certify and file the required number of copies of the revised Exhibit with the Commissioner and the Supervisor, and one (1) copy for record with the County Clerk, Lea County, New Mexico. Except as specified above, a revised Exhibit shall become effective

on such date as may be determined by the Working Interest Owners and set forth on said revised Exhibit.

SECTION 4. EXPANSION. The 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. Such expansion shall be effected in the following manner:

(a) The Working Interest Owner or Owners of a Tract or Tracts desiring to bring such Tract or Tracts into this Unit, shall file an application therefor with Unit Operator requesting such admission

(b) Unit Operator shall circulate a notice to each Working Interest Owner of the proposed expansion, setting out the basis for admission, the recommended Tract Participation to be assigned to such Tract or Tracts, and other pertinent data. After negotiation (at Working Interest Owners' meeting or otherwise) if at least three Working Interest Owners having in the aggregate eighty percent (80%) based on Phase III Unit Participation have agreed to such Tract or Tracts being brought into the Unit, then Unit Operator shall:

(1) After preliminary concurrence by the Director and the Commissioner prepare a notice of proposed expansion describing the contemplated changes in the boundaries of the Unit Area, the reason therefor, the basis for admission of the additional Tract or Tracts, the Tract Participation to be assigned thereto and the proposed effective date thereof; and

(2) Deliver copies of said notice to the Commissioner, the Supervisor, each Working Interest Owner and to the lessee and lessor whose interests are affected, advising such parties that thirty (30) days will be allowed for submission to the Unit Operator of any objection to such proposed expansion; and

(3) File, upon the expiration of said thirty (30) day period as set out in (2) immediately above with the Commissioner and Supervisor the following: (a) Evidence of mailing or delivering copies of said notice of expansion; (b) An application for such expansion; (c) An instrument containing the appropriate joinder reflecting the qualifications of the new Tract in the same manner required for the qualification of Tracts under Section 15 hereof, Tracts Qualified for Participation; and (d) Copies of any objections received.

The expansion shall, after due consideration of all pertinent

information and approval by the Commissioner, the Commission, and the Supervisor, become effective as of the date prescribed in the notice thereof, preferably the first day of a month subsequent to the date of notice or on such other date as may be agreed upon by the Working Interest Owners and approved by the Commissioner, the Commission, and the Supervisor. 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.

SECTION 5. UNITIZED LAND AND UNITIZED SUBSTANCES. All land committed to this agreement shall constitute land referred to herein as "unitized land" or "land subject to this agreement". All "unitized land" and Unitized Substances within the Unit Area are unitized under the terms of this agreement. Nothing herein shall be construed to unitize, pool, or in any way affect the oil, gas and other minerals contained in or that may be produced from any formation other than the Unitized Formation as described under Section 2 (h).

SECTION 6. UNIT OPERATOR. Skelly Oil Company is hereby designated the Initial Unit Operator, and by signing this instrument as Unit Operator it agrees and consents to accept the duties and obligations of Unit Operator for the operation, development and production of Unitized Substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as an owner of interests in Unitized Substances, and the term "Working Interest Owner" when used herein shall include or refer to the Unit Operator as the owner of a Working Interest when such an interest is owned by it.

SECTION 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 six (6) months after written notice of intention to resign has been given by Unit Operator to all Working Interest Owners, the Commissioner and the Supervisor, and until all unit wells are placed in a satisfactory condition for suspension, abandonment, or continued operations, as required by the Supervisor as to Federal lands and the Commissioner as to State lands, unless a new Unit Operator shall have taken over and assumed the duties and obligations of Unit Operator prior to the expiration of said period.

The Unit Operator shall, upon default or failure in the performance of its duties or obligations hereunder, be subject to removal by three (3) or more Working Interest Owners having in the aggregate eighty percent (80%) or more of the Phase III Unit Participation remaining after excluding the Phase III Unit Participation of the Unit Operator. Such removal shall be effective upon notice thereof to the Commissioner and the Supervisor

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

The resignation or removal of Unit Operator under this agreement shall not terminate its rights, title or interest as the owner of a Working Interest or other interest in Unitized Substances, but upon the resignation or removal of Unit Operator becoming effective, such Unit Operator shall deliver possession of all wells, equipment, books, and records, materials, appurtenances and any other assets, used in connection with the unit operations and owned by the Working Interest Owners to the new duly qualified successor Unit Operator or to the Unit Manager 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 the removal of any material, equipment, and appurtenances needed for the preservation of any wells.

Nothing herein contained shall be construed to release, relieve or discharge a Unit Operator who resigns or is removed hereunder from any liability for default by it hereunder or from duties accruing or performable by it prior to the effective date of such resignation or removal.

SECTION 8. SUCCESSOR UNIT OPERATOR. Whenever the Unit Operator shall tender its resignation as Unit Operator or shall be removed as hereinabove provided, the Working Interest Owners shall select a successor Unit Operator as herein provided. 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 the Commissioner. If no successor Unit Operator or Unit Manager is selected

as herein provided, the Commissioner and the Director, at their election, may declare this agreement terminated.

In selecting a successor Unit Operator the affirmative vote of three (3) or more Working Interest Owners owning a total of sixty percent (60%) or more of the Phase III Unit Participation shall prevail, provided that if any one Working Interest Owner has a Phase III Unit Participation greater than forty percent (40%), its negative vote or failure to vote shall not be regarded as sufficient unless supported by the vote of two (2) or more Working Interest Owners having combined Phase III Unit Participations of at least five percent (5%). If the Unit Operator who is removed votes only to succeed itself or fails to vote, the successor Unit Operator may be selected by the affirmative vote of Working Interest Owners owning a total of at least fifty-one percent (51%) of the Phase III Unit Participation remaining after excluding the Unit Participation of Unit Operator so removed.

SECTION 9. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT. Costs and expenses incurred by Unit Operator in conducting unit operations hereunder shall be apportioned among, borne and paid by the Working Interest Owners 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 may be agreed upon by the Unit Operator and the Working Interest Owners; however, no such Unit Operating Agreement shall be deemed either to modify any of the terms and conditions of this Unit Agreement or to relieve the Unit Operator of any right or obligation established under this agreement, and in case of any inconsistency or conflict between this agreement and the Unit Operating Agreement, this Unit Agreement shall prevail. Two true copies of any Unit Operating Agreement executed pursuant to this Section shall be filed with the Commissioner and three true copies thereof shall be filed with the Supervisor prior to approval of this agreement.

SECTION 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 which are necessary or convenient for prospecting for, producing, storing, allocating and distributing the Unitized Substances are hereby delegated to and shall be exercised by the Unit Operator as herein provided. Upon request, acceptable evidence of title to said rights shall be deposited with said Unit Operator, and together with this agreement, shall constitute and define the rights, privileges and obligations of Unit Operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this agreement the Unit Operator, in its capacity as Unit Operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

SECTION 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 Unitized Land 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.

