

#5086



OXY USA WTP Limited Partnership
6 Desta Drive, Suite 6000, Midland, TX 79705
PO Box 50250, Midland, TX 79710-0250
915-685-5600

March 27, 2003

Bureau of Land Management
Roswell District Office
1717 West Second Street
Roswell, NM 88201-2019

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, NM 87504-1148

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

RE: Myers Langlie Mattix Unit
Plan of Development
Lea County, New Mexico

Gentlemen:

In accordance with Section 12 of the Unit Agreement for the Development and Operations of the Myers Langlie Mattix Unit, Lea County, New Mexico, OXY respectfully submits for your approval our annual Plan of Development for 2003.

PAST OPERATIONS

The Myers Langlie Mattix Unit became effective February 1, 1974. Injection started in eighteen wells on August 13, 1975. As of January 1, 1994, OXY USA Inc. became operator of the unit. Eighteen infill wells were drilled, twelve wells were converted to injection, and one well was re-entered for injection purposes to establish a 40-acre five spot waterflood pattern pilot. Also, 33,000 feet of injection lines were replaced with fiberglass pipe to upgrade the injection distribution system.

2002/2003 OPERATIONS

As of December 2002, there were 31 active injectors, 65 active producers, and 89 TA'd wells in the unit. From unitization through December 2002, cumulative oil production has been 8,059,684 bbls, and cumulative water injection has been 183,000,000 bbls. The unit will continue secondary operations utilizing these 96 active wells.

March 27, 2003

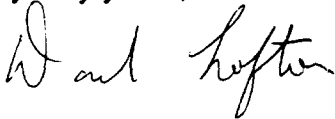
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The 2002 monthly production and injection data for the unit is shown in Exhibit A. As indicated, the unit averaged 222 BOPD and 4757 BWPD during the year.

Extension of the infill development would include drilling producers and converting existing wells to injection in the development area. The currently TA'd wells are under review to evaluate their need in this re-development plan. Any wells which fail their MIT test are repaired or P&A'd. It is anticipated that +/- 14 wells will be plugged this year.

Additional detail on the active wells is shown in Exhibit B while Exhibit C includes further detail on the TA'd wells.

Very truly yours,

A handwritten signature in black ink, appearing to read "David Lofton". The signature is fluid and cursive, with the first name "David" and last name "Lofton" clearly distinguishable.

David Lofton
Reservoir Engineering Advisor
OXY USA WTP Limited Partnership

/kp

Exhibit A
Myers Langlie Mattix
Production Totals – 2002 (Monthly Volumes)

DATE	OIL	GAS	WATER	WATER INJECTED
31-Jan-02	6311	4744	143191	144106
28-Feb-02	5785	5349	128979	129790
31-Mar-02	6551	4419	214201	242131
30-Apr-02	6497	4406	138957	139760
31-May-02	6649	4789	180023	178878
30-Jun-02	6777	4736	127546	128356
31-Jul-02	7104	5370	140447	141247
31-Aug-02	7223	5245	132585	144039
30-Sep-02	6413	4589	130935	142997
31-Oct-02	7539	4591	152422	152926
30-Nov-02	7522	4718	153649	154096
31-Dec-02	6780	3932	93427	95576
TOTALS	81151	56888	1736362	1793902

Myers Langlie Mattix Unit
Active Producers - Well Test Report

Well Name	Test Date	Oil - bopd	Water - bwpd	Gas - mcf	Water Cut%
MYERS LANGLIE MATTIX 9	08/08/2002	3	6	1	67
MYERS LANGLIE MATTIX 15	08/25/2002	8	6	2	43
MYERS LANGLIE MATTIX 18	08/16/2002	9	33	2	79
MYERS LANGLIE MATTIX 25	12/05/2002	6	159	3	96
MYERS LANGLIE MATTIX 29	08/15/2002	3	3	4	50
MYERS LANGLIE MATTIX 33	09/21/2002	3	32	4	91
MYERS LANGLIE MATTIX 38	09/12/2002	4	38	2	91
MYERS LANGLIE MATTIX 40	08/27/2002	4	59	3	94
MYERS LANGLIE MATTIX 44	08/17/2002	5	28	5	85
MYERS LANGLIE MATTIX 58	08/23/2002	6	30	1	83
MYERS LANGLIE MATTIX 73	07/27/2002	1	3	3	75
MYERS LANGLIE MATTIX 76	10/27/2000	1	66	2	99
MYERS LANGLIE MATTIX 78	12/02/2000	5	25	2	83
MYERS LANGLIE MATTIX 82	11/11/2002	5	20	2	80
MYERS LANGLIE MATTIX 93	11/21/1998	4	388	1	99
MYERS LANGLIE MATTIX 98	11/24/2000	9	170	2	95
MYERS LANGLIE MATTIX 100	09/16/2002	14	110	1	89
MYERS LANGLIE MATTIX 102	09/24/2002	13	306	6	96
MYERS LANGLIE MATTIX 104	09/11/2002	11	164	2	94
MYERS LANGLIE MATTIX 112	12/06/2002	5	101	4	95
MYERS LANGLIE MATTIX 116	11/05/2002	4	10	2	71
MYERS LANGLIE MATTIX 121	10/11/2002	24	16	6	40
MYERS LANGLIE MATTIX 127	11/06/2002	6	2	2	25
MYERS LANGLIE MATTIX 139	07/26/2002	7	212	3	97
MYERS LANGLIE MATTIX 145	12/02/2000	2	61	2	97
MYERS LANGLIE MATTIX 147	10/25/2000	7		2	
MYERS LANGLIE MATTIX 149	03/14/2000	1	1	1	50
MYERS LANGLIE MATTIX 158	10/18/2002	9	24	3	73
MYERS LANGLIE MATTIX 162	11/09/2002	4	1	1	20
MYERS LANGLIE MATTIX 164	11/10/2002	3	1	1	25
MYERS LANGLIE MATTIX 172	07/24/2002	5	2	1	29
MYERS LANGLIE MATTIX 174	05/29/2002	7	133		95
MYERS LANGLIE MATTIX 182	07/18/2000	6	3	1	33
MYERS LANGLIE MATTIX 184	09/02/2000	4	1	1	20
MYERS LANGLIE MATTIX 188	10/08/2002	3	53	2	95
MYERS LANGLIE MATTIX 191	10/10/2002	4	4	3	50
MYERS LANGLIE MATTIX 197	11/11/2002	3	52	2	95
MYERS LANGLIE MATTIX 201	11/04/2002	5	90	2	95
MYERS LANGLIE MATTIX 203	07/14/2002	1	2	4	67
MYERS LANGLIE MATTIX 209	07/08/2002	2	12	3	86
MYERS LANGLIE MATTIX 213	11/16/2002	6	41	1	87
MYERS LANGLIE MATTIX 215	11/09/2002	3	45	10	94
MYERS LANGLIE MATTIX 217	11/10/2002	3	49	2	94
MYERS LANGLIE MATTIX 240	07/09/2002	2	18	6	90
MYERS LANGLIE MATTIX 243	06/28/2002	9	80	6	90
MYERS LANGLIE MATTIX 245	07/16/2002	4	10	4	71
MYERS LANGLIE MATTIX 247	07/17/2002	6	4	10	40
MYERS LANGLIE MATTIX 253	08/28/2002	6	136	4	96
MYERS LANGLIE MATTIX 254	08/29/2002	3	11	1	79
MYERS LANGLIE MATTIX 256	10/06/1998	5	339	1	99
MYERS LANGLIE MATTIX 258	11/24/2000	6	198	2	97
MYERS LANGLIE MATTIX 259	09/23/2002	13	106	1	89
MYERS LANGLIE MATTIX 260	09/17/2002	11	272	5	96
MYERS LANGLIE MATTIX 261	11/26/2002	3	174	1	98
MYERS LANGLIE MATTIX 262	07/29/2002	2	254	5	99
MYERS LANGLIE MATTIX 263	11/25/2002	3	159	1	98
MYERS LANGLIE MATTIX 264	07/30/2002	2	46	2	96
MYERS LANGLIE MATTIX 265	07/22/2002	2	33	3	94
MYERS LANGLIE MATTIX 266	12/06/2002	8	70	3	90
MYERS LANGLIE MATTIX 267	11/24/2002	2	11	1	85
MYERS LANGLIE MATTIX 268	11/23/2002	3	55	1	95
MYERS LANGLIE MATTIX 271	08/14/2002	3	55	4	95
MYERS LANGLIE MATTIX 272	11/21/2002	3	136	2	98
MYERS LANGLIE MATTIX 273	11/05/2002	5	111	2	96
MYERS LANGLIE MATTIX 274	12/17/2002	10	226	5	96
MYERS LANGLIE MATTIX 275	11/06/2002	3	22	2	88

Exhibit B
MYERS LANGLIE MATTIX
Active Injectors - Injection Rate and Pressure

Lease Name	Date	Monthly Water Injected bbl	Water Injection Pressure psi
MYERS_LANGLIE_MATTIX_71	20030201	3757	577
MYERS_LANGLIE_MATTIX_73	20030201	1942	593
MYERS_LANGLIE_MATTIX_93	20030201	3377	517
MYERS_LANGLIE_MATTIX_96	20030201	4984	593
MYERS_LANGLIE_MATTIX_97	20030201	1195	593
MYERS_LANGLIE_MATTIX_99	20030201	2688	577
MYERS_LANGLIE_MATTIX_103	20030201	3642	577
MYERS_LANGLIE_MATTIX_105	20030201	4270	577
MYERS_LANGLIE_MATTIX_109	20030201	1912	593
MYERS_LANGLIE_MATTIX_133	20030201	1278	583
MYERS_LANGLIE_MATTIX_134	20030201	172	583
MYERS_LANGLIE_MATTIX_135	20030201	1260	583
MYERS_LANGLIE_MATTIX_136	20030201	4903	583
MYERS_LANGLIE_MATTIX_137	20030201	4353	583
MYERS_LANGLIE_MATTIX_138	20030201	5122	577
MYERS_LANGLIE_MATTIX_141	20030201	621	583
MYERS_LANGLIE_MATTIX_142	20030201	220	583
MYERS_LANGLIE_MATTIX_170	20030201	784	583
MYERS_LANGLIE_MATTIX_171	20030201	4559	583
MYERS_LANGLIE_MATTIX_173	20030201	4901	583
MYERS_LANGLIE_MATTIX_175	20030201	1787	617
MYERS_LANGLIE_MATTIX_176	20030201	364	583
MYERS_LANGLIE_MATTIX_202	20030201	2468	617
MYERS_LANGLIE_MATTIX_204	20030201	7353	617
MYERS_LANGLIE_MATTIX_210	20030201	8084	593
MYERS_LANGLIE_MATTIX_212	20030201	564	617
MYERS_LANGLIE_MATTIX_235	20030201	2374	617
MYERS_LANGLIE_MATTIX_239	20030201	9122	593
MYERS_LANGLIE_MATTIX_241	20030201	3352	593
MYERS_LANGLIE_MATTIX_244	20030201	856	593
MYERS_LANGLIE_MATTIX_246	20030201	5586	617

Exhibit C
Myers Langlie Mattix
TA'd Wells

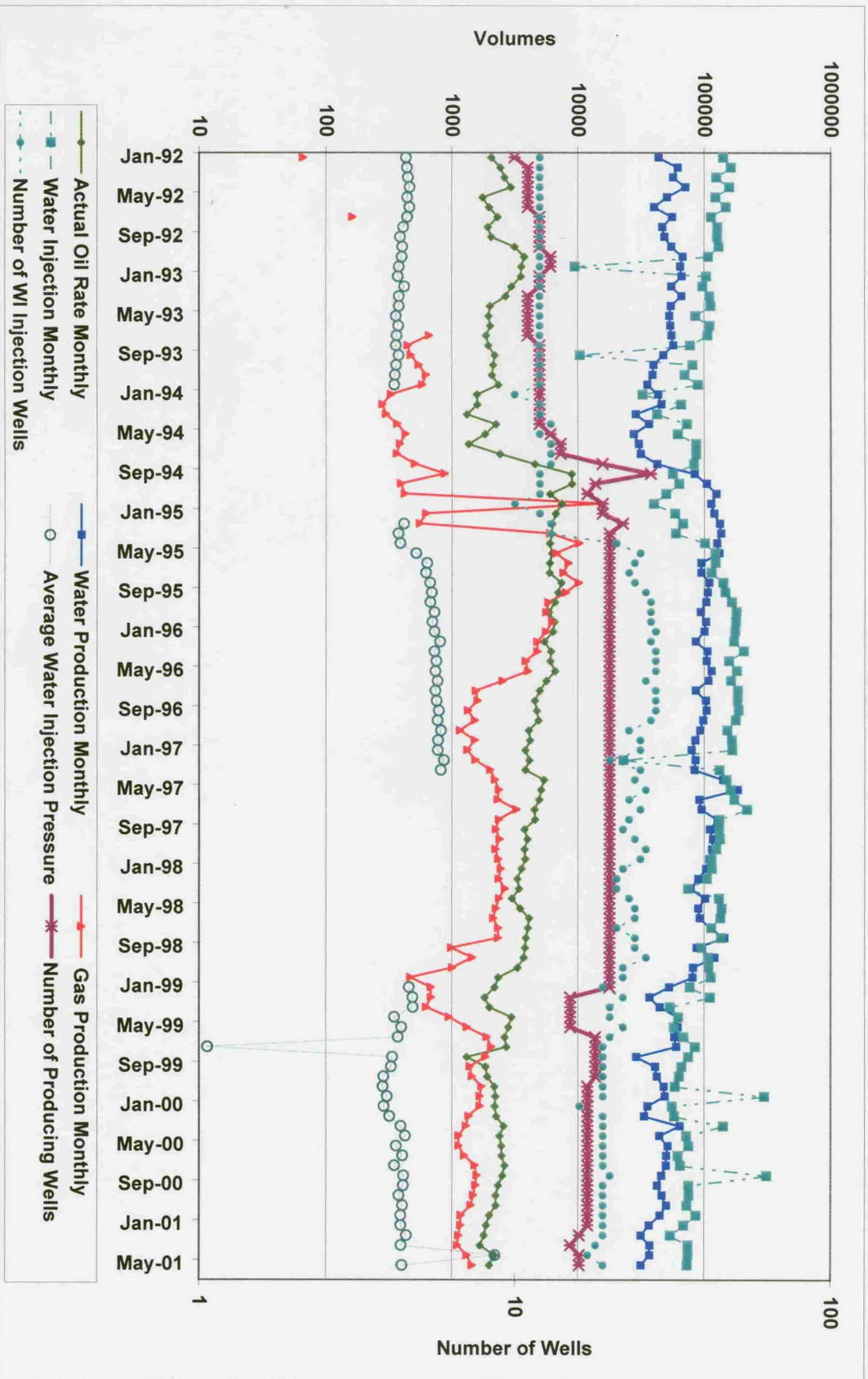
Lease	Well	Legal Description	Plug Type	Set Depth	CIT Test Date
MYERS LANGLIE MATTIX UT	3	C - 660 FNL 1980 FWL 29-23-37	PKR	3442	10/10/00
MYERS LANGLIE MATTIX UT	5	A - 660 FNL 660 FEL 30-23-37	PKR	3470	10/10/00
MYERS LANGLIE MATTIX UT	12	H - 1980 FNL 660 FEL 25-23-36	CIBP	3363	1/29/03
MYERS LANGLIE MATTIX UT	14	F - 1650 FNL 1980 FWL 30-23-37	CIBP	3515	3/19/99
MYERS LANGLIE MATTIX UT	16	H - 1980 FNL 660 FEL 30-23-37	PKR	3461	1/29/03
MYERS LANGLIE MATTIX UT	17	E - 1980 FNL 660 FWL 29-23-37	PKR	3285	10/10/00
MYERS LANGLIE MATTIX UT	19	G - 1980 FNL 1980 FEL 29-23-37	PKR	3440	10/11/00
MYERS LANGLIE MATTIX UT	22	K - 1875 FSL 2052 FWL 28-23-37	CIBP	3314	1/29/03
MYERS LANGLIE MATTIX UT	23	L - 1980 FSL 660 FWL 28-23-37	CIBP	3300	10/11/00
MYERS LANGLIE MATTIX UT	26	K - 1980 FSL 1980 FWL 29-23-37	PKR	3404	11/25/02
MYERS LANGLIE MATTIX UT	31	L - 2150 FSL 660 FWL 30-23-37	CIBP	3488	1/29/03
MYERS LANGLIE MATTIX UT	32	I - 1980 FSL 760 FEL 25-23-36	CIBP	3428	1/22/03
MYERS LANGLIE MATTIX UT	39	M - 660 FSL 660 FWL 30-23-37	PKR	3426	10/10/00
MYERS LANGLIE MATTIX UT	41	O - 660 FSL 1880 FEL 30-23-37	CIBP	3470	9/11/98
MYERS LANGLIE MATTIX UT	47	M - 330 FSL 330 FWL 28-23-37	PKR	3329	10/10/00
MYERS LANGLIE MATTIX UT	48	N - 660 FSL 1980 FWL 28-23-37	CIBP	3316	1/29/03
MYERS LANGLIE MATTIX UT	50	D - 990 FNL 330 FWL 34-23-37	PKR	3372	1/29/03
MYERS LANGLIE MATTIX UT	51	A - 660 FNL 660 FEL 33-23-37	CIBP	3385	1/29/03
MYERS LANGLIE MATTIX UT	59	A - 660 FNL 660 FEL 31-23-37	PKR	3490	8/26/02
MYERS LANGLIE MATTIX UT	60	B - 660 FNL 1980 FEL 31-23-37	CIBP	3469	1/22/03
MYERS LANGLIE MATTIX UT	63	A - 660 FNL 660 FEL 36-23-36	CIBP	3385	8/31/98
MYERS LANGLIE MATTIX UT	64	B - 660 FNL 1980 FEL 36-23-36	CIBP	3440	8/27/98
MYERS LANGLIE MATTIX UT	65	C - 710 FNL 1980 FWL 36-23-36	PKR	3403	4/16/98
MYERS LANGLIE MATTIX UT	66	D - 660 FNL 660 FWL 36-23-36	CIBP	3430	4/17/98
MYERS LANGLIE MATTIX UT	67	E - 1980 FNL 660 FWL 36-23-36	CIBP	3385	9/17/98
MYERS LANGLIE MATTIX UT	72	F - 1980 FNL 1980 FWL 31-23-37	PKR	3435	12/28/98
MYERS LANGLIE MATTIX UT	77	G - 1980 FNL 1980 FEL 32-23-37	PKR	3335	10/11/00
MYERS LANGLIE MATTIX UT	79	E - 2310 FNL 990 FWL 33-23-37	PKR	3363	12/30/98
MYERS LANGLIE MATTIX UT	80	F - 1980 FNL 2080 FWL 33-23-37	CIBP	3340	6/5/02
MYERS LANGLIE MATTIX UT	85	K - 1980 FSL 1880 FWL 34-23-37	CIBP	3300	4/13/98
MYERS LANGLIE MATTIX UT	86	L - 1980 FSL 660 FWL 34-23-37	PKR	3352	1/29/03
MYERS LANGLIE MATTIX UT	87	I - 2310 FSL 330 FEL 33-23-37	PKR	3307	6/5/02
MYERS LANGLIE MATTIX UT	89	K - 1980 FSL 2160 FWL 33-23-37	PKR	3341	4/13/98
MYERS LANGLIE MATTIX UT	90	L - 1980 FSL 660 FWL 33-28-37	---	---	pending
MYERS LANGLIE MATTIX UT	92	J - 1980 FSL 1980 FEL 32-23-37	CIBP	3427	3/14/01
MYERS LANGLIE MATTIX UT	94	L - 1980 FSL 760 FWL 32-23-37	CIBP	3390	1/22/02
MYERS LANGLIE MATTIX UT	101	K - 2310 FSL 1650 FWL 36-23-36	CIBP	3339	2/5/03
MYERS LANGLIE MATTIX UT	106	N - 660 FSL 1980 FWL 31-23-37	PKR	3354	10/10/00
MYERS LANGLIE MATTIX UT	107	O - 660 FSL 1980 FEL 31-23-37	PKR	3425	10/10/00
MYERS LANGLIE MATTIX UT	111	O - 660 FSL 2080 FEL 32-23-37	PKR	3337	10/11/00
MYERS LANGLIE MATTIX UT	113	M - 990 FSL 990 FWL 33-23-37	PKR	3419	10/12/00
MYERS LANGLIE MATTIX UT	115	O - 660 FSL 1980 FEL 33-23-37	PKR	3322	6/5/02
MYERS LANGLIE MATTIX UT	117	M - 660 FSL 660 FWL 34-23-37	PKR	3341	6/5/02
MYERS LANGLIE MATTIX UT	119	B - 330 FNL 2310 FEL 2-24-37	CIBP	3350	1/28/03
MYERS LANGLIE MATTIX UT	120	C - 660 FNL 1988 FWL 2-24-37	PKR	3313	1/28/03
MYERS LANGLIE MATTIX UT	122	A - 660 FNL 660 FEL 3-24-37	CIBP	3190	8/28/98
MYERS LANGLIE MATTIX UT	123	B - 660 FNL 1980 FEL 3-24-37	CIBP	3275	8/3/99
MYERS LANGLIE MATTIX UT	126	A - 660 FNL 60 FEL 4-24-37	PKR	3322	1/29/03
MYERS LANGLIE MATTIX UT	128	C - 660 FNL 1980 FWL 4-24-37	PKR	3359	1/29/03
MYERS LANGLIE MATTIX UT	130	A - 647 FNL 660 FEL 5-24-37	PKR	3400	10/12/00

Exhibit C
Myers Langlie Mattix
TA'd Wells

Lease	Well	Legal Description	Plug Type	Set Depth	CIT Test Date
MYERS LANGLIE MATTIX UT	144	G - 1966 FNL 1980 FEL 5-24-37	PKR	3311	10/11/00
MYERS LANGLIE MATTIX UT	146	E - 1980 FNL 660 FWL 4-24-37	PKR	3351	1/28/03
MYERS LANGLIE MATTIX UT	148	G - 1980 FNL 1980 FEL 4-24-37	PKR	3338	12/30/98
MYERS LANGLIE MATTIX UT	156	G - 2000 FNL 2310 FEL 2-24-37	CIBP	3430	12/28/98
MYERS LANGLIE MATTIX UT	159	I - 1980 FSL 660 FWL 3-24-37	PKR	3256	6/5/02
MYERS LANGLIE MATTIX UT	163	I - 1980 FSL 660 FEL 4-24-37	CIBP	3465	6/5/02
MYERS LANGLIE MATTIX UT	165	K - 1980 FSL 1980 FWL 4-24-37	PKR	3338	6/5/02
MYERS LANGLIE MATTIX UT	166	L - 1980 FSL 760 FWL 4-24-37	CIBP	3414	1/28/03
MYERS LANGLIE MATTIX UT	167	I - 1980 FSL 660 FEL 5-24-37	CIBP	3400	1/28/03
MYERS LANGLIE MATTIX UT	169	K - 1980 FSL 1980 FWL 5-24-37	PKR	3388	10/12/00
MYERS LANGLIE MATTIX UT	178	N - 660 FSL 1980 FWL 5-24-37	PKR	3367	10/12/00
MYERS LANGLIE MATTIX UT	181	M - 330 FSL 330 FWL 4-24-37	CIBP	3390	8/24/98
MYERS LANGLIE MATTIX UT	183	O - 660 FSL 1980 FEL 4-24-37	PKR	3405	6/5/02
MYERS LANGLIE MATTIX UT	185	M - 660 FSL 660 FWL 3-24-37	PKR	3415	4/14/98
MYERS LANGLIE MATTIX UT	189	M - 660 FSL 660 FWL 2-24-37	CIBP	3400	9/9/98
MYERS LANGLIE MATTIX UT	190	N - 660 FSL 1980 FWL 2-24-37	CIBP	3450	1/28/03
MYERS LANGLIE MATTIX UT	192	C - 560 FNL 2080 FWL 10-24-37	CIBP	3283	6/12/02
MYERS LANGLIE MATTIX UT	193	D - 660 FNL 660 FWL 10-24-37	CIBP	3392	6/23/98
MYERS LANGLIE MATTIX UT	194	A - 660 FNL 330 FEL 9-24-37	CIBP	3430	8/25/98
MYERS LANGLIE MATTIX UT	195	B - 660 FNL 1980 FEL 9-24-37	CIBP	3469	3/14/01
MYERS LANGLIE MATTIX UT	196	C - 660 FNL 2010 FWL 9-24-37	CIBP	3347	9/4/98
MYERS LANGLIE MATTIX UT	198	A - 660 FNL 660 FEL 8-24-37	CIBP	3323	8/26/98
MYERS LANGLIE MATTIX UT	205	D - 860 FNL 660 FWL 7-24-37	CIBP	3325	1/22/03
MYERS LANGLIE MATTIX UT	211	F - 1980 FNL 1980 FWL 7-24-37	CIBP	3345	1/22/03
MYERS LANGLIE MATTIX UT	218	E - 1650 FNL 330 FEL 9-24-37	PKR	3338	1/28/03
MYERS LANGLIE MATTIX UT	221	H - 2310 FNL 990 FEL 9-24-37	CIBP	3079	1/28/03
MYERS LANGLIE MATTIX UT	223	F-1980 FNL 2000 FWL 10-24-37	CIBP	3100	4/14/98
MYERS LANGLIE MATTIX UT	226	E - 1980 FNL 660 FWL 11-24-37	CIBP	3369	1/28/03
MYERS LANGLIE MATTIX UT	230	L - 1980 FSL 760 FWL 9-24-37	CIBP	3280	5/20/98
MYERS LANGLIE MATTIX UT	233	K - 1980 FSL 1980 FWL 8-24-37	PKR	3374	4/15/98
MYERS LANGLIE MATTIX UT	234	L - 1980 FSL 760 FWL 8-24-37	CIBP	3340	1/30/03
MYERS LANGLIE MATTIX UT	236	J - 1980 FSL 1980 FEL 7-24-37	CIBP	3333	1/22/03
MYERS LANGLIE MATTIX UT	248	M - 660 FSL 660 FWL 8-24-37	PKR	3390	PENDING
MYERS LANGLIE MATTIX UT	249	N - 60 FSL 1980 FWL 10-24-37	CIBP	3272	6/19/98
MYERS LANGLIE MATTIX UT	251	N - 660 FSL 2097 FWL 32-23-37	CIBP	3304	2/17/99
MYERS LANGLIE MATTIX UT	252	P - 685 FSL 660 FEL 31-23-37	PKR	3475	10/12/00
MYERS LANGLIE MATTIX UT	256	D - 105 FNL 1310 FWL 6-24-37	CIBP	3402	3/14/01
MYERS LANGLIE MATTIX UT	257	H - 2630 FNL 50 FEL 32-23-37	CIBP	3320	12/30/98
MYERS LANGLIE MATTIX UT	269	D - 238 FNL 1274 FWL 5-24-37	CIBP	3416	3/14/01

MYERS LANGLE-MATTIX (QUEEN) UNIT
WATERFLOOD

MAY 1, 1995
EOR PROJECT R-4680-A
JANUARY 1992-MAY 2001



MYERS LANGLIE-MATTIX (QUEEN) UNIT
WATERFLOOD
MAY 1, 1995
EOR PROJECT R-4680-A
JANUARY 1992-MAY 2001

Month/Yr	Actual Oil Rate BOPD	Actual Oil Rate Monthly	Water Production BWPD	Water Production Monthly	Gas Production MCFD	Gas Production Monthly	Water Injection BWPD	Water Injection Monthly	Number of Producing Wells	Number of Injection Wells	Average Water Injection Pressure	Cum Oil
Jan-92	66	2060	1407	43614	2	66	4529	140414	10	12	430	
Feb-92	87	2436	2208	61830	N/A	N/A	5784	161945	11	12	439	
Mar-92	85	2625	1831	56766	N/A	N/A	4009	124284	11	12	445	
Apr-92	98	2951	2366	70975	N/A	N/A	5252	157560	11	12	459	
May-92	57	1752	1634	50651	N/A	N/A	3951	122467	11	12	440	
Vol Inj/Yr		11824						706670				
Jun-92	66	1982	1338	40132	N/A	N/A	4923	147682	11	12	458	
Jul-92	75	2314	1794	55606	5	162	3648	113095	12	12	440	
Aug-92	63	1938	1499	46458	N/A	N/A	4085	126632	12	12	410	
Sep-92	69	2060	1612	48355	N/A	N/A	4203	126083	12	12	386	
Oct-92	102	3162	1771	54898	N/A	N/A	4186	129755	12	12	403	
Nov-92	126	3766	2255	67640	N/A	N/A	3561	106823	13	12	399	
Dec-92	116	3581	2084	64602	N/A	N/A	305	9459	13	12	378	
Jan-93	114	3544	2137	66253	N/A	N/A	3333	103310	12	12	370	
Feb-93	106	2978	1960	54884	N/A	N/A	3447	96506	12	12	416	
Mar-93	87	2689	2126	65917	N/A	N/A	3534	109565	11	12	378	
Apr-93	67	2012	1812	54368	N/A	N/A	3736	112086	11	12	378	
May-93	63	1962	1708	52958	N/A	N/A	2741	84967	11	12	357	
Vol Inj/Yr		31988						1265963				
Jun-93	68	2028	1802	54050	N/A	N/A	3670	110087	11	12	374	
Jul-93	61	1877	1778	55132	21	658	3430	106325	11	12	363	
Aug-93	63	1955	1839	57010	14	444	2495	77330	12	12	358	
Sep-93	73	2198	1589	47670	16	470	345	10363	12	12	376	
Oct-93	69	2138	1284	39805	18	543	2606	80796	12	12	360	
Nov-93	70	2093	1300	39007	21	620	2329	69866	12	12	351	
Dec-93	76	2353	1149	35607	19	580	2870	88961	12	12	347	
Jan-94	51	1584	1397	43301	11	328	1051	32575	12	10	N/A	
Feb-94	57	1594	1640	45923	10	280	2348	65740	12	12	N/A	
Mar-94	43	1319	926	28702	10	298	1364	42293	12	12	N/A	
Apr-94	75	2241	1219	36566	12	366	2424	72713	12	13	N/A	
May-94	59	1838	895	27732	14	427	1991	61714	13	12	N/A	
Vol Inj/Yr		23218						818763				

MYERS LANGLEIE-MATTIX (QUEEN) UNIT
WATERFLOOD
MAY 1, 1995
EOR PROJECT R-4680-A
JANUARY 1992-MAY 2001

Month/Yr	Actual Oil Rate BOPD	Actual Oil Rate Monthly	Water Production BWPD	Water Production Monthly	Gas Production MCFD	Gas Production Monthly	Water Injection BWPD	Water Injection Monthly	Number of Producing Wells	Number of Injection Wells	Average Water Injection Pressure	Cum Oil
Jun-94	45	1358	1011	30320	13	384	2865	85935	14	13	N/A	
Jul-94	78	2412	1013	31418	12	363	2771	85900	14	13	N/A	
Aug-94	147	4567	1368	42419	16	505	2660	82468	19	13	N/A	
Sep-94	298	8950	2794	83813	29	874	1871	56143	27	12	N/A	
Oct-94	290	8985	3365	104306	13	392	2037	63144	18	12	N/A	
Nov-94	201	6037	4128	123853	14	419	1659	49755	17	12	N/A	
Dec-94	241	7468	3650	113148	506	15686	1283	39774	19	10	N/A	
Jan-95	216	6700	3838	118982	20	622	1884	58391	19	12	N/A	
Feb-95	224	6283	4721	132198	20	553	2412	67537	22	13	413	
Mar-95	202	6260	4367	135385	195	6032	1912	59257	20	13	373	
Apr-95	200	6009	4185	125541	342	10252	3358	100748	20	21	386	
May-95	202	6272	4225	130984	218	6765	3940	122137	20	25	518	
Vol Inj/Yr		71301						871189				
Jun-95	200	6005	3151	94543	282	8453	4089	122677	20	24	633	
Jul-95	193	5992	3044	94368	248	7681	3681	114107	20	23	618	
Aug-95	239	7418	3519	109100	329	10195	4543	140830	20	24	666	7418
Sep-95	233	6992	3544	106317	268	8032	4892	146749	20	26	689	14410
Oct-95	213	6606	3331	103251	189	5865	5304	164425	20	27	669	21016
Nov-95	197	5900	3126	93767	187	5619	5978	179342	20	27	722	26916
Dec-95	211	6542	3320	102908	202	6253	5736	177816	20	27	694	33458
Jan-96	205	6369	3231	100165	181	5606	5649	175124	20	28	724	39827
Feb-96	194	5443	3050	85390	171	4793	6106	170979	20	27	802	45270
Mar-96	198	6145	3404	105528	155	4792	6598	204528	20	28	724	51415
Apr-96	202	6060	3469	104082	129	3864	5227	156807	20	28	748	57475
May-96	214	6632	3677	113997	130	4030	5824	180538	20	28	735	64107
Vol Inj/Yr		76104						1933922				
Jun-96	188	5639	3579	107367	85	2538	5422	162672	20	26	766	69746
Jul-96	162	5012	2761	85585	50	1545	5931	183846	20	28	736	74758
Aug-96	148	4574	3314	102743	52	1599	5921	183566	20	28	753	79332
Sep-96	158	4747	3475	104252	45	1341	6219	186566	20	28	784	84079
Oct-96	158	4895	3154	97760	49	1521	5713	177116	20	27	767	88974
Nov-96	136	4090	3094	92818	39	1157	5057	151718	20	23	816	93064
Dec-96	135	4180	2730	84627	49	1518	5302	164353	20	25	772	97244
Jan-97	124	3840	2563	79467	43	1324	5359	166122	20	25	771	101084

MYERS LANGLEIE-MATTIX (QUEEN) UNIT
WATERFLOOD
MAY 1, 1995
EOR PROJECT R-4680-A
JANUARY 1992-MAY 2001

Month/Yr	Actual Oil Rate BOPD	Actual Oil Rate Monthly	Water Production BWPD	Water Production Monthly	Gas Production MCFD	Gas Production Monthly	Water Injection BWPD	Water Injection Monthly	Number of Producing Wells	Number of WI Injection Wells	Average Water Injection Pressure	Cum Oil
Feb-97	147	4125	3040	85114	55	1533	773	22954	20	20	863	105209
Mar-97	124	3835	2704	83827	65	2012	4243	131535	20	25	812	109044
Apr-97	180	5388	4699	140974	73	2198	4960	148800	20	24	N/A	114432
May-97	165	5114	5903	182990	76	2356	5192	160948	20	26	N/A	119546
Vol Inj/Yr		55439						1840196				
Jun-97	164	4928	3040	91214	77	2310	5724	171710	20	23	N/A	124474
Jul-97	147	4542	3057	94773	105	3255	6994	216800	20	25	N/A	129016
Aug-97	148	4578	4095	126959	76	2356	4252	131807	20	23	N/A	133594
Sep-97	126	3772	3678	110340	75	2236	4365	130951	20	22	N/A	137366
Oct-97	128	3974	3766	116735	77	2387	4274	132494	20	24	N/A	141340
Nov-97	126	3772	3829	114863	74	2220	4136	124074	20	26	N/A	145112
Dec-97	123	3820	3525	109262	75	2325	3672	113846	20	25	N/A	148932
Jan-98	115	3580	3326	103107	79	2449	3687	114301	20	22	N/A	152512
Feb-98	119	3321	3191	89350	84	2352	3735	104566	20	21	N/A	155833
Mar-98	110	3413	2509	77773	85	2635	2399	74379	20	21	N/A	159246
Apr-98	100	3000	3375	101259	79	2370	4341	130222	20	23	N/A	162246
May-98	112	3477	2889	89550	72	2232	4422	137068	20	24	N/A	165723
Vol Inj/Yr		46177						1582218				
Jun-98	137	4105	3064	91922	71	2130	4470	134097	20	24	N/A	169828
Jul-98	130	4025	3604	111739	75	2325	3660	113462	20	21	N/A	173853
Aug-98	125	3870	4631	143571	75	2325	4385	135948	20	24	N/A	177723
Sep-98	127	3801	2908	87227	33	985	3156	94667	20	24	N/A	181524
Oct-98	120	3718	3888	120520	47	1450	3450	106944	20	26	N/A	185242
Nov-98	111	3334	2721	81626	34	1008	3606	108167	20	22	N/A	188576
Dec-98	75	2333	2600	80595	15	467	3625	112377	20	22	N/A	190909
Jan-99	70	2184	1699	52559	22	680	2475	76711	20	19	454	193093
Feb-99	65	1815	1314	36804	24	681	3962	110928	15	22	485	194908
Mar-99	64	1990	1438	44577	20	623	1724	53441	15	20	488	196898
Apr-99	99	2979	2072	62168	32	947	2077	62308	15	20	348	199877
May-99	90	2805	1995	61831	42	1309	1851	57366	15	22	395	202682
Vol Inj/Yr		36959						1166416				
Jun-99	88	2631	1931	57930	63	1894	2283	68489	18	20	371	205313
Jul-99	88	2715	1941	60157	66	2050	2726	84512	18	19	12	208028
Aug-99	42	1313	935	28970	60	1846	2400	74411	18	19	335	209341

MYERS LANGLIE-MATTIX (QUEEN) UNIT
WATERFLOOD
MAY 1, 1995
EOR PROJECT R-4680-A
JANUARY 1992-MAY 2001

Month/Yr	Actual Oil Rate BOPD	Actual Oil Rate Monthly	Water Production BWPD	Water Production Monthly	Gas Production MCFD	Gas Production Monthly	Water Injection BWPD	Water Injection Monthly	Number of Producing Wells	Number of WI Injection Wells	Average Water Injection Pressure	Cum Oil
Sep-99	62	1855	1362	40866	46	1385	2204	66111	18	19	328	211196
Oct-99	62	1915	1359	42125	47	1442	2033	63019	18	19	285	213111
Nov-99	73	2175	1596	47886	57	1718	1946	58394	17	19	282	215286
Dec-99	71	2212	1570	48683	54	1664	9597	297509	17	19	303	217498
Jan-00	70	2181	1146	35520	54	1661	1788	55425	17	16	286	219679
Feb-00	80	2249	1195	33468	48	1353	2064	57793	17	19	317	221928
Mar-00	83	2565	2067	64086	41	1286	4532	140488	17	19	390	224493
Apr-00	80	2393	1471	44118	38	1126	2392	71750	17	19	422	226886
May-00	80	2470	1655	51305	36	1126	2412	74787	17	19	358	229356
Vol Inj/Yr		26674					1112688					
Jun-00	83	2478	1668	50028	42	1249	2060	61807	17	19	403	231834
Jul-00	84	2619	1607	49823	49	1517	2070	64174	17	19	348	234453
Aug-00	81	2510	1474	45702	51	1567	9991	309726	17	20	409	236963
Sep-00	77	2322	1409	42280	51	1535	2492	74770	17	19	408	239285
Oct-00	72	2224	1489	46144	47	1472	2423	75098	17	19	377	241509
Nov-00	74	2228	1668	50036	47	1407	2419	72571	17	19	403	243737
Dec-00	64	1982	1433	44414	38	1172	2755	85397	17	19	391	245719
Jan-01	60	1872	1179	36553	38	1165	2209	68481	17	19	390	247591
Feb-01	64	1796	1126	31536	40	1129	1922	53827	16	19	433	249387
Mar-01	54	1668	1193	36994	35	1100	2389	74051	15	18	391	251055
Apr-01	72	2171	1228	36837	44	1310	2471	74120	16	17	2183	253226
May-01	64	1980	1016	31483	47	1444	2361	73195	16	19	398	255206
Vol Inj/Yr		25850					1087217					



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OXY USA INC.

Box 50250, Midland, TX 79710

Telephone 915 685-5600

April 9, 1999

Bureau of Land Management
Roswell District Office
1717 West Second Street
Roswell, New Mexico 88201-2019

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Commissioner of Public Lands
P.O. Box 1148
Sante Fe, New Mexico 87504-1148

New Mexico Oil Conservation Division
P.O. Box 2088
Sante Fe, New Mexico 87501

Re: Myers Langlie Mattix Unit
Plan of Development
Lea County, New Mexico

Gentlemen:

In accordance with Section 12 of the Unit Agreement for the Development and Operations of the Myers Langlie Mattix Unit, Lea County, New Mexico, OXY respectfully submits for your approval our annual Plan of Development for 1999. Enclosed for your convenience is a list of all unit wells with current status and a summary of activities for 1998.

PAST OPERATIONS

The Myers Langlie Mattix Unit became effective February 1, 1974. Injection started in eighteen wells on August 13, 1975. As of January 1, 1994 OXY USA Inc. became operator of the unit. Eighteen infill wells were drilled, twelve wells were converted to injection, and one well was re-entered for injection purposes to establish a 40-acre five spot waterflood pattern pilot. Also, 33,000 feet of injection lines were replaced with fiberglass pipe to upgrade the injection distribution system.

1998 OPERATIONS

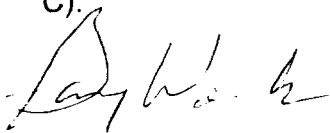
In 1998, OXY USA Inc. temporarily abandoned sixty wells as uneconomical. In addition sixteen wells were plugged and abandoned. There were no wells drilled in 1998.

As of February 1999, there were 39 active injectors and 64 active producers (exhibit A).

1999 PLANNED OPERATIONS

In order to optimize unit operations, OXY USA, Inc. will pursue an aggressive program to temporarily abandon and plug and abandon numerous wells in 1999 and 2000.

Regulatory approval has been obtained to plug and abandon fourteen wells. Eighty-four additional wells are scheduled to be temporarily abandoned by setting CIBP's and mechanically testing the casing integrity of these wells (exhibit B). The unit will be operated with thirty active producing wells and twenty-two active injection wells (exhibit C).

A handwritten signature in black ink, appearing to read "Gary Womack", with a stylized flourish at the end.

Gary Womack
Senior Operations Engineer
OXY USA Inc.

EXHIBIT A

MYERS LANGLE MATTIX UNIT - 14953 - 2/1999

A WELL_NAME	B ZONE_TYPE	C STATUS	D API_NO
MYERS LANGLE MATTIX 1	O	INACTIVE	3002526914
MYERS LANGLE MATTIX 2	O	INACTIVE	3002510873
MYERS LANGLE MATTIX 3	S	ACTIVE	3002510874
MYERS LANGLE MATTIX 4	O	INACTIVE	3002510871
MYERS LANGLE MATTIX 5	S	INACTIVE	3002510896
MYERS LANGLE MATTIX 6	O	P & A	3002510897
MYERS LANGLE MATTIX 7	S	P & A	3002510893
MYERS LANGLE MATTIX 9	O	INACTIVE	3002510892
MYERS LANGLE MATTIX 10	S	P & A	3002509419
MYERS LANGLE MATTIX 11	O	INACTIVE	3002509424
MYERS LANGLE MATTIX 12	O	INACTIVE	3002527378
MYERS LANGLE MATTIX 13	S	P & A	3002510894
MYERS LANGLE MATTIX 14	O	INACTIVE	3002510895
MYERS LANGLE MATTIX 15	O	ACTIVE	3002526968
MYERS LANGLE MATTIX 16	S	INACTIVE	3002510890
MYERS LANGLE MATTIX 17	S	ACTIVE	3002510869
MYERS LANGLE MATTIX 18	O	INACTIVE	3002510870
MYERS LANGLE MATTIX 19	S	INACTIVE	3002510872
MYERS LANGLE MATTIX 22	O	INACTIVE	3002522644
MYERS LANGLE MATTIX 23	O	INACTIVE	3002525986
MYERS LANGLE MATTIX 24	S	INACTIVE	3002510877
MYERS LANGLE MATTIX 25	O	INACTIVE	3002525987
MYERS LANGLE MATTIX 26	S	ACTIVE	3002510882
MYERS LANGLE MATTIX 27	S	P & A	3002510881
MYERS LANGLE MATTIX 28	S	INACTIVE	3002521722
MYERS LANGLE MATTIX 29	O	INACTIVE	3002527379
MYERS LANGLE MATTIX 30	S	INACTIVE	3002525676
MYERS LANGLE MATTIX 31	O	INACTIVE	3002510888
MYERS LANGLE MATTIX 32	S	INACTIVE	3002525736
MYERS LANGLE MATTIX 33	O	ACTIVE	3002509413
MYERS LANGLE MATTIX 34	S	P & A	3002509414
MYERS LANGLE MATTIX 35	S	INACTIVE	3002509415
MYERS LANGLE MATTIX 36	O	P & A	3002509412
MYERS LANGLE MATTIX 37	S	INACTIVE	3002509418
MYERS LANGLE MATTIX 38	O	ACTIVE	3002509417
MYERS LANGLE MATTIX 39	S	ACTIVE	3002510887
MYERS LANGLE MATTIX 40	O	INACTIVE	3002527380
MYERS LANGLE MATTIX 41	S	INACTIVE	3002526906
MYERS LANGLE MATTIX 43	S	ACTIVE	3002510879
MYERS LANGLE MATTIX 44	O	ACTIVE	3002510880
MYERS LANGLE MATTIX 45	S	INACTIVE	3002510876
MYERS LANGLE MATTIX 46	O	INACTIVE	3002510878
MYERS LANGLE MATTIX 47	S	INACTIVE	3002510865
MYERS LANGLE MATTIX 48	O	INACTIVE	3002525988
MYERS LANGLE MATTIX 49	O	P & A	3002510953
MYERS LANGLE MATTIX 50	S	INACTIVE	3002510958
MYERS LANGLE MATTIX 51	O	INACTIVE	3002510933
MYERS LANGLE MATTIX 52	O	P & A	3002526057
MYERS LANGLE MATTIX 53	S	INACTIVE	3002510932
MYERS LANGLE MATTIX 54	O	ACTIVE	3002510931
MYERS LANGLE MATTIX 55	S	INACTIVE	3002510921
MYERS LANGLE MATTIX 56	O	INACTIVE	3002510919
MYERS LANGLE MATTIX 57	S	INACTIVE	3002510918
MYERS LANGLE MATTIX 58	O	INACTIVE	3002527381
MYERS LANGLE MATTIX 59	S	INACTIVE	3002526905
MYERS LANGLE MATTIX 60	O	INACTIVE	3002525945
MYERS LANGLE MATTIX 61	S	INACTIVE	3002510903
MYERS LANGLE MATTIX 62	O	INACTIVE	3002510900

EXHIBIT A

MYERS LANGLIE MATTIX UNIT - 14953 - 2/1999

A WELL_NAME	B ZONE_TYPE	C STATUS	D API_NO
MYERS LANGLIE MATTIX 63	S	INACTIVE	3002509476
MYERS LANGLIE MATTIX 64	O	INACTIVE	3002509477
MYERS LANGLIE MATTIX 65	S	INACTIVE	3002509478
MYERS LANGLIE MATTIX 66	O	INACTIVE	3002509480
MYERS LANGLIE MATTIX 67	O	INACTIVE	3002509472
MYERS LANGLIE MATTIX 69	S	P & A	3002509474
MYERS LANGLIE MATTIX 70	O	INACTIVE	3002509475
MYERS LANGLIE MATTIX 71	S	ACTIVE	3002510901
MYERS LANGLIE MATTIX 72	S	INACTIVE	3002510902
MYERS LANGLIE MATTIX 73	S	ACTIVE	3002510904
MYERS LANGLIE MATTIX 74	O	INACTIVE	3002525677
MYERS LANGLIE MATTIX 75	S	INACTIVE	3002525678
MYERS LANGLIE MATTIX 76	O	INACTIVE	3002525946
MYERS LANGLIE MATTIX 77	S	INACTIVE	3002525679
MYERS LANGLIE MATTIX 78	O	ACTIVE	3002510916
MYERS LANGLIE MATTIX 79	S	INACTIVE	3002510929
MYERS LANGLIE MATTIX 80	O	INACTIVE	3002510930
MYERS LANGLIE MATTIX 81	S	INACTIVE	3002526907
MYERS LANGLIE MATTIX 82	O	ACTIVE	3002527382
MYERS LANGLIE MATTIX 83	O	P & A	3002510955
MYERS LANGLIE MATTIX 84	O	P & A	3002510957
MYERS LANGLIE MATTIX 85	O	P & A	3002510956
MYERS LANGLIE MATTIX 86	S	INACTIVE	3002510954
MYERS LANGLIE MATTIX 87	S	INACTIVE	3002522936
MYERS LANGLIE MATTIX 88	O	P & A	3002510934
MYERS LANGLIE MATTIX 89	S	INACTIVE	3002510924
MYERS LANGLIE MATTIX 90	O	INACTIVE	3002510923
MYERS LANGLIE MATTIX 91	S	P & A	3002510915
MYERS LANGLIE MATTIX 92	O	INACTIVE	3002525947
MYERS LANGLIE MATTIX 93	S	ACTIVE	3002525680
MYERS LANGLIE MATTIX 94	O	INACTIVE	3002526908
MYERS LANGLIE MATTIX 95	S	INACTIVE	3002510912
MYERS LANGLIE MATTIX 96	S	ACTIVE	3002510907
MYERS LANGLIE MATTIX 97	S	ACTIVE	3002510909
MYERS LANGLIE MATTIX 98	O	INACTIVE	3002510906
MYERS LANGLIE MATTIX 99	S	ACTIVE	3002509482
MYERS LANGLIE MATTIX 100	O	ACTIVE	3002509485
MYERS LANGLIE MATTIX 101	S	INACTIVE	3002509484
MYERS LANGLIE MATTIX 102	O	ACTIVE	3002526909
MYERS LANGLIE MATTIX 103	S	ACTIVE	3002509486
MYERS LANGLIE MATTIX 104	O	ACTIVE	3002509483
MYERS LANGLIE MATTIX 105	S	ACTIVE	3002510908
MYERS LANGLIE MATTIX 106	S	ACTIVE	3002510911
MYERS LANGLIE MATTIX 107	S	ACTIVE	3002510910
MYERS LANGLIE MATTIX 109	S	ACTIVE	3002503205
MYERS LANGLIE MATTIX 111	S	INACTIVE	3002525681
MYERS LANGLIE MATTIX 112	O	ACTIVE	3002510914
MYERS LANGLIE MATTIX 113	S	INACTIVE	3002510925
MYERS LANGLIE MATTIX 114	O	INACTIVE	3002510926
MYERS LANGLIE MATTIX 115	S	INACTIVE	3002510935
MYERS LANGLIE MATTIX 116	O	ACTIVE	3002510928
MYERS LANGLIE MATTIX 117	S	INACTIVE	3002510951
MYERS LANGLIE MATTIX 118	O	P & A	3002510952
MYERS LANGLIE MATTIX 119	O	INACTIVE	3002510983
MYERS LANGLIE MATTIX 120	S	INACTIVE	3002510977
MYERS LANGLIE MATTIX 121	O	ACTIVE	3002510978
MYERS LANGLIE MATTIX 122	S	INACTIVE	3002510993
MYERS LANGLIE MATTIX 123	O	INACTIVE	3002510994

EXHIBIT A

MYERS LANGLE MATTIX UNIT - 14953 - 2/1999

A WELL_NAME	B ZONE_TYPE	C STATUS	D API_NO
MYERS LANGLE MATTIX 126	S	INACTIVE	3002527383
MYERS LANGLE MATTIX 127	O	ACTIVE	3002511001
MYERS LANGLE MATTIX 128	S	INACTIVE	3002526910
MYERS LANGLE MATTIX 129	O	P & A	3002511003
MYERS LANGLE MATTIX 130	S	INACTIVE	3002511013
MYERS LANGLE MATTIX 131	O	ACTIVE	3002525948
MYERS LANGLE MATTIX 132	S	INACTIVE	3002511010
MYERS LANGLE MATTIX 133	S	ACTIVE	3002511008
MYERS LANGLE MATTIX 134	S	ACTIVE	3002511026
MYERS LANGLE MATTIX 135	S	ACTIVE	3002525989
MYERS LANGLE MATTIX 136	S	ACTIVE	3002511019
MYERS LANGLE MATTIX 137	S	ACTIVE	3002511036
MYERS LANGLE MATTIX 138	S	ACTIVE	3002509489
MYERS LANGLE MATTIX 139	O	ACTIVE	3002511020
MYERS LANGLE MATTIX 140	S	P & A	3002511028
MYERS LANGLE MATTIX 141	S	ACTIVE	3002511027
MYERS LANGLE MATTIX 142	S	ACTIVE	3002511009
MYERS LANGLE MATTIX 143	S	INACTIVE	3002511011
MYERS LANGLE MATTIX 144	S	INACTIVE	3002511017
MYERS LANGLE MATTIX 145	O	INACTIVE	3002511012
MYERS LANGLE MATTIX 146	S	INACTIVE	3002511002
MYERS LANGLE MATTIX 147	O	ACTIVE	3002526058
MYERS LANGLE MATTIX 148	S	INACTIVE	3002526911
MYERS LANGLE MATTIX 149	O	ACTIVE	3002511000
MYERS LANGLE MATTIX 152	S	INACTIVE	3002510991
MYERS LANGLE MATTIX 153	O	P & A	3002510992
MYERS LANGLE MATTIX 154	S	INACTIVE	3002510980
MYERS LANGLE MATTIX 155	O	INACTIVE	3002510979
MYERS LANGLE MATTIX 156	S	INACTIVE	3002510984
MYERS LANGLE MATTIX 157	S	INACTIVE	3002510982
MYERS LANGLE MATTIX 158	O	ACTIVE	3002510981
MYERS LANGLE MATTIX 159	S	INACTIVE	3002510996
MYERS LANGLE MATTIX 162	O	ACTIVE	3002527386
MYERS LANGLE MATTIX 163	S	INACTIVE	3002510997
MYERS LANGLE MATTIX 164	O	INACTIVE	3002527480
MYERS LANGLE MATTIX 165	S	INACTIVE	3002526969
MYERS LANGLE MATTIX 166	O	INACTIVE	3002527481
MYERS LANGLE MATTIX 167	S	INACTIVE	3002511015
MYERS LANGLE MATTIX 168	O	INACTIVE	3002525949
MYERS LANGLE MATTIX 169	S	ACTIVE	3002511005
MYERS LANGLE MATTIX 170	S	ACTIVE	3002511004
MYERS LANGLE MATTIX 171	S	ACTIVE	3002511030
MYERS LANGLE MATTIX 172	O	INACTIVE	3002511023
MYERS LANGLE MATTIX 173	S	ACTIVE	3002511022
MYERS LANGLE MATTIX 174	O	INACTIVE	3002511021
MYERS LANGLE MATTIX 175	S	INACTIVE	3002511029
MYERS LANGLE MATTIX 176	S	ACTIVE	3002511025
MYERS LANGLE MATTIX 177	S	INACTIVE	3002511006
MYERS LANGLE MATTIX 178	S	INACTIVE	3002511007
MYERS LANGLE MATTIX 179	S	INACTIVE	3002511016
MYERS LANGLE MATTIX 180	O	INACTIVE	3002511014
MYERS LANGLE MATTIX 181	S	INACTIVE	3002510999
MYERS LANGLE MATTIX 182	O	INACTIVE	3002527482
MYERS LANGLE MATTIX 183	S	INACTIVE	3002526970
MYERS LANGLE MATTIX 184	O	ACTIVE	3002527483
MYERS LANGLE MATTIX 185	S	INACTIVE	3002527384
MYERS LANGLE MATTIX 188	O	ACTIVE	3002525990
MYERS LANGLE MATTIX 189	S	INACTIVE	3002510975

EXHIBIT A

MYERS LANGLE MATTIX UNIT - 14953 - 2/1999

A WELL_NAME	B ZONE_TYPE	C STATUS	D API_NO
MYERS LANGLE MATTIX 190	O	INACTIVE	3002510976
MYERS LANGLE MATTIX 191	O	ACTIVE	3002511091
MYERS LANGLE MATTIX 192	S	INACTIVE	3002511090
MYERS LANGLE MATTIX 193	O	INACTIVE	3002527385
MYERS LANGLE MATTIX 194	S	INACTIVE	3002511066
MYERS LANGLE MATTIX 195	O	INACTIVE	3002511067
MYERS LANGLE MATTIX 196	S	INACTIVE	3002511068
MYERS LANGLE MATTIX 197	O	INACTIVE	3002526411
MYERS LANGLE MATTIX 198	S	INACTIVE	3002511061
MYERS LANGLE MATTIX 200	S	INACTIVE	3002511063
MYERS LANGLE MATTIX 201	O	ACTIVE	3002511064
MYERS LANGLE MATTIX 202	S	ACTIVE	3002511035
MYERS LANGLE MATTIX 203	O	ACTIVE	3002511038
MYERS LANGLE MATTIX 204	S	ACTIVE	3002526971
MYERS LANGLE MATTIX 205	O	INACTIVE	3002527448
MYERS LANGLE MATTIX 207	O	INACTIVE	3002509553
MYERS LANGLE MATTIX 208	S	INACTIVE	3002509549
MYERS LANGLE MATTIX 209	O	ACTIVE	3002509548
MYERS LANGLE MATTIX 210	S	ACTIVE	3002511043
MYERS LANGLE MATTIX 211	O	INACTIVE	3002511046
MYERS LANGLE MATTIX 212	S	ACTIVE	3002527089
MYERS LANGLE MATTIX 213	O	ACTIVE	3002511045
MYERS LANGLE MATTIX 214	S	ACTIVE	3002511065
MYERS LANGLE MATTIX 215	O	INACTIVE	3002511062
MYERS LANGLE MATTIX 216	S	INACTIVE	3002511060
MYERS LANGLE MATTIX 217	O	ACTIVE	3002511055
MYERS LANGLE MATTIX 218	S	INACTIVE	3002511078
MYERS LANGLE MATTIX 219	O	P & A	3002511069
MYERS LANGLE MATTIX 221	O	INACTIVE	3002511075
MYERS LANGLE MATTIX 222	O	P & A	3002511081
MYERS LANGLE MATTIX 223	O	INACTIVE	3002511086
MYERS LANGLE MATTIX 225	O	P & A	3002511087
MYERS LANGLE MATTIX 226	O	INACTIVE	3002511095
MYERS LANGLE MATTIX 227	O	INACTIVE	3002511088
MYERS LANGLE MATTIX 229	S	INACTIVE	3002511071
MYERS LANGLE MATTIX 230	O	INACTIVE	3002527004
MYERS LANGLE MATTIX 231	S	INACTIVE	3002511051
MYERS LANGLE MATTIX 232	O	INACTIVE	3002511053
MYERS LANGLE MATTIX 233	S	INACTIVE	3002511058
MYERS LANGLE MATTIX 234	O	INACTIVE	3002526915
MYERS LANGLE MATTIX 235	S	INACTIVE	3002511039
MYERS LANGLE MATTIX 236	O	INACTIVE	3002511040
MYERS LANGLE MATTIX 239	S	ACTIVE	3002509554
MYERS LANGLE MATTIX 240	O	INACTIVE	3002509555
MYERS LANGLE MATTIX 241	S	ACTIVE	3002509551
MYERS LANGLE MATTIX 242	O	INACTIVE	3002509547
MYERS LANGLE MATTIX 243	O	INACTIVE	3002526912
MYERS LANGLE MATTIX 244	S	ACTIVE	3002511048
MYERS LANGLE MATTIX 245	O	ACTIVE	3002511042
MYERS LANGLE MATTIX 246	S	INACTIVE	3002511049
MYERS LANGLE MATTIX 247	O	INACTIVE	3002511044
MYERS LANGLE MATTIX 248	S	ACTIVE	3002511056
MYERS LANGLE MATTIX 249	O	INACTIVE	3002511083
MYERS LANGLE MATTIX 250	S	INACTIVE	3002511093
MYERS LANGLE MATTIX 251	O	INACTIVE	3002528246
MYERS LANGLE MATTIX 252	S	ACTIVE	3002528808
MYERS LANGLE MATTIX 253	O	INACTIVE	3002529655
MYERS LANGLE MATTIX 254	O	ACTIVE	3002529657

EXHIBIT A

MYERS LANGLE MATTIX UNIT - 14953 - 2/1999

A WELL_NAME	B ZONE_TYPE	C STATUS	D API_NO
MYERS LANGLE MATTIX 255	O	INACTIVE	3002529588
MYERS LANGLE MATTIX 256	O	INACTIVE	3002529589
MYERS LANGLE MATTIX 257	O	INACTIVE	3002529587
MYERS LANGLE MATTIX 258	O	ACTIVE	3002532588
MYERS LANGLE MATTIX 259	O	INACTIVE	3002532534
MYERS LANGLE MATTIX 260	O	ACTIVE	3002532589
MYERS LANGLE MATTIX 261	O	ACTIVE	3002532559
MYERS LANGLE MATTIX 262	O	ACTIVE	3002532590
MYERS LANGLE MATTIX 263	O	INACTIVE	3002532555
MYERS LANGLE MATTIX 264	O	ACTIVE	3002532535
MYERS LANGLE MATTIX 265	O	INACTIVE	3002532536
MYERS LANGLE MATTIX 266	O	ACTIVE	3002532537
MYERS LANGLE MATTIX 267	O	ACTIVE	3002532591
MYERS LANGLE MATTIX 268	O	ACTIVE	3002532592
MYERS LANGLE MATTIX 269	O	INACTIVE	3002532556
MYERS LANGLE MATTIX 270	O	ACTIVE	3002532593
MYERS LANGLE MATTIX 271	O	ACTIVE	3002532565
MYERS LANGLE MATTIX 272	O	ACTIVE	3002532566
MYERS LANGLE MATTIX 273	O	ACTIVE	3002532594
MYERS LANGLE MATTIX 274	O	INACTIVE	3002532567
MYERS LANGLE MATTIX 275	O	ACTIVE	3002532557
MYERS LANGLE MATTIX UNIT 0038	O	INACTIVE	3002598765
MYERS LANGLE MATTIX UNIT 0042	O	INACTIVE	3002510855
MYERS LANGLE MATTIX UNIT 0102	O	P & A	3002510913
MYERS LANGLE MATTIX UNIT 0126	O	INACTIVE	3002511024
MYERS LANGLE MATTIX UNIT 0184	O	INACTIVE	3002511059
MYERS LANGLE MATTIX UNIT 0191	O	P & A	3002509546
MYERS LANGLE MATTIX UNIT 0208	O	P & A	3002511089
MYERS LANGLE MATTIX UNIT 0212	O	P & A	3002511082
MYERS LANGLE MATTIX UNIT 0225	O	INACTIVE	3002588888
MYERS LANGLE MATTIX UNIT 0241	O	INACTIVE	3002511073
MYERS LANGLE MATTIX UNIT 0242	O	P & A	3002511057

TA STATUS

Lease	Well	API No. 30-025	TYPE	CIT Test Date	TA Exp Date	NEXT CIT TEST DATE
MLMU	2	10873	OIL	P&A	8/17/98	----
MLMU	3	10874	INJ	PENDING		
MLMU	4	10871	OIL	P&A		
MLMU	5	10896	INJ	PENDING		
MLMU	6	10897	OIL	P&A	12/12/97	----
MLMU	7	10893	INJ	P&A	5/21/98	----
MLMU	9	10892	OIL	PENDING		
MLMU	10	09419	INJ	P&A	12/15/98	----
MLMU	11	09424	OIL	P&A		
MLMU	12	27378	OIL	5/21/98	10/6/03	Oct-03
MLMU	13	10894	INJ	P&A	5/20/98	----
MLMU	14	10895	OIL	3/19/99	3/19/00	Mar-04
MLMU	15	26968	OIL	PENDING		
MLMU	16	10890	INJ	12/28/98	12/29/99	Dec-03
MLMU	17	10869	INJ	PENDING		
MLMU	18	10870	OIL	PENDING		
MLMU	19	10872	INJ	PENDING		
MLMU	22	10866	OIL	4/13/98	4/13/99	Apr-03
MLMU	23	25986	OIL	6/6/95	6/6/99	Jun-00
MLMU	24	10877	INJ	PENDING		
MLMU	25	25946	OIL	PENDING		
MLMU	26	10895	INJ	PENDING		
MLMU	27	10881	INJ	P&A	6/5/98	----
MLMU	28	21722	INJ	PENDING		
MLMU	29	27379	OIL	PENDING		
MLMU	30	25676	INJ	4/17/98	8/24/03	Aug-03
MLMU	31	10888	OIL	7/17/98	9/29/03	Sep-03
MLMU	32	25736	INJ	12/22/98	12/22/99	Dec-03
MLMU	34	09414	INJ	P&A	12/17/98	----
MLMU	35	09415	INJ	P&A		
MLMU	37	09418	INJ	5/12/97	6/16/99	Jun-02
MLMU	38	09417	OIL	PENDING		
MLMU	39	10887	INJ	PENDING		
MLMU	40	10886	OIL	PENDING		
MLMU	41	26906	INJ	9/11/98	9/11/03	Sep-03
MLMU	43	10879	INJ	PENDING		
MLMU	44	10880	OIL	PENDING		
MLMU	45	10876	INJ	PENDING		
MLMU	46	10878	OIL	P&A		
MLMU	47	10865	INJ	PENDING		
MLMU	48	25988	OIL	8/7/98	9/2/99	Aug-03
MLMU	50	10958	INJ	4/13/98	4/13/00	Apr-03
MLMU	51	10933	OIL	8/10/98	8/31/03	Aug-03
MLMU	53	10932	INJ	PENDING		
MLMU	55	10921	INJ	PENDING		
MLMU	56	10919	OIL	PENDING		
MLMU	57	10918	INJ	5/23/97	6/18/02	Jun-02
MLMU	58	27381	OIL	PENDING		
MLMU	59	26905	INJ	7/11/97	11/14/02	Nov-02
MLMU	60	25945	OIL	7/23/98	9/29/03	Sep-03
MLMU	61	10903	INJ	9/2/98	12/3/03	Dec-03
MLMU	62	10900	OIL	PENDING		

TA STATUS

Lease	Well	API No. 30-025	TYPE	CIT Test Date	TA Exp Date	NEXT CIT TEST DATE
MLMU	63	09476	INJ	8/31/98	1/11/04	Jan-04
MLMU	64	09477	OIL	8/27/98	8/27/03	Aug-03
MLMU	65	09478	INJ	4/16/98	8/24/03	Aug-03
MLMU	66	09480	OIL	4/17/98	8/24/03	Aug-03
MLMU	67	09472	OIL	9/17/98	1/11/04	Jan-04
MLMU	69	09474	INJ	P&A	9/14/98	----
MLMU	70	09475	OIL	P&A		
MLMU	72	10902	INJ	12/28/98	2/16/04	Feb-04
MLMU	74	25677	OIL	PENDING		
MLMU	75	25678	INJ	5/23/97	6/18/02	Jun-02
MLMU	76	25946	OIL	PENDING		
MLMU	77	25679	INJ	PENDING		
MLMU	79	10929	INJ	12/30/98	2/16/04	Feb-04
MLMU	80	10930	OIL	4/17/97	6/18/02	Jun-02
MLMU	81	26907	INJ	5/23/97	6/18/02	Jun-02
MLMU	82	27382	OIL	PENDING		
MLMU	85	10956	OIL	4/13/98	4/13/00	Apr-03
MLMU	86	10954	INJ	4/13/98	4/13/00	Apr-03
MLMU	87	22936	INJ	5/23/97	6/18/02	Jun-02
MLMU	88	10934	OIL	P&A	9/21/98	----
MLMU	89	10924	INJ	4/13/98	8/24/03	Aug-03
MLMU	90	10923	INJ	PENDING		
MLMU	91	10915	INJ	P&A	5/29/98	----
MLMU	92	25947	OIL	PENDING		
MLMU	93	25680	INJ	PENDING		
MLMU	94	26908	OIL	4/16/98	8/24/03	Aug-03
MLMU	101	09484	INJ	4/16/98	8/24/03	Aug-03
MLMU	109	03205	INJ	PENDING		
MLMU	111	25681	INJ	PENDING		
MLMU	113	10925	INJ	PENDING		
MLMU	114	10926	OIL	P&A	12/28/98	----
MLMU	115	10935	INJ	5/23/97	6/18/02	Jun-02
MLMU	116	10928	OIL	PENDING		
MLMU	117	10951	INJ	5/12/97	6/18/99	Jun-02
MLMU	118	10952	OIL	P&A	6/2/98	----
MLMU	119	10983	OIL	4/14/98	8/24/03	Aug-03
MLMU	120	10977	INJ	4/16/98	8/24/03	Aug-03
MLMU	121	10978	OIL	PENDING		
MLMU	122	10933	INJ	8/28/98	8/26/99	Aug-03
MLMU	123	10994	OIL	PENDING		
MLMU	126	27383	INJ	4/13/98	8/24/03	Aug-03
MLMU	128	26910	INJ	4/15/98	8/24/03	Aug-03
MLMU	129	11003	OIL	P&A	6/2/98	----
MLMU	130	11013	INJ	PENDING		
MLMU	132	11010	INJ	PENDING		
MLMU	138	09489	INJ	12/28/98	12/28/99	Dec-03
MLMU	140	11028	INJ	P&A	Jun-92	----
MLMU	142	11009	INJ	PENDING		
MLMU	143	11011	INJ	PENDING		
MLMU	144	11017	INJ	PENDING		
MLMU	145	11012	OIL	PENDING		
MLMU	146	11002	INJ	4/16/98	8/24/03	Aug-03