SECTION 12. PLAN OF OPERATIONS. 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 additional 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 and any one or more other substances or combination of substances whether produced from the Unitized Formation or not, and that the location of input wells and the rates of injection therein and the rate of production shall be governed by standards of good geologic and petroleum engineering practices and conservation methods. The

parties hereto, subject to prior rights, if any, grant to Unit Operator the use of brine or non-potable water or both from any formation in and under the Unitized Land for injection into the Unitized Formation. 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. The Working Interest Owners, the Commissioner and the Supervisor 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 Commission, the Commissioner and the Supervisor.

Concurrently with the filing of this agreement for final approval by the Commissioner and the Supervisor, Unit Operator shall submit a plan of operation for the Unitized Land for approval and, upon approval thereof by the Supervisor and the Commissioner, such plan shall constitute the future operating obligations of the Unit Operator under this Unit Agreement for the period specified therein. Thereafter, from time to time before the expiration of any existing plan, the Unit Operator shall submit for like approval a plan for an additional specified period of operation.

SECTION 13. EASEMENTS OR USE OF SURFACE. The parties hereto, to the extent of their rights and interest, hereby grant to Working Interest Owners the right to use as much of the surface of the land within the Unit Area as may reasonably be necessary for unit operations, including the free use of water from the Unit Area for unit operations, except water from any well, lake, pond or irrigation ditch of Royalty Owner, provided that, nothing herein shall be construed as leasing or otherwise conveying to Working Interest Owners a site for a water, gas injection, processing, or other plant or camp site.

SECTION 14. TRACT PARTICIPATION. Tract Participations of each Tract are shown in Exhibit "C", and have been computed in accordance with the following:

(a) Phase I Participation. Beginning at 7:00 A. M. on the effective date hereof and remaining in effect until 7:00 A.M. on the first day of the month next following the month in which the cumulative amount of oil produced from the Unitized Formation underlying the Unit Area on and after September 1, 1967, equals

1,000,000 barrels, the Tract Participation of each Tract shall be as shown under Phase I of Exhibit "C" and shall be determined from the following formula:

Tract Participation Percentage,
Phase I equals

$$100\% \frac{A}{B}$$

Where: A equals total current oil and gas income from such Tract from the Unitized Formation during the period March 1, 1967, to September 1, 1967.

B equals the summation of the total current oil and gas income from all Tracts in the Unit Area from the Unitized Formation during the period March 1, 1967, to September 1, 1967.

(b) Phase II Participation. Beginning at 7:00 A.M. on the first day of the month next following the date the 1,000,000 barrels referred to in (a) above shall have been produced and until 7:00 A.M. on the first day of the month next following the date when the cumulative oil produced from the Unitized Formation underlying all of the tracts described in Exhibit "B" after termination of Phase I equals 1,672,835 barrels, the Tract Participation of each Tract shall be as shown under Phase II of Exhibit "C", and shall be determined from the following formula:

Tract Participation Percentage,
Phase II equals

$$25\% \frac{A}{B} \text{ plus } 75\% \frac{C}{D}$$

Where: A and B are as defined in (a) above

C equals the estimated remaining primary barrels of oil producible from the Unitized Formation underlying each such Tract as of September 1, 1967, such estimated remaining primary barrels being as agreed upon by the Working Interest Owners.

D equals the summation of the estimated remaining primary barrels of oil producible from the Unitized Formation underlying all such Tracts in the Unit Area as of September 1, 1967, such estimated remaining primary barrels of oil for each Tract being as agreed upon by the Working Interest Owners.

(c) Phase III Participation. Beginning at 7:00 A. M. on the first day of the month next following the date when the 1,672,835 barrels referred to in

(b) above shall have been produced, the Tract Participation of each Tract shall be as shown under Phase III of Exhibit "C", and shall be determined from the following formula:

Tract Participation Percentage,
Phase III equals

$$100\% \frac{E}{F}$$

Where: E equals the estimated quantity of oil ultimately recoverable from the Unitized Formation underlying each such Tract by primary recovery operations as agreed upon by the Working Interest Owners.

F equals the summation of the estimated quantity of oil ultimately recoverable from the Unitized Formation underlying all such Tracts by primary recovery operations as agreed upon by the Working Interest Owners.

If less than all Tracts within the Unit Area qualify for participation hereunder as of the effective date hereof, Unit Operator, with approval of the Working Interest Owners, shall file with the Supervisor, the Commissioner and the Commission a schedule of qualified Tracts as of the said effective date, which schedule shall be designated "Revised Exhibit "C" and considered for all purposes as a part of this agreement. Such revised Exhibit "C" shall set forth opposite each such qualified 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 Exhibit "C" attached hereto, but applying the same only to the qualified Tracts; it being expressly understood and agreed that the 1,000,000 barrels referred to in Section 14. Tract Participation (a) and (b) hereof shall be reduced by an amount equal to 1,000,000 times the total Phase I Tract Participation (expressed as a decimal) of all the tracts which fail to qualify for participation; and the 1,672,835 barrels referred to in Section 14 (b) and (c) hereof shall be reduced by an amount equal to 1,672,835 times the total Phase II Tract Participations (expressed as a decimal) of all the Tracts which fail to qualify for participation. Such revised Exhibit "C", upon approval by the Supervisor and the Commissioner, shall supersede, effective as of the effective date hereof, the Tract Participations set forth in Exhibit "C" attached hereto.

The Tract Participations shown on Exhibit "C" attached hereto, or as may be shown on the revised Exhibit "C" as above provided, shall govern the allocation of unitized substances on and after the effective date of this unit agreement, and until the allocation schedule is revised pursuant to this agreement and the revised Tract Participations are approved by the Supervisor and the Commissioner.

SECTION 15. TRACTS QUALIFIED FOR PARTICIPATION. On and after the effective date hereof, and until the enlargement thereof, the tracts within the Unit Area shall be entitled to Participation (as provided in Section 14, Tract Participation, hereof) in the production of Unitized Substances shall be composed of the Tracts listed in Exhibit "B" which corner or have a common boundary (Tracts separated only by a public highway or a railroad right of way shall be considered to have a common boundary), and that otherwise qualify as follows:

(a) Each Tract as to which Working Interest Owners owning one hundred percent (100%) of the Working Interest and as to which Record Owners owning one hundred percent (100%) therein have become parties hereto and as to which Royalty Owners owning seventy-five percent (75%) or more of the Royalty Interest therein have become parties hereto.

(b) Each Tract as to which Working Interest Owners owning one hundred percent (100%) of the Working Interest and as to which Record Owners owning one hundred percent (100%) therein have become parties hereto and as to which Royalty Owners owning less than seventy-five percent (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) Eighty percent (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 percent) which its aggregate Phase I Unit Participation in all Tracts qualifying under paragraph (a) bears to the total Phase I Unit Participation of all Working Interest Owners in all Tracts qualifying under paragraph (a).