TA STATUS

Lease	Well	API No. 30-025	TYPE	CIT Test Date	TA Exp Date	NEXT CIT TEST DATE
MLMU	147	26058	OIL	PENDING		
MLMU	148	26911	INJ	12/30/98	2/16/04	Feb-04
MLMU	152	10991	INJ	5/12/97	6/16/99	Jun-02
MLMU	154	10980	INJ	7/18/97	11/14/98	Nov-98
MLMU	155	10979	OIL	P&A		
MLMU	156	10984	INJ	12/28/98	2/16/04	Feb-04
MLMU	157	10982	INJ	5/20/98	8/24/03	Aug-03
MLMU	158	10981	INJ	PENDING		
MLMU	159	10996	INJ	5/12/97	6/12/99	Jun-02
MLMU	163	10997	INJ	4/17/97	6/16/99	Jun-02
MLMU	164	27480	OIL	PENDING		
MLMU	165	26969	INJ	4/17/97	6/16/99	Jun-02
MLMU	166	27481	OIL	10/16/98	10/16/99	Oct-03
MLMU	167	11015	INJ	8/26/98	12/3/03	Dec-03
MLMU	168	25949	OIL	PENDING		
MLMU	169	09413	INJ	PENDING		
MLMU	173	11022	INJ	12/28/98	2/16/04	Feb-04
MLMU	174	11021	OIL	PENDING		
MLMU	175	11029	INJ	PENDING		
MLMU	177	11006	INJ	PENDING		
MLMU	178	11007	INJ	PENDING		
MLMU	179	11016	INJ	7/11/97	9/12/02	Sep-02
MLMU	180	11014	OIL	P&A		
MLMU	181	10999	INJ	8/24/98	8/24/99	Aug-03
MLMU	183	26970	INJ	4/17/97	6/16/99	Jun-02
MLMU	185	27384	INJ	4/14/98	8/24/03	Aug-03
MLMU	188	25990	OIL	PENDING		
MLMU	189	10975	INJ	9/9/98	1/11/04	Jan-04
MLMU	190	10976	OIL	8/4/98	9/29/03	Sep-03
MLMU	191	11091	OIL	PENDING		
MLMU	192	11090	INJ	5/12/97	6/16/99	Jun-02
MLMU	193	27385	OIL	6/23/98	8/24/03	Aug-03
MLMU	194	11066	INJ	8/25/98	12/2/03	Dec-03
MLMU	195	11067	OIL	PENDING		
MLMU	196	11068	INJ	9/4/98	12/3/03	Dec-03
MLMU	198	11061	INJ	8/26/98	12/3/03	Dec-03
MLMU	200	11063	INJ	P&A		
MLMU	201	11064	OIL	PENDING		
MLMU	202	11035	INJ	PENDING		
MLMU	203	11038	OIL	PENDING		
MLMU	204	26971	INJ	PENDING		
MLMU	205	27448	OIL	5/21/98	5/15/99	May-03
MLMU	207	09553	OIL	P&A		
MLMU	208	09549	INJ	PENDING		
MLMU	209	09548	OIL	PENDING		
MLMU	210	11043	INJ	PENDING		
MLMU	211	11046	OIL	4/17/98	4/17/00	Apr-03
MLMU	212	27089	INJ	PENDING		
MLMU	214	11065	INJ	PENDING		
MLMU	215	11062	OIL	PENDING		
MLMU	216	11060	INJ	P&A		
MLMU	217	11055	OIL	PENDING		

TA STATUS

Lease	Well	API No. 30-025	TYPE	CIT Test Date	TA Exp Date	NEXT CIT TEST DATE
MLMU	218	11078	INJ	4/17/98	8/24/03	Aug-03
MLMU	219	11069	OIL	P&A	9/30/98	----
MLMU	221	11075	OIL	5/20/98	8/24/03	Aug-03
MLMU	223	11092	OIL	4/14/98	4/14/00	Apr-03
MLMU	225	11087	OIL	P&A	12/10/97	----
MLMU	226	11095	OIL	5/26/98	8/24/03	Aug-03
MLMU	227	11088	OIL	P&A	12/9/98	----
MLMU	229	11071	INJ	P&A		
MLMU	230	27044	OIL	5/20/98	5/20/99	May-03
MLMU	231	11051	INJ	1/4/99	----	----
MLMU	232	11053	OIL	11/17/93	12/1/98	Dec-98
MLMU	233	11058	INJ	4/15/98	8/24/03	Aug-03
MLMU	234	26915	OIL	4/15/98	8/24/03	Aug-03
MLMU	235	11039	INJ	PENDING		
MLMU	236	11040	OIL	8/6/98	9/29/03	Sep-03
MLMU	239	09554	INJ	PENDING		
MLMU	241	09551	INJ	PENDING		
MLMU	242	09547	OIL	P&A		
MLMU	243	26912	OIL	PENDING		
MLMU	244	11048	INJ	PENDING		
MLMU	246	11049	INJ	PENDING		
MLMU	248	11056	INJ	PENDING		
MLMU	249	11083	OIL	6/19/98	8/24/03	Aug-03
MLMU	250	11093	INJ	P&A		
MLMU	251	28246	OIL	2/17/99		
MLMU	253	29655	OIL	PENDING		
MLMU	254	29657	OIL	PENDING		
MLMU	255	29588	OIL	P&A		
MLMU	257	29587	OIL	12/30/98	2/16/04	Feb-04
MLMU	262	32590	OIL	PENDING		
MLMU	263	32555	OIL	PENDING		
MLMU	264	32535	OIL	PENDING		
MLMU	265	32536	OIL	PENDING		
MLMU	269	32556	OIL	PENDING		
MLMU	270	32593	OIL	PENDING		
MLMU	271	32565	OIL	PENDING		
MLMU	272	32566	OIL	PENDING		
MLMU	275	32557	OIL	PENDING		

999 - PLAN OF DEVELOPMENT

Lease	Well	API No. 30-025	TYPE	AGENCY	LEASE NO.	CURRENT STATUS
MLMU	54	10931	OIL	NMOCD	FEE	ACTIVE
MLMU	71	10901	INJ	NMOCD	FEE	ACTIVE
MLMU	72	10902	INJ	NMOCD	FEE	SI
MLMU	73	10904	INJ	NMOCD	FEE	ACTIVE
MLMU	78	10916	OIL	NMOCD	B1327	ACTIVE
MLMU	95	10912	INJ	BLM	LC032545b	SI
MLMU	96	10907	INJ	BLM	LC032545b	ACTIVE
MLMU	97	10909	INJ	BLM	LC032545b	ACTIVE
MLMU	98	10906	OIL	BLM	LC032545b	SI
MLMU	99	09482	INJ	NMOCD	B243	ACTIVE
MLMU	100	09485	OIL	NMOCD	B7776	ACTIVE
MLMU	102	26909	OIL	NMOCD	B1167	ACTIVE
MLMU	103	09486	INJ	NMOCD	B7776	ACTIVE
MLMU	104	09483	OIL	NMOCD	B243	ACTIVE
MLMU	105	10908	INJ	BLM	LC032545b	ACTIVE
MLMU	106	10911	INJ	BLM	LC032545b	ACTIVE
MLMU	107	10910	INJ	BLM	LC032545b	ACTIVE
MLMU	112	10914	OIL	NMOCD	B1327	ACTIVE
MLMU	127	11001	OIL	NMOCD	FEE	ACTIVE
MLMU	131	25948	OIL	NMOCD	FEE	ACTIVE
MLMU	133	11008	INJ	BLM	NM7488	ACTIVE
MLMU	134	11026	INJ	BLM	NM7488	ACTIVE
MLMU	135	25989	INJ	BLM	NM7488	ACTIVE
MLMU	136	11019	INJ	NMOCD	FEE	ACTIVE
MLMU	137	11036	INJ	NMOCD	FEE	ACTIVE
MLMU	138	09489	INJ	BLM	LC030467a	ACTIVE
MLMU	139	11020	OIL	NMOCD	FEE	ACTIVE
MLMU	141	11027	INJ	BLM	NM7488	ACTIVE
MLMU	149	11000	OIL	NMOCD	FEE	ACTIVE
MLMU	162	27386	OIL	NMOCD	FEE	ACTIVE
MLMU	170	11004	INJ	BLM	NM7488	ACTIVE
MLMU	171	11030	INJ	BLM	NM7488	ACTIVE
MLMU	172	11023	OIL	BLM	NM7488	ACTIVE
MLMU	176	11025	INJ	BLM	NM7488	ACTIVE
MLMU	182	27482	OIL	BLM	NM7488	SI
MLMU	184	27483	OIL	BLM	NM7488	ACTIVE
MLMU	197	26411	OIL	NMOCD	FEE	SI
MLMU	213	11045	OIL	BLM	NM037667	ACTIVE
MLMU	240	09555	OIL	NMOCD	FEE	SI
MLMU	245	11042	OIL	NMOCD	FEE	ACTIVE
MLMU	247	11044	OIL	NMOCD	FEE	ACTIVE
MLMU	252	28808	INJ	BLM	LC032545a	ACTIVE
MLMU	256	29589	OIL	NMOCD	FEE	ACTIVE
MLMU	258	32588	OIL	BLM	LC032545b	ACTIVE
MLMU	259	32534	OIL	NMOCD	FEE	SI
MLMU	260	32589	OIL	BLM	LC032545b	ACTIVE
MLMU	261	32559	OIL	BLM	LC032545b	ACTIVE
MLMU	266	32537	OIL	NMOCD	FEE	ACTIVE
MLMU	267	32591	OIL	BLM	NM7488	ACTIVE
MLMU	268	32592	OIL	BLM	NM7488	ACTIVE
MLMU	273	32594	OIL	BLM	NM7488	ACTIVE
MLMU	274	32567	OIL	BLM	NM7488	SI

#5086



COMMERCIAL RESOURCES
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SURFACE RESOURCES
(505)-827-5793

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

State of New Mexico
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trail, P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS
(505)-827-5765

ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5713

PLANNING
(505)-827-5752

May 8, 1998

OXY USA, Inc.
Box 50250
Midland, Texas 79710

Attn: Mr. Donald Lee Woods

Re: 1998 Plan of Development
Myers Langlie Mattix Unit
Lea County, New Mexico

Dear Mr. Woods:

The Commissioner of Public Lands has, of this date, approved the above-captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the unit area and the need for further development of the unit may exist. You may be contacted at a later date regarding these possibilities.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

A handwritten signature in cursive script, appearing to read "Jami Bailey".

BY:
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm
pc: Reader File

OCD

BLM

RECEIVED MAY 11 1998

DOYLE HARTMAN*Oil Operator*

500 NORTH MAIN

P.O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

(915) 682-7616 FAX

Via FedEx

April 9, 1997

APR 10 1997

NEW MEXICO OIL CONSERVATION DIVISION

New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87505

Attn: William J. LeMay, Director

Re: Public Notice of Statutory Unitization
Myers Langlie Mattix Unit
T-23-S and T-24-S, R-36-E and R-37-E
Lea County, New Mexico

Gentlemen:

Section 70-7-20 of the New Mexico Statutory Unitization Act requires that "...a copy of each unit agreement shall be recorded in the office of the county clerk of the county or counties in which the unit is situated."

Although the original voluntary Myers Langlie Mattix Unit (MLMU) Unit Agreement and original MLMU Unit Operating Agreement were filed of record in Lea County, New Mexico, the public record in Lea County, New Mexico, was devoid of proper and complete public notice as to the full effects of NMOCD Order R-6447 (issued pursuant to the provision of the New Mexico Statutory Unitization Act), which statutorily unitized the Myers Langlie Mattix Unit effective January 1, 1981, and, in the process, also amended and modified the original MLMU Unit Agreement and MLMU Unit Operating Agreement to the extent necessary to conform to New Mexico's Statutory Unitization Act [70-7-1 through 70-7-21 NMSA 1978]. So as to place the public on full and complete notice as to the effect of NMOCD Order R-6447, the herein enclosed public notice filing (which included both a copy of NMOCD Order R-6447 and the New Mexico Statutory Unitization Act [70-7-1 through 70-7-21 NMSA 1978]) was made this week in Lea County, New Mexico.

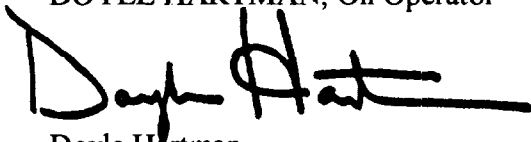
Three copies of our recorded public notice filing are also being sent to you so that anyone reviewing the NMOCD records will be totally aware that the original MLMU Unit Agreement and MLMU Unit

New Mexico Oil Conservation Division
April 9, 1997
Page 2

Operating Agreement have been amended and modified, by NMOCD Order R-6447, to the extent necessary to conform to the provisions of the Statutory Unitization Act [70-7-1 through 70-7-21 NMSA 1978]. In consideration of the foregoing, we respectfully request that you place a copy of our recently recorded Lea County, New Mexico public notice filing in NMOCD case files 5086 and 5087 (October 31, 1973) as well as in case file 6987 (August 5, 1980).

Very truly yours,

DOYLE HARTMAN, Oil Operator



Doyle Hartman

enclosures (3 sets)

rcp
wpdocs\corresp.dh\mlmu-nmo.cd

cc: Ray B. Powell, Commissioner of Public Lands
New Mexico State Land Office
P.O. Box 1147
Santa Fe, NM 87504
Via FedEx

Armando Lopez, Asst. Dist. Manager, Minerals
BLM
1717 W. Second
Roswell, NM 88201
Via FedEx

William F. Carr
Campbell, Carr, Berge & Sheridan
110 N. Guadalupe, Suite 1
Santa Fe, NM 87501

DOYLE HARTMAN, Oil Operator (Dallas)

New Mexico Oil Conservation Division

April 9, 1997

Page 3

DOYLE HARTMAN, Oil Operator (Midland)

Steve Hartman

Linda Land

Cindy Brooks

DOYLE HARTMAN

Oil Operator

500 NORTH MAIN

P.O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

(915) 682-7616 FAX

APR 11 1997

Priority Mail

April 10, 1997

MLMU WORKING INTEREST OWNERS
(List Attached)

Re: Notice of Statutory Unitization
Myers Langlie Mattix Unit
T-23-S and T-24-S, R-36-E and R-37-E
Lea County, New Mexico

Ladies and Gentlemen:

Section 70-7-20 of the New Mexico Statutory Unitization Act requires that "...a copy of each unit agreement shall be recorded in the office of the county clerk of the county or counties in which the unit is situated."

Although the original voluntary Myers Langlie Mattix Unit (MLMU) Unit Agreement and original MLMU Unit Operating Agreement, that were approved under NMOCD Order R-4660 dated November 16, 1973, were initially filed of record in Lea County, New Mexico, the county record has been devoid of proper and complete public notice as to the full effects of subsequent NMOCD Order R-6447, which was issued for the MLMU on August 27, 1980, pursuant to the provisions of the New Mexico Statutory Unitization Act. In the process of statutorily unitizing the Myers Langlie Mattix Unit, in accordance with Section 70-7-18 NMSA 1978, Order R-6447 also amended and modified the original MLMU Unit Agreement and original MLMU Unit Operating Agreement, "... to the extent necessary to conform to the provisions and requirements of the Statutory Unitization Act [70-7-1 through 70-7-21 NMSA 1978]..." Consequently, so as to place the public on full and complete notice as to the effects of NMOCD Order R-6447, the herein enclosed public notice filing, which includes both a copy of NMOCD Order R-6447 and the New Mexico Statutory Unitization Act [70-7-1 through 70-7-21 NMSA 1978], was made by us this week in Lea County, New Mexico.

A copy of our recorded public notice filing is being sent to you, as an MLMU working interest owner, so that you will be properly aware that the original MLMU Unit Agreement and original MLMU Unit Operating Agreement, approved by Order R-4660 on November 16, 1973, have been

MLMU WORKING INTEREST OWNERS

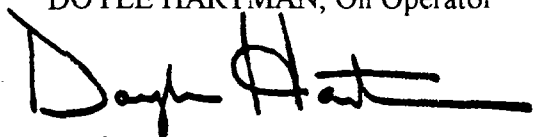
April 10, 1997

Page 2

subsequently amended and modified, by NMOCD Order R-6447, "...to the extent necessary to conform to the provisions and requirements of the Statutory Unitization Act [70-7-1 through 70-7-21 NMSA 1978]...", including an important modification of Article 11.5 of the original Unit Operating Agreement that now provides to you the right, without being sued, to go "non-consent" as to OXY's currently ongoing and highly costly MLMU 20-acre infill drilling program. The right to go "non-consent" is provided to you by Section 70-7-7(F) of the New Mexico Statutory Unitization Act and by NMOCD finding 21(d) as found on pages 4 and 5 of NMOCD Order R-6447. This is a right of which OXY has failed to give MLMU working interest owners proper notice. Instead, OXY has filed unlawful litigation in an improper attempt to force "non-consenting" working interest owners to go along with what (to date) has proven to be a highly uneconomical and highly expensive 20-acre redevelopment of the Myers Langlie Mattix Unit and may have also pressured other working interest owners into conveying away their MLMU rights through an improper use of Articles 11.5 and 17.1 of the original MLMU Unit Operating Agreement.

Very truly yours,

DOYLE HARTMAN, Oil Operator

A handwritten signature in black ink, appearing to read "Doyle Hartman", with a long horizontal stroke extending to the right.

Doyle Hartman

enclosures (1)

rcp
wpdocs\corresp.dh\mlmu-wio

cc: **Via FedEx**
William J. LeMay, Director
New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87505

Via FedEx
Ray B. Powell, Commissioner of Public Lands
New Mexico State Land Office
P.O. Box 1147
Santa Fe, NM 87504

MLMU WORKING INTEREST OWNERS

April 10, 1997

Page 3

Via FedEx

Armando Lopez, Asst. Dist. Manager, Minerals
BLM
1717 W. Second
Roswell, NM 88201

William F. Carr
Campbell, Carr, Berge & Sheridan
110 N. Guadalupe, Suite 1
Santa Fe, NM 87501

DOYLE HARTMAN, Oil Operator (Dallas)

DOYLE HARTMAN, Oil Operator (Midland)

Steve Hartman
Linda Land
Cindy Brooks

MLMU WORKING INTEREST OWNERS

April 10, 1997

Page 4

MYERS LANGLIE MATTIX UNIT
WORKING INTEREST OWNERS

W.S. Lehmann
Joint Venture Mgr. U.S. Onshore
Amerada Hess Corporation
P.O. Box 2040
Houston, TX 77252-2040

Ann Clay Brown
1541 Princeton Dr.
Corsicana, TX 75110

James C. Brown
P.O. Box 10621
Midland, TX 79702

Joan M. Clay
26242 Via Mistral
San Juan Capistrano, CA 92675-4452

Susan Marie Clay
2547 Stadium Drive
Ft. Worth, TX 76109

CME Oil & Gas, Inc.
P.O. Box 10621
Midland, TX 79702

Thomas J. Erling
742 N. E. 20th Lane
Boynton Beach, FL 33435

F. Duane Lortscher
12151 Cattle King Dr.
Bakersfield, CA 93306

Weslynn McCallister
7507 S. Tamiami Trail #229
Sarasota, FL 34231

Arlene S. Anthony
450 Elm Street
Glenview, IL 60025

Charles H. Brown, Jr.
1541 Princeton Dr.
Corsicana, TX 75110

James E. Burr
P.O. Box 8050
Midland, TX 79708-8050

John W. Clay III
5708 Melstone Drive
Arlington, TX 76016-2755

Adele Combs Clough
6926 Midbury Drive
Dallas, TX 75230

Margaret Couch Trust
James C. Brown, Trustee
P.O. Box 10621
Midland, TX 79702

Mary Ellen Gilbert
2808 O'Dell Court North
Grapevine, TX 76015

Ron Crosby
Brooks Purnell, Vice President
Headington Minerals Inc.
7557 Rambler Road South, #1150
Dallas, TX 75231

MLMU WORKING INTEREST OWNERS

April 10, 1997

Page 5

John D. Lortscher
661 San Mario Dr.
Solana Beach, CA 92075

Larry A. Nermyr
HC-57
Box 4106
Sidney, MT 59270

George R. Bentley Estate
c/o First State Bank Trust Dept. - Agent
P.O. Box 400
Middlesborough, KY 40965

Elizabeth Ann Brown
449 Acequia Madre Street
Santa Fe, NM 87501-2802

Jennifer Ann Cather
6343 Edloe
Houston, TX 77005

Rufus Clay, Jr. Trust
James C. Brown, Trustee
P.O. Box 10621
Midland, TX 79702

Michael Clough
7717 Meadowhaven Drive
Dallas, TX 75240-8105

James A. Davidson
214 W. Texas, Suite 710
Midland, TX 79701

Nancy Lee Harrison
3001 Maple Ave.
Waco, TX 76707

Lamar Hunt
c/o Petroleum Financial
1025 Ft. Worth Club Bldg.
306 West 7th Street
Ft. Worth, TX 76102

R.A. Lowery, Production Manager
Maralo, Inc.
P.O. Box 832
Midland, TX 79702

Robert D. Hunt
Asset Team Leader
OXY USA, Inc.
Box 50250
Midland, TX 79710

Evelyn Clay O'Hara Trust
5608 Westcreek Dr.
Fort Worth, TX 76133-2245

P.C. Limited
P.O. Box 911
Breckenridge, TX 76024

The Honorable Robert C. Scott
2400 NE 26th Avenue
Ft. Lauderdale, FL 33305

Marilyn L. Tarlton
561 Orange Avenue
Los Altos, CA 94022

Edythe Clay Prikryl
5708 Melstone
Arlington, TX 76016

Louise Summers
L. Summers Oil Company
P.O. Box 278
Hobbs, NM 88241-0278

MLMU WORKING INTEREST OWNERS

April 10, 1997

Page 6

Christen Leigh Schutte
2624 Putnam Street
Ft. Worth, TX 76112-5034

Ruth Sutton
2826 Moss
Midland, TX 79705

Kerr-McGee Corporation
Joint Venture Operations
P.O. Box 25861
Oklahoma City, OK 73125

Samson Resources Company
Samson Plaza
Two West Second Street
Tulsa, OK 74103

Cross Timbers Oil Company
810 Houston Street, Suite 2000
Houston, TX 76102

Robert Clemons, Vice President
Geodyne Resources, Inc.
320 South Boston Avenue
Tulsa, OK 74103

Jerry Brannon
Davoil, Inc.
P.O. Box 122269
Ft. Worth, TX 76121-2269

Parker & Parsley
Development Partner, L.P.
P.O. Box 3178
Midland, TX 79702

Joint Interest Manager
American Exploration Co.
700 Louisiana, Suite 2100
Houston, TX 77002-2793

LTV Energy Productions Company
c/o NEFF, CROZIER & CO.
102 N. College, Suite 300
Tyler, TX 75702

Mrs. R.L. Summers
Box 776
Hobbs, NM 88240

T.J. Sivley
P.O. Drawer GG
Artesia, NM 88210

J.T. Hampton
Great Western Drilling Co.
P.O. Box 1659
Midland, Texas 79702

Primary Fuels, Inc.
415 West Wall Avenue
Wilco Building, Suite 1300
Midland, Texas 79701

Jim Mason
Hunt Energy Corporation
2400 Thanksgiving Tower
Dallas, TX 75201

Continental-EMSCO Company
102 North College, Suite 300
Tyler, TX 75702

Crown Central Petroleum Corporation
4000 N. Big Spring, Suite 213
Midland, TX 79705

MLMU WORKING INTEREST OWNERS

April 10, 1997

Page 7

Management Trust Company 8057-06

P.O. Box 10621

Midland, TX 79702

J.R. Pouncey

Damson Oil Corporation

P.O. Box 4391

Houston, TX 77210

Samedan Oil Corporation

P.O. Box 909

Ardmore, OK 73402

Charles T. Scott, Jr.

53 W. Jackson

Chicago, IL 60604

Byron Graves

Kerr-McGee Corporation

P.O. Box 11050

Midland, TX 79702

4884
DOYLE HARTMAN
Oil Operator
500 NORTH MAIN
P.O. BOX 10426
MIDLAND, TEXAS 79702

(915) 684-4011
(915) 682-7616 FAX

April 7, 1997

TO WHOM IT MAY CONCERN

Re: Public Notice of Statutory Unitization
Myers Langlie Mattix Unit
Lea County, New Mexico
NMOCD Order R-6447

Ladies and Gentlemen:

On January 6, 1981, Getty Oil Company, as the operator of the 9360-acre Myers Langlie Mattix Unit situated in T-23-S and T-24-S, R-36-E and R-37-E, Lea County, New Mexico, filed of record in Lea County, New Mexico, at Miscellaneous Book 383, page 220, the herein enclosed letter dated September 15, 1980, which pertained to the statutory unitization of the Getty-operated MLMU under NMOCD Order R-6447 dated August 27, 1980. Also filed of record on January 6, 1981, at Miscellaneous Book 382, page 567, is the enclosed sworn affidavit, dated December 24, 1980, of Raymond W. Blohm, Midland District Production Manager for Getty Oil Company, which stated that Getty Oil Company had complied with the requirements of 70-7-8 NMSA 1978 and that NMOCD Order R-6447 would become effective January 1, 1981, at 7:00 a.m.

Because NMOCD Order R-6447, in conjunction with and pursuant to the New Mexico Statutory Unitization Act [70-7-1 through 70-7-21 NMSA 1978], has the effect (as contemplated in 70-7-18 NMSA 1978) of amending and modifying both the MLMU Unit Agreement (recorded in Lea County, New Mexico at Miscellaneous Book 312, page 349) and MLMU Unit Operating Agreement (recorded at Miscellaneous Book 544, page 351), so as to make the public record complete as to the full effect of NMOCD Order R-6447 (MLMU Statutory Unitization Order), we are herewith filing of record the following additional MLMU statutory unitization documents:

- 1) NMOCD Order R-6447 which statutorily unitized, effective January 1, 1981, the 9360-acre MLMU situated in T-23-S and T-24-S, R-36-E and R-37-E, Lea County, New Mexico.

TO WHOM IT MAY CONCERN
April 7, 1997
Page 2

- 2) New Mexico "Statutory Unitization Act" [70-7-1 through 70-7-21 NMSA 1978].
- 3) NMOCD letter of January 5, 1981 to Wm. F. Carr (attorney for Getty Oil Company), documenting that NMOCD Order R-6447 was in full force and effect.

Very truly yours,

DOYLE HARTMAN, Oil Operator

Linda Land

Linda Land
Controller

enclosures (4)

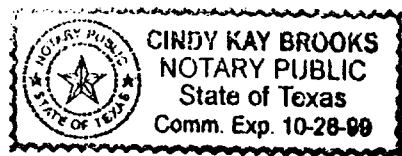
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wpdocs\corresp.dh\mlmu-lea.co

STATE OF Texas §
COUNTY OF Midland §

This instrument was acknowledged before me on the 7th day of April, 1997, by Linda Land, acting in her capacity as Controller of DOYLE HARTMAN, Oil Operator, on behalf of said company.

Cindy Kay Brooks

Notary Public in and for the
State of Texas



L564

IX- 383 PAGE 220

Getty

SEP 22 1980

U.S. GEOLOGICAL SURVEY
ALBUQUERQUE, NEW MEXICO

Getty Oil Company | P.O. Box 1231, Midland, Texas 79702 - Telephone (815) 843-8301

Raymond W. Baker, District Production Manager
Midland Exploration and Production District

447

September 15, 1980

File: Myers Langlie Mattix Unit
Langlie Mattix Field
Lea County, New Mexico

Re: Statutory Unitization

**MYERS LANGLIE MATTIX UNIT
ROYALTY INTEREST OWNERS**

Dear Royalty Interest Owners:

On August 27, 1980, the New Mexico Oil Conservation Division entered its Order No. R-6417 approving statutory unitization of the Myers Langlie-Mattix Unit.

In 1974, the Myers Langlie-Mattix Unit was created by working interest owners and royalty interest owners who voluntarily committed their interests in a portion of the Langlie-Mattix Pool for the purpose of instituting secondary recovery operations by waterflooding. At present, owners of more than 99% of the working interest and 99% of the royalty interest in the unit area have voluntarily joined the unit. Statutory unitization will enable Getty Oil Company as unit operator to bring the remaining interests in the unit area into the unit.

In 1975, New Mexico adopted the Statutory Unitization Act. The purposes of this Act are to promote the formation of oil and gas units for secondary recovery operations and to provide for more efficiently operated units which will, in turn, produce greater volumes of oil and gas.

Statutory unitization of the Myers Langlie-Mattix Unit will benefit every royalty interest owner in the unit by enabling Getty to institute efficient operating practices that presently cannot be employed due to the small uncommitted interests in the unit area. The institution of more efficient operating practices will reduce the costs of unit operations and will enable the unit to produce for a longer period of time. Statutory unitization of the Myers Langlie-Mattix Unit should result in the recovery of an additional 500,000 barrels of oil. At present oil prices, this represents additional gross income to the unit of \$18,340,000. This income will be shared by you and other interest owners in the unit.

BOOK 383 PAGE 221

MYERS LANGLEY MATTIX UNIT
ROYALTY INTEREST OWNERS

PAGE 2
SEPTEMBER 15, 1980

The Oil Conservation Commission approved statutory unitization of the present unit area only after a public hearing in which Getty Oil Company appeared before the Commission and reviewed all the costs and benefits of unitization. Their order, a copy of which is attached for your review, finds that statutory unitization will benefit the working interest owners and the royalty interest owners in this unit, that the qualified tracts and present unit boundaries will remain the same, and that all tract participations will remain unchanged.

The Commission order provides that statutory unitization of this Unit will become effective upon ratification by the owners of 75% of the working interest and the owners of 75% of the royalty interest within the unit area. It is important, therefore, to obtain these ratifications as soon as possible for statutory unitization to become effective. Enclosed is a form to be used by royalty interest owners in ratifying this order. We request that you execute this Ratification and Approval, have your signature notarized, and return to us as soon as possible.

Copies of the January 1, 1973 Unit Agreement and Unit Operating Agreement and their two revisions dated February 1, 1974 and July 1, 1976 are not enclosed since they were previously provided and remain unchanged.

If you have questions concerning the enclosed Order or Ratification, do not hesitate to contact Mr. J. E. Eakin in this office (915/613-6301).

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

Very truly yours,

R. W. Blohm

R. W. Blohm
District Production Manager

JAN 6 1981

ALL
JEE:nh
Enclosure
at 11:05 AM
and recorded in Book
Page
Donna Wayne County Clerk
Deputy

cc: Mr. R. J. Staryak - Midland
Mr. John Sullivan - Tulsa
Mr. W. F. Carr - Santa Fe
Mr. J. E. Eakin - Midland

Approved 8 DEC 1980

Robert Daniel
Deputy Conservation Manager, O&G
South Central Region



-5'

BOOK 382 PAGE 567

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AFFIDAVIT

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

COMES NOW, Raymond W. Blohm, and upon his oath, deposes and states:

1. That he is the Midland District Production Manager for Getty Oil Company.
2. That as District Production Manager, he is responsible for the development and production of the oil and gas properties of Getty Oil Company in Lea County, New Mexico.
3. That on June 19, 1980, Getty Oil Company filed an application with the New Mexico Oil Conservation Division under the New Mexico Statutory Unitization Act (Section 70-7-1 through 70-7-21, N.M.S.A., 1978 Compilation) seeking an order providing for statutory unitization of the Myra Langlie-Mattix Unit in Lea County, New Mexico.
4. That Section 70-7-8, N.M.S.A., 1978 Compilation provides in part as follows: "No order of the Division providing for unit operations shall become effective unless and until the plan for unit operations described by the Division has been approved in writing by those persons who, under the Division's Order, will be required initially to pay at least seventy-five percent of the cost of unit operations, and also by the owners of at least seventy-five percent of the production proceeds thereof that will be credited to interest which are free of

BOOK 382 PAGE 568

cost . . . and the Division has made a finding either in the order providing for unit operations or in a supplemental order that the plan for unit operation has been so approved."

5. That the application of Getty Oil Company for statutory unitization of the Myers Langlie-Mattix Unit (Oil Conservation Division Case No. 6987) was heard by the full Oil Conservation Commission on August 5, 1980.

6. That on August 27, 1980, the Oil Conservation Commission entered Order No. R-6447 approving the application of Getty Oil Company for statutory unitization of the Myers Langlie-Mattix Unit.

7. That Oil Conservation Division Order R-6447 " . . . approved and adopted and incorporated by reference . . ." the Myers Langlie-Mattix Unit Agreement and Unit Operating Agreement.

8. That said Order No. R-6447 provided "that when . . . the persons owning the required percentage of interest in the unit area have approved or ratified the Unit Agreement and the Unit Operating Agreement, the interests of all persons within the unit area are unitized, whether or not such persons have approved the Unit Agreement or the Unit Operating Agreement."

9. That following issuance of Order R-6447, Getty Oil Company solicited the written approval of ratification of all interest owners in the unit area.

10. That as of December 15, 1980, Getty Oil Company has received written approval or ratification of the plan for unit operations from more than 75% of those who would be required

Initially to pay the costs of unit operations and from more than 75% of the interest owners of production proceeds from the unit that will be credited to interests which are free of costs.

11. That Getty Oil Company intends to commence unitized operations of the Myers Langlie-Mattix Unit under Oil Conservation Division Order No. R-6447 on January 1, 1981 at 7:00 a.m.

Raymond W. Blohm
Raymond W. Blohm

SUBSCRIBED AND SWORN TO before me this 24th day of

December, 1980, by Raymond W. Blohm.



J. R. AVENT
Notary Public

J. R. AVENT, Notary Public
Midland County, Texas

My Commission Expires:

6-30-84

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

157

JAN 6 1981

at 11:05 a.m. A M
and recorded in Book _____
Page _____
Donna Henge, County Clerk
By TH Deputy



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6987
Order No. R-6447

APPLICATION OF GETTY OIL COMPANY
FOR STATUTORY UNITIZATION, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 5, 1980, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 27th day of August, 1980, the Commission, a quorum being present, having considered the testimony and the record and being otherwise fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Getty Oil Company, seeks the statutory unitization, pursuant to the "Statutory Unitization Act," Sections 70-7-1 through 70-7-21, NMSA 1978, of 9,360 acres, more or less, being a portion of the Langlie Mattix Pool, Lea County, New Mexico, said portion being known as the Myers Langlie-Mattix Unit Area and applicant further seeks approval of the Unit Agreement as revised and the Unit Operating Agreement as revised.

(3) That the Myers Langlie-Mattix Unit Agreement was approved by the Oil Conservation Commission by Order No. R-4680 entered in Case No. 5087 on October 31, 1973.

(4) That the Myers Langlie-Mattix Unit became effective on February 1, 1974, and has been operated by Getty Oil Company and its predecessor in interest, Skelly Oil Company, since that date.

-2-

Case No. 6987
Order No. R-6447

(5) That the applicant seeks statutory unitization of this voluntary unit to enable it to institute more effective and efficient operating practices thereby extending the economic life of the unit.

(6) That the unit area should be designated the Myers Langlie-Mattix Unit Area and the horizontal limits of said unit area should be comprised of the following described lands:

TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPH

Section 25: N/2 NE/4, S/4 NE/4 E/2
SW/4, SW/4 SE/4, and SE/4
Section 36: N/2, SE/4, and E/2 SW/4

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPH

Section 28: SW/4
Section 29: W/2, W/2 E/2, and E/2 SE/4
Section 30: N/2, SW/4, E/2 SE/4, and
SW/4 SE/4
Sections 31 through 33: All
Section 34: W/2

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPH

Section 1: NE/4 NE/4
Section 12: S/2 N/2, N/2 S/2, and SE/4
SE/4

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPH

Section 2: W/2 NE/4 and W/2
Section 3: NE/4, E/2 SE/4, and W/2
SW/4
Sections 4 and 5: All
Section 6: E/2, E/2 W/2, and NW/4
NW/4
Section 7: N/2, SE/4, and S/2 SW/4
Section 8: N/2, N/2 S/2, and SW/4
SW/4
Section 9: NW/4, N/2 SE/4, N/2 NE/4,
and SE/4 NE/4
Section 10: NW/4, W/2 NE/4, SE/4 NE/4,
E/2 SW/4, and W/2 SE/4
Section 11: SW/4 NW/4

(7) That the vertical limits of said Myers Langlie-Mattix Unit Area should comprise that interval which extends from a point 100 feet above the base of the Seven Rivers formation to

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the base of the Queen formation; said interval having been heretofore found to occur in the Texas Pacific Oil Company's Blinbry "B" Well No. 3 located 330 feet from the North line and 2310 feet from the West line of Section 34, Township 23 South, Range 37 East, NHPM, Lea County, New Mexico, at an indicated depth interval of 3168 feet to 3370 feet, as recorded on the Schlumberger Electrical Log Run No. 1 taken December 26, 1952, said log being measured from a derrick floor elevation of 3300 feet above sea level.

(8) That the portion of the Langlie Mattix Pool proposed to be included in the aforesaid Myers Langlie-Mattix Unit Area has been reasonably defined by development.

(9) That the applicant proposes to continue water flooding for the secondary recovery of oil, gas, gaseous substances, sulfur contained in gas, condensate, distillate and all associated and constituent liquid or liquifiable hydrocarbons within and to be produced from the proposed unit area.

(10) That the continuation of secondary recovery operations as a result of statutory unitization should result in the additional recovery of approximately 500,000 barrels of oil.

(11) That the unitized management, operation and further development of the Myers Langlie-Mattix Unit Area, as proposed, is reasonably necessary to effectively carry on secondary recovery operations and will substantially increase the ultimate recovery of oil from the unitized portion of the pool.

(12) That the proposed unitized method of operation as applied to the Myers Langlie-Mattix Unit Area is feasible and will result with reasonable probability in the increased recovery of substantially more oil from the unitized portion of the pool than would otherwise be recovered without unitization.

(13) That the estimated additional investment costs which result from statutory unitization are \$1.6 million from which can be deducted \$600,000, which will be saved by not having to maintain separate production facilities on certain tracts within the unit area for a net additional investment of \$1 million.

(14) That the additional recovery to be derived from the extended secondary recovery operations resulting from statutory unitization will have a gross value to the unit of \$19.24 million.

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(15) That the estimated additional costs of the proposed operations (as described in Finding No. (13) above) will not exceed the estimated value of the additional oil (as described in Finding No. (14) above) plus a reasonable profit.

(16) That the applicant, the designated Unit Operator pursuant to the Unit Agreement and the Unit Operation Agreement, has made a good faith effort to secure voluntary unitization within the Myers Langlie-Mattix Unit Area.

(17) That the participation formula contained in the Unit Agreement allocates the produced and saved unitized substances to the separately owned tracts in the unit area on a fair, reasonable, and equitable basis.

(18) That statutory unitization and the adoption of the proposed unitized method of operation will benefit the working interest owners and royalty owners of the oil and gas rights within the Myers Langlie-Mattix Unit Area.

(19) That the granting of the application in this case will have no adverse effect upon other portions of the Langlie Mattix Pool.

(20) That applicant's Exhibits Nos. 9 and 11 as revised by Exhibits 10 and 12 in this case, being the Unit Agreement and the Unit Operating Agreement, respectively, should be incorporated by reference into this order.

(21) That the Myers Langlie-Mattix Unit Agreement and the Myers Langlie-Mattix Unit Operating Agreement provide for unitization and unit operation of the Myers Langlie-Mattix Unit Area upon terms and conditions that are fair, reasonable, and equitable, and which include:

(a) an allocation to the separately owned tracts in the unit area of all oil and gas that is produced from the unit area and which is saved, being the production that is not used in the conduct of unit operations or not unavoidably lost;

(b) a provision for the credits and charges to be made in the adjustment among the owners in the unit area for their respective investments in wells, tanks, pumps, machinery, materials, and equipment contributed to the unit operations;

(c) a provision governing how the costs of unit operations including capital investments shall be determined and charged to the separately owned tracts and how said costs shall be paid including a provision providing when, how, and by whom the unit production allocated to an owner who does not pay his share of the costs of unit operations shall be charged to such owner, or the interest of such owner, and how his interest may be sold and the proceeds applied to the payment of his costs;

(d) a provision for carrying any working interest owner on a limited, carried, or net-profits basis, payable out of production, upon such terms and conditions which are just and reasonable, and which allow an appropriate charge for interest for such service payable out of production, upon such terms and conditions determined by the Commission to be just and reasonable, and allowing an appropriate charge for interest for such service payable out of such owner's share of production, providing that any nonconsenting working interest owner being so carried shall be deemed to have relinquished to the Unit Operator all of his operating rights and working interests in and to the unit until his share of the costs, service charge, and interest are repaid to the Unit Operator;

(e) a provision designating the Unit Operator and providing for the supervision and conduct of the unit operations, including the selection, removal or substitution of an operator from among the working interest owners to conduct the unit operations;

(f) a provision for voting procedure for the decision of matters to be decided by the working interest owners in respect to which each working interest owner shall have a voting interest equal to his unit participation; and

(g) the time when the unit operation shall commence and the manner in which, and the circumstances under which, the operations shall terminate and for the settlement of accounts upon such termination.

(22) That applicant seeks establishment of an administrative procedure whereby the conversion of additional wells to injection may be approved without further notice or hearing.

(23) That the statutory unitization of the Myers Langlie-Mattix Unit Area is in conformity with the above findings, and

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shall prevent waste and protect the correlative rights of all owners of interest within the proposed unit area, and should be approved.

IT IS THEREFORE ORDERED:

(1) That the Myers Langlie-Mattix Unit Area, comprising 160 acres, more or less, in the Langlie Mattix Pool, Lea County, New Mexico, is hereby approved for statutory unitization pursuant to the Statutory Unitization Act, Sections 70-7-1 through 70-7-21 NMSA 1978.

(2) That the lands included within the Myers Langlie-Mattix Unit Area shall be comprised of:

TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPH
Section 25: N/2 NE/4, SE/4 NE/4, E/2 SW/4, SW/4 SW/4, and SE/4
Section 36: N/2, SE/4, and E/2 SW/4

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPH
Section 28: SW/4
Section 29: W/2, W/2 E/2, and E/2 SE/4
Section 30: N/2, SW/4, N/2 SE/4, and SW/4 SE/4
Sections 31 through 33: All
Section 34: W/2

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPH
Section 1: NE/4 NE/4
Section 12: S/2 N/2, N/2 S/2, and SE/4 SE/4

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPH
Section 2: W/2 NE/4 and W/2
Section 3: NE/4, E/2 SE/4, and W/2 SW/4
Sections 4 and 5: All
Section 6: E/2, E/2 W/2, and NW/4 NW/4
Section 7: N/2, SE/4, and S/2 SW/4
Section 8: N/2, N/2 S/2, and SW/4 SW/4
Section 9: NW/4, N/2 SW/4, N/2 NE/4, and SE/4 NE/4
Section 10: NW/4, W/2 NE/4, SE/4 NE/4, E/2 SW/4, and W/2 SE/4
Section 11: SW/4 NW/4

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(3) That the vertical limits of said Myers Langlie-Mattix Unit Area should comprise that interval which extends from a point 100 feet above the base of the Seven Rivers formation to the base of the Queen formation; said interval having been heretofore found to occur in the Texas Pacific Oil Company's Blinbry "B" Well No. 3 located 310 feet from the North line and 2310 feet from the West line of Section 34, Township 23 South, Range 37 East, North, Lea County, New Mexico, at an indicated depth interval of 3168 feet to 3570 feet, as recorded on the Schlumberger Electrical Log Run No. 1 taken December 26, 1952, said log being measured from a derrick floor elevation of 3300 feet above sea level.

(4) That the applicant shall waterflood for the secondary recovery of oil, gas, gaseous substances, sulfur contained in gas, condensate, distillate, and all associated and constituent liquid or liquified hydrocarbons within and produced from the unit area.

(5) That the Myers Langlie-Mattix Unit Agreement as revised and the Myers Langlie-Mattix Unit Operating Agreement as revised are approved and adopted and incorporated by reference into this order.

(6) That when, pursuant to the terms of Sections 70-7-9 NMSA 1978, the persons owning the required percentage of interest in the unit area have approved or ratified the Unit Agreement and the Unit Operating Agreement, the interests of all persons within the unit area are unitized whether or not such persons have approved the Unit Agreement or the Unit Operating Agreement in writing.

(7) That the applicant as Unit Operator shall notify in writing the Division Director of any removal or substitution of said Unit Operator by any other working interest owner within the unit area.

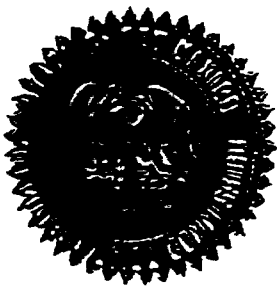
(8) That the applicant is authorized to convert additional wells to injection in accordance with the provisions of Division Rule 701 E 4.

(9) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



ALEX J. ARMISTO, Member

Henry C. Arnold
HENRY C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

S E A L

rd/



August 27, 1980

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Re: CASE NO. 6987
ORDER NO. R 6447

Getty Oil Company:

Yours very truly,

JOE D. RAMEY
Director

Hobbs OCC	x
Artesia OCC	x
Aztec OCC	

Other _____

Laws 1963, ch. 139, § 7; 1977, ch. 355, § 72; 1981, ch. 125, § 53.
Cross references. — For telegraph and telephone

42A-2-4 NMSA 1978. For railroads' right of eminent domain, see 42A-2-3 and 42A-2-4 NMSA 1978.

70-6-8. Ownership of injected gas.

All natural gas which has previously been reduced to possession, and which is subsequently injected into underground storage in any strata or formation shall at all times be deemed the property of the injector, his heirs, successors or assigns; and in no event shall such gas be subject to the right of the owner of the surface of said lands or of any mineral interest therein, under which said strata or formation lie, or of any person other than the injector, his heirs, successors and assigns, to produce, take, reduce to possession, waste or otherwise interfere with or exercise any control thereover, provided that the injector, his heirs, successors and assigns shall have no right to gas in any stratum, formation or portion thereof, in which storage rights have not been acquired pursuant to this act [70-6-1 to 70-6-8 NMSA 1978], or otherwise purchased.

History: 1963 Comp., § 65-9-8, enacted by Laws 1963, ch. 139, § 8.
Am. Jur. 2d, A.L.R. and C.J.S. references. —

Rights and liabilities with respect to natural gas reduced to possession and subsequently stored in natural reservoir, 94 A.L.R.2d 643.

ARTICLE 7

Statutory Unitization Act

Sec.	Sec.
70-7-1. Purpose of act.	70-7-12. Operation; expressed or implied covenants.
70-7-2. Short title.	70-7-13. Income from unitized substances.
70-7-3. Additional powers and duties of the oil conservation division.	70-7-14. Lien for costs.
70-7-4. Definitions.	70-7-15. Liability for expenses.
70-7-5. Requisites of application for unitization.	70-7-16. Division orders.
70-7-6. Matters to be found by the division precedent to issuance of unitization order.	70-7-17. Property rights.
70-7-7. Division orders.	70-7-18. Existing rights, rights in unleased land and royalties and lease burdens.
70-7-8. Ratification or approval of plan by owners.	70-7-19. Agreements not violative of laws governing monopolies or restraint of trade.
70-7-9. Amendment of plan of unitization.	70-7-20. Evidence of unit to be recorded.
70-7-10. Previously established units.	70-7-21. Unlawful operation.
70-7-11. Unit operations of less than an entire pool.	

70-7-1. Purpose of act.

The legislature finds and determines that it is desirable and necessary under the circumstances and for the purposes hereinafter set out to authorize and provide for the unitized management, operation and further development of the oil and gas properties to which the Statutory Unitization Act [70-7-1 to 70-7-21 NMSA 1978] is applicable, to the end that greater ultimate recovery may be had therefrom, waste prevented, and correlative rights protected of all owners of mineral interests in each unitized area. It is the intention of the legislature that the Statutory Unitization Act apply to any type of operation that will substantially increase the recovery of oil above the amount that would be recovered by primary recovery alone and not to what the industry understands as exploratory units.

History: 1963 Comp., § 65-14-1, enacted by Laws 1975, ch. 293, § 1.
Law reviews. — For article, "On an Institutional

Arrangement for Developing Oil and Gas in the Gulf of Mexico", see 26 Nat. Resources J. 717 (1986).

70-7-2. Short title.

This act [70-7-1 to 70-7-21 NMSA 1978] may be cited as the "Statutory Unitization Act."

History: 1953 Comp., § 65-14-2, enacted by Laws 1975, ch. 293, § 2.

70-7-3. Additional powers and duties of the oil conservation division.

Subject to the limitations of the Statutory Unitization Act [70-7-1 to 70-7-21 NMSA 1978], the oil conservation division of the energy, minerals and natural resources department, hereinafter referred to as the "division", is vested with jurisdiction, power and authority and it shall be its duty to make and enforce such orders and do such things as may be necessary or proper to carry out and effectuate the purposes of the Statutory Unitization Act.

History: 1953 Comp., § 65-14-3, enacted by Laws 1975, ch. 293, § 3; 1977, ch. 255, § 109; 1987, ch. 234, § 67.

The 1987 amendment, effective July 1, 1987,

substituted "energy, minerals and natural resources" for "energy and minerals" and made minor changes in language.

70-7-4. Definitions.

For the purposes of the Statutory Unitization Act [70-7-1 to 70-7-21 NMSA 1978], unless the context otherwise requires:

A. "pool" means an underground reservoir containing a common accumulation of crude petroleum oil or natural gas or both. Each zone of a general structure, which zone is completely separate from any other zone in the structure, is covered by the word pool as used herein. Pool is synonymous with "common source of supply" and with "common reservoir";

B. "oil and gas" means crude oil, natural gas, casinghead gas, condensate or any combination thereof;

C. "waste," in addition to its meaning in Section 70-2-3 NMSA 1978, shall include both economic and physical waste resulting, or that could reasonably be expected to result, from the development and operation separately of tracts that can best be developed and operated as a unit;

D. "working interest" means an interest in unitized substances by virtue of a lease, operating agreement, fee title or otherwise, excluding royalty owners, owners of overriding royalties, oil and gas payments, carried interests, mortgages and lien claimants but including a carried interest, the owner of which is primarily obligated to pay, either in cash or out of production or otherwise, a portion of the unit expense; however, oil and gas rights that are free of lease or other instrument creating a working interest shall be regarded as a working interest to the extent of seven-eighths thereof and a royalty interest to the extent of the remaining one-eighth thereof;

E. "working interest owner" or "lessee" means a person who owns a working interest;

F. "royalty interest" means a right to or interest in any portion of the unitized substances or proceeds thereof other than a working interest;

G. "royalty owner" means a person who owns a royalty interest;

H. "unit operator" means the working interest owner, designated by working interest owners under the unit operating agreement or the division to conduct unit operations, acting as operator and not as a working interest owner;

I. "basic royalty" means the royalty reserved in the lease but in no event exceeding one-eighth; and

J. "relative value" means the value of each separately owned tract for oil and gas purposes and its contributing value to the unit in relation to like values of other tracts in the unit, taking into account acreage, the quantity of oil and gas recoverable therefrom, location on structure, its probable productivity of oil and gas in the absence of unit operations, the burden of operation to which the tract will or is likely to be subjected, or so many of said factors, or such other pertinent engineering, geological, operating or pricing factors, as may be reasonably susceptible of determination.

History: 1953 Comp., § 85-14-4, enacted by Laws 1975, ch. 293, § 4; 1977, ch. 255, § 110.

70-7-5. Requisites of application for unitization.

Any working interest owner may file an application with the division requesting an order for the unit operation of a pool or any part thereof. The application shall contain:

- A. a description of the proposed unit area and the vertical limits to be included therein with a map or plat thereof attached;
- B. a statement that the reservoir or portion thereof involved in the application has been reasonably defined by development;
- C. a statement of the type of operations contemplated for the unit area;
- D. a copy of a proposed plan of unitization which the applicant considers fair, reasonable and equitable;
- E. a copy of a proposed operating plan covering the manner in which the unit will be supervised and managed and costs allocated and paid; and
- F. an allegation of the facts required to be found by the division under Section 70-7-6 NMSA-1978.

History: 1953 Comp., § 65-14-5, enacted by Laws 1975, ch. 293, § 6; 1977, ch. 255, § 111.
Am. Jur. 2d, A.L.R. and C.J.S. references. —
38 Am. Jur. 2d Gas and Oil §§ 164, 172.

Compulsory pooling or unitization statute or ordinance requiring owners or lessees of oil and gas lands to develop their holdings as a single drilling unit and the like, 37 A.L.R.2d 434.

70-7-6. Matters to be found by the division precedent to issuance of unitization order.

A. After an application for unitization has been filed with the division and after notice and hearing, all in the form and manner and in accordance with the procedural requirements of the division, and prior to reaching a decision on the petition, the division shall determine whether or not each of the following conditions exists:

- (1) that the unitized management, operation and further development of the oil or gas pool or a portion thereof is reasonably necessary in order to effectively carry on pressure maintenance or secondary or tertiary recovery operations, to substantially increase the ultimate recovery of oil and gas from the pool or the unitized portion thereof;
- (2) that one or more of the said unitized methods of operations as applied to such pool or portion thereof is feasible, will prevent waste and will result with reasonable probability in the increased recovery of substantially more oil and gas from the pool or unitized portion thereof than would otherwise be recovered;
- (3) that the estimated additional costs, if any, of conducting such operations will not exceed the estimated value of the additional oil and gas so recovered plus a reasonable profit;
- (4) that such unitization and adoption of one or more of such unitized methods of operation will benefit the working interest owners and royalty owners of the oil and gas rights within the pool or portion thereof directly affected;
- (5) that the operator has made a good faith effort to secure voluntary unitization within the pool or portion thereof directly affected; and
- (6) that the participation formula contained in the unitization agreement allocates the produced and saved unitized hydrocarbons to the separately owned tracts in the unit area on a fair, reasonable and equitable basis.

B. If the division determines that the participation formula contained in the unitization agreement does not allocate unitized hydrocarbons on a fair, reasonable and equitable basis, the division shall determine the relative value, from evidence introduced at the hearing, taking into account the separately owned tracts in the unit area, exclusive of physical equipment, for development of oil and gas by unit operations, and the production allocated to each tract shall be the proportion that the relative value of each tract so determined bears to the relative value of all tracts in the unit area.

C. When the division determines that the preceding conditions exist, it shall make findings to that effect and make an order creating the unit and providing for the unitization and unitized operation of the pool or portion thereof described in the order, all upon such terms and conditions as may be shown by the evidence to be fair, reasonable, equitable and which are necessary or proper to protect and safeguard the respective rights and obligations of the working interest owners and royalty owners.

History: 1963 Comp., § 65-14-6, enacted by Laws 1976, ch. 293, § 6; 1977, ch. 255, § 112.

70-7-7. Division orders.

The order providing for unitization and unit operation of a pool or part of a pool shall be upon terms and conditions that are fair, reasonable and equitable and shall approve or prescribe a plan or unit agreement for unit operation which shall include:

A. a legal description in terms of surface area of the pool or part of the pool to be operated as a unit and the vertical limits to be included, termed "the unit area";

B. a statement of the nature of the operations contemplated;

C. an allocation to the separately owned tracts in the unit area of all the oil and gas that is produced from the unit area and is saved, being the production that is not used in the conduct of operations on the unit area or not unavoidably lost;

D. a provision for the credits and charges to be made in the adjustment among the owners in the unit area for their respective investments in wells, tanks, pumps, machinery, materials and equipment contributed to the unit operations;

E. a provision governing how the costs of unit operations, including capital investments, shall be determined and charged to the separately owned tracts and how the costs shall be paid, including a provision providing when, how and by whom the unit production allocated to an owner who does not pay the share of the costs of unit operations charged to that owner or the interest of that owner may be sold and the proceeds applied to the payment of costs;

F. a provision for carrying any working interest owner on a limited, carried or net-profits basis, payable out of production, upon such terms and conditions determined by the division to be just and reasonable and allowing an appropriate charge for interest for such service payable out of the owner's share of production; provided that any nonconsenting working interest owner being so carried shall be deemed to have relinquished to the unit operator all of its operating rights and working interest in and to the unit until his share of the costs are repaid, plus an amount not to exceed two hundred percent of such costs as a nonconsent penalty, with maximum penalty amount in each case to be determined by the division;

G. a provision designating the unit operator and providing for the supervision and conduct of the unit operations, including the selection, removal or substitution of an operator from among the working interest owners to conduct the unit operations;

H. a provision for a voting procedure for the decision of matters to be decided by the working interest owners in respect to which each working interest owner shall have a voting interest equal to its unit participation;

I. the time when the unit operation shall commence and the manner in which and the circumstances under which the operations shall terminate and for the settlement of accounts upon termination; and

J. such additional provisions as are found to be appropriate for carrying on the unit operations and for the protection of correlative rights and the prevention of waste.

History: 1963 Comp., § 65-14-7, enacted by Laws 1976, ch. 293, § 7; 1977, ch. 255, § 113; 1986, ch. 66, § 1.

The 1986 amendment, effective May 21, 1986, at

the end of Subsection F, added the language following "in and to the unit until" and made minor stylistic changes throughout the section.

70-7-8. Ratification or approval of plan by owners.

A. No order of the division providing for unit operations shall become effective unless and until the plan for unit operations prescribed by the division has been approved in writing by those persons who, under the division's order, will be required initially to pay at least seventy-five percent of the costs of the unit operations, and also by the owners of at least seventy-five percent of the production or proceeds thereof that will be credited to interests which are free of cost such as royalties, overriding royalties and production payments, and the division has made a finding either in the order providing for unit operations or in a supplemental order that the plan for unit operations has been so approved. Notwithstanding any other provisions of this section, if seventy-five percent or more of the unit area is owned, as to working interest, by one working interest owner, such working interest owner must be joined by at least one other working interest owner in ratifying and approving the plan of unit operations, unless such working interest owner is the owner of one hundred percent of the working interest in said unit area; provided, however, if a single owner is one who, under the division's order will be required initially to pay at least twenty-five percent, but not more than fifty percent, of the costs of unit operation, such owner must be joined by at least one other owner of the same type interest in disapproving, or failure to approve, the plan of unit operations to defeat the plan.

B. If one owner is the owner of at least twenty-five percent, but not more than fifty percent, of the production or proceeds thereof that will be credited to interests which are free of costs, such owner must be joined by at least one other owner of the same type interest in disapproving, or failure to approve, the plan of unit operations to defeat the plan.

C. If the persons owning the required percentage of interest in the unit area do not approve the plan for unit operations within a period of six months from the date on which the order providing for unit operations is made, such order shall cease to be of further force and effect and shall be revoked by the division, unless the division shall extend the time for ratification for good cause shown.

D. When the persons owning the required percentage of interest in the unit area have approved the plan for unit operations, the interests of all persons in the unit are unitized whether or not such persons have approved the plan of unitization in writing.

History: 1963 Comp., § 65-14-8, enacted by
Laws 1976, ch. 293, § 8; 1977, ch. 266, § 114.

70-7-8. Amendment of plan of unitization.

An order providing for unit operations may be amended by an order made by the division in the same manner and subject to the same conditions as an original order providing for unit operations, provided:

A. if such an amendment affects only the rights and interests of the working interest owners, the approval of the amendment by the royalty owners shall not be required; and

B. no such amendment shall change the percentage for the allocation of oil and gas as established for any separately owned tract by the original order, except with the consent of all working interest owners and royalty owners in such tract, or change the percentage for the allocation of costs as established for any separately owned tract by the original order, except with the consent of all working interest owners in such tract.

History: 1963 Comp., § 65-14-9, enacted by
Laws 1976, ch. 293, § 9; 1977, ch. 266, § 115.

70-7-10. Previously established units.

The division, by order, may provide for the unit operation of a pool or parts thereof that embrace a unit area established by a previous order of the division. Such order, in providing for the allocation of unit production, shall first treat the unit area previously established as a single tract, and the portion of the unit production allocated thereto shall then be allocated

among the separately owned tracts included in such previously established unit area in the same proportions as those specified in the previous order.

History: 1953 Comp., § 65-14-10, enacted by Laws 1975, ch. 293, § 10; 1977, ch. 255, § 11a.

70-7-11. Unit operations of less than an entire pool.

An order may provide for unit operation on less than the whole of a pool where the unit area is of such size and shape as may be reasonably suitable for that purpose, and the conduct thereof will have no adverse effect upon other portions of the pool.

History: 1953 Comp., § 65-14-11, enacted by Laws 1975, ch. 293, § 11. Am. Jur. 2d, A.L.R. and C.J.S. references. — 38 Am. Jur. 2d Gas and Oil §§ 184, 172.

70-7-12. Operation; expressed or implied covenants.

All operations, including but not limited to, the commencement, drilling or operation of a well upon any portion of the unit area shall be deemed for all purposes the conduct of such operations upon each separately owned tract in the unit area by the several owners thereof. The portions of the unit production allocated to a separately owned tract in a unit area shall, when produced, be deemed, for all purposes, to have been actually produced from such tract by a well drilled thereon. Operations conducted pursuant to an order of the division providing for unit operations shall constitute a fulfillment of all the express or implied obligations for each lease or contract covering lands in the unit area to the extent that compliance with such obligations cannot be had because of the order of the division.

History: 1953 Comp., § 65-14-12, enacted by Laws 1975, ch. 293, § 12; 1977, ch. 255, § 117.

70-7-13. Income from unitized substances.

The portion of the unit production allocated to any tract, and the proceeds from the sale thereof, shall be the property and income of the several persons to whom, or to whose credit, the same are allocated or payable under the order providing for unit operations.

History: 1953 Comp., § 65-14-13, enacted by Laws 1975, ch. 293, § 13.

70-7-14. Lien for costs.

Subject to such reasonable limitations as may be set out in the plan of unitization, the unit shall have a first and prior lien upon the leasehold estate and other oil and gas rights (exclusive of a one-eighth royalty interest or exclusive of the interest provided in the unit operating plan which allocates costs, if it is different than one-eighth) in and to each separately owned tract, the interest of the owners thereof in and to the unit production and all equipment in the possession of the unit, to secure the payment of the amount of the unit expense charged to and assessed against such separately owned tract.

History: 1953 Comp., § 65-14-14, enacted by Laws 1975, ch. 293, § 14.

70-7-15. Liability for expenses.

The obligation or liability of each working interest owner in the several separately owned tracts in the unit for the payment of unit expense at all times shall be several and not joint or collective, and a working interest owner shall not be chargeable with, obligated or liable for, directly or indirectly, more than the amount apportioned, assessed or otherwise charged to his interest in the separately owned tract pursuant to the order of unitization.

History: 1953 Comp., § 65-14-15, enacted by Laws 1975, ch. 293, § 15.

70-7-16. Division orders.

A. No division order or other contract relating to the sale or purchase of production from a separately owned tract shall be terminated by the order providing for unit operations, but shall remain in force and apply to oil and gas allocated to such tract until terminated in accordance with the provisions thereof.

B. For purposes of this section, "division order" shall mean a contract of sale to the purchaser of oil and gas.

History: 1953 Comp., § 65-14-16, enacted by Laws 1975, ch. 293, § 16; 1977, ch. 255, § 118.

70-7-17. Property rights.

Except to the extent that the parties affected so agree, no order providing for unit operations shall be construed to result in a transfer of all or any part of the title of any person to the oil and gas rights in any tract in the unit area. All property, whether real or personal, that may be acquired in the conduct of unit operations hereunder shall be acquired for the account of the working interest owners within the unit area, and shall be the property of such working interest owners in the proportion that the costs of unit operations are charged.

History: 1953 Comp., § 65-14-17, enacted by Laws 1975, ch. 293, § 17.

70-7-18. Existing rights, rights in unleased land and royalties and lease burdens.

Property rights, leases, contracts and other rights or obligations shall be regarded as amended and modified only to the extent necessary to conform to the provisions and requirements of the Statutory Unitization Act (70-7-1 to 70-7-21 NMSA 1978) and to any valid order of the division providing for the unit operation of a pool or a part thereof, but otherwise shall remain in full force and effect. A one-eighth part of the production allocated to each tract under an order providing for the unit operation of a pool or a part thereof shall in all events be and remain free and clear of any cost or expense of developing or operating the unit and of any lien therefor as an encumbered [unencumbered] source from which to pay the royalties or other cost-free obligations due or payable with respect to the production from such tract. If a lease or other contract pertaining to a tract or interest stipulates a royalty, overriding royalty, production payment or other obligation in excess of one-eighth of the production or proceeds therefrom, then the working interest owner subject to such excess payment or other obligation shall bear and pay the same.

History: 1953 Comp., § 65-14-18, enacted by Laws 1975, ch. 293, § 18; 1977, ch. 255, § 119.
Bracketed material. — The bracketed word "un-

encumbered" was inserted by the compiler as the apparently intended term. It was not enacted by the legislature and is not a part of the law.

70-7-19. Agreements not violative of laws governing monopolies or restraint of trade.

No agreement between or among lessees or other owners of oil and gas rights in oil and gas properties entered into pursuant hereto or with a view or for the purpose of bringing about the unitized development or operation of such properties shall be held to violate any of the statutes of this state prohibiting monopolies or acts, arrangements, agreements, contracts, combinations or conspiracies in restraint of trade or commerce.

History: 1953 Comp., § 65-14-19, enacted by Laws 1975, ch. 293, § 19.

70-7-20. Evidence of unit to be recorded.

A copy of each unit agreement shall be recorded in the office of the county clerk of the county or counties in which the unit is situated.

History: 1953 Comp., § 65-14-20, enacted by Laws 1975, ch. 293, § 20.

70-7-21. Unlawful operation.

From and after the date designated by the division that a unit plan shall become effective, the operation of any well producing from the pool within the area subject to said unit plan, by persons other than persons acting under the authority of the unit plan, or except in the manner and to the extent provided in such unit plan, shall be unlawful and is hereby prohibited.

History: 1953 Comp., § 65-14-21, enacted by Laws 1975, ch. 293, § 21; 1977, ch. 255, § 120.

ARTICLE 8

Emergency Petroleum Products Supplies

Sec.
70-8-1. Short title.
70-8-2. Purpose and findings.
70-8-3. Definitions.
70-8-4. Consent as a condition of doing business.

Sec.
70-8-5. Prohibited acts.
70-8-5.1. Exemption.
70-8-6. Right of action; injunction; damages.

70-8-1. Short title.

This act [70-8-1 to 70-8-6 NMSA 1978] may be cited as the "Emergency Petroleum Products Supply Act."

History: 1953 Comp., § 66-10-1, enacted by Laws 1974, ch. 22, § 1.

Meaning of "this act". — The term "this act" means Laws 1974, Chapter 22, which appears as

70-8-1 to 70-8-6 and 70-8-6 NMSA 1978. However, Laws 1979, Chapter 174 added present 70-8-5.1 NMSA 1978 to the Emergency Petroleum Products Supply Act.