(c) Each Tract as to which Working Interest Owners owning less than

one hundred percent (100%) of the Working Interest and as to which Record Owners owning less than one hundred percent (100%) 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 at least 85% of such parties have executed and delivered an indemnity agreement indemnifying and agreeing to hold harmless the other Working Interest Owners in the Unit, their successors and assigns, against all claims and demands which arise out of the qualification of such Tract, which may be made by the owners of Working Interests in such Tract who are not parties hereto; and

(ii) Eighty percent (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 percent) which its aggregate Phase I Unit Participation in all Tracts qualifying under paragraphs (a) and (b) bears to the total Phase I Unit Participation 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 non-subscribing 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.

SECTION 16. 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 within the Unit Area for drilling, operating, camp and other production or development purposes and for pressure maintenance or unavoidably lost) 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 Exhibit "C" The amount of

Unitized Substances so allocated to each 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 and 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 Tracts, or in the proceeds thereof, had this agreement not been entered into, and with the same legal force and effect.

No Tract committed to this agreement and qualified for participation as above provided shall be subsequently excluded from participation hereunder on account of depletion of Unitized Substances from said Tract.

If the Working Interest and the Royalty Interest 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 executed by all such owners and furnished to Unit Operator fixing the divisions of ownership, be divided among such parcels or portions in proportion to the number of surface acres in each.

The Unitized Substances allocated to each Tract shall be delivered in kind to the respective Working Interest Owners and parties entitled thereto by virtue of the ownership of oil and gas rights therein or by purchase from such owners. Each Working Interest Owner and the parties entitled thereto shall have the continuing right to receive such production in kind at a common point within the Unit Area and to sell or dispose of the same as it sees fit. Each such party shall have the right to construct, maintain and operate all necessary facilities for that purpose within the Unit Area, provided the same are so constructed, maintained and operated as not to interfere with operations carried on pursuant hereto. Subject to Section 18, Royalty Settlement, hereof, any extra expenditure incurred by Unit Operator by reason of the delivery in kind of any portion of the Unitized Substances shall be borne by the party receiving the same in kind. In the event any working Interest Owner shall fail to take or otherwise adequately dispose of its proportionate share of the production from the Unitized Formation

currently as and when produced, then so long as such condition continues, Unit Operator, for the account and at the expense of the Working Interest Owner of the Tract or Tracts concerned, and in order to avoid curtailing the operation of the Unit Area, may sell or otherwise dispose of such production to itself or to others on a day-to-day basis at not less than the prevailing market price in the area for like production, and the account of such Working Interest Owner shall be charged therewith as having received such production. The net proceeds, if any, of the Unitized Substances so disposed of by Unit Operator shall be paid to the Working Interest Owner of the Tract or Tracts concerned or a party designated in writing by such Working Interest Owner. Notwithstanding the foregoing, Unit Operator shall not make a sale into interstate commerce of any Working Interest Owner's share of gas production without first giving such Working Interest Owner sixty (60) days notice of such intended sale.

Any party receiving in kind or separately disposing of all or any part of the Unitized Substances allocated to any Tract, or receiving the proceeds therefrom if the same is sold or purchased by Unit Operator, shall be responsible for the payment of all Royalty due under the lease or leases covering the Tracts contributed by it and received into the Unit, and each such party shall hold each other party hereto harmless against all claims, demands and causes of action for such Royalty on the lease or leases and Tracts contributed by it to the Unit Area.

SECTION 17. 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 overproduced 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.

SECTION 18 ROYALTY SETTLEMENT. The State of New Mexico and the United States of America and all Royalty Owners who, under an existing contract, are entitled to take in kind a share of the Unitized Substances produced from any Tract unitized hereunder, 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 Interests 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 Royalty due under their leases, except that such Royalty shall be computed in accordance with the terms of this Unit Agreement.

Royalty due the United States 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 land as provided herein at the rate specified in the respective federal 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 unitized lands were a single consolidated lease.

If the amount of production or the proceeds thereof accruing to any Royalty Owner (except the United States of America) in a Tract depends upon the average production per well or the average pipeline run per well from a Tract during any period of time, then such production shall be determined from and after the effective date hereof by dividing the production allocated each Tract

during such period of time by the number of wells located thereon capable of producing as of the effective date hereof, provided, however, any Tract without a producible well on said effective date shall, for the purposes herein contained, be considered as having one such well thereon.

All Royalty due the State of New Mexico and the United States of America and the other Royalty Owners hereunder shall be computed and paid on the basis of all Unitized Substances allocated to the respective Tract or Tracts committed hereto, in lieu of actual production from such Tract or Tracts

Each Royalty Owner (other than the State of New Mexico and the United States of America) that ratifies this agreement represents and warrants that he is the owner of a Royalty Interest in a Tract or Tracts within the Unit Area as his interest appears in Exhibit "B" attached hereto.

SECTION 19. RENTAL SETTLEMENT. Rentals 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 for lands of the State of New Mexico subject to this agreement shall be paid at the rate specified in the respective leases from the State of New Mexico. Rental or minimum royalty for lands of the United States of America subject to this agreement shall be paid at the rate specified in the respective leases from the United States of America, unless rental or minimum royalty is waived, suspended, or reduced by law or by approval of the Secretary or his duly authorized representative.

SECTION 20. CONSERVATION. Operations hereunder and production of Unitized Substances shall be conducted to provide for the most economical and efficient recovery of said substances without waste, as defined by or pursuant to Federal and State laws and regulations

SECTION 21. DRAINAGE. The Unit Operator shall take such measures as the Supervisor or the Commissioner deems appropriate and adequate to prevent drainage of Unitized Substances from the Unitized Land by wells on land not subject to this agreement.

SECTION 22. 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 or gas on 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 and the Commissioner, respectively, shall, and by their approval hereof, or by the approval hereof by their duly authorized representatives, do hereby establish, alter, change, or revoke the drilling, producing, rental, minimum royalty and royalty requirements of Federal and State leases committed hereto and the regulations in respect thereto to conform said requirements to the provisions of this agreement.

Without limiting the generality of the foregoing, all leases, sub-leases 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 separately owned Tract committed to this agreement, regardless of whether there is any development of any particular Tract of the Unitized Land

(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 Commissioner and the Secretary or his duly authorized representative shall be deemed to constitute such suspension pursuant to such direction or consent as to each and every Tract of Unitized Land. A suspension of drilling or producing operations on specified lands shall be applicable only to such lands.

(d) Each lease, sublease, or contract relating to the exploration, drilling, development or operation for Unitized Substances, 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 lease embracing lands of the State of New Mexico which is made subject to this agreement shall continue in force beyond the term provided therein as to the lands committed hereto until the termination hereof

(f) 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 (whether within or without the Unit Area), if oil or gas 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

(g) The segregation of any Federal lease committed to this agreement is governed by the following provision in the fourth paragraph of Section 17(j) of the Mineral Leasing Act as amended by the Act of September 2, 1960 (74 Stat. 781-784): "Any (Federal) lease heretofore or 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."

SECTION 23. 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 interests 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.

SECTION 24. EFFECTIVE DATE AND TERM This agreement shall become binding upon each party who executes or ratifies it as of the date of execution or ratification by such party and shall become effective as of 7.00 o'clock A.M. of the first day of the calendar month next following:

(a) The execution or ratification of this agreement and the Unit Operating Agreement by Working Interest Owners owning Tracts with a combined Phase III Unit Participation of at least eighty-five percent (85%), and the execution or ratification of this agreement by Royalty Owners owning Tracts with a combined interest of at least sixty-five percent (65%) of the Royalty Interest in the Unit Area, calculated on the basis of Phase III Unit Participations; and

(b) The approval of this agreement by the Commissioner, the Director or his duly authorized representative, and the Commission; and

(c) The filing of at least one counterpart of this agreement for record in the office of the County Clerk of Lea County, New Mexico, by the Unit Operator; and provided, further, that if (a), (b) and (c) above are not accomplished on or before August 1, 1969, this agreement shall ipso facto expire on said date (hereinafter called "expiration date") and thereafter be of no further force or effect, unless prior thereto this agreement has been executed or ratified by Working Interest Owners owning Tracts with a combined Phase III Unit Participation of at least eighty percent (80%), and the Working Interest Owners owning Tracts with a combined Phase III Unit Participation of at least

sixty-five percent (65%) committed to this agreement have decided to extend said expiration date for a period not to exceed six (6) months (hereinafter called "extended expiration date"). If said expiration date is so extended and (a), (b) and (c) are not accomplished on or before said extended expiration date, this agreement shall ipso facto expire on said extended expiration date and thereafter be of no further force and effect.

Unit Operator shall, within thirty (30) days after the effective date of this agreement, file for record in the office where a counterpart of this agreement is recorded, a certificate to the effect that this agreement has become effective according to its terms and stating further the effective date.

The term of this agreement shall be for and during the time that Unitized Substances are or can be produced in paying quantities from the Unitized Land and so long thereafter as drilling, reworking or other operations (including secondary recovery operations) are prosecuted thereon without cessation of more than ninety (90) consecutive days, and so long thereafter as such Unitized Substances can be produced as aforesaid.

This agreement may be terminated at any time with the approval of the Commissioner and the Director by Working Interest Owners owning Tracts with a combined Phase III Unit Participation of at least seventy-five percent (75%). Notice of any such termination shall be given by Unit Operator to all parties hereto.

Upon termination of this agreement, the parties hereto shall be governed by the terms and provisions of the leases and contracts affecting the separate Tracts.

If not otherwise covered by the leases unitized under this agreement, Royalty Owners hereby grant Working Interest Owners a period of six (6) months after termination of this agreement in which to salvage, sell, distribute or otherwise dispose of the personal property and facilities used in connection with Unit Operations.

SECTION 25. RATE OF PROSPECTING, DEVELOPMENT AND PRODUCTION. All production and the disposal thereof shall be in conformity with allocations and quotas made or fixed by any duly authorized person or regulatory body under any Federal or State statute. The Director is hereby vested with authority to alter or modify from time to time, in his discretion, the rate of prospecting and

development and to alter or modify the quantity and rate of production under this Agreement, 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; provided, 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 any lands of the State of New Mexico or privately-owned lands subject to this agreement 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 and Commissioner shall only be exercised after notice to Unit Operator and opportunity for hearing to be held not less than fifteen days from notice.

SECTION 26. NONDISCRIMINATION. In connection with the performance of work under this agreement, the Unit Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), which are hereby incorporated by reference in this agreement.

SECTION 27. APPEARANCES. Unit Operator shall have the right to appear for or on behalf of any and all interests affected hereby before the Commissioner, the Department, and the Commission, and to appeal from any order issued under the rules and regulations of the Commissioner, the Department, or the Commission, or to apply for relief from any of said rules and regulations or in any proceedings relative to operations before the Commissioner, the Department, or the Commission, or any 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.

SECTION 28. 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 certified mail, addressed to such party or parties at their respective addresses set forth in connection with the signature hereto or to the ratification or consent hereof or to such other address as any such party or parties may have furnished in writing to the party sending the notice, demand or statement.

SECTION 29. 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 Federal or State law or rule or regulation issued thereunder in any way affecting such party, or as a waiver by any such party or any right beyond his or its authority to waive.

SECTION 30. WAIVER OF RIGHTS TO PARTITION Each party hereto covenants that, during the existence of this agreement, it will not resort to any action to partition the Unitized Formation or the Unit Equipment; and to that extent waives the benefits of all laws authorizing such partition.

SECTION 31. UNAVOIDABLE DELAY All obligations under this agreement requiring the Unit Operator to commence or continue secondary recovery operations or to operate on or produce Unitized Substances from any of the lands covered by this agreement shall be suspended while, but only so long as the Unit Operator despite the exercise of due care and diligence, is prevented from complying with such obligations, in whole or in part, by strikes, acts of God, Federal, State or municipal law or agency, unavoidable accident, 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. Nothing herein shall be construed to require Unit Operator to settle strikes against its will.

SECTION 32. LOSS OF TITLE In the event title to any Tract of Unitized Land shall fail so as to render the Tract inoperable under this agreement and the true owner cannot be induced to join this Unit Agreement, such Tract shall be automatically regarded as not committed hereto and there shall be such readjustment of future costs and benefits as may be required on account of the loss of such title. If a Tract ceases to be subject to this agreement because of the failure of title, Unit Operator, subject to Section 14, Tract Participation, hereof, shall recompute the Tract Participation of each of the Tracts remaining qualified for participation and shall revise Exhibits "A", "B" and "C" accordingly. The revised exhibits shall be effective as of 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 the failure of title shall be governed by

the Unit Operating Agreement. If title to a Royalty Interest fails, but the Tract to which it relates remains qualified, the parties whose title failed shall not be entitled to share hereunder with respect to such interest. In the event of a dispute as to title as to any Royalty, Working Interest or other interest subject thereto, payment or delivery on account thereof may be withheld without liability or interest until the dispute is finally settled; provided, that as to State or Federal land or leases, no payments of funds due the State of New Mexico or the United States of America shall be withheld, but such funds shall be deposited as directed by the Commissioner or the Supervisor (as the case may be), 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 any title hereunder.

SECTION 33. JOINDER IN DUAL CAPACITY. Execution as herein provided by any party either as a Working Interest Owner or as a Royalty Owner shall commit all interests that may be owned or controlled by such party.