70-8-2. Purpose and findings.

The legislature hereby determines that:

A. shortages of petroleum products caused by discontinuance or significant reductions of normal and customary availability in New Mexico of petroleum supplies create severe economic dislocations and hardships, including loss of jobs, closing of factories and businesses, reduction of crop plantings and harvesting, and curtailment of vital public services, including the transportation of food and other essential goods;

B. such hardships and dislocations are a threat to the public health, safety and welfare and can be averted or minimized through the operation of the Emergency Petroleum Products Supply Act [70-8-1 to 70-8-6 NMSA 1978];

C. the purpose of the Emergency Petroleum Products Supply Act is to avert or minimize such threats to the public health, safety and welfare; and

D. the preservation of existing marketing and distribution facilities of petroleum products in the state is necessary to prevent chaos and promote the public health, safety and welfare.

History: 1953 Comp., § 66-10-2, enacted by Laws 1974, ch. 22, § 2.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JOHN R. KING
GOVERNOR
LARRY KEHOE
SECRETARY

January 5, 1981

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Case 6987

Mr. William F. Carr
Campbell and Black, P.A.
P. O. Box 2208
Santa Fe, New Mexico 87501

Re: Myers Langlie-Mattix
Unit, Lea County,
New Mexico

Dear Mr. Carr:

The Oil Conservation Commission is in receipt of the sworn affidavit of Raymond W. Blohm, District Production Manager for the Midland Exploration and Production District of Getty Oil Company, wherein Mr. Blohm swears that Getty Oil Company has received written approval or ratification of the plan for unit operations from more than 75 percent of those who would be required initially to pay the costs of unit operations and from more than 75 percent of the interest owners of production proceeds from the unit that will be credited to interests which are free of costs.

The above percentages of ratification or approval of the plan for unitized operations meet the criteria set forth by Section 70-7-8, NMSA, 1978 Comp., and were also within the time limit prescribed by said Section 70-7-8. It is therefore hereby determined that Commission Order No. R-6447 unitizing all interests in the Myers Langlie-Mattix Unit Area, Lea County, New Mexico, is in full force and effect.

Very truly yours,

JOE D. RAMEY
Division Director and
Secretary, Oil Conservation
Commission

JDR/DSN/fd

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

APR 8 1981
at 12:54 o'clock P M
and recorded in Book _____
Page _____
Pat Chappelle, Lea County Clerk
By M H Deputy

BOOK 790 PAGE 283



4884

4884
DOYLE HARTMAN

Oil Operator
500 NORTH MAIN
P.O. BOX 10426
MIDLAND, TEXAS 79702

(915) 684-4011
(915) 682-7616 FAX

April 7, 1997

TO WHOM IT MAY CONCERN

Re: Public Notice of Statutory Unitization
Myers Langlie Mattix Unit
Lea County, New Mexico
NMOCD Order R-6447

Ladies and Gentlemen:

On January 6, 1981, Getty Oil Company, as the operator of the 9360-acre Myers Langlie Mattix Unit situated in T-23-S and T-24-S, R-36-E and R-37-E, Lea County, New Mexico, filed of record in Lea County, New Mexico, at Miscellaneous Book 383, page 220, the herein enclosed letter dated September 15, 1980, which pertained to the statutory unitization of the Getty-operated MLMU under NMOCD Order R-6447 dated August 27, 1980. Also filed of record on January 6, 1981, at Miscellaneous Book 382, page 567, is the enclosed sworn affidavit, dated December 24, 1980, of Raymond W. Blohm, Midland District Production Manager for Getty Oil Company, which stated that Getty Oil Company had complied with the requirements of 70-7-8 NMSA 1978 and that NMOCD Order R-6447 would become effective January 1, 1981, at 7:00 a.m.

Because NMOCD Order R-6447, in conjunction with and pursuant to the New Mexico Statutory Unitization Act [70-7-1 through 70-7-21 NMSA 1978], has the effect (as contemplated in 70-7-18 NMSA 1978) of amending and modifying both the MLMU Unit Agreement (recorded in Lea County, New Mexico at Miscellaneous Book 312, page 349) and MLMU Unit Operating Agreement (recorded at Miscellaneous Book 544, page 351), so as to make the public record complete as to the full effect of NMOCD Order R-6447 (MLMU Statutory Unitization Order), we are herewith filing of record the following additional MLMU statutory unitization documents:

- 1) NMOCD Order R-6447 which statutorily unitized, effective January 1, 1981, the 9360-acre MLMU situated in T-23-S and T-24-S, R-36-E and R-37-E, Lea County, New Mexico.

TO WHOM IT MAY CONCERN

April 7, 1997

Page 2

- 2) New Mexico "Statutory Unitization Act" [70-7-1 through 70-7-21 NMSA 1978].
- 3) NMOCD letter of January 5, 1981 to Wm. F. Carr (attorney for Getty Oil Company), documenting that NMOCD Order R-6447 was in full force and effect.

Very truly yours,

DOYLE HARTMAN, Oil Operator

Linda Land

Linda Land
Controller

enclosures (4)

rep
wpdocs\corresp.dh\mlmu-lcl.co

STATE OF Texas §

COUNTY OF Midland §

This instrument was acknowledged before me on the 7th day of April, 1997, by Linda Land, acting in her capacity as Controller of DOYLE HARTMAN, Oil Operator, on behalf of said company.

Cindy Kay Brooks

Notary Public in and for the
State of Texas



L585

100 385 110 220

Getty

SEP 22 1930

U.S. GEOLOGICAL SURVEY
ALBUQUERQUE, NEW MEXICO

Getty Oil Company | P.O. Box 1231, Midland, Texas 79702 - Telephone (815) 843-8301

Approved by United States Department of Interior
Bureau of Land Management and Production Division

447

September 15, 1930

File: Myers Langlie Mattix Unit
Langlie Mattix Field
Lee County, New Mexico

Re: Statutory Unitization

MYERS LANGLIE MATTIX UNIT
ROYALTY INTEREST OWNERS

Dear Royalty Interest Owners:

On August 27, 1930, the New Mexico Oil Conservation Division entered its Order No. 2-1447 approving statutory unitization of the Myers Langlie-Mattix Unit.

In 1924, the Myers Langlie-Mattix Unit was created by working interest owners and royalty interest owners who voluntarily committed their interests in a portion of the Langlie-Mattix Pool for the purpose of instituting secondary recovery operations by waterflooding. At present, owners of more than 99% of the working interest and 99% of the royalty interest in the unit area have voluntarily joined the unit. Statutory unitization will enable Getty Oil Company as unit operator to bring the remaining interests in the unit area into the unit.

In 1931, New Mexico adopted the Statutory Unitization Act. The purposes of this Act are to promote the formation of oil and gas units for secondary recovery operations and to provide for more efficiently operated units which will, in turn, produce greater volumes of oil and gas.

Statutory unitization of the Myers Langlie-Mattix Unit will benefit every royalty interest owner in the unit by enabling Getty to institute efficient operating practices that presently cannot be employed due to the small uncommitted interests in the unit area. The institution of more efficient operating practices will reduce the costs of unit operations and will enable the unit to produce for a longer period of time. Statutory unitization of the Myers Langlie-Mattix Unit should result in the recovery of an additional 50,000 barrels of oil. At present oil prices, this represents additional gross income to the unit of \$18,210.00. This income will be shared by you and other interest owners in the unit.

UNIT 383 p. 221

MYERS LANGLEY MATTIX UNIT
ROYALTY INTEREST OWNERS

PAGE 2
SEPTEMBER 15, 1980

The Oil Conservation Commission approved statutory unitization of the present unit area only after a public hearing in which Getty Oil Company appeared before the Commission and reviewed all the costs and benefits of unitization. Their order, a copy of which is attached for your review, finds that statutory unitization will benefit the working interest owners and the royalty interest owners in this unit, that the qualified tracts and present unit boundaries will remain the same, and that all tract participations will remain unchanged.

The Commission order provides that statutory unitization of this Unit will become effective upon ratification by the owners of 75% of the working interest and the owners of 75% of the royalty interest within the unit area. It is important, therefore, to obtain these ratifications as soon as possible for statutory unitization to become effective. Enclosed is a form to be used by royalty interest owners in ratifying this order. We request that you execute this Ratification and Approval, have your signature notarized, and return to us as soon as possible.

Copies of the January 1, 1971 Unit Agreement and Unit Operating Agreement and their two revisions dated February 1, 1974 and July 1, 1976 are not enclosed since they were previously provided and remain unchanged.

If you have questions concerning the enclosed Order or Ratification, do not hesitate to contact Mr. J. E. Eakin in this office (915/411-6301).

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

Very truly yours,

R. W. Blohm

R. W. Blohm
District Production Manager

JAN 6 1981

JEK:ah

Enclosure

cc: Mr. A. J. Starnak - Midland
Mr. John Sullivan - Tulsa
Mr. W. F. Carr - Santa Fe
Mr. J. E. Eakin - Midland

Approved 8 DEC 1980

Heather Daniel
Deputy Conservation Manager, O&G
South Central Region



157

AFFIDAVIT

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

COMES NOW, Raymond W. Blohm, and upon his oath, deposes and states:

1. That he is the Midland District Production Manager for Getty Oil Company.

2. That as District Production Manager, he is responsible for the development and production of the oil and gas properties of Getty Oil Company in Lea County, New Mexico.

3. That on June 19, 1980, Getty Oil Company filed an application with the New Mexico Oil Conservation Division under the New Mexico Statutory Unitization Act (Section 70-7-1 through 70-7-21, N.M.S.A., 1978 Compilation) seeking an order providing for statutory unitization of the Myers Langlie-Mattix Unit in Lea County, New Mexico.

4. That Section 70-7-8, N.M.S.A., 1978 Compilation provides in part as follows: "No order of the Division providing for unit operations shall become effective unless and until the plan for unit operations described by the Division has been approved in writing by those persons who, under the Division's Order, will be required initially to pay at least seventy-five percent of the cost of unit operations, and also by the owners of at least seventy-five percent of the production proceeds thereof that will be credited to interest which are free of

cost . . . and the Division has made a finding either in the order providing for unit operations or in a supplemental order that the plan for unit operation has been so approved."

5. That the application of Getty Oil Company for statutory unitization of the Myers Langlie-Mattix Unit (Oil Conservation Division Case No. 6987) was heard by the full Oil Conservation Commission on August 5, 1980.

6. That on August 27, 1980, the Oil Conservation Commission entered Order No. R-6447 approving the application of Getty Oil Company for statutory unitization of the Myers Langlie-Mattix Unit.

7. That Oil Conservation Division Order R-6447 " . . . approved and adopted and incorporated by reference . . ." the Myers Langlie-Mattix Unit Agreement and Unit Operating Agreement.

8. That said Order No. R-6447 provided "that when . . . the persons owning the required percentage of interest in the unit area have approved or ratified the Unit Agreement and the Unit Operating Agreement, the interests of all persons within the unit area are unitized, whether or not such persons have approved the Unit Agreement or the Unit Operating Agreement."

9. That following issuance of Order R-6447, Getty Oil Company solicited the written approval or ratification of all interest owners in the unit area.

10. That as of December 15, 1980, Getty Oil Company has received written approval or ratification of the plan for unit operations from more than 75% of those who would be required

Initially to pay the costs of unit operations and from more than 75% of the interest owners of production proceeds from the unit that will be credited to interests which are free of costs.

11. That Getty Oil Company intends to commence unitized operations of the Myers Langlie-Mattix Unit under Oil Conservation Division Order No. R-6447 on January 1, 1981 at 7:00 a.m.

Raymond W. Blohm
Raymond W. Blohm

SUBSCRIBED AND SHORN TO before me this 24th day of
December, 1980, by Raymond W. Blohm.



My Commission Expires:

6-30-84

J. R. AVENT
Notary Public

J. R. AVENT, Notary Public
Midland County, Texas

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

157

JAN 6 1981

at 11:05 o'clock A.M.
and recorded in Book _____
Page _____
Donna Henge, County Clerk
By Don Deputy



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6987
Order No. R-6437

APPLICATION OF GETTY OIL COMPANY
FOR STATUTORY UNITIZATION, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 5, 1980, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 27th day of August, 1980, the Commission, a quorum being present, having considered the testimony and the record and being otherwise fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Getty Oil Company, seeks the statutory unitization, pursuant to the "Statutory Unitization Act," Sections 70-7-1 through 70-7-21, NMSA 1978, of 9,360 acres, more or less, being a portion of the Langlie Mattix Pool, Lea County, New Mexico, said portion being known as the Myers Langlie-Mattix Unit Area and applicant further seeks approval of the Unit Agreement as revised and the Unit Operating Agreement as revised.

(3) That the Myers Langlie-Mattix Unit Agreement was approved by the Oil Conservation Commission by Order No. R-4680 entered in Case No. 5087 on October 31, 1973.

(4) That the Myers Langlie-Mattix Unit became effective on February 1, 1974, and has been operated by Getty Oil Company and its predecessor in interest, Skelly Oil Company, since that date.

-2-
Case No. 6987
Order No. R-6447

(5) That the applicant seeks statutory unitization of this voluntary unit to enable it to institute more effective and efficient operating practices thereby extending the economic life of the unit.

(6) That the unit area should be designated the Myers Langlie-Mattix Unit Area and the horizontal limits of said unit area should be comprised of the following described lands:

TOWNSHIP 23 SOUTH, RANGE 36 EAST, NHPH
Section 25: N/2 NE/4, S/4 NE/4 E/2
SW/4, SW/4 S/4, and SE/4
Section 36: N/2, SE/4, and E/2 SW/4

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NHPH
Section 28: SW/4
Section 29: W/2, W/2 E/2, and E/2 SE/4
Section 30: N/2, SW/4, S/2 SE/4, and
SW/4 SE/4
Sections 31 through 33: All
Section 34: W/2

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NHPH
Section 1: NE/4 NE/4
Section 12: S/2 N/2, N/2 S/2, and SE/4
SE/4

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NHPH
Section 2: W/2 NE/4 and W/2
Section 3: NE/4, E/2 SE/4, and W/2
SW/4
Sections 4 and 5: All
Section 6: E/2, E/2 W/2, and NW/4
NW/4
Section 7: N/2, SE/4, and S/2 SW/4
Section 8: N/2, N/2 S/2, and SW/4
SW/4
Section 9: NW/4, N/2 S/2/4, N/2 NE/4,
and SE/4 NE/4
Section 10: NW/4, W/2 NW/4, SE/4 NE/4,
E/2 SW/4, and W/2 SE/4
Section 11: SW/4 NW/4

(7) That the vertical limits of said Myers Langlie-Mattix Unit Area should comprise that interval which extends from a point 100 feet above the base of the Seven Rivers formation to

-3-
Case No. 6907
Order No. R-6447

the base of the Queen formation; said interval having been heretofore found to occur in the Texas Pacific Oil Company's Blinabry "B" Well No. 3 located 330 feet from the North line and 2310 feet from the West line of Section 34, Township 23 South, Range 37 East, NMPH, Lea County, New Mexico, at an indicated depth interval of 3168 feet to 3370 feet, as recorded on the Schlumberger Electrical Log Run No. 1 taken December 26, 1952, said log being measured from a derrick floor elevation of 3300 feet above sea level.

(8) That the portion of the Langlie Mattix Pool proposed to be included in the aforesaid Myers Langlie-Mattix Unit Area has been reasonably defined by development.

(9) That the applicant proposes to continue water flooding for the secondary recovery of oil, gas, gaseous substances, sulfur contained in gas, condensate, distillate and all associated and constituent liquid or liquifiable hydrocarbons within and to be produced from the proposed unit area.

(10) That the continuation of secondary recovery operations as a result of statutory unitization should result in the additional recovery of approximately 500,000 barrels of oil.

(11) That the unitized management, operation and further development of the Myers Langlie-Mattix Unit Area, as proposed, is reasonably necessary to effectively carry on secondary recovery operations and will substantially increase the ultimate recovery of oil from the unitized portion of the pool.

(12) That the proposed unitized method of operation as applied to the Myers Langlie-Mattix Unit Area is feasible and will result with reasonable probability in the increased recovery of substantially more oil from the unitized portion of the pool than would otherwise be recovered without unitization.

(13) That the estimated additional investment costs which result from statutory unitization are \$1.6 million from which can be deducted \$600,000, which will be saved by not having to maintain separate production facilities on certain tracts within the unit area for a net additional investment of \$1 million.

(14) That the additional recovery to be derived from the extended secondary recovery operations resulting from statutory unitization will have a gross value to the unit of \$19.24 million.

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Case No. 6287
Order No. R-6447

(15) That the estimated additional costs of the proposed operations (as described in Finding No. (13) above) will not exceed the estimated value of the additional oil (as described in Finding No. (14) above) plus a reasonable profit.

(16) That the applicant, the designated Unit Operator pursuant to the Unit Agreement and the Unit Operation Agreement, has made a good faith effort to secure voluntary unitization within the Myers Langlie-Mattix Unit Area.

(17) That the participation formula contained in the Unit Agreement allocates the produced and saved unitized substances to the separately owned tracts in the unit area on a fair, reasonable, and equitable basis.

(18) That statutory unitization and the adoption of the proposed unitized method of operation will benefit the working interest owners and royalty owners of the oil and gas rights within the Myers Langlie-Mattix Unit Area.

(19) That the granting of the application in this case will have no adverse effect upon other portions of the Langlie Mattix Pool.

(20) That applicant's Exhibits Nos. 9 and 11 as revised by Exhibits 10 and 12 in this case, being the Unit Agreement and the Unit Operating Agreement, respectively, should be incorporated by reference into this order.

(21) That the Myers Langlie-Mattix Unit Agreement and the Myers Langlie-Mattix Unit Operating Agreement provide for unitization and unit operation of the Myers Langlie-Mattix Unit Area upon terms and conditions that are fair, reasonable, and equitable, and which include:

(a) an allocation to the separately owned tracts in the unit area of all oil and gas that is produced from the unit area and which is saved, being the production that is not used in the conduct of unit operations or not unavoidably lost;

(b) a provision for the credits and charges to be made in the adjustment among the owners in the unit area for their respective investments in wells, tanks, pumps, machinery, materials, and equipment contributed to the unit operations;

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Case No. 6287
Order No. R-6447

(c) a provision governing how the costs of unit operations including capital investments shall be determined and charged to the separately owned tracts and how said costs shall be paid including a provision providing when, how, and by whom the unit production allocated to an owner who does not pay his share of the costs of unit operations shall be charged to such owner, or the interest of such owner, and how his interest may be sold and the proceeds applied to the payment of his costs;

(d) a provision for carrying any working interest owner on a limited, carried, or net-profits basis, payable out of production, upon such terms and conditions which are just and reasonable, and which allow an appropriate charge for interest for such service payable out of production, upon such terms and conditions determined by the Commission to be just and reasonable, and allowing an appropriate charge for interest for such service payable out of such owner's share of production, providing that any nonconsenting working interest owner being so carried shall be deemed to have relinquished to the Unit Operator all of his operating rights and working interests in and to the unit until his share of the costs, service charge, and interest are repaid to the Unit Operator;

(e) a provision designating the Unit Operator and providing for the supervision and conduct of the unit operations, including the selection, removal or substitution of an operator from among the working interest owners to conduct the unit operations;

(f) a provision for voting procedure for the decision of matters to be decided by the working interest owners in respect to which each working interest owner shall have a voting interest equal to his unit participation; and

(g) the time when the unit operation shall commence and the manner in which, and the circumstances under which, the operations shall terminate and for the settlement of accounts upon such termination.

(22) That applicant seeks establishment of an administrative procedure whereby the conversion of additional wells to injection may be approved without further notice or hearing.

(23) That the statutory unitization of the Myers Langlie-Hattix Unit Area is in conformity with the above findings, and

Case No. 6987
Order No. R-4447

shall prevent waste and protect the correlative rights of all owners of interest within the proposed unit area, and should be approved.

IT IS THEREFORE ORDERED:

(1) That the Myers Langlie-Mattix Unit Area, comprising 160 acres, more or less, in the Langlie Mattix Pool, Lea County, New Mexico, is hereby approved for statutory unitization pursuant to the Statutory Unitization Act, Sections 70-7-1 through 70-7-21 NMSA 1978.

(2) That the lands included within the Myers Langlie-Mattix Unit Area shall be comprised of:

TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPH

Section 25: N/2 NE/4, SE/4 NE/4, E/2 SW/4, SW/4 SW/4, and SE/4

Section 36: N/2, SE/4, and E/2 SW/4

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPH

Section 28: SW/4

Section 29: W/2, W/2 E/2, and E/2 SE/4

Section 30: N/2, SW/4, N/2 SE/4, and SW/4 SE/4

Sections 31 through 33: All

Section 34: W/2

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPH

Section 1: NE/4 NE/4

Section 12: S/2 N/2, N/2 S/2, and SE/4 SE/4

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPH

Section 2: W/2 NE/4 and W/2

Section 3: NE/4, E/2 SE/4, and W/2 SW/4

Sections 4 and 5: All

Section 6: E/2, E/2 W/2, and NW/4 NW/4

Section 7: N/2, SE/4, and S/2 SW/4

Section 8: N/2, N/2 S/2, and SW/4 SW/4

Section 9: NW/4, N/2 SW/4, N/2 NE/4, and SE/4 NE/4

Section 10: NW/4, W/2 NE/4, SE/4 NE/4, E/2 SW/4, and W/2 SE/4

Section 11: SW/4 NW/4

(3) That the vertical limits of said Myers Langlie-Mattix Unit Area should comprise that interval which extends from a point 100 feet above the base of the Seven Rivers formation to the base of the Queen formation; said interval having been heretofore found to occur in the Texas Pacific Oil Company's Blinbry "B" Well No. 3 located 310 feet from the North line and 2310 feet from the West line of Section 34, Township 23 South, Range 37 East, NMH, Lea County, New Mexico, at an indicated depth interval of 3168 feet to 3570 feet, as recorded on the Schlumberger Electrical Log Run No. 1 taken December 26, 1952, said log being measured from a derrick floor elevation of 3300 feet above sea level.

(4) That the applicant shall waterflood for the secondary recovery of oil, gas, gaseous substances, sulfur contained in gas, condensate, distillate, and all associated and constituent liquid or liquified hydrocarbons within and produced from the unit area.

(5) That the Myers Langlie-Mattix Unit Agreement as revised and the Myers Langlie-Mattix Unit Operating Agreement as revised are approved and adopted and incorporated by reference into this order.

(6) That when, pursuant to the terms of Sections 70-7-9 NMSA 1978, the persons owning the required percentage of interest in the unit area have approved or ratified the Unit Agreement and the Unit Operating Agreement, the interests of all persons within the unit area are unitized whether or not such persons have approved the Unit Agreement or the Unit Operating Agreement in writing.

(7) That the applicant as Unit Operator shall notify in writing the Division Director of any removal or substitution of said Unit Operator by any other working interest owner within the unit area.

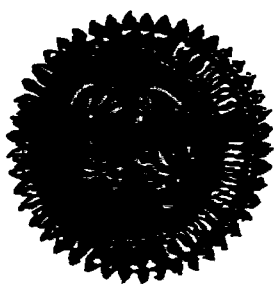
(8) That the applicant is authorized to convert additional wells to injection in accordance with the provisions of Division Rule 701 E 4.

(9) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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Case No. 6987
Order No. R-6447

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



S E A L

ALEX J. ARMISTO, Member

Cherry P. Arnold
CHERRY P. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

rd/



BRUCE KING
GOVERNOR
JERRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

August 27, 1980

POST OFFICE BOX 2068
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Mr. William F. Carr
Campbell and Black
Attorneys at Law
Post Office Box 2200
Santa Fe, New Mexico

Re: CASE NO. 6987
ORDER NO. Q-6447

Applicant:

Getty Oil Company

Dear Sir:

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

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC x
Artesia OCC x
Aztec OCC

Other

Laws 1963, ch. 139, § 7; 1977, ch. 265, § 72; 1981, ch. 124, § 62.
Cross references. — For telegraph and telephone

42A-2-4 NMSA 1978. For railroads' right of eminent domain, see 42A-2-3 and 42A-2-4 NMSA 1978.

70-6-8. Ownership of injected gas.

All natural gas which has previously been reduced to possession, and which is subsequently injected into underground storage in any strata or formation shall at all times be deemed the property of the injector, his heirs, successors or assigns; and in no event shall such gas be subject to the right of the owner of the surface of said lands or of any mineral interest therein, under which said strata or formation lie, or of any person other than the injector, his heirs, successors and assigns, to produce, take, reduce to possession, waste or otherwise interfere with or exercise any control thereover, provided that the injector, his heirs, successors and assigns shall have no right to gas in any stratum, formation or portion thereof, in which storage rights have not been acquired pursuant to this act (70-6-1 to 70-6-8 NMSA 1978), or otherwise purchased.

History: 1963 Comp., § 65-9-8, enacted by Laws 1963, ch. 139, § 6.
Am. Jur. 2d, A.L.R. and C.J.S. references. —

Rights and liabilities with respect to natural gas reduced to possession and subsequently stored in natural reservoir, 34 A.L.R.2d 849.

ARTICLE 7

Statutory Unitization Act

Sec.		Sec.	
70-7-1.	Purpose of act.	70-7-12.	Operation; expressed or implied covenants.
70-7-2.	Short title.	70-7-13.	Income from unitized substances.
70-7-3.	Additional powers and duties of the oil conservation division.	70-7-14.	Lien for costs.
70-7-4.	Definitions.	70-7-15.	Liability for expenses.
70-7-5.	Requisites of application for unitization.	70-7-16.	Division orders.
70-7-6.	Matters to be found by the division precedent to issuance of unitization order.	70-7-17.	Property rights.
70-7-7.	Division orders.	70-7-18.	Existing rights, rights in unleased land and royalties and lease burdens.
70-7-8.	Rectification or approval of plan by owners.	70-7-19.	Agreements not violative of laws governing monopolies or restraint of trade.
70-7-9.	Amendment of plan of unitization.	70-7-20.	Evidence of unit to be recorded.
70-7-10.	Previously established units.	70-7-21.	Unlawful operation.
70-7-11.	Unit operations of less than an entire pool.		

70-7-1. Purpose of act.

The legislature finds and determines that it is desirable and necessary under the circumstances and for the purposes hereinafter set out to authorize and provide for the unitized management, operation and further development of the oil and gas properties to which the Statutory Unitization Act (70-7-1 to 70-7-21 NMSA 1978) is applicable, to the end that greater ultimate recovery may be had therefrom, waste prevented, and correlative rights protected of all owners of mineral interests in each unitized area. It is the intention of the legislature that the Statutory Unitization Act apply to any type of operation that will substantially increase the recovery of oil above the amount that would be recovered by primary recovery alone and not to what the industry understands as exploratory units.

History: 1963 Comp., § 65-14-1, enacted by Laws 1975, ch. 293, § 1.
Law reviews. — For article, "On an Institutional

Arrangement for Developing Oil and Gas in the Gulf of Mexico", see 26 Nat. Resources J. 717 (1986).

70-7-2. Short title.

This act (70-7-1 to 70-7-21 NMSA 1978) may be cited as the "Statutory Unitization Act."

History: 1953 Comp., § 65-14-2, enacted by Laws 1976, ch. 293, § 2.

70-7-3. Additional powers and duties of the oil conservation division.

Subject to the limitations of the Statutory Unitization Act (70-7-1 to 70-7-21 NMSA 1978), the oil conservation division of the energy, minerals and natural resources department, hereinafter referred to as the "division", is vested with jurisdiction, power and authority and it shall be its duty to make and enforce such orders and do such things as may be necessary or proper to carry out and effectuate the purposes of the Statutory Unitization Act.

History: 1953 Comp., § 65-14-3, enacted by Laws 1976, ch. 293, § 3; 1977, ch. 256, § 109; 1987, ch. 254, § 67.

The 1987 amendment, effective July 1, 1987,

substituted "energy, minerals and natural resources" for "energy and minerals" and made minor changes in language.

70-7-4. Definitions.

For the purposes of the Statutory Unitization Act (70-7-1 to 70-7-21 NMSA 1978), unless the context otherwise requires:

A. "pool" means an underground reservoir containing a common accumulation of crude petroleum oil or natural gas or both. Each zone of a general structure, which zone is completely separate from any other zone in the structure, is covered by the word pool as used herein. Pool is synonymous with "common source of supply" and with "common reservoir";

B. "oil and gas" means crude oil, natural gas, casinghead gas, condensate or any combination thereof;

C. "waste," in addition to its meaning in Section 70-2-3 NMSA 1978, shall include both economic and physical waste resulting, or that could reasonably be expected to result, from the development and operation separately of tracts that can best be developed and operated as a unit;

D. "working interest" means an interest in unitized substances by virtue of a lease, operating agreement, fee title or otherwise, excluding royalty owners, owners of overriding royalties, oil and gas payments, carried interests, mortgages and lien claimants but including a carried interest, the owner of which is primarily obligated to pay, either in cash or out of production or otherwise, a portion of the unit expense; however, oil and gas rights that are free of lease or other instrument creating a working interest shall be regarded as a working interest to the extent of seven-eighths thereof and a royalty interest to the extent of the remaining one-eighth thereof;

E. "working interest owner" or "lessee" means a person who owns a working interest;

F. "royalty interest" means a right to or interest in any portion of the unitized substances or proceeds thereof other than a working interest;

G. "royalty owner" means a person who owns a royalty interest;

H. "unit operator" means the working interest owner, designated by working interest owners under the unit operating agreement or the division to conduct unit operations, acting as operator and not as a working interest owner;

I. "basic royalty" means the royalty reserved in the lease but in no event exceeding one-eighth; and

J. "relative value" means the value of each separately owned tract for oil and gas purposes and its contributing value to the unit in relation to like values of other tracts in the unit, taking into account acreage, the quantity of oil and gas recoverable therefrom, location on structure, its probable productivity of oil and gas in the absence of unit operations, the burden of operation to which the tract will or is likely to be subjected, or so many of said factors, or such other pertinent engineering, geological, operating or pricing factors, as may be reasonably susceptible of determination.

History: 1953 Comp., § 85-14-4, enacted by Laws 1975, ch. 293, § 4; 1977, ch. 255, § 110.

70-7-5. Requisites of application for unitization.

Any working interest owner may file an application with the division requesting an order for the unit operation of a pool or any part thereof. The application shall contain:

- A. a description of the proposed unit area and the vertical limits to be included therein with a map or plat thereof attached;
- B. a statement that the reservoir or portion thereof involved in the application has been reasonably defined by development;
- C. a statement of the type of operations contemplated for the unit area;
- D. a copy of a proposed plan of unitization which the applicant considers fair, reasonable and equitable;
- E. a copy of a proposed operating plan covering the manner in which the unit will be supervised and managed and costs allocated and paid; and
- F. an allegation of the facts required to be found by the division under Section 70-7-6 NMSA 1978.

History: 1953 Comp., § 65-14-5, enacted by Laws 1975, ch. 293, § 6; 1977, ch. 255, § 111.
Am. Jur. 2d, A.L.R. and C.J.S. references. —
35 Am. Jur. 2d Gas and Oil §§ 164, 172.

Compulsory pooling or unitization statute or ordinance requiring owners or lessees of oil and gas lands to develop their holdings as a single drilling unit and the like, 37 A.L.R.2d 434.

70-7-6. Matters to be found by the division precedent to issuance of unitization order.

A. After an application for unitization has been filed with the division and after notice and hearing, all in the form and manner and in accordance with the procedural requirements of the division, and prior to reaching a decision on the petition, the division shall determine whether or not each of the following conditions exists:

- (1) that the unitized management, operation and further development of the oil or gas pool or a portion thereof is reasonably necessary in order to effectively carry on pressure maintenance or secondary or tertiary recovery operations, to substantially increase the ultimate recovery of oil and gas from the pool or the unitized portion thereof;
- (2) that one or more of the said unitized methods of operations as applied to such pool or portion thereof is feasible, will prevent waste and will result with reasonable probability in the increased recovery of substantially more oil and gas from the pool or unitized portion thereof than would otherwise be recovered;
- (3) that the estimated additional costs, if any, of conducting such operations will not exceed the estimated value of the additional oil and gas so recovered plus a reasonable profit;
- (4) that such unitization and adoption of one or more of such unitized methods of operation will benefit the working interest owners and royalty owners of the oil and gas rights within the pool or portion thereof directly affected;
- (5) that the operator has made a good faith effort to secure voluntary unitization within the pool or portion thereof directly affected; and
- (6) that the participation formula contained in the unitization agreement allocates the produced and saved unitized hydrocarbons to the separately owned tracts in the unit area on a fair, reasonable and equitable basis.

B. If the division determines that the participation formula contained in the unitization agreement does not allocate unitized hydrocarbons on a fair, reasonable and equitable basis, the division shall determine the relative value, from evidence introduced at the hearing, taking into account the separately owned tracts in the unit area, exclusive of physical equipment, for development of oil and gas by unit operations, and the production allocated to each tract shall be the proportion that the relative value of each tract so determined bears to the relative value of all tracts in the unit area.

C. When the division determines that the preceding conditions exist, it shall make findings to that effect and make an order creating the unit and providing for the unitization and unitized operation of the pool or portion thereof described in the order, all upon such terms and conditions as may be shown by the evidence to be fair, reasonable, equitable and which are necessary or proper to protect and safeguard the respective rights and obligations of the working interest owners and royalty owners.

History: 1963 Comp., § 85-14-6, enacted by Laws 1976, ch. 293, § 6; 1977, ch. 255, § 112.

70-7-7. Division orders.

The order providing for unitization and unit operation of a pool or part of a pool shall be upon terms and conditions that are fair, reasonable and equitable and shall approve or prescribe a plan or unit agreement for unit operation which shall include:

A. a legal description in terms of surface area of the pool or part of the pool to be operated as a unit and the vertical limits to be included, termed "the unit area";

B. a statement of the nature of the operations contemplated;

C. an allocation to the separately owned tracts in the unit area of all the oil and gas that is produced from the unit area and is saved, being the production that is not used in the conduct of operations on the unit area or not unavoidably lost;

D. a provision for the credits and charges to be made in the adjustment among the owners in the unit area for their respective investments in wells, tanks, pumps, machinery, materials and equipment contributed to the unit operations;

E. a provision governing how the costs of unit operations, including capital investments, shall be determined and charged to the separately owned tracts and how the costs shall be paid, including a provision providing when, how and by whom the unit production allocated to an owner who does not pay the share of the costs of unit operations charged to that owner or the interest of that owner may be sold and the proceeds applied to the payment of costs;

F. a provision for carrying any working interest owner on a limited, carried or net-profits basis, payable out of production, upon such terms and conditions determined by the division to be just and reasonable and allowing an appropriate charge for interest for such service payable out of the owner's share of production; provided that any nonconsenting working interest owner being so carried shall be deemed to have relinquished to the unit operator all of its operating rights and working interest in and to the unit until his share of the costs are repaid, plus an amount not to exceed two hundred percent of such costs as a nonconsent penalty, with maximum penalty amount in each case to be determined by the division;

G. a provision designating the unit operator and providing for the supervision and conduct of the unit operations, including the selection, removal or substitution of an operator from among the working interest owners to conduct the unit operations;

H. a provision for a voting procedure for the decision of matters to be decided by the working interest owners in respect to which each working interest owner shall have a voting interest equal to its unit participation;

I. the time when the unit operation shall commence and the manner in which and the circumstances under which the operations shall terminate and for the settlement of accounts upon termination; and

J. such additional provisions as are found to be appropriate for carrying on the unit operations and for the protection of correlative rights and the prevention of waste.

History: 1963 Comp., § 85-14-7, enacted by Laws 1976, ch. 293, § 7; 1977, ch. 255, § 113; 1984, ch. 66, § 1.

The 1984 amendment, effective May 21, 1986, at

the end of Subsection F, added the language following "in and to the unit until" and made minor stylistic changes throughout the section.

70-7-8. Ratification or approval of plan by owners.

A. No order of the division providing for unit operations shall become effective unless and until the plan for unit operations prescribed by the division has been approved in writing by those persons who, under the division's order, will be required initially to pay at least seventy-five percent of the costs of the unit operations, and also by the owners of at least seventy-five percent of the production or proceeds thereof that will be credited to interests which are free of cost such as royalties, overriding royalties and production payments, and the division has made a finding either in the order providing for unit operations or in a supplemental order that the plan for unit operations has been so approved. Notwithstanding any other provisions of this section, if seventy-five percent or more of the unit area is owned, as to working interest, by one working interest owner, such working interest owner must be joined by at least one other working interest owner in ratifying and approving the plan of unit operations, unless such working interest owner is the owner of one hundred percent of the working interest in said unit area; provided, however, if a single owner is one who, under the division's order will be required initially to pay at least twenty-five percent, but not more than fifty percent, of the costs of unit operation, such owner must be joined by at least one other owner of the same type interest in disapproving, or failure to approve, the plan of unit operations to defeat the plan.

B. If one owner is the owner of at least twenty-five percent, but not more than fifty percent, of the production or proceeds thereof that will be credited to interests which are free of costs, such owner must be joined by at least one other owner of the same type interest in disapproving, or failure to approve, the plan of unit operations to defeat the plan.

C. If the persons owning the required percentage of interest in the unit area do not approve the plan for unit operations within a period of six months from the date on which the order providing for unit operations is made, such order shall cease to be of further force and effect and shall be revoked by the division, unless the division shall extend the time for ratification for good cause shown.

D. When the persons owning the required percentage of interest in the unit area have approved the plan for unit operations, the interests of all persons in the unit are unitized whether or not such persons have approved the plan of unitization in writing.

History: 1963 Comp., § 65-14-8, enacted by Laws 1976, ch. 293, § 8; 1977, ch. 266, § 116.

70-7-9. Amendment of plan of unitization.

An order providing for unit operations may be amended by an order made by the division in the same manner and subject to the same conditions as an original order providing for unit operations, provided:

A. if such an amendment affects only the rights and interests of the working interest owners, the approval of the amendment by the royalty owners shall not be required; and

B. no such amendment shall change the percentage for the allocation of oil and gas as established for any separately owned tract by the original order, except with the consent of all working interest owners and royalty owners in such tract, or change the percentage for the allocation of costs as established for any separately owned tract by the original order, except with the consent of all working interest owners in such tract.

History: 1963 Comp., § 65-14-9, enacted by Laws 1976, ch. 293, § 8; 1977, ch. 266, § 116.

70-7-10. Previously established units.

The division, by order, may provide for the unit operation of a pool or parts thereof that embrace a unit area established by a previous order of the division. Such order, in providing for the allocation of unit production, shall first treat the unit area previously established as a single tract, and the portion of the unit production allocated thereto shall then be allocated

among the separately owned tracts included in such previously established unit area in the same proportions as those specified in the previous order.

History: 1953 Comp., § 65-14-10, enacted by Laws 1975, ch. 293, § 10; 1977, ch. 255, § 118.

70-7-11. Unit operations of less than an entire pool.

An order may provide for unit operation on less than the whole of a pool where the unit area is of such size and shape as may be reasonably suitable for that purpose, and the conduct thereof will have no adverse effect upon other portions of the pool.

History: 1953 Comp., § 65-14-11, enacted by Laws 1975, ch. 293, § 11. Am. Jur. 2d, A.L.R. and C.J.S. references. — 38 Am. Jur. 2d Gas and Oil §§ 184, 172.

70-7-12. Operation; expressed or implied covenants.

All operations, including but not limited to, the commencement, drilling or operation of a well upon any portion of the unit area shall be deemed for all purposes the conduct of such operations upon each separately owned tract in the unit area by the several owners thereof. The portions of the unit production allocated to a separately owned tract in a unit area shall, when produced, be deemed, for all purposes, to have been actually produced from such tract by a well drilled thereon. Operations conducted pursuant to an order of the division providing for unit operations shall constitute a fulfillment of all the express or implied obligations for each lease or contract covering lands in the unit area to the extent that compliance with such obligations cannot be had because of the order of the division.

History: 1953 Comp., § 65-14-12, enacted by Laws 1975, ch. 293, § 12; 1977, ch. 255, § 117.

70-7-13. Income from unitized substances.

The portion of the unit production allocated to any tract, and the proceeds from the sale thereof, shall be the property and income of the several persons to whom, or to whose credit, the same are allocated or payable under the order providing for unit operations.

History: 1953 Comp., § 65-14-13, enacted by Laws 1975, ch. 293, § 13.

70-7-14. Lien for costs.

Subject to such reasonable limitations as may be set out in the plan of unitization, the unit shall have a first and prior lien upon the leasehold estate and other oil and gas rights (exclusive of a one-eighth royalty interest or exclusive of the interest provided in the unit operating plan which allocates costs, if it is different than one-eighth) in and to each separately owned tract, the interest of the owners thereof in and to the unit production and all equipment in the possession of the unit, to secure the payment of the amount of the unit expense charged to and assessed against such separately owned tract.

History: 1953 Comp., § 65-14-14, enacted by Laws 1975, ch. 293, § 14.

70-7-15. Liability for expenses.

The obligation or liability of each working interest owner in the several separately owned tracts in the unit for the payment of unit expense at all times shall be several and not joint or collective, and a working interest owner shall not be chargeable with, obligated or liable for, directly or indirectly, more than the amount apportioned, assessed or otherwise charged to his interest in the separately owned tract pursuant to the order of unitization.

History: 1963 Comp., § 85-14-15, enacted by Laws 1975, ch. 293, § 15.

70-7-16. Division orders.

A. No division order or other contract relating to the sale or purchase of production from a separately owned tract shall be terminated by the order providing for unit operations, but shall remain in force and apply to oil and gas allocated to such tract until terminated in accordance with the provisions thereof.

B. For purposes of this section, "division order" shall mean a contract of sale to the purchaser of oil and gas.

History: 1963 Comp., § 85-14-16, enacted by Laws 1975, ch. 293, § 16; 1977, ch. 255, § 118.

70-7-17. Property rights.

Except to the extent that the parties affected so agree, no order providing for unit operations shall be construed to result in a transfer of all or any part of the title of any person to the oil and gas rights in any tract in the unit area. All property, whether real or personal, that may be acquired in the conduct of unit operations hereunder shall be acquired for the account of the working interest owners within the unit area, and shall be the property of such working interest owners in the proportion that the costs of unit operations are charged.

History: 1963 Comp., § 85-14-17, enacted by Laws 1975, ch. 293, § 17.

70-7-18. Existing rights, rights in unleased land and royalties and lease burdens.

Property rights, leases, contracts and other rights or obligations shall be regarded as amended and modified only to the extent necessary to conform to the provisions and requirements of the Statutory Unitization Act (70-7-1 to 70-7-21 NMSA 1978) and to any valid order of the division providing for the unit operation of a pool or a part thereof, but otherwise shall remain in full force and effect. A one-eighth part of the production allocated to each tract under an order providing for the unit operation of a pool or a part thereof shall in all events be and remain free and clear of any cost or expense of developing or operating the unit and of any lien therefor as an encumbered [unencumbered] source from which to pay the royalties or other cost-free obligations due or payable with respect to the production from such tract. If a lease or other contract pertaining to a tract or interest stipulates a royalty, overriding royalty, production payment or other obligation in excess of one-eighth of the production or proceeds therefrom, then the working interest owner subject to such excess payment or other obligation shall bear and pay the same.

History: 1963 Comp., § 85-14-18, enacted by Laws 1975, ch. 293, § 18; 1977, ch. 255, § 119.
Bracketed material. — The bracketed word "un-

encumbered" was inserted by the compiler as the apparently intended term. It was not enacted by the legislature and is not a part of the law.

70-7-19. Agreements not violative of laws governing monopolies or restraint of trade.

No agreement between or among lessees or other owners of oil and gas rights in oil and gas properties entered into pursuant hereto or with a view or for the purpose of bringing about the unitized development or operation of such properties shall be held to violate any of the statutes of this state prohibiting monopolies or acts, arrangements, agreements, contracts, combinations or conspiracies in restraint of trade or commerce.

History: 1963 Comp., § 65-14-19, enacted by Laws 1976, ch. 293, § 19.

70-7-20. Evidence of unit to be recorded.

A copy of each unit agreement shall be recorded in the office of the county clerk of the county or counties in which the unit is situated.

History: 1963 Comp., § 65-14-20, enacted by Laws 1976, ch. 293, § 20.

70-7-21. Unlawful operation.

From and after the date designated by the division that a unit plan shall become effective, the operation of any well producing from the pool within the area subject to said unit plan, by persons other than persons acting under the authority of the unit plan, or except in the manner and to the extent provided in such unit plan, shall be unlawful and is hereby prohibited.

History: 1963 Comp., § 65-14-21, enacted by Laws 1976, ch. 293, § 21; 1977, ch. 255, § 120.

ARTICLE 8

Emergency Petroleum Products Supplies

Sec.

70-8-1. Short title.

70-8-2. Purpose and findings.

70-8-3. Definitions.

70-8-4. Consent as a condition of doing business.

Sec.

70-8-5. Prohibited acts.

70-8-5.1. Exemption.

70-8-6. Right of action; injunction; damages.

70-8-1. Short title.

This act (70-8-1 to 70-8-6 NMSA 1978) may be cited as the "Emergency Petroleum Products Supply Act."

History: 1963 Comp., § 66-10-1, enacted by Laws 1974, ch. 22, § 1.

Meaning of "this act". — The term "this act" means Laws 1974, Chapter 22, which appears as

70-8-1 to 70-8-6 and 70-8-6 NMSA 1978. However, Laws 1979, Chapter 174 added present 70-8-6.1 NMSA 1978 to the Emergency Petroleum Products Supply Act.

70-8-2. Purpose and findings.

The legislature hereby determines that:

A. shortages of petroleum products caused by discontinuance or significant reductions of normal and customary availability in New Mexico of petroleum supplies create severe economic dislocations and hardships, including loss of jobs, closing of factories and businesses, reduction of crop plantings and harvesting, and curtailment of vital public services, including the transportation of food and other essential goods;

B. such hardships and dislocations are a threat to the public health, safety and welfare and can be averted or minimized through the operation of the Emergency Petroleum Products Supply Act (70-8-1 to 70-8-6 NMSA 1978);

C. the purpose of the Emergency Petroleum Products Supply Act is to avert or minimize such threats to the public health, safety and welfare; and

D. the preservation of existing marketing and distribution facilities of petroleum products in the state is necessary to prevent chaos and promote the public health, safety and welfare.

History: 1963 Comp., § 66-10-2, enacted by Laws 1974, ch. 22, § 2.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

January 5, 1981

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Case 6987

Mr. William F. Carr
Campbell and Black, P.A.
P. O. Box 2208
Santa Fe, New Mexico 87501

Re: Myers Langlie-Mattix
Unit, Lea County,
New Mexico

Dear Mr. Carr:

The Oil Conservation Commission is in receipt of the sworn affidavit of Raymond W. Blohm, District Production Manager for the Midland Exploration and Production District of Getty Oil Company, wherein Mr. Blohm swears that Getty Oil Company has received written approval or ratification of the plan for unit operations from more than 75 percent of those who would be required initially to pay the costs of unit operations and from more than 75 percent of the interest owners of production proceeds from the unit that will be credited to interests which are free of costs.

The above percentages of ratification or approval of the plan for unitized operations meet the criteria set forth by Section 70-7-8, NMSA, 1978 Comp., and were also within the time limit prescribed by said Section 70-7-8. It is therefore hereby determined that Commission Order No. R-6447 unitizing all interests in the Myers Langlie-Mattix Unit Area, Lea County, New Mexico, is in full force and effect.

Very truly yours,

JOE D. RAMEY
Division Director and
Secretary, Oil Conservation
Commission

JDR/DSN/fd

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

APR 8 1997
at 12:54 o'clock P M
and recorded in Book _____
Page _____
Pat Chappelle, Lea County Clerk
By _____ Deputy

BOOK 790 PAGE 283



4884



BRUCE KING
GOVERNOR

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

July 5, 1991

Federal Abstract Company
P.O. Box 2288
Santa Fe, New Mexico 87504

Attention: Eloy F. Sanchez

*RE: Texaco Inc., Myers Langlie Mattix Unit
Area, Lea County, New Mexico.*

Dear Mr. Sanchez:

Pursuant to your request on Monday July 1, 1991, I have personally conducted an extensive search of the following listed case files:

CASE NO. 5086: Application of Skelly Oil Company for a unit agreement, Lea County, New Mexico.

CASE NO. 5087: Application of Skelly Oil Company for a waterflood project, Lea County, New Mexico.

CASE NO. 5088: Application of Amini Oil Company for compulsory pooling, Lea County, New Mexico.

CASE NO. 5089: Application of Coquina Oil Corporation for an unorthodox oil well location, Lea County, New Mexico.

CASE NO. 6987: Application of Getty Oil Company for statutory unitization, Lea County, New Mexico.

I conclude at this time that the record in consolidated Case No. 5086/5087 is incomplete in as much as the following two exhibits are missing from the Division's records in Santa Fe:

Federal Abstract Company
Attention: Eloy F. Sanchez
July 5, 1991
Page 2

Exhibit No. 2 - "...a map showing each individual tract with the area of the proposed unit, along with the schedule showing the percent of working interest and the percent of royalty interest in each tract that's been assigned and committed to this unit."¹

Exhibit No. 3 - "...a map showing the proposed unit area...the Leasees, the location of the wells included in the project, location of the proposed injection wells, and all other wells within a radius of two miles from the proposed injection wells. This exhibit also shows the formation from which these wells are producing or have produced."²

Should you have any questions or comments, please contact me at (505) 827-5811.

Sincerely,

A handwritten signature in dark ink, appearing to read "Michael E. Stogner", with a long horizontal flourish extending to the right.

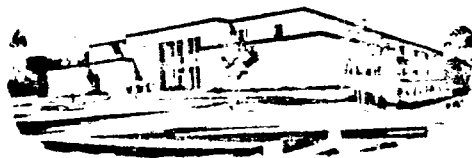
Michael E. Stogner
Chief Hearing Examiner/Engineer

cc: William J. LeMay, OCD Director - Santa Fe

¹ Transcript of Examiner Hearing of Wednesday, October 31, 1973 before Examiner Richard L. Stamets. New Mexico Oil Conservation Commission Case No. 5086, page 5.

² Ibid, page 12.

State of New Mexico



Commissioner of Public Lands

March 26, 1980

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

5056
Getty Oil Company
P. O. Box 730
Hobbs, New Mexico 88240

Re: Myers Langlie Mattix Unit
Lea County, New Mexico

ATTENTION: Mr. Dale R. Crockett

Gentlemen:

The Commissioner of Public Lands has this date approved your 1980 plan of development for the Myers Langlie Mattix Unit, Lea County, New Mexico. Such plan proposes the expansion of the unit and the drilling of Five (5) producers and eleven (11) injectors will be drilled. The Central Battery will be expanded to be able to handle twice its current capacity of produced fluids. Workovers to clean out fill, deepen, and run liners will be performed on twenty injection wells in 1980. Our approval is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Division.

Enclosed is one approved copy for your files.

Please remit a Three (\$3.00) Dollar filing fee.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

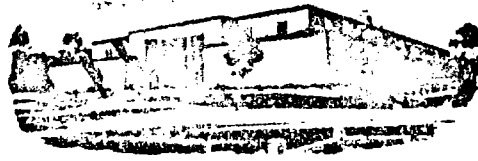
BY:
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505-827-2748

AJA/RDG/s
encls.
cc:

OCD-Santa Fe, New Mexico
USGS-Roswell, New Mexico
USGS-Albuquerque, New Mexico



State of New Mexico



Commissioner of Public Lands

PHIL R. LUCERO
COMMISSIONER

November 15, 1978

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Getty Oil Company
P. O. Box 1231
Midland, Texas 79702

no. 5086

Re: Myers Langlie Mattix Unit
Lea County, New Mexico
PLAN OF DEVELOPMENT for 1979

ATTENTION: Audra B. Cary

Gentlemen:

The Commissioner of Public Lands has this date approved your 1979 Plan of Development for the Myers Langlie Mattix Unit, Lea County, New Mexico. Such plan calls for the continuation of the expansion of the unit. Also, six injectors and fourteen producers will be drilled. The water injection plant will be enlarged by the addition of three pumps which will boost plant output. Workovers to clean out fill, deepen, and run liners will be performed on forty injection wells. Our approval is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Division.

Enclosed is one approved copy for your files.

Your Three (\$3.00) Dollar filing fee has been received.

Very truly yours,

PHIL R. LUCERO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division

PRL/RDG/s
encl.

cc: OCD-Santa Fe, New Mexico ✓
USGS-Roswell, New Mexico
USGS-Albuquerque, New Mexico



United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Box 26124
Albuquerque, New Mexico 87125

DEC 01 1978

no. 5086

Getty Oil Company
Attention: Audra B. Cary
P. O. Box 730
Hobbs, New Mexico 88240

Gentlemen:

One approved copy of your 1979 plan of development for the Myers Langlie Mattix unit area, Lea County, New Mexico, is enclosed.

Such plan, proposing to drill six injection wells, 14 producers and to enlargen the water injection plant by the addition of three pumps, was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

Sincerely yours,

(ORIG. SGD.) JAMES W. SUTHERLAND

Oil and Gas Supervisor, SRMA

Enclosure

cc:
NMOCD, Santa Fe (1tr. only)
Com. Pub. Lands, Santa Fe (1tr. only)

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



May 23, 1991

BRUCE KING
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Thomas M. Domme
Gallegos Law Firm
141 E. Palace Avenue
Santa Fe, New Mexico 87501

Re: Petition Regarding Status Operator for
Myers Langlie-Mattix Unit

Dear Mr. Domme:

We have received your application filed in the above-identified matter. Interpretation and enforcement of the Unit Agreement is not within the Division's jurisdiction, and this case will not be docketed. Interpretation and enforcement of a contract is a matter properly brought before the District courts and not the Oil Conservation Division.

Although your paragraph 17. states that the Division has jurisdiction pursuant to Section 70-7-1 et. seq. 1978, that Act is the Statutory Unitization Act and this is not a statutory unit, therefore that Act has no applicability whatever to this situation. Please send copies of this letter to all parties to whom you gave notice of the application.

If you have any questions, please call me.

Sincerely,

ROBERT G. STOVALL,
General Counsel

RGS/dr

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF DOYLE HARTMAN'S
PETITION FOR ENFORCEMENT OF THE
MYERS LANGLIE-MATTIX UNIT AGREEMENT
AND UNIT OPERATING AGREEMENT,
LEA COUNTY, NEW MEXICO AND
DISAPPROVAL OF CHANGE OF OPERATOR.**

CASE NO. _____

RECEIVED

MAR 11 1991

OIL CONSERVATION DIVISION

**PETITION REGARDING STATUS OF OPERATOR FOR
MEYERS LANGLIE-MATTIX UNIT, LEA COUNTY, NEW MEXICO**

Doyle Hartman petitions for an Order disapproving all C-104s filed by Sirgo Operating Inc. ("Sirgo") which name Sirgo as Operator of the Meyers Langlie-Mattix Unit ("MLMU"), and an Order enjoining Sirgo from replacing the current operator, Texaco Exploration & Production Inc. ("Texaco") until such time as all provisions of the Unit Operating Agreement are complied with. In support, Petitioner states as follows:

1. Doyle Hartman is the owner of a 4.8% working interest in the MLMU.
2. On January 1, 1973 a Unit Agreement was entered into by all working royalty or other oil and gas interest owners unitizing working and royalty interests in the MLMU. A copy of the MLMU Unit Agreement is attached and incorporated as Exhibit 1.
3. The MLMU Unit Agreement was approved by the Oil Conservation Commission for the State of New Mexico, by Order No. R-4660. A copy of the order of approval is attached and incorporated as Exhibit 2. The MLMU Unit Agreement was approved by the Commissioner of Public Lands for the State of New Mexico, by

Certificate of Approval dated December 26, 1973. The MLMU Unit Agreement was approved by the Supervisor, United States Geological Survey, by Certification-Determination dated January 31, 1974.

4. Pursuant to the provisions of Section 6 of the Unit Agreement, Skelly Oil Company was named Unit Operator of the MLMU. Texaco, as successor in interest to Skelly, succeeded to Operator of the MLMU in approximately 1981, and has for years operated the Unit.

5. On October 4, 1990, Sirgo represented to Hartman in a letter that as of October 4, 1990, Sirgo had purchased "60+% of the Unit and Texaco has agreed to relinquish operations to us." A copy of the October 4, 1990 letter is attached and incorporated as Exhibit 3.

6. Contrary to Sirgo's representation in the October 4, 1991 letter, Sirgo's ownership interest in the MLMU at that time was only approximately 7.3%. See copy of Joint Account Statement for October, 1990 attached and incorporated as Exhibit 4.

7. Apparently, as part of its misrepresentations regarding ownership of the unit, Sirgo has misrepresented to Texaco and to other third parties, including various working interest owners in MLMU, that Sirgo owns Hartman's working interest in the MLMU. Sirgo contracted to purchase Hartman's working interest in the MLMU but has failed and refused to close the transaction. Sirgo does not own the Hartman interest.

8. In November and December 1990, Sirgo's ownership interest in the MLMU rose to approximately 21%. See November and December 1990 Joint Account

Statements attached and incorporated as Exhibit 5. Hartman has seen no records evidencing a greater ownership interest by Sirgo either before or since these referenced time periods.

9. On or About February 28, 1991 and March 8, 1991, Sirgo circulated ballots to various working interest owners in MLMU purporting to have the working interest owners vote for Sirgo to assume all rights, duties, and obligations of the unit operator under the MLMU Unit Agreement, thereby replacing Texaco as Unit Operator. Copies of the Ballots are attached and incorporated as Exhibit 6. No ballots were forwarded to Hartman.

10. On April 15, 1991, Texaco forwarded a letter to all working interest owners stating its intent to resign as Unit Operator "in the near future". Texaco's letter further states that Sirgo has furnished Texaco with documents regarding Sirgo's becoming the successor Unit Operator. A copy of the April 15, 1991 letter is attached and incorporated as Exhibit 7.

11. Section 7 of the Unit Agreement provides for the resignation or removal of the Unit Operator. Section 7 requires six months prior written notification of the Unit Operator's desire to resign. Texaco has not, as of this date, submitted a written notification of resignation.

12. Section 8 of the Unit Agreement provides for the selection of a successor Unit Operator. Section 8 requires documentation of approval of three or more working interest owners holding 65% or more of the Phase II Unit participation. Sirgo has not provided documentation of such approvals.

13. Section 8 of the Unit Agreement also requires the approval by both the supervisor of the United States Geological survey and the Commissioner of Public Lands of the State of New Mexico of any change in Unit Operator. Sirgo has provided no evidence of having obtained such approval.

14. Sirgo has not complied with either Section 7 or Section 8 of the Unit Agreement. Nevertheless, upon information and belief, Sirgo, on a date unknown at the present time, filed a form C-104 with the Oil Conservation Division claiming a change of operator from Texaco to Sirgo.

15. On May 13, 1991, Texaco wrote to the Oil Conservation Division denying the validity of the C-104's filed by Sirgo and reaffirming its operation of the subject unit. A copy of the May 13, 1991 letter is attached and incorporated as Exhibit 8.

16. Hartman has been informed that NMOCD has threatened to cancel the allowables for all wells on the MLMU because of Sirgo's having filed the C-104's relecting a change in operator of the subject unit while the OCD does not recognize Sirgo as the operator of the unit. Because of its actions, Sirgo has jeopardized the allowables for each well within the MLMU, thereby jeopardizing each working interest owner's rights under the Unit Agreement. Disapproval of the C-104's filed by Sirgo is therefore necessary to ensure continued operation of the unit without disruption and harm to all working interest owners.

17. The New Mexico Oil Conservation Division has jurisdiction pursuant to NMSA, 1978 §70-7-1 et seq.

18. Notice of this Petition has been served on all interested parties, as identified in Exhibit 9, pursuant to NMOCD Rule 1207.

WHEREFORE, Orders of the Division are requested as follows:

A. Setting aside and disapproving each and every NMOCD Form C-104 filed by Sirgo naming it as Unit Operator of the respective wells in MLMU and any other filing or request pursuing such a change of Operator.

B. Because of Sirgo's false representations regarding its status as operator of the MLMU and Sirgo's false and/or fraudulent representations regarding the amount of ownership Sirgo has in the unit, including its misrepresentation of owning Hartman's interest in the MLMU, Hartman requests an order enjoining any change of Unit Operator from Texaco to Sirgo unless and until Sirgo can establish that it has fully complied with all requirements of the Unit Agreement.

C. Hearing on this Petition be placed on the July 11, 1991 Examiners Docket.

D. Further relief as appears appropriate.

Respectfully submitted,

GALLEGOS LAW FIRM, P.C.

By

J. E. GALLEGOS

THOMAS M. DOMME

141 East Palace Avenue

Santa Fe, New Mexico 87501

(505) 983-6686

Attorneys for Petitioner

31114

UNIT AGREEMENT

FOR THE DEVELOPMENT AND OPERATION
OF THE

MYERS LANGLEIE-MATTIX UNIT

LEA COUNTY, NEW MEXICO

EXHIBIT

I

UNIT AGREEMENT
 MYERS LAMBLIE-MATTIX UNIT
 LEA COUNTY, NEW MEXICO

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EXHIBIT "A" - Map of Unit Area

EXHIBIT "B" - Description of Unit Area

EXHIBIT "C" - Tract Participation

MYERS LANGLEY-MATTIX UNIT

LEA COUNTY, NEW MEXICO

State of New Mexico No. _____

THIS AGREEMENT, entered into as of the 1st day of January, 1973, 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 an agreement as to the unitized development and operation of State lands; 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 Myers Langlie-Mattix Unit Area, covering the land hereinafter described to give reasonably effective control of operations therein; and

WHEREAS, it is the purpose of the parties hereto to 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 interest 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 9,923.68 acres more or less, or to which it may be extended as herein provided.

(b) "Commissioner" is defined as the Commissioner of Public Lands 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 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 having jurisdiction over oil and gas operation on Federal lands in the Unit Area.

(h) "Unitized Formation" means that interval underlying the Unit Area the vertical limits of which extend from a point 100 feet above the base of the Seven Rivers formation to the base of the Queen formation; said interval having been heretofore found to occur in Texas Pacific Oil Company's Blinberry "A" No. 3 well (located 2310 feet from the west line and 330 feet from the north line of Section 34, Township 23 South, Range 37 East, Lea County, New Mexico) at an indicated depth interval of 3168 feet to 3570 feet, as recorded on the Schlumberger Electrical log Run No. 1 taken December 26, 1952, said log being measured from a derrick floor elevation of 3300 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 and produced from the Unitized Formation underlying the lands unitized hereunder.

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

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

(l) "Unit Participation" of each Working Interest Owner means the sum of the products obtained by multiplying the Working Interest share 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 for simple title, under an oil or gas lease, or otherwise, and

includes any interest which 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 operations.

(n) "Working Interest Owner" is defined as and shall mean any party hereto owning a Working Interest. 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 a 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" of each Working Interest Owner, unless otherwise specifically defined herein, shall equal its Unit Participation in effect at the time a vote is taken.

(s) "Usable Well" shall mean a well which, in accordance with good oil field practice, is adequately equipped and in condition with casing in good repair (hereinafter referred to as "Usable Condition") to permit production of Unitized Substances from the Unitized Formation 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, Myers Langlie-Martix 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. Exhibit "C" attached hereto is a schedule showing the participation of each Tract during Phases I and II. 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 error 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 with the approval of the Supervisor and the Commissioner, and shall be 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 commit such Tract or Tracts to this Agreement, shall file an application therefor with Unit Operator requesting 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 three or more Working Interest Owners having in the aggregate eighty percent (80%) Phase 1 Unit Participation have agreed to inclusion of such tract or tracts in the Unit Area, 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 each 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 joinders in compliance with the participation requirements of

BOOK 312 PAGE 360

Section 15, Tracts Qualified for Participation, hereof; 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. The revised Tract Participations of those Tracts which were committed prior to 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 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 defined under Section 2 (h).

SECTION 6. UNIT OPERATOR. Skelly Oil Company is hereby designated as Unit Operator, and by signing this agreement 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 II Unit Participation remaining after excluding the Phase II 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 hereafter 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 Unitised 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

approved by the Supervisor and the Commissioner. If no successor Unit Operator is selected as herein provided, the Commissioner or the Director, at his 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-five percent (65%) or more of the Phase II Unit Participation shall prevail, provided that if any one Working Interest Owner has a Phase II Unit Participation greater than thirty-five percent (35%), its negative vote or failure to vote shall not be regarded as sufficient if the affirmative vote represents a majority of the voting interest, and such affirmative vote shall be controlling on all parties. 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 three or more Working Interest Owners owning a majority of the Phase II voting interest remaining after excluding the voting interest of Unit Operator so removed.

SECTION 9. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT.

Costs and expenses incurred by the Unit Operator in conducting unit operations hereunder shall be apportioned among, borne and paid by the Working Interest Owners in accordance with 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 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 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, subject to the limitations contained in Section 10, 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 approve 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

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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 deemed necessary to meet changed conditions or to protect the interests of all parties to this agreement; provided, however, that any revision of the approved plan of operation shall be subject to the consent and approval of the Working Interest Owners, the Commission, the Commissioner and the Supervisor.

A plan of operation shall be filed with the Supervisor and the Commissioner concurrently with the filing of this unit agreement for final approval. Said plan of operation and all revisions thereof shall be as complete and adequate as the Supervisor and the Commissioner may determine to be necessary for timely operation consistent herewith. Upon approval of this agreement and the aforementioned plan by the Supervisor and the Commissioner, said plan and all subsequently approved plans shall constitute the operation obligations of the Unit Operator under this 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 of an additional specified period of operation.

Notwithstanding anything to the contrary herein contained, should the Unit Operator fail to commence operations for the secondary recovery of the unitized substances from the unit area within one year after the effective date of this agreement and any extension thereof approved by the Supervisor and the Commissioner, this agreement shall terminate automatically as of the date of default.

SECTION 13. 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

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irrigation ditch of a surface 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. Working Interest Owners shall pay the owner for damages to growing crops, timber, fences, improvements, and structures on the Unit Area that result from Unit Operations.

SECTION 14. TRACT PARTICIPATION. Participation of each Tract is shown in Exhibit "C" and has been computed in accordance with the following:

(a) Phase I Participation. Phase I begins the effective date hereof and continues until the first day of the month next following the date that the cumulative volume of oil produced after January 1, 1969, from the Unitized Formation underlying all of the Tracts in the Unit Area totals 299,013 barrels. The Tract Participation of each Tract during Phase I, shown on Exhibit "C", is based upon the following formula:

Tract Participation Percentage

Phase I equals

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

Where: "A" equals total income from oil and gas produced from such Tract from the Unitized Formation during the period January 1, 1968, through December 31, 1968.

"B" equals the summation of the total income from oil and gas produced from all qualified Tracts from the Unitized Formation during the period January 1, 1968, through December 31, 1968.

(b) Phase II Participation. Phase II shall begin the first day of the month next following the date on which the last of the 299,013 barrels referred to in (a) above is produced and shall continue for the remainder of the term of this agreement. The Participation of each Tract during Phase II, shown on Exhibit "C", is based upon the following formula:

Tract Participation Percentage,

Phase II equals

$$85 \frac{E}{Y} \text{ plus } 10 \frac{G}{Y} \text{ plus } 5 \frac{1}{Y}$$

Where: "E" equals the estimated quantity of oil ultimately recoverable from the Unitized Formation by primary recovery operations credited to each Tract.

"Y" equals the summation of the estimated quantity of oil ultimately recoverable from the Unitized Formation by

primary recovery operations credited to all qualified Tracts.

"C" equals the cumulative oil produced from the Unitized Formation underlying each Tract as of July 1, 1966.

"H" equals the summation of the cumulative oil produced from the Unitized Formation underlying all qualified Tracts as of July 1, 1966.

"I" equals the number of acres contained in each Tract.

"J" equals the summation of the number of acres contained in all qualified Tracts.