SECTION 34. NONJOINDER AND SUBSEQUENT JOINDER. If the owner of any substantial interest in a Tract within the Unit Area fails or refuses to subscribe or consent to this agreement, the owner of the Working Interest in that Tract may withdraw said Tract from this agreement by written notice to the Supervisor, the Commissioner and the Unit Operator prior to the approval of this agreement by the Supervisor and the Commissioner. Any oil or gas interests in lands within the Unit Area not committed hereto prior to submission of this agreement for final approval may thereafter be committed hereto by the owner or owners thereof subscribing or consenting to this agreement, and, if the interest is a working interest, by the owner of such interest also subscribing to the Unit Operating Agreement. After operations are commenced hereunder, the right of subsequent joinder, as provided in this section, by a Working Interest Owner is subject to such requirements or approvals, if any, pertaining to such joinder, as may be provided for in the Unit Operating Agreement. After final approval hereof, joinder by a non-Working Interest Owner must be consented to in writing by the Working Interest Owner committed hereto and responsible for the payment of any benefits that may accrue hereunder in behalf of such non-Working Interest. Joinder by any Royalty Owner, at any time, must be accompanied by appropriate

joinder of the corresponding Working Interest Owner in order for the interest of such Royalty Owner to be regarded as effectively committed Joinder to the Unit Agreement by a Working Interest Owner, at any time, must be accompanied by appropriate joinder to the Unit Operating Agreement in order for such interest to be regarded as effectively committed to this Unit Agreement

The right of subsequent joinder as provided in this Section shall be subject to such requirements or approvals and on such basis as may be agreed upon by Working Interest Owners owning Tracts with Phase III Participation of at least eighty percent (80%) and approval of the Supervisor and the Commissioner. Provided that the Tract participation of each previously qualified Tract shall remain in the same ratio one to the other. Such joinder by a proposed Working Interest Owner must be evidenced by his execution or ratification of this agreement and the Unit Operating Agreement. Such joinder by a Royalty Owner must be evidenced by his execution or ratification of this agreement and must be consented to in writing by the Working Interest Owner responsible for the payment of any benefits that may accrue hereunder in behalf of such Royalty Owner. Except as may be otherwise herein provided, subsequent joinder to this agreement shall be effective at 7:00 o'clock A.M. as of the first day of the month following the filing with the Commissioner and the Supervisor of duly executed counterparts of any and all documents necessary to establish effective commitment of any Tract or interest to this agreement, unless objection to such joinder by the Commissioner or the Supervisor is duly made within sixty (60) days after such filing; provided, however, that as to State lands such subsequent joinder must be approved by the Commissioner.

It is expressly agreed by the parties hereto that the provisions of this Section 34 are made subject to the provisions of Section 15 hereinabove set forth and nothing contained herein shall be construed in controvention or derogation thereof.

SECTION 35. COUNTERPARTS. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties and 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 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 land within the above described Unit Area.

SECTION 36. TAXES. The Working Interest Owners shall render and pay or cause to be rendered and paid 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 or the State of New Mexico or to any lessor who has a contract with his lessee to pay such taxes.

In order to avoid title failure 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 in 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 lien as may arise through non-payment. 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.

SECTION 37. CONFLICT OF SUPERVISION. Neither the Unit Operator nor the Working Interest Owners, nor 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 or the Working Interest Owners, or any of them, are hindered, delayed or prevented from complying therewith by reason of 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 which by any provisions of this agreement are vested in the Commission 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.

SECTION 38. NO PARTNERSHIP. The duties, obligations and liabilities of the parties hereto are intended to be several and not joint or collective. This agreement is not intended to create, and shall not be construed to create, an association or trust, or to impose a partnership duty, obligation or liability with regard to any one or more of the parties hereto. Each party hereto shall be individually responsible for its own obligations as herein provided.

SECTION 39. BORDER AGREEMENTS. Unit Operator, with concurrence of Working Interest Owners having a combined Phase III Unit Participation of sixty-five percent (65%) or more, may, subject to approval of the Supervisor, enter into a border-protection agreement or agreements with the Working Interest Owners of adjacent lands along the exterior boundary of the Unit Area 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 and have set opposite their respective names the date of execution.

ATTEST:

R. Kendall Sherrill
Assistant Secretary

Date: October 9, 1968

SKELLY OIL COMPANY

By:

C. L. Blacksher ^{LEJ.} JLM
Vice President

UNIT OPERATOR

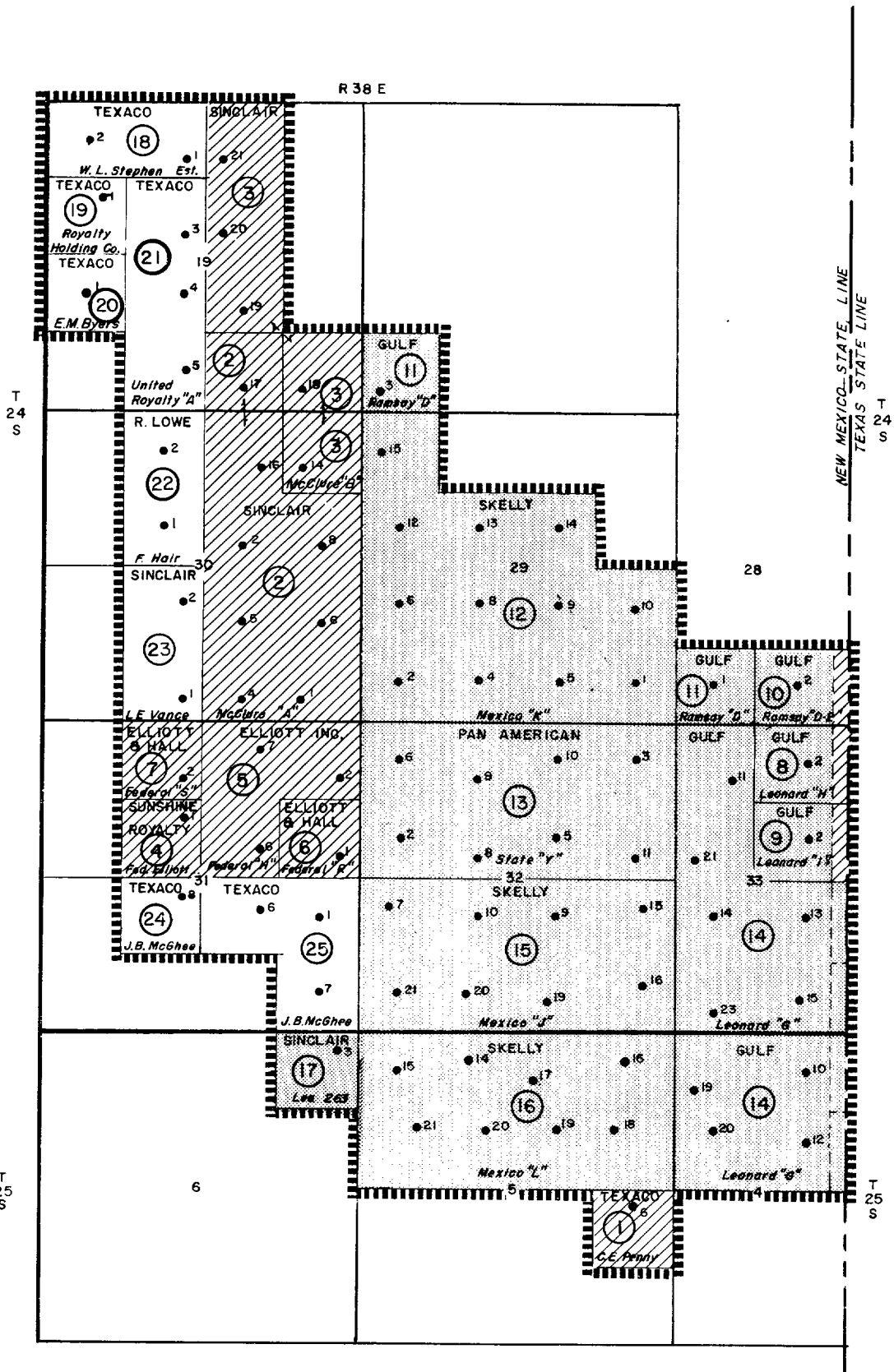
NON-OPERATORS

Oklahoma
STATE OF ~~NEW MEXICO~~)
LeFlore) SS:
COUNTY OF ~~LEA~~)