If less than all Tracts within the Unit Area qualify for participation hereunder as of the effective date hereof, Unit Operator shall file with the Supervisor, the Commissioner and the Commission a schedule showing the qualified Tracts as of said effective date, which schedule shall be designated Revised Exhibit C and considered for all purposes as a part of this agreement. Said revised Exhibit C shall set forth opposite each qualified Tract the revised Tract Participation therefor which shall be calculated by using the same factors and formula which were used to arrive at the Tract Participations set out in Exhibit C attached hereto, but applying the same only to the qualified Tracts. Said revised Exhibit C, upon approval by the Supervisor and the Commissioner, shall supersede, effective as of the effective date hereof, the 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 Tract Participations are revised pursuant to this agreement and such revised Tract Participations are approved by the Supervisor and the Commissioner.

(c) Within Sixty (60) days after the requirements for commencement of Phase II have been met, the Operator will notify the Oil and Gas Department of the New Mexico State Land Office of such conversion to Phase II.

SECTION 15. TRACTS QUALIFIED FOR PARTICIPATION. On and after the effective date hereof, and until expansion as provided in Section 4 hereof, the tracts within the Unit Area which 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 shown on Exhibit A and listed in Exhibit "B" which qualify as follows:

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

(b) Each Tract as to which Working Interest Owners owning one hundred percent (100%) of the Working Interest therein have become parties hereto and as to which Royalty or Record Owners owning less than seventy-five percent (75%) of the Royalty and Record Interest therein have become parties hereto and, further, as to which:

(i) All Working Interest Owners in 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 II Participation in all Tracts qualifying under paragraph (a) bears to the total Phase II 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 therein have become parties hereto, regardless of the percentage of Royalty and Record Interest therein which is committed hereto and, further, as to which:

(i) The Working Interest Owner operating 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 eighty-five percent (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 interests in such Tract who are not parties hereto; and

(ii) Eighty percent (80%) of the combined voting interest of

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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 II Participation in all Tracts qualifying under paragraphs (a) and (b) bears to the total Phase II Participation of all Working Interest Owners in all Tracts qualifying under paragraphs (a) and (b). Upon the qualification of a Tract, the Unit Participation which would have been attributed to the nonsubscribing owners of the Working Interest in such Tract, had they become parties to this agreement and the Unit Operating Agreement, shall be attributed to the Working Interest Owners in such Tract who have become parties to the indemnity agreement, 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 on unitized land for drilling, operating, camp and other production or development purposes and for pressure maintenance in accordance with a plan of operation approved by the Supervisor and the Commissioner, or unavoidably lost) shall be apportioned among and allocated to the qualified 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 qualified for participation under this agreement shall be subsequently excluded from participation hereunder on account of depletion of Unitized Substances from said Tract.

If the Working Interest and/or the Royalty Interest in any Tract is divided with respect to separate parcels or portions of such Tract and owned severally by different persons, the Unitized Substances allocated to such Tract shall, in the absence of a recordable instrument executed by the owners of such interest, furnished to Unit Operator and fixing the divisions of ownership, be divided among the owners of interest in such parcels or portions in proportion to the number of surface acres in each parcel or portion.

The Unitized Substances allocated to each Tract shall be delivered in kind to the parties entitled thereto by virtue of the ownership of oil and gas rights therein or by purchase from such owners. Each of 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 14, 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, Unit Operator, in order to avoid curtailing Unit operations, 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 to 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 oil 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 said Tract, and each such party shall hold each other party hereto harmless against all claims, demands and causes of action for Royalty due under the lease or leases covering said Tract.

SECTION 17. BALANCING OF PRODUCTION. Unit Operator shall make a proper and timely gauge of all leases and other tanks located on each committed Tract in order to ascertain the amount of merchantable oil in such tanks, above the pipeline connection, on the effective date hereof. All such oil which is a part of the prior allowable of the well or wells from which the same was produced shall be and remain the property of the Owners entitled thereto as if this agreement had not been entered into and such Owners shall promptly remove same. Any such oil not so removed may be sold by the Unit Operator for the account of such Owners, subject to payment of all Royalties due under the terms and provisions of the applicable lease or leases and other contracts. All oil which is in excess of the prior allowable for the well or wells from which the same was 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 of unitized land is overproduced with respect to the allowable of the well or wells on that Tract and if 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 parties 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 oil production per well and/or the average gravity of such oil production and/or the daily average gas production per lease, such average production or average gravity 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 qualified hereunder, 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. If the title to a Royalty Interest fails but the lands to which it relates remain subject hereto, the party whose title failed shall not be entitled to share hereunder with respect to such interest.

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 lessors 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 the Unitized Substances from the Unitized Lands 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 requirement 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, subleases and contracts are particularly modified in accordance with the following:

(a) The development and operation of lands subject to this agreement under the terms hereof shall be deemed full performance of all obligations for development and operation with respect to each and every 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 Supervisor 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 Federal lease committed hereto shall continue in force beyond the term so provided therein or by law as to the committed land so long as such land remains committed hereto.

(f) 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.

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.

(h) The segregation of any Federal lease committed to this agreement is governed by the following provision in the fourth paragraph of Sec. 17(j) of the Mineral Leasing Act as amended by the Act of September 2, 1960 (74 Stat. 781-784): "Any (Federal) lease 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 ^{BOOK 312 PAGE 375} the assumption of all privileges and obligations hereunder by the grantor, 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 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 II Unit Participation of at least eighty-five percent (85%), and the execution or ratification of this agreement by Royalty and Record Owners owning interests in tracts having a combined interest of at least sixty-five percent (65%) of the Royalty and Record Interest in the Unit Area, calculated on the basis of Phase II Unit Participation; and

(b) The approval of this agreement by the Commissioner, the Supervisor, and the Commission;

(c) If (a) and (b) above are not accomplished on or before January 1, 1974, 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 II Unit Participation of at least eighty percent (80%), and the Working Interest Owners owning tracts with a combined Phase II 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) and (b) 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 file at least one counter part of this agreement for record in the office of the County Clerk of Lea County, New Mexico. Within thirty (30) days after the effective date of this agreement, Unit Operator shall file for record in each 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 quantities sufficient to repay the cost of producing same from the Unitized Land and should production cease so long thereafter as drilling, reworking or other operations to restore production (including secondary recovery operations) are prosecuted thereon without cessation of more than ninety (90) consecutive days, and should production be restored 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 Supervisor by Working Interest Owners owning tracts with a combined Phase II 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 (15) 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 signatures 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

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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 of 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, against its will, to settle strikes.

SECTION 32. LOSS OF TITLE. In the event title to any tract of unitized land shall fail so as to render the tract not subject to this agreement and the true owner cannot be induced to join this 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 Exhibit "C" accordingly. The revised exhibit 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 title dispute as to any Royalty, Working Interest or other interest subject hereto, payment or delivery on account thereof may be withheld without liability or interest until the dispute is finally settled; provided, that as to 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 not specifically excluded by the terms of the joinder instrument, provided said party also executes the Unit Operating Agreement as owner of a Working Interest.

SECTION 34. NONJOINDER AND SUBSEQUENT JOINDER. If the owner of any substantial interest in a qualified Tract 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. 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 this 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 agreement.

Any oil or gas interest in the Unitized Formation not committed hereto prior to the effective date of this agreement may thereafter be committed hereto upon compliance with the applicable provisions of this Section and of Section 15 (Tracts Qualified for Participation) hereof, at any time during a period of six months after the effective date of this agreement on the same basis of participation as provided in said Section 15, by the owner or owners thereof subscribing, ratifying, or consenting in writing to

BOOK 312 PAGE 380

this agreement and, if the interest is a Working Interest, by the owner of such interest subscribing also to the Unit Operating Agreement.

It is understood and agreed, however, that after such six months 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 II 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 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 14 are made subject to the provisions of Section 15 hereinabove set forth and nothing contained herein shall be construed in contravention or derogation thereof.

SECTION 15. 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 amount or value of the Unitized Substances produced, gathered and sold from the land subject to this agreement. 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 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 failures which might incidentally cause the title to a Working Interest or Royalty Interest to fail, the owners of (1) the surface rights to each committed Tract, (2) severed mineral or Royalty Interest in said Tracts and (3) improvements located 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 liens 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 Owner, 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. NO SHARING OF MARKET. This agreement is not intended to provide, and shall not be construed to provide, directly or indirectly for any cooperative refining, joint sale, or marketing of Unitised Substances.

SECTION 40. BORDER AGREEMENTS. Unit Operator, with concurrence of Working Interest Owners having a combined Phase II 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 lands not subject hereto, when said agreements provide for operations designed to increase ultimate recovery, conserve

natural resources, and protect the parties and their interests.

BOOK 312 PAGE 383

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 A. Herring
Assistant Secretary

SKIRLY OIL COMPANY

Quadd W. Qualling
Vice President

Date: April 5, 1973

UNIT OPERATOR

NON-OPERATORS

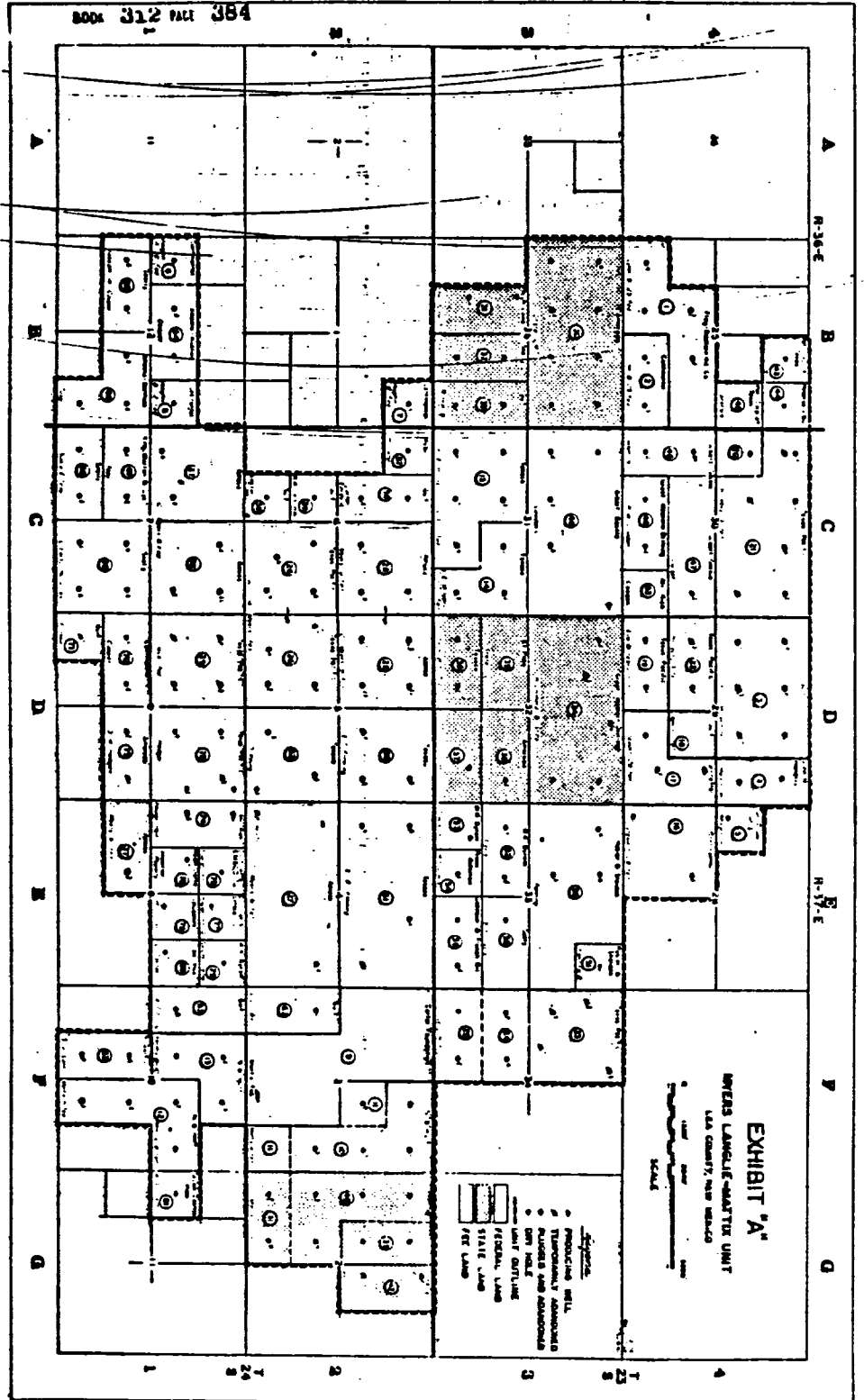
OKLAHOMA
STATE OF NEW MEXICO)
COUNTY OF TULSA) SS

The foregoing instrument was acknowledged before me this 5th day of April, 19 73 by Quadd W. Qualling Vice President for SKIRLY OIL COMPANY, on behalf of said company.

My Commission Expires:

Aug 24, 1975

Louise D. Lain
Notary Public



BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5086
Order No. R-4660

APPLICATION OF SKELLY OIL COMPANY
FOR APPROVAL OF THE MYERS LANGLIE-
MATTIX UNIT AGREEMENT, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
October 31, 1973, at Santa Fe, New Mexico, before Examiner
Richard L. Stamets.

NOW, on this 16th day of November, 1973, the Commission,
a quorum being present, having considered the testimony, the
record, and the recommendations of the Examiner, and being
fully advised in the premises,

FINDS:

(1) That due public notice having been given as required
by law, the Commission has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, Skelly Oil Company, seeks approval
of the Myers Langlie-Mattix Unit Agreement covering 9923.68
acres, more or less, of State, Federal and Fee lands described
as follows:

LEA COUNTY, NEW MEXICO

TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM

Section 25: N/2 NE/4, SE/4 NE/4, E/2 SW/4,
SW/4 SW/4, and SE/4

Section 36: N/2, SE/4, and E/2 SW/4

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM

Section 28: SW/4 NW/4 and SW/4

Sections 29 through 33: All

Section 34: W/2

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM

Section 1: NE/4 NE/4

Section 12: S/2 N/2, N/2 S/2, and SE/4 SE/4

EXHIBIT

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM

Section 2: W/2 NE/4 and W/2

Section 3: NE/4, E/2 SE/4, and W/2 SW/4

Sections 4 and 5: All

Section 6: E/2, E/2 W/2, and NW/4 NW/4

Section 7: All

Section 8: N/2, N/2 S/2, and SW/4 SW/4

Section 9: N/2 and N/2 SW/4

Section 10: NW/4, W/2 NE/4, SE/4 NE/4, E/2 SW/4,
and W/2 SE/4

Section 11: SW/4 NW/4

(3) That approval of the proposed unit agreement should promote the prevention of waste and the protection of correlative rights within the unit area.

IT IS THEREFORE ORDERED:

(1) That the Myers Langlie-Mattix Unit Agreement is hereby approved.

(2) That the plan contained in said unit agreement for the development and operation of the unit area is hereby approved in principle as a proper conservation measure; provided however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Commission to supervise and control operations for the exploration and development of any lands committed to the unit and production of oil or gas therefrom.

(3) That the unit operator shall file with the Commission an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; that in the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Commission within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(4) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico and the Director of the United States Geological Survey; that this order shall terminate ipso facto upon the termination of said unit agreement; and that the last unit operator shall notify the Commission immediately in writing of such termination.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

-3-

Case No. 5086

Order No. R-4660

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member


A. L. PORTER, Jr., Member & Secretary

S E A L

dr/

Sirgo Operating, Inc.

P. O. Box 3531, Midland, Texas 79702 (915) 685-0878

October 4, 1990

Mr. Doyle Hartman
Midland, Texas

Re: Offer to Purchase W.I. in
Myers Langlie-Mattix Unit
Lea County, New Mexico
Via A Like Kind Exchange
Transaction

Mr. Hartman,

Reference is made to my letter to you dated June 27, 1990 proposing a like kind exchange offer for your interests in the Myers Langlie-Mattix Unit. At that time, I proposed a transaction whereby we would have escrowed the purchase of your interests in the unit, and then identify a property within the following six months to acquire an interest in a property of your choice. This proposal was the result of our previous discussion with you whereby you indicated you were not interested in a cash sale, but a property exchange. We then began to identify tracts we thought were acceptable to you and pursued negotiations to purchase these interests.

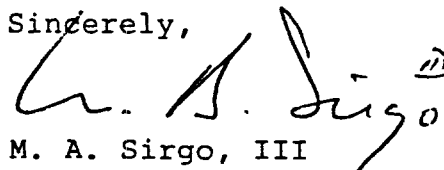
When I had reached a point in those negotiations where I felt the opportunity for us to purchase these tracts was eminent, I sent you the June 27 proposal. You indicated at that time you would rather have confirmation of the exchange interests, than have it open ended. We have since received written confirmation from ARCO concerning three tracts that we can purchase. (See attached letter).

I submitted these to your people last week for review and evaluation. Needless to say, I cannot keep ARCO hanging and if you are no longer interested in this kind of trade, I need to make other arrangements with these interests, as I do not intend to not perform with ARCO.

As to the Myers Unit, we have now purchased 60+% of the Unit and Texaco has agreed to relinquish operations to us. I would propose to trade you the ARCO tracts for \$800,000 plus your interests in the Myers.

If at all possible, could you let me know by Monday, October 8, 1990 if you are interested in this transaction.

Sincerely,


M. A. Sirgo, III

MAS/pr
Attachment



OCT 8 1990

TPI-MIDLAND
JOINT ACCOUNT STATEMENT
MYERS LANGLIE-MATTIX UNIT
ACCOUNT NO. 65002
NOVEMBER, 1990

REPORT NO 01621
41

OHEAD

NO OHEAD

366-MYERS LANGLIE MATTIX UNIT O/A

333000061800432		
DIRECT LABOR	.00	12,274.06
OVERTIME OPERATING-NONSCHEDULED	.00	4.65
DIRECT LABOR-REPAIRS & MAINT	.00	3,129.53
WELL SERVICE & PULLING UNITS	.00	40,140.13
TRANSPORTATION - HIRED	.00	2,385.88
CONTRACT WORK - GENERAL OPER	.00	30,991.31
SUBSURFACE PUMPS AND PARTS	.00	6,165.06
TOOLS AND SUPPLIES	.00	11,735.56
CHEMICALS - OTHER	.00	462.39
REPAIRS & MAINT--LABOR & MATER	.00	8,194.61
RENTALS-TOOLS AND EQUIPMENT	.00	1,526.82
RENTALS-OTHER	.00	4,482.78
ELECTRIC ENERGY PURCHASED	.00	27,727.52
SALES AND USE TAX	.00	184.94
PRESSURE MAINT-SECOND RECOVERY	.00	34,056.19
PRODUCING OVERHEAD	.00	58,601.46
DISTRIBUTED-OTHER	.00	3,821.39
CHARGES TO OUTSIDERS-OTHER	.00	889.80
SEE DETAIL ATTACHED	.00	1,432.62
PROPERTY TOTAL	.00	246,427.10
AFE: 60030068- MYERS LANGLIE MATTIX UT #55 OA		
WELL SERVICE & PULLING UNITS	.00	604.31
CONTRACT WORK - GENERAL OPER	.00	1,264.50
AFE TOTAL	.00	1,868.81
TOTAL OHEAD/NO OHEAD	.00	248,295.91
PART INTEREST ACCOUNT		248,295.91

CO-OWNER NAME

AMT-100%

CO-OWNER %

CO-OWNER AMT

2621	1	AMERADA HESS CORP	248,295.91	.00	387.53	15,859.93
3518	1	ARLENE S ANTHONY	248,295.91	.00	852.80	211.73
7435	1	GEORGE R BENTLEY	248,295.91	.00	151.20	37.54
1241	1	JAMES C BROWN	248,295.91	.00	179.69	446.18
6732	1	ELLEN HARRIS CLAY ESTATE	248,295.91	.00	93.00	23.09
6733	1	JENNIFER ANN CLAY	248,295.91	.00	001.85	4.61
6734	1	JOAN CLAY	248,295.91	.00	001.85	4.61
6735	1	CLAY TRUSTS 613-123	248,295.91	.00	756.96	1,879.50
6737	1	JOHN W. CLAY III	248,295.91	.00	001.85	4.61
6787	1	RUFUS "PETE" CLAY JR TRUST	248,295.91	.00	442.97	1,099.90
6788	1	SUSAN MARIE CLAY	248,295.91	.00	001.85	4.61
7113	1	ADELE COMES CLOUGH	248,295.91	.00	000.65	1.61
7114	1	MICHAEL CLOUGH	248,295.91	.00	000.22	.55
9303	1	MARGARET COUCH TRUST	248,295.91	.00	446.07	1,107.58
0143	1	CROSS TIMBERS PRODUCTION CO.	248,295.91	.00	912.63	2,266.02
0661	1	EL PASO NATURAL GAS CO	248,295.91	.00	089.31	221.73
0685	1	GEODYNE RESOURCES INC.	248,295.91	.00	102.97	255.67
0402	1	HCW INCOME PROPERTIES	248,295.91	.00	452.47	1,123.46
0088	1	DOYLE HARTMAN	248,295.91	.00	765.59	16,798.70
0402	1	HEADINGTON MINERALS INC.	248,295.91	.00	207.94	516.33
3419	1	EDYTHE B. HUMPHRIES	248,295.91	.00	001.85	4.61
3657	1	LAMAR HUNT	248,295.91	.01	553.15	3,856.41
3729	1	N E HUNT	248,295.91	.03	106.33	7,712.89
3803	1	W H HUNT	248,295.91	.01	553.16	3,856.43
8181	1	KERR-MCGEE CORPORATION	248,295.91	.01	238.22	3,074.45
0704	1	WESLYNN MCCALLISTER LARSEN	248,295.91	.00	142.94	354.91
2682	1	LORTSCHER FAMILY TRUST	248,295.91	.00	255.84	635.24
4500	1	MARALO INC CRCK	248,295.91	.00	596.16	1,480.24
7670	1	MEYERS PARTNERS INC	248,295.91	.26	585.73	66,011.30
3628	1	EVELYN CLAY O'HARA TRUST	248,295.91	.00	457.42	1,135.77
4752	1	OXY USA INC.	248,295.91	.01	692.79	4,203.13
4827	1	PC LTD	248,295.91	.00	140.39	348.52
6179	1	ROBERT C SCOTT	248,295.91	.00	170.56	423.49
3415	1	SIRGO BROTHERS INC.	248,295.91	.21	233.40	52,721.66
3395	1	LOUISE SUMMERS	248,295.91	.00	86.49	214.75
7766	1	TEXACO PRODUCING INC	248,295.91	.24	323.90	60,393.98
1	1	TEXACO INC.	248,295.91		ROUNDING	.02
TOTAL AMOUNT BY CO-OWNERS						248,295.91

EXHIBIT

TPI-MIDLAND
JOINT ACCOUNT STATEMENT
MYERS LANGLIE-MATTIX UNIT
ACCOUNT NO. 65002
DECEMBER, 1990

REPORT NO 01621
41

OHEAD

NO OHEAD

366-MYERS LANGLIE MATTIX UNIT O/A		
333000061300482		
DIRECT LABOR	.00	11,220.60
HOLIDAY PREMIUM PAY	.00	1,491.04
OVERTIME OPERATING-NONSCHEDULED	.00	40.48
DIRECT LABOR-REPAIRS & MAINT	.00	1,917.85
WELL SERVICE & PULLING UNITS	.00	18,754.16
TRANSPORTATION - HIRED	.00	3,034.11
CONTRACT WORK - GENERAL OPER	.00	13,221.77
SUBSURFACE PUMPS AND PARTS	.00	1,567.29
TOOLS AND SUPPLIES	.00	6,624.27
RENTALS-TOOLS AND EQUIPMENT	.00	343.95
RENTALS-OTHER	.00	1,186.59
ELECTRIC ENERGY PURCHASED	.00	28,313.88
SALES AND USE TAX	.00	58.09
COMPANY TRUCKING-DEBIT	.00	781.04
COMPANY AUTOMOBILE	.00	8,559.56
PRESSURE MAINT-SECOND RECOVERY	.00	37,220.61
PRODUCING OVERHEAD	.00	58,601.46
DISTRIBUTED-OTHER	.00	3,638.30
SEE DETAIL ATTACHED	.00	41,802.63
PROPERTY TOTAL	.00	238,377.68
AFE: 634734- MYERS-LANGLIE-MATTIX #27		
DISTRIBUTED SUPERVISION	.00	361.41
AFE TOTAL	.00	361.41
AFE: 60030068- MYERS LANGLIE MATTIX UT #55 OA		
WELL SERVICE & PULLING UNITS	.00	12,118.38
AFE TOTAL	.00	12,118.38
TOTAL OHEAD/NO OHEAD	.00	250,857.47
PART INTEREST ACCOUNT		250,857.47

	CO-OWNER NAME	AMT-100%	CO-OWNER %	CO-OWNER AMT
21	1 AMERADA HESS CORP	250,857.47	.06337533	16,023.60
12	1 ARLENE S ANTHONY	250,857.47	.00085280	213.93
35	1 GEORGE R BENTLEY	250,857.47	.00015120	37.93
1	1 JAMES C BROWN	250,857.47	.00179695	450.78
32	1 ELLEN HARRIS CLAY ESTATE	250,857.47	.00009300	23.33
33	1 JENNIFER ANN CLAY	250,857.47	.00001858	4.66
34	1 JOAN CLAY	250,857.47	.00001858	4.66
35	1 CLAY TRUSTS 618-123	250,857.47	.00756960	1,898.89
37	1 JOHN W. CLAY III	250,857.47	.00001858	4.66
37	1 REFUS "PSTE" CLAY JR TRUST	250,857.47	.00442978	1,111.24
38	1 SUSAN MARIE CLAY	250,857.47	.00001858	4.66
13	1 ADELE COMBS CLOUGH	250,857.47	.00000650	1.63
14	1 MICHAEL CLOUGH	250,857.47	.00000220	.55
08	1 MARGARET COUCH TRUST	250,857.47	.00446072	1,119.00
13	1 CROSS TIMBERS PRODUCTION CO.	250,857.47	.00912630	2,289.40
51	1 EL PASO NATURAL GAS CO	250,857.47	.00089310	224.04
35	1 GEODYNE RESOURCES INC.	250,857.47	.00102970	258.31
02	1 HCW INCOME PROPERTIES	250,857.47	.00452470	1,135.05
38	1 DOYLE HARTMAN	250,857.47	.06765596	16,972.00
02	1 HEADINGTON MINERALS INC.	250,857.47	.00207948	521.65
19	1 EDYTHE B. HUMPHRIES	250,857.47	.00001858	4.66
37	1 LAMAR HUNT	250,857.47	.01553150	3,896.19
29	1 N B HUNT	250,857.47	.03106330	7,792.46
33	1 W H HUNT	250,857.47	.01553160	3,896.22
31	1 KERR-MCGEE CORPORATION	250,857.47	.01238220	3,106.17
34	1 WESLYNN MCCALLISTER LARSEN	250,857.47	.00142940	358.58
32	1 LORTSCHER FAMILY TRUST	250,857.47	.00255840	641.79
00	1 MARALO INC CRCK	250,857.47	.00596160	1,495.51
70	1 MEYERS PARTNERS INC	250,857.47	.26585736	66,692.30
28	1 EVELYN CLAY O'HARA TRUST	250,857.47	.00457425	1,147.48
32	1 OXY USA INC.	250,857.47	.01692790	4,246.49
27	1 PC LTD	250,857.47	.00140390	352.18
29	1 ROBERT C SCOTT	250,857.47	.00170560	427.86
15	1 SIRGO BROTHERS INC.	250,857.47	.21233400	53,265.57
25	1 L. SUMMERS OIL CO.	250,857.47	.00086490	216.97
36	1 TEXACO PRODUCING INC	250,857.47	.24323390	61,017.04
1	1 TEXACO INC.	250,857.47	ROUNDING	.03
	TOTAL AMOUNT BY CO-OWNERS			250,857.47

March 8, 1991

Sirgo Operating, Inc.
P. O. Box 3531
Midland, Texas 79702

Gentlemen:

By executing this letter, the undersigned working interest owner hereby acknowledges and represents that it will support a change in the operator on the Myers Langlie-Mattix Unit from the current Unit operator, Texaco, Inc., to the proposed new operator, Sirgo Operating, Inc.

The undersigned ratifies and confirms that this letter shall serve as the undersigned's ballot to cast its vote for Sirgo Operating, Inc. to assume all rights, duties, and obligations of Unit operator under the said Myers Langlie-Mattix Unit Agreement.

In consideration of the premises hereinbefore set forth and the promises hereinafter stated, Sirgo Operating, Inc. hereby covenants and agrees to fulfill the duties and assume the obligations of Unit operator under and pursuant to all the terms of the Myers Langlie-Mattix Unit Agreement, and the undersigned covenants and agrees that, effective upon approval of the change in operator by the authorized government agency, Sirgo Operating, Inc. shall be granted the exclusive right and privilege of exercise in any and all rights and privileges as Unit Operator, pursuant said Unit Agreement being hereby incorporated herein by reference and made a part hereof as fully and effectively as though said Unit Agreement were expressly set forth in this instrument.

Respectfully,

* PC, Ltd.

By: Fred F. Dueser
Fred F. Dueser, General Partner
By: J. L. McClymont
J. L. McClymont, General Partner
WORKING INTEREST OWNER
MYERS LANGLIE-MATTIX UNIT
.140390 & W.I.

Agreed to and accepted this 8th day of March, 1991.

*PC, Ltd. has executed this letter conditioned on the understanding that Sirgo Production shall operate the Myers Langlie-Mattix Unit under the terms and conditions of all agreements (including Unit Operating Agreements) covering said property.

BY: Victor J. Sirgo
Victor J. Sirgo
Vice President

EXHIBIT

6

March 8, 1991

Sirgo Operating, Inc.
P. O. Box 3531
Midland, Texas 79702


Gentlemen:

By executing this letter, the undersigned working interest owner hereby acknowledges and represents that it will support a change in the operator on the Myers Langlie-Mattix Unit from the current Unit operator, Texaco, Inc., to the proposed new operator, Sirgo Operating, Inc.

The undersigned ratifies and confirms that this letter shall serve as the undersigned's ballot to cast its vote for Sirgo Operating, Inc. to assume all rights, duties, and obligations of Unit operator under the said Myers Langlie-Mattix Unit Agreement.

In consideration of the premises hereinbefore set forth and the promises hereinafter stated, Sirgo Operating, Inc. hereby covenants and agrees to fulfill the duties and assume the obligations of Unit operator under and pursuant to all the terms of the Myers Langlie-Mattix Unit Agreement, and the undersigned covenants and agrees that, effective upon approval of the change in operator by the authorized government agency, Sirgo Operating, Inc. shall be granted the exclusive right and privilege of exercise in any and all rights and privileges as Unit Operator, pursuant said Unit Agreement being hereby incorporated herein by reference and made a part hereof as fully and effectively as though said Unit Agreement were expressly set forth in this instrument.


Respectfully,


Signature
Print Name: R.W. Mullins
Title: Manager, Joint Venture - U.S. Onshore
WORKING INTEREST OWNER
MYERS LANGLIE-MATTIX UNIT
6.38753 % W.I. ANTRADA HESS CORPORATION

Agreed to and accepted this 8th day of March, 1991.

SIRGO OPERATING, INC.

BY:


Victor J. Sirgo
Vice President

RECEIVED MAR 16 1991

February 28, 1991

Sirgo Operating, Inc.
P. O. Box 3531
Midland, Texas 79702

Gentlemen:

By executing this letter, the undersigned working interest owner hereby acknowledges and represents that it will support a change in the operator on the Myers Langlie-Mattix Unit from the current Unit operator, Texaco, Inc., to the proposed new operator, Sirgo Operating, Inc.

The undersigned ratifies and confirms that should a vote be called to elect a new operator, this letter shall serve as the undersigned's ballot to cast its vote for Sirgo Operating, Inc. to assume all rights, duties, and obligations of Unit operator under the said Myers Langlie-Mattix Unit Agreement.

In consideration of the premises hereinbefore set forth and the promises hereinafter stated, Sirgo Operating, Inc. hereby covenants and agrees to fulfill the duties and assume the obligations of Unit operator under and pursuant to all the terms of the Myers Langlie-Mattix Unit Agreement, and the undersigned covenants and agrees that, effective upon approval of the change in operator by the authorized government agency, Sirgo Operating, Inc. shall be granted the exclusive right and privilege of exercise in any and all rights and privileges as Unit Operator, pursuant said Unit Agreement being hereby incorporated herein by reference and made a part hereof as fully and effectively as though said Unit Agreement were expressly set forth in this instrument.

Respectfully,

KERR-McGEE CORPORATION

BY: [Signature]
Name
Title: Vice President
WORKING INTEREST OWNER
MYERS LANGLIE-MATTIX UNIT
1.238220% W.I.

Agreed to and accepted this 28th day of February, 1991.

SIRGO OPERATING, INC.

BY: [Signature]
M. A. Sirgo, III President

Kerr-McGee

February 28, 1991

Sirgo Operating, Inc.
P. O. Box 3531
Midland, Texas 79702

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Respectfully,

MARALO INC.

BY: R. A. Lowery

Name R. A. Lowery

Title: Production Manager

WORKING INTEREST OWNER

MYERS LANGLIE-MATTIX UNIT

0.596160% W.I.

Agreed to and accepted this 28th day of February, 1991.

SIRGO OPERATING, INC.

BY: M. A. Sirgo

M. A. Sirgo, III President

Maralo

March 8, 1991

Sirgo Operating, Inc.
P. O. Box 3531
Midland, Texas 79702

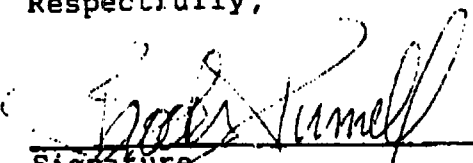
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Respectfully,

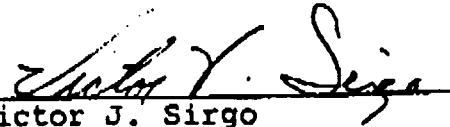


Signature
Print Name: Brooks Parnell
Title: Vice President
WORKING INTEREST OWNER
MYERS LANGLIE-MATTIX UNIT
207948 W.I.