The foregoing instrument was acknowledged before me this 9th day of October, 1968, by C. L. Blacksher, Vice President for SKELLY OIL COMPANY, on behalf of said company.

Norris L. Allen
Notary Public

My commission expires:
My Commission Expires May 31, 1971



WEST DOLLARHIDE DRINKARD UNIT LEA COUNTY, NEW MEXICO

EXHIBIT "A"

Legend




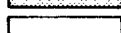

-  UNIT BOUNDARY
-  FEDERAL LANDS
-  STATE LANDS
-  FEE LANDS
-  TRACT NUMBER

EXHIBIT "B"
UNIT AGREEMENT
WEST DOLLARHIDE DRINKARD UNIT
LEA COUNTY, NEW MEXICO

Tract No.	Description of Land	No. of Acres	Serial No. and Lease Date	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage	Working Royalty Owner
1	T25S - R38E Sec. 5 NE/4 SE/4	40.00	LC-062368 June 1, 1947 H.B.P.	USA - All	Texaco Inc.	Skelly Oil Company - 0.62500% Roger B. Owings - 0.12500% John M. Loffland, Jr. - 0.12500% T. A. Pedley, Jr. - 0.01563% Gracean M. Pedley - 0.01563% Neville G. Penrose - 0.12500% Effie E. Valentine - 0.00781% Albuquerque National Bank, Test. Tst. of Frank A. Andrews - 0.23147% Mrs. Selma E. Andrews Agency No. 1335, c/o Trust Dept., Republic National Bank of Dallas - 0.26853%	Texaco Inc.
						First National Bank of Denver, Test. Tst. of Est. of Josephine M. Smith - 0.21484% First National Bank of Denver, Trustee, Est. of Charles T. Lupton - 0.06250% Lillian H. Coll, Indv. & as Extr. & Tst. under Will of M. W. Coll - 0.05859%	

West Dollarhide Drinkard Unit
Exhibit "B" - Page 2

Tract No.	Description of Land	No. of Acres	Serial No. and Lease Date	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage
2	T24S - R38E Sec. 19: SW/4 SE/4 Sec. 30: SE/4 & S/2 NE/4 & NW/4 NE/4	320.00	LC-067968 Sept. 1, 1949 H.B.P.	USA - A11	Sinclair Oil & Gas Co.	R. S. Chancellor - 0.25000% The William K. Warren Foundation-0.25000%	Sinclair Oil & Gas Co 100%
3	T24S - R38E Sec. 19: W/2 NE/4 & NW/4 SE/4 & SE/4 SE/4 Sec. 30: NE/4 NE/4	200.00	NM-0349952 Sept. 1, 1949 H.B.P.	USA - A11	Sinclair Oil & Gas Co.	R. S. Chancellor - 0.25000% The William K. Warren Foundation-0.25000%	Sinclair Oil & Gas Co 100%
4	T24S - R38E Sec. 31: SE/4 NW/4	40.00	LC-069052 Aug. 1, 1949 H.B.P.	USA - A11	Elliott Oil, Inc.	None	Sunshine Royalty Co. 85.71429% Elliott Production Co 14.28571%
5	T24S - R38E Sec. 31: N/2 NE/4 & SW/4 NE/4	120.00	LC-069052 Aug. 1, 1949 H.B.P.	USA - A11	Elliott Oil, Inc.	None	Elliott Production Co 100%
6	T24S - R38E Sec. 31: SE/4 NE/4	40.00	LC-069052 Aug. 1, 1949 H.B.P.	USA - A11	Elliott Oil, Inc.	None	Frank O. Elliott - 42.85714% Ora R. Hall, Jr. - 42.85714% Elliott Production Co 14.28572%
7	T24S - R38E Sec. 31: NE/4 NW/4	40.00	LC-069052 Aug. 1, 1949 H.B.P.	USA - A11	Elliott Oil, Inc.	None	Frank O. Elliott - 42.85714% Ora R. Hall, Jr. - 42.85714% Elliott Production Co 14.28572%
8(a)	T24S - R38E Sec. 33: Lot 1	7.21	LC-069752 June 1, 1951 H.B.P.	USA - A11	Fred J. Brotherton Aileen Gardner W. E. Irwin Gus Layton James H. Snowden Estate	Harold E. Hults - 0.41760% production payment to be re- tired upon receipt of \$1,000 per acre.	Fred J. Brotherton - 1.90900% Aileen Gardner-1.90900% W. E. Irwin - 0.95450% Gus Layton - 3.81800%

Tract No.	Description of Land	No of Acres	Serial No and Lease Date	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage
8(a)					George A. Melhaus, Jr. Reading & Bates, Inc. Baroid Div., National Lead Co.	The Ft Worth National Bank, Trustee for Roy S. Magruder - 0.38180% Helen Magruder Kolliker-0.38180%	James H. Snowden Estate 1.90900% George A. Melhaus, Jr. 0.95450% Reading & Bates, Inc. - 3.04840% Baroid Div., National Lead Co. - 0.76960% Gulf Oil Corporation - 84.72800%
(b)	Sec 33 NE/4 NW/4 (Lot 1 & NE/4 NW/4 Sec. 33-T24S-R38E communitized by agreement dated April 11, 1952)	40.00	B-1732-1 Feb 29, 1933 H B P.	State of New Mexico- All	Gulf Oil Corporation		
9(a)	T24S - R38E Sec. 33: Lot 2	7.24	LC-069752 June 1, 1951 H B.P.	USA - All	Fred J. Brotherton Allleen Gardner W E Irwin Gus Layton James H. Snowden Estate George A. Melhaus, Jr. Baroid Div. National Lead Company Reading & Bates, Inc.	Harold E. Hults - 0.4191% production payment to be re- tired upon receipt of \$1,000 per acre. The Ft. Worth National Bank, Trustee for Roy S. Magruder - 0.3832% Helen Magruder Kolliker - 0.3831%	Fred J. Brotherton - 1.91575% Allleen Gardner-1.91575% W. E. Irwin - 0.95787% Gus Layton - 3.83150% James H. Snowden Estate 1.91575% George A. Melhaus, Jr. 0.95788% Baroid Div., National Lead Co. - 0.76630% Reading & Bates, Inc. - 3.06520% Gulf Oil Corporation - 84.67400%
(b)	Sec. 33: SE/4 NW/4 (Lot 2 & SE/4 NW/4 Sec. 33-T24S-R38E communitized by agreement dated April 11, 1952)	40.00	B-1732-1 Feb. 29, 1933 H.B.P.	State of New Mexico- All	Gulf Oil Corporation		
10(a)	T24S - R38E Sec. 28: Lot 4	7.20	NM-02240 Sept. 1, 1951 H.B.P.	USA - All	Mrs. Ruby C. Bell Mrs. E. W. Chaney Mrs. Martha Featherstone	Petroleum Land and Royalty Syndicate, c/o Hyman L. Battle, Jr., Trustee-20% net profits interest.	Mrs. Ruby C. Bell - 3.81356% Mrs. E. W. Chaney - 3.81356% Mrs. Martha Featherston 7.62712% Gulf Oil Corporation - 84.74576%

West Dollarhide Drinkard Unit
Exhibit "B" - Page 4

Tract No.	Description of Land	No. of Acres	Serial No. and Lease Date	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage
10(b)	Sec. 28: SE/4 SW/4 (Lot 4 & SE/4 SW/4 Sec. 28-T24S-R38E communitized by agreement dated Dec. 23, 1953)	40.00	B-1732-1 Feb. 29, 1933 H.B.P.	State of New Mexico- All	Gulf Oil Corporation		
11	T24S - R38E Sec. 20: SW/4 SW/4 Sec. 28: SW/4 SW/4	80.00	B-1732-1 Feb. 29, 1933 H.B.P.	State of New Mexico- All	Gulf Oil Corporation	Petroleum land and Royalty Syndicate, c/o Hyman L. Battle, Jr., Trustee-20% net profits interest.	Gulf Oil Corporation - 100%
12	T24S - R38E Sec. 29: NW/4 NW/4 & S/2 NW/4 & SW/4 NE/4 & S/2	480.00	B-9519-0 Feb. 10, 1942 H.B.P.	State of New Mexico- All	Skelly Oil Company	None	Skelly Oil Company-100%
13	T24S - R38E Sec. 32: N/2	320.00	B-9613-0 Feb. 10, 1942 H.B.P.	State of New Mexico- All	Pan American Petroleum Corporation	None	Pan American Petroleum Corporation - 100%
14	T24S - R38E Sec. 33: W/2 NW/4 & SW/4 & Lots 3 & 4	429.99	B-1732-1 Feb. 29, 1933 H.B.P.	State of New Mexico- All	Gulf Oil Corporation	None	Gulf Oil Corporation - 100%
	T25S - R38E Sec. 4: Lots 1, 2, 3 & 4 & SW/4 NW/4 & SE/4 NW/4						
15	T24S - R38E Sec. 32: S/2	320.00	B-9311-0 Sept. 10, 1941 H.B.P.	State of New Mexico- All	Skelly Oil Company	None	Skelly Oil Company-50.00% Texaco Inc. - 25.00% J. D. Kennedy - 2.50% J. C. Maxwell - 17.50% Marilyn Maxwell Trust - 5.00%

West Dollarhide Drinkard Unit
Exhibit "B" - Page 5

Tract No.	Description of Land	No. of Acres	Serial No. and Lease Date	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage
16	T25S - R38E Sec. 5: Lots 1, 2, 3 & 4 & S/2 N/2	321.56	B-9312-5 Sept. 10, 1941 H.B.P.	State of New Mexico - All	Skelly Oil Company	None	Skelly Oil Company-50 Texaco Inc. - 25.00% J. D. Kennedy - 2.50% J. C. Maxwell - 17.50 Marilyn Maxwell Trust 5.00%
17	T25S - R38E Sec. 6: Lot 1	40.32	B-10272-0 May 10, 1943 H.B.P.	State of New Mexico - All	Sinclair Oil & Gas Co.	None	Sinclair Oil & Gas Co 100%
18	T24S - R38E Sec. 19: N/2 NW/4	80.00	April 24, 1953 H.B.P.	Georgia L. Stephen - 6.25% The City Nat'l. Bank, Mineral Wells, Tex, 6.25%	Texaco Inc.	None	Texaco Inc. - 100%
19	T24S - R38E Sec. 19: SW/4 NW/4	40.00	Sept. 20, 1947 H.B.P.	Daisy D. Blankenship - 1.79688% Royalty Holding Co. - 10.15625% Georgia Lee Clarke - 0.19531% Paul & Martha Lyon - 0.19531% Mrs. Elizabeth Rittenhouse Lamb, Ind. & Extrx. of Est. of Austin J. Rittenhouse - 0.00122% Elizabeth R. Lamb - 0.00122% Myrtle L. Davis - 0.00977%	Texaco Inc.	None	Texaco Inc. - 100%
				Elmer H. Wahl-0.07813% C. S. Daley-0.00487% Earl M. Simon-0.00488% Roy F. Faskin-0.00488% Harry Levy - 0.00488%			

Tract No.	Description of Land	No. of Acres	Serial No. and Lease Date	Basic Royalty		Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage
				Owner and Percentage	Lessee of Record		
19 Cont'd.				Joseph Nelson-0.00976% Veva K. Nelson - 0.01954% Margaret R. Ellison - 0.00244% A. W. Wuestenberg - 0.00489% Ernest B. Blake - 0.00244% Joseph C. Blake - 0.00245% Beverly B. Nelson - 0.00488%			
20	<u>T24S - R38E</u> Sec. 19: NW/4 SW/4	40.00	Aug. 19, 1946 H.B.P.	Robert E. Byers - 3.12500% Ronald J. Byers - 3.12500% Constance E. Byers - 6.25000%	Texaco Inc.	None	Texaco Inc. - 100%
21	<u>T24S - R38E</u> Sec. 19: SE/4 SW/4 & NE/4 SW/4 & SE/4 NW/4	120.00	Oct. 29, 1947 H.B.P.	Texas Nat'l. Bank of Commerce for A/C of Harris County Charity Foundation Acct. #11 - All		None	Texaco Inc. - 100%
22	<u>T24S - R38E</u> Sec. 30: E/2 NW/4	80.00	Jan. 22, 1948 H.B.P.	Ida Harriett (Hair) Fellers-4.166667% Ada Mae Hair Rosebrough 4.166667% Carrie Ellen Thomas Hair - 4.166666%	Ralph Lowe Est.	Paul L. Davis-1.171875% W. B. Davis - 1.171875% Fred B. Turner, Jr. & Juliette M. Turner - 2.343750% Paul R. Martin-1.562500%	Ralph Lowe Estate - 100%
23	<u>T24S - R38E</u> Sec. 30: E/2 SW/4	80.00	Dec. 21, 1953 H.B.P.	Hugh Corrigan III - 0.78125% J. Patrick Corrigan- 0.78125% Neva Vance-0.44643% Leslie E. Vance - 2.90178%	Sinclair Oil & Gas Co.	Hugh Corrigan III - 0.78125% J. Patrick Corrigan - 0.78125%	Sinclair Oil & Gas Co. - 100%

West Dollarhide Drinkard Unit
Exhibit "B" - Page 7

Tract No.	Description of land	No. of Acres	Serial No. and Lease Date	Basic Royalty		Lessee of Record	Overriding Royalty		Working Interest
				Owner and	Percentage		Owner and	Percentage	
23	Cont'd.			Rex B. Vance-2.67857% Fern Vance - 2.15774% Sinclair Oil & Gas Co. - 2.75298%					
24	T24S - R38E Sec. 31: NE/4 SW/4	40.00	July 5, 1946 Jan. 18, 1952 H.B.P.	R. F. Imbt-0.31250% H. M. Dow - 0.69444% H. Dillard Schenck - 0.78125% Mrs. Hattie C. Williams-0.39063% Mrs. Hattie C. Williams-0.08545% J. E. Simmons-0.52083% Anderson Carter - 0.09766% Powhatan Carter, Jr. - 0.09766% Eugenia Hill Maxwell- 0.58594% R. W. Hamilton - 0.19531% Jean Simmons Shipley- 0.39063% Lester Alston-0.13020% Tom A. Peay-0.09765% Addie L. Augustine - 0.09765% Forest E. Levers - 0.78125% Helen Swanson-0.38194% Kate G. Gilbert - 0.91146% J. B. McGhee, c/o Trust Dept., First Nat'l. Bank, Santa Fe, New Mexico - 2.08333% June D. Speight - 0.78125% Elizabeth L. Ehrhart- 0.19531%	Texaco Inc.	None			Texaco Inc. - 100%

West Dollarhide Drinkard Unit
Exhibit "B" - Page 8

Tract No.	Description of Land	No. of Acres	Serial No. and Lease Date	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage	Working Inter Owner and Perce
24 Cont'd.							
				Geneva B. Gardner, Admr. CTA of Est. of Mary C. Beeson-0.19531%			
				Elizabeth S. Bell - 0.20616%			
				Juanita Brants Dacy-0.20617%			
				Estate of Jett Cowden-0.39062%			
				Effie Carter-0.19531%			
				James O. Bradish - 0.19531%			
				Continental Nat'l. Bank of Ft. Worth, Guardian of Est. of Ford Bradish, Jr. - 0.19532%			
				June D. Speight A/C 2 - 0.78125%			
				Ervin J. Levers - 0.19532%			
				Julianan Cowden - 2.63889%			
				Elton M. Hyder, Jr. - 0.65974%			
25	T24S - R38E Sec. 31: N/2 SE/4 & SE/4 SE/4	120.00	July 5, 1946 Jan. 18, 1952 H.B.P.	R. F. Imbt-0.31250% H. M. Dow-0.69444% H. Dillard Schenck - 0.78125% Mrs. Hattie C. Williams-0.39063% Mrs. Hattie C. Williams-0.08545% J. E. Simmons-0.52083% Eugenia Hill Maxwell-0.58594% R. W. Hamilton - 0.19531%	Texaco Inc.	None	Texaco Inc. - 100%

West Dollarhide Drinkard Unit
Exhibit "B" - Page 9

Tract No.	Description of Land	No. of Acres	Serial No. and Lease Date	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage	Working 1 Owner and P
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25 Cont'd.

	Jean Simmons Shipley-			0.39063%			
	Lester Alston-			0.13020%			
	Tom A. Peay-			0.09765%			
	Addie L. Augustine -			0.09765%			
	Ervin J. Levers -			0.19532%			
	Forest E. Levers -			0.78125%			
	Kate G. Gilbert -			0.91146%			
	J. B. McGhee-			2.08333%			
	Powhatan Carter, Jr.-			0.39063%			
	June D. Speight -			0.78125%			
	Elizabeth L. Ehrhart-			0.19531%			
	Geneva B. Gardner,						
	Admr. CTA of Est.						
	of Mary C. Beeson-			0.19531%			
	Elizabeth S. Bell -			0.20616%			
	Estate of Jett						
	Cowden-			0.39062%			
	James D. Bradish -			0.19531%			
	Continental Nat'l.						
	Bank of Ft. Worth,						
	Guardian of Est. of						
	Ford Bradish, Jr.-			0.19532%			
	Helen Swanson-			0.38194%			
	Juanita Brants Dacy-			0.20617%			
	June D. Speight A/C						
	2 - 0.78125%						

Tract No.	Description of Land	No. of Acres	Serial No. and Lease Date	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage
25	Cont'd.			Julianan Cowden - 2.63889% Elton M. Hyder, Jr. - 0.65974%			
	Federal Lands	821.65 Acres			23.25% of Unit Area		
	State Lands	2,111.87 Acres			59.77% of Unit Area		
	Fee Lands	600.00 Acres			16.98% of Unit Area		
	TOTAL	3,533.52 Acres			100.00% of Unit Area		

EXHIBIT "C"

UNIT AGREEMENT
 SCHEDULE OF TRACT PARTICIPATION
 WEST DOLLARHIDE DRINKARD UNIT
LEA COUNTY, NEW MEXICO

Tract No.	TRACT PARTICIPATION (%)		
	Phase I	Phase II	Phase III
1	0.20922	0.05231	0.17797
2	10.24564	10.48875	10.04427
3	4.79752	5.28622	5.10576
4	0.54318	0.77921	0.60914
5	3.43045	1.72975	3.04279
6	0.88184	0.39934	1.39563
7	0.49068	0.35689	0.71722
8 (a)	0.09077	0.04886	0.11466
(b)	<u>0.50358</u>	<u>0.27109</u>	<u>0.63617</u>
	0.59435	0.31995	0.75083
9 (a)	0.13933	0.18994	0.13275
(b)	<u>0.76979</u>	<u>1.04947</u>	<u>0.73345</u>
	0.90912	1.23941	0.86620
10 (a)	0.10806	0.17550	0.12207
(b)	<u>0.60031</u>	<u>0.97497</u>	<u>0.67815</u>
	0.70837	1.15047	0.80022
11	1.42746	0.81950	1.07269
12	14.16922	13.91421	14.07896
13	13.21853	9.05805	13.34837
14	10.96097	19.40308	14.31710
15	18.11256	21.96047	16.64303
16	8.19712	4.55224	8.99016
17	0.51100	0.31266	0.40994
18	2.46941	2.11354	1.46570
19	0.74186	0.54090	0.38342
20	0.00000	0.00000	0.05381
21	2.86733	2.63118	1.77363
22	0.49689	0.14038	0.43796
23	1.02295	0.87362	1.01836
24	0.32568	0.12298	0.23285
25	<u>2.66865</u>	<u>1.75489</u>	<u>2.26399</u>
TOTAL	100.00000	100.00000	100.00000