Agreed to and accepted this 8th day of March, 1991.

SIRGO OPERATING, INC.

Henderson

BY: 

Victor J. Sirgo
Vice President

RECEIVED MAR 16 1991

March 8, 1991

Sirgo Operating, Inc.
P. O. Box 3531
Midland, Texas 79702

Gentlemen:

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Respectfully,

Wesleyan McCallister
Signature
Print Name: Wesleyan McCallister
Title: _____
WORKING INTEREST OWNER
MYERS LANGLIE-MATTIX UNIT
.142940 % W.I.

Agreed to and accepted this 8th day of March, 1991.

SIRGO OPERATING, INC.

BY: Victor J. Sirgo
Victor J. Sirgo
Vice President

March 8, 1991

Sirgo Operating, Inc.
P. O. Box 3531
Midland, Texas 79702

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Respectfully,


Signature

Print Name: Louise C. Summers

Title:

WORKING INTEREST OWNER

MYERS LANGLIE-MATTIX UNIT

.096490 & W.I.

Agreed to and accepted this 8th day of March, 1991.

SIRGO OPERATING, INC.

BY: 

Victor J. Sirgo
Vice President

March 8, 1991

Sirgo Operating, Inc.
P. O. Box 3531
Midland, Texas 79702

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Respectfully,

GEODYNE RESOURCES

R. L. Clemons
Signature
Print Name: R. L. Clemons
Title: V.P. Geodyne Resources Co.
WORKING INTEREST OWNER
MYERS LANGLIE-MATTIX UNIT
102970 & W.I.

Agreed to and accepted this 8th day of March, 1991.

SIRGO OPERATING, INC.

BY: Victor J. Sirgo
Victor J. Sirgo
Vice President

RECEIVED APR - 4 1991

March 8, 1991

Sirgo Operating, Inc.
P. O. Box 3531
Midland, Texas 79702

Gentlemen:

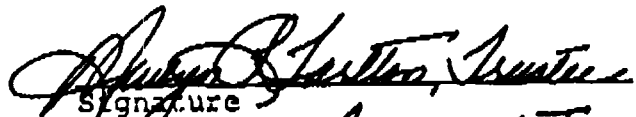
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Respectfully,

LORTSCHER FAMILY TRUST



Signature

Print Name: MAARILYN L. TARLTON

Title: TRUSTEE

WORKING INTEREST OWNER

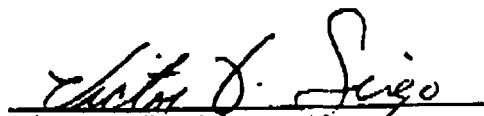
MYERS LANGLIE-MATTIX UNIT

255840 & W.I.

Agreed to and accepted this 8th day of March, 1991.

SIRGO OPERATING, INC.

BY:



Victor J. Sirgo
Vice President



Texaco Exploration and Production Inc
Midland Producing Division

P O Box 3109
Midland TX 79702-3109

April 15, 1991

230830 - MYERS LANGLIE-MATTIX UNIT
LEA COUNTY, NEW MEXICO
Resignation of Operator

TO: ALL WORKING INTEREST OWNERS

Reference is made to ARTICLE 6, PARAGRAPHS 6.2 and 6.3 of the Unit Operating Agreement and SECTIONS 6, 7 and 8 of the Unit Agreement, both dated January 1, 1973 covering the subject unit. Texaco Exploration and Production Inc. (successor to Texaco Producing Inc.) will resign as Unit Operator of the Myers Langlie-Mattix Unit in the near future.

Texaco continues neutral in the matter of selecting a successor Unit Operator. It becomes the duty of the remaining Working Interest Owners in the Myers Langlie-Mattix Unit to select a successor Unit Operator based on their independent investigations and findings.

In this connection, Sirgo Operating, Inc. ("Sirgo") has furnished Texaco with copies of certain documents. These documents evidence the approval of the majority of the Unit Working Interest Owners to select Sirgo as successor Unit Operator, all as provided for in the aforementioned agreements.

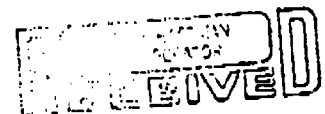
Pending resolution of certain accounting matters, Texaco will submit to each of you its resignation as Unit Operator. Prior to that time, Texaco will continue to operate the Myers Langlie-Mattix Unit all in accordance with the unit agreements.

Yours very truly,

Texaco Exploration and Production Inc.

H. C. Pattison
Assistant Division Manager

RCD/srt



APR 18 1991

cc BT
CMS ✓
MS
DII





Texaco Exploration and Production Inc.
Midland Producing Division

P O Box 3109
Midland TX 79702-3109

May 13, 1991

230830 - MYERS LANGLIE-MATTIX UNIT
LEA COUNTY, NEW MEXICO

State of New Mexico
Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

Attention: Mr. Jerry Sexton

Gentlemen:

Reference is made to our telephone conversation of this date wherein you were advised that Texaco Exploration and Production Inc. continues to operated the subject unit.

Although forms C-104 (Change of Operator) were filed by Sirgo Operating, Inc. covering the wells located in the unit, actual operations have not changed hands. Pending resolution of certain accounting matters, Texaco intends to submit its resignation as unit operator. Prior to that time, Texaco will continue to operate the Myers Langlie-Mattix Unit all in accordance with the unit agreements.

Yours very truly,

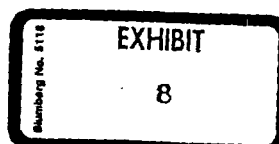
Texaco Exploration and Production Inc.

H. C. Pattison
Assistant Division Manager

RCD/srt

cc: M. A. Sirgo, III
Sirgo Operating Inc.
P. O. Box 3531
Midland, TX 79702

JAH (Hobbs)



INTEREST OWNERS
MYERS LANGLEIE-MATTIX UNIT

Amerada Hess Corporation
P.O. Box 2040
Tulsa, OK 74102-2040

Arlene S. Anthony
721 Chatham Road
Glenview, IL 60025

George R. Bentley
P.O. Box 37
Pineville, KY 40977-0037

James C. Brown
P.O. Box 10621
Midland, TX 79702-0621

Ellen Harris Clay Trust
c/o Texas American Bank Fort Worth
P.O. Box 2605
Fort Worth, TX 76113-2605

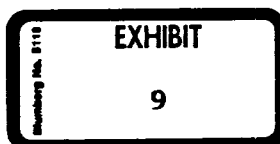
Jennifer Ann Clay
4135 Glenwick, #25
Dallas, TX 75205

Joan Clay
c/o Grant Thornton
P.O. Box 19585
Irvine, CA 92713-9585

Clay Trusts 618-123
Ameritrust Texas N.A.
P.O. Box 901004
Fort Worth, TX 76101-1004

John W. Clay, III
4005 Pin Oak Terrace, #304
Euless, TX 76040

Rufus "Pete" Clay, Jr. Trust
P.O. Box 50688
Amarillo, TX 79159-0688



Susan Marie Clay
2737 Colonial Parkway
Fort Worth, TX 76109

Adele Combs Clough
6926 Midbury Drive
Dallas, TX 75230

Michael Clough
7717 Meadowhaven Dr.
Dallas, TX 75240

Margaret Couch Trust
P.O. Box 50688
Amarillo, TX 79159-0688

Cross Timbers Production Co.
810 Houston St., Ste 2000
Fort Worth, TX 76102

El Paso Natural Gas Company
P.O. Box 1492
El Paso, TX 79978-1492

Geodyne Resources, Inc.
NW-8045
P.O. Box 8045
Minneapolis, MN 55485-8045
Attention: R. L. Clemens, Vice President

HCW Income Properties
The Historic Church
Grn Bld, 101 Summer Street
Boston, MA 21100

Headington Oil Company
7557 Rambler Road, #1150
Dallas, TX 74231
Attention: Brooks Purnell, Vice President

Edythe B. Prikryl
5708 Melstone
Arlington, TX 76016

Lamar Hunt
2400 Thanksgiving Tower
1601 Elm Street
Dallas, TX 75201

N. B. Hunt
2400 Thanksgiving Tower
1601 Elm Street
Dallas, TX 75201

W. H. Hunt
2400 Thanksgiving Tower
1601 Elm Street
Dallas, TX 75201

Kerr-McGee Corporation
P.O. Box 730330
Dallas, TX 75373-0330

Weslynn McCallister
P.O. Box 88
Nokomis, FL 34274

Lortscher Family Trust
Marilyn A. Tarlton, Trustee
561 Orange Avenue
Los Altos, CA 94022

Maralo, Inc.
P.O. Box 832
Midland, TX 79702-0832
Attention: R. A. Lowery, Production Manager

Myers Partners, Inc.
214 W. Texas, Ste. 1200
Midland, TX 79701

Evelyn Clay O'Hara Trust
c/o Juanita Jackson
3774 West Sixth Street
Fort Worth, TX 76107

OXY USA, Inc.
P.O. Box 300
Tulsa, OK 74102

PC Ltd.
P.O. Box 911
Breckenridge, TX 76024-0911

Robert C. Scott
2400 N.E. 26th Avenue
Fort Lauderdale, FL 33305

Sirgo Brothers, Inc.
P.O. Box 3531
Midland, TX 79702-3531

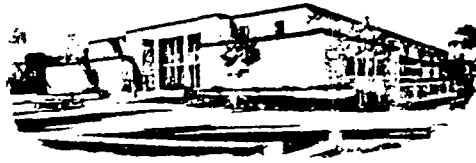
L. Summers Oil Co.
P.O. Box 776
Hobbs, NM 88240-0776
Attention: Louise Summers

Texaco E & P, Inc.
P.O. Box 3109
Midland, TX 79702-3109

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

SLO REF NO. OG-1053

March 27, 1989

Texaco U.S.A.
Attn: Joe E. King
P.O. Box 728
Hobbs, New Mexico 88240

#5086

Re: 1989 Plan of Development
Myers Langlie Mattix Unit
Lea County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved the above captioned Plan of Development.

Our approval is subject to like approval by all other appropriate agencies.

Enclosed is an approved copy for your files.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

cc: OCD
BLM



January 10, 1989

FEB 11 1989
OIL CONSERVATION DIVISION
SANTA FE

District Supervisor
Bureau of Land Management
Roswell District Office
P. O. Box 1397
Roswell, New Mexico 88201

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

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

All Working Interest Owners
(Address List Attached)

RE: MYERS LANGLIE MATTIX UNIT
SECONDARY RECOVERY UNIT
LEA COUNTY, NEW MEXICO

Gentlemen:

In accordance with Section 12 of the Unit Agreement for the Development and Operations of the Myers Langlie Mattix Unit, Lea County, New Mexico, Texaco Inc. respectfully submits for your approval a report of past operations and a plan of development for the year 1989.

PAST OPERATIONS

The Myers Langlie Mattix Unit became effective February 1, 1974. Injection started in eighteen (18) wells on August 13, 1975. As of October 31, 1988, one hundred and seven (107) active injection wells were in service. Cumulative injection since unitization was 88,576,371 barrels as of October 31, 1988. The daily average injection rate during October, 1988 was 32,554 BWPd at an average of 1280 psig.

Bureau of Land Management,
Commissioner of Public Lands,
New Mexico Oil Conservation
Division, and Working
Interest Owners

- 2 -

January 10, 1989

Cumulative oil production from the Unit area since unitization was 5,352,198 barrels of oil as of October 31, 1988. The average daily production during October, 1988 was 882 BOPD from one hundred and nine (109) active producers.

Installation of central production facilities and satellite test stations began in September, 1976. Additional facilities were installed in 1978 and 1980 to handle higher volumes. Statutory unitization became effective January 5, 1981.

In 1977, six (6) injectors and one (1) producer were drilled on undeveloped tracts. In 1978, ten (10) producers were drilled. In 1980, nine (9) injectors and six (6) producers were drilled.

In 1981, twelve (12), producers and two (2) injectors were drilled. In 1982, the fourteen (14) newly drilled wells were completed.

In 1983, one (1) replacement well was drilled for Well No. 110, which was plugged. Eight previously NIO injectors were returned to injection for lease line agreements reached with the Carter Foundation. Well No. 99 was treated with polymer for profile modification.

In 1984, one (1) replacement well was drilled for Well No. 108, which was plugged. One (1) well was converted to injection. Ten (10) wells were polymer treated for profile modification.

In 1985, twelve (12) injection wells were polymer treated for profile modification.

In January, 1986, four (4) wells were polymer treated for profile modification and five (5) infill development wells were drilled. The unit was decertified as a tertiary recovery project after it was determined that polymer treatments for profile modification did not significantly add to the reserves of the unit. Other work on the unit included reactivation of two (2) injectors, and eight (8) producers, which were determined to be operating below economic limit were, shut-in.

In 1987, 33,000' of injection line was replaced with fiberglass injection line. A 3000 Bbl, gun barrel was installed. Other work included the treatment of two wells with "injectrol". Moderate success was achieved on one injectrol treatment.

Bureau of Land Management,
Commissioner of Public Lands,
New Mexico Oil Conservation
Division, and Working
Interest Owners

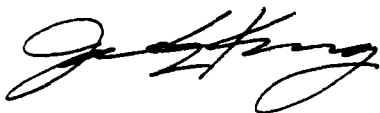
- 3 -

January 10, 1989

PLANS FOR 1989

Plans for 1989 include the possibility of injection line replacement along with the possibility of replacing two gas engines with electric motors at the injection plant. The unit will also be monitored for efficient and economical reservoir performance.

Yours very truly,

A handwritten signature in cursive script, appearing to read "J. L. King".

PWS:jss

Attachments

MYERS LANGLIE MATTIX UNIT
WORKING INTEREST OWNERS

Amerada Hess Corp. Attn: R. W. Mullins P. O. Box 2040 Tulsa, Oklahoma 74102	Clay Trusts 618-1, 2, 3 MBANK Fort Worth Attn: D. E. Howard P. O. Box 910 Ft. Worth, Texas 76101-0910	Meridian Oil Attn: T. H. Olle 21 Desta Drive Midland, Texas 79705
Sun E & P Company Attn: Lind Guerrero P. O. Box 1861 Midland, Texas 79702-1861	Amoco Production Company P. O. Box 68 Hobbs, New Mexico 88240	Rufus Clay, Jr. Trust Juanita Jackson, Trustee P. O. Box 11170 Midland, Texas 79702
Amoco Production Company Attn: R. A. Sheppard P. O. Box 3092 Houston, Texas 77253	W. J. Clay Estate 8008-02 Republic Bank Attn: Jim B. Brown P. O. Box 241 Dallas, Texas 75221	Flag-Redfern Oil Company Attn: Byron Greaves P. O. Box 11050 Midland, Texas 79702
Arlene S. Anthony 721 Chatham Road Glenview, Illinois 60025	Mrs. Adele Combs Clough 6926 Midbury Drive Dallas, Texas 75230	Primary Fuels, Inc. 415 West Wall Avenue Wilco Building, Suite 1300 Midland, Texas 79701-4410
Cities Service Oil & Gas Attn: Production Manager P. O. Box 50250 Midland, Texas 79710	Mr. Michael Clough 7717 Meadowhaven Drive Dallas, Texas 75240-8105	Texas American Bank ELLEN HARRIS CLAY ESTATE P. O. Box 2605 Ft. Worth, Texas 76113
Mr. George R. Bentley P. O. Box 509 Pineville, Kentucky 40977	Great Western Drlg. Com. Attn: J. T. Hampton P. O. Box 1659 Midland, Texas 79702	Conoco, Inc. P. O. Box 460 Hobbs, New Mexico 88240
James C. Brown P. O. Box 10621 Midland, Texas 79702	Margaret Couch Trust Juanita Jackson, Trustee P. O. Box 11170 Midland, Texas 79702	Chevron, U.S.A. Inc. Attn: J. C. Prindle P. O. Box 670 Hobbs, New Mexico 88240
Doyle Hartman P. O. Box 10426 Midland, Texas 79702	Cross Timbers Prod. Co. 810 Houston Street Suite 2000 Fort Worth, TX 76102	Parker & Parsley Development Partner, L.P. P. O. Box 3178 Midland, Texas 79702
	Davoil, Inc. Attn: Jerry Brannon P. O. Box 122269 Ft. Worth, Texas 76121-2269	Management Trust Co. #8057 Attn: James Brown P. O. Box 10621 Midland, Texas 79702

MYERS LANGLIE MATTIX (CONTINUED)
LEA COUNTY, NEW MEXICO

American Exploration Co.
Attn: Joint Interest Mgr.
4500 Republic Bank Center
700 Louisiana
Houston, Texas 77002

Marilyn A. Tarlton, Trustee
for Lortscher Family Trust
P. O. Box 1212
Los Altos, CA 94022

Maralo, Inc.
P. O. Box 832
Midland, Texas 79702

Mobil E & P U.S. Inc.
Attn: Joint Interest Mgr.
P. O. Box 633
Midland, Texas 79702

John H. Hendrix Corp.
223 West Wall, Suite 525
Midland, Texas 79701

P. C. Limited
P. O. Box 911
Breckenridge,
Texas 76024-0911

Evelyn Clay O'Hara Trust
Janita Jackson, Trustee
P. O. Box 11170
Midland, Texas 79702

Hunt Energy Corp.
Attn: Jim Mason
2400 Thanksgiving Tower
Dallas, Texas 75201

Mrs. R. L. Summers
Box 776
Hobbs, New Mexico 88240

Robert C. Scott
2400 N.E. 26th Avenue
Fort Lauderdale,
Florida 33305

Mr. T. J. Sivley
P. O. Drawer "GG"
Artesia, New Mexico 88210

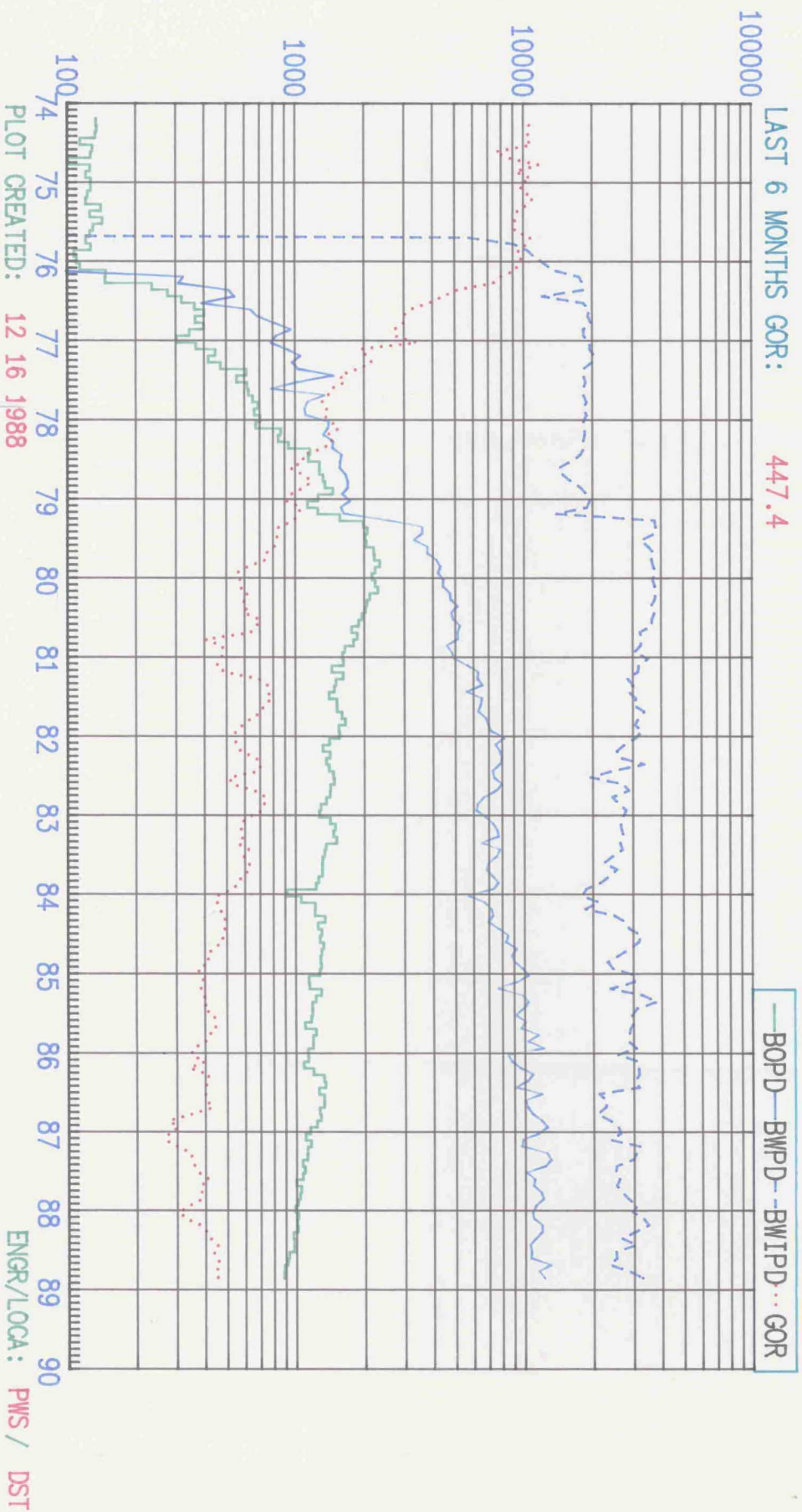
Ms. Weslynn McCallister
4212 San Felipe Rd. #315
Houston, Texas 77027

ARCO Oil & Gas Company
Joint Interest Operations
P.O. Box 1610
Midland, Texas 79702

LTV Energy Products Co.
c/o NEFF, CROZIER & CO.
102 N. College, Suite 300
Tyler, Texas 75702

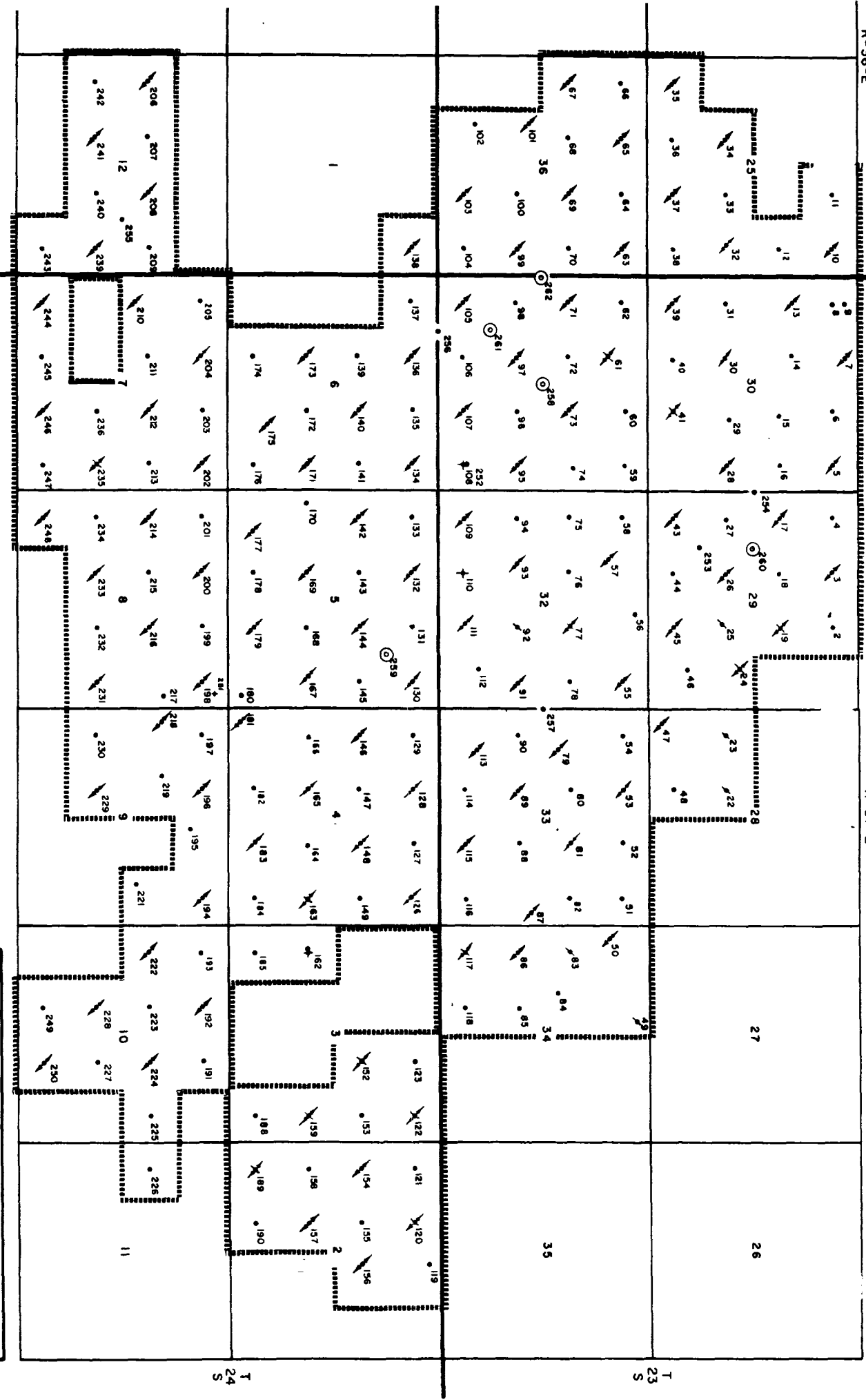
PROPERTY NAME: MYERS LANGLEIE MATTIX UNIT
FIELD NAME: LANGLEIE MATTIX
OPERATOR NAME: TEXACO INC.
PRODUCING WELLS: 109

LAST 6 MONTHS GOR: 447.4



R-36-E

R-37-E



PROPOSED PRODUCING WELL

PRODUCTION WELL

SHUT IN WELL

PAA WELL

TEXACO Inc.

HOBBBS DISTRICT

MYERS LANGLIE MATTIX UNIT

LANGLIE MATTIX FIELD

LEA COUNTY, NEW MEXICO

CRC 5-21-75

Scale



Rev. 8-12-82
1-20-89
2-22-87

State of New Mexico

5086



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

SLO REF NO OG-708

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

March 24, 1988

Texaco USA
Attn: Mr. Joe E. King
P. O. Box 728
Hobbs, New Mexico 88240

Re: 1988 Plan of Development
Myers Langlies Mattix Unit
Lea County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved your 1988 Plan of Development for the above captioned unit area.

Our approval is subject to like approval by all other appropriate agencies.

Enclosed is an approved copy for your files.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

WRH/FOP/pm
encls.
cc: OCD
BLM



March 7, 1988

District Supervisor
Bureau of Land Management
Roswell District Office
P. O. Box 1397
Roswell, New Mexico 88201

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

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

All Working Interest Owners
(Address List Attached)

RE: MYERS LANGLIE MATTIX UNIT
SECONDARY RECOVERY UNIT
LEA COUNTY, NEW MEXICO

Gentlemen:

In accordance with Section 12 of the Unit Agreement for the Development and Operations of the Myers Langlie Mattix Unit, Lea County, New Mexico, Texaco Inc. respectfully submits for your approval a report of past operations and a plan of development for the year 1988.

PAST OPERATIONS

The Myers Langlie Mattix Unit became effective February 1, 1974. Injection started in eighteen (18) wells on August 13, 1975. As of December 1, 1987, one hundred and seven (107) active injection wells were in service. Cumulative injection since unitization was 82,625,480 barrels as of December 1, 1987. The daily average injection rate during November, 1987 was 19,787 BWPd at an average of 900 psig.

Cumulative oil production from the Unit area since unitization was 13,045,296 barrels of oil as of December 1, 1987. The average daily production during November, 1987 was 1,015 BOPd from 110 active producers.

Bureau of Land Management,
Commissioner of Public Lands,
New Mexico Oil Conservation
Division, and Working
Interest Owners

- 2 -

March 7, 1988

Installation of central production facilities and satellite test stations began in September, 1976. Additional facilities were installed in 1978 and 1980 to handle higher volumes. Statutory unitization became effective January 5, 1981.

In 1977, six (6) injectors and one (1) producer were drilled on undeveloped tracts. In 1978, ten (10) producers were drilled. In 1980, nine (9) injectors and six (6) producers were drilled.

In 1981, twelve (12), producers and two (2) injectors were drilled. In 1982, the fourteen (14) newly drilled wells were completed.

In 1983, one (1) replacement well was drilled for Well No. 110, which was plugged. Eight previously NIO injections were returned to injection to lease line agreements reached with the Carter Foundation. Well No. 99 was treated with polymer for profile modification.

In 1984, one (1) replacement well was drilled for Well No. 108, which was plugged. One (1) well was converted to injection. Ten (10) wells were polymer treated for profile modification.

In 1985, twelve (12) injection wells were polymer treated for profile modification.

In January, 1986, four (4) wells were polymer treated for profile modification and five (5) infill development wells were drilled. The unit was decertified as a tertiary recovery project after it was determined that polymer treatments for profile modification did not significantly add to the reserves of the unit. Other work on the unit included reactivation of two (2) injectors, and eight (8) producers were shut-in which were determined to be operating below economic limit.

In 1987, 33,000' of injection line was replaced with fiberglass injection line. A 3000 Bbl, gun barrel was installed. Other work included the treatment of two wells with "injectrol". Moderate success was achieved on one injectrol treatment.

PLANS FOR 1988

Plans for 1988 include the possible conversion of producers to injectors of wells opposite the infill wells drilled in 1986. Five infill wells are planned when partnership approval is complete. More injection line replacement may become necessary.

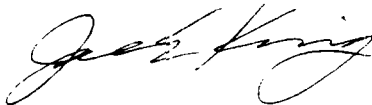
Bureau of Land Management,
Commissioner of Public Lands,
New Mexico Oil Conservation
Division, and Working
Interest Owners

- 3 -

March 7, 1988

Two gas engines may possibly be replaced with electric motors at the injection plant, and the unit will be monitored for efficient and economical reservoir performance.

Yours very truly,

A handwritten signature in cursive script, appearing to read "Joe King".

PWS:jss

Attachments

MYERS LANGLEY MATTIX UNIT
LEA COUNTY, NEW MEXICO

Amerada Hess Corporation Attn: R. W. Mullins P. O. Box 2040 Tulsa, Oklahoma 74102	Clay Trusts 618-1,2,3 MBANK Fort Worth Attn: D. E. Howard P. O. Box 910 Fort Worth, TEX 76101-0910	Meridian Oil Attn: T. H. Olle 21 Desta Drive Midland, Texas 79705
Sun E & P Company Attn: Linda Guerrero P. O. Box 1861 Midland, Texas 79702-1861	Amoco Production Company P. O. Box 68 Hobbs, New Mexico 88240	Rufus Clay, Jr. Trust Juanita Jackson, Trustee P. O. Box 11170 Midland, Texas 79702
Amoco Production Company Attn: R. A. Sheppard P. O. Box 3092 Houston, Texas 77253	W. J. Clay Estate 8008-02 RepublicBank Attn: Jim B. Brown P. O. Box 241 Dallas, Texas 75221	Flag-Redfern Oil Company Attn: Byron Greaves P. O. Box 11050 Midland, Texas 79702
Arlene S. Anthony 721 Chatham Road Glenview, Illinois 60025	Mrs. Adele Combs Clough 6926 Midbury Drive Dallas, Texas 75230	Primary Fuels, Inc. 415 West Wall Avenue Wilco Building, Suite 1300 Midland, Texas 79701-4410
Cities Service Oil & Gas Attn: Joint Interest P. O. Box 50250 Midland, Texas 79710	Mr. Michael Clough 7717 Meadowhaven Drive Dallas, Texas 75240-8105	Texas American Bank ELLEN HARRIS CLAY ESTATE P. O. Box 2605 Fort Worth, Texas 76113
Mr. George R. Bentley P. O. Box 509 Pineville, Kentucky 40977	Great Western Drlg. Com. Attn: J. T. Hampton P. O. Box 1659 Midland, Texas 79702	Conoco, Inc. P. O. Box 460 Hobbs, New Mexico 88240
James C. Brown P. O. Box 10621 Midland, Texas 79702	Margaret Couch Trust Juanita Jackson, Trustee P. O. Box 11170 Midland, Texas 79702	Chevron, U.S.A. Inc. (2) Attn: J. C. Prindle P. O. Box 670 Hobbs, New Mexico 88240
Doyle Hartman P. O. Box 10426 Midland, Texas 79702	Crown Central Petroleum 4000 North Big Spring Suite 213 Midland, Texas 79705	HCW Income Properties Attn: Ken Valla P. O. Box 10585 Midland, Texas 79702
	Davoil, Inc. Attn: Jerry Brannon P. O. Box 12507 Fort Worth, Texas 76116	Management Trust Co. #805 Attn: James Brown P. O. Box 10621 Midland, Texas 79702

MYERS LANGLIE MATTIX (CONTINUED)
LEA COUNTY, NEW MEXICO

American Exploration Co.
Attn: Joint Interest Mgr.
2100 Republic Bank Center
700 Louisiana
Houston, Texas 77002

Marilyn A. Tarlton, Trustee
for Lortscher Family Trust
P. O. Box 1212
Los Altos, CALIF. 94022

Maralo, Inc.
P. O. Box 832
Midland, Texas 79702

Mobil Producing Tex & NM
Attn: Joint Interest Mgr.
P. O. Box 633
Midland, Texas 79702-0633

John H. Hendrix Corp.
515 Midland Tower Bldg.
223 West Wall
Midland, Texas 79701

P. C. Limited
P. O. Box 911
Breckenridge,
Texas 76024-0911

Evelyn Clay O'Hara Trust
Juanita Jackson, Trustee
P. O. Box 11170
Midland, Texas 79702

Hunt Energy Corp.
Attn: Jim Mason
2400 Thanksgiving Tower
Dallas, Texas 75201

Charles T. Scott, Jr.
53 W. Jackson
Chicago, Illinois 60604

Robert C. Scott
P. O. Box 24266
Fort Lauderdale,
Florida 33307

Mr. T. J. Sivley
P. O. Drawer "GG"
Artesia, New Mexico 88210

Mrs. R. L. Summers
Box 776
Hobbs, New Mexico 88240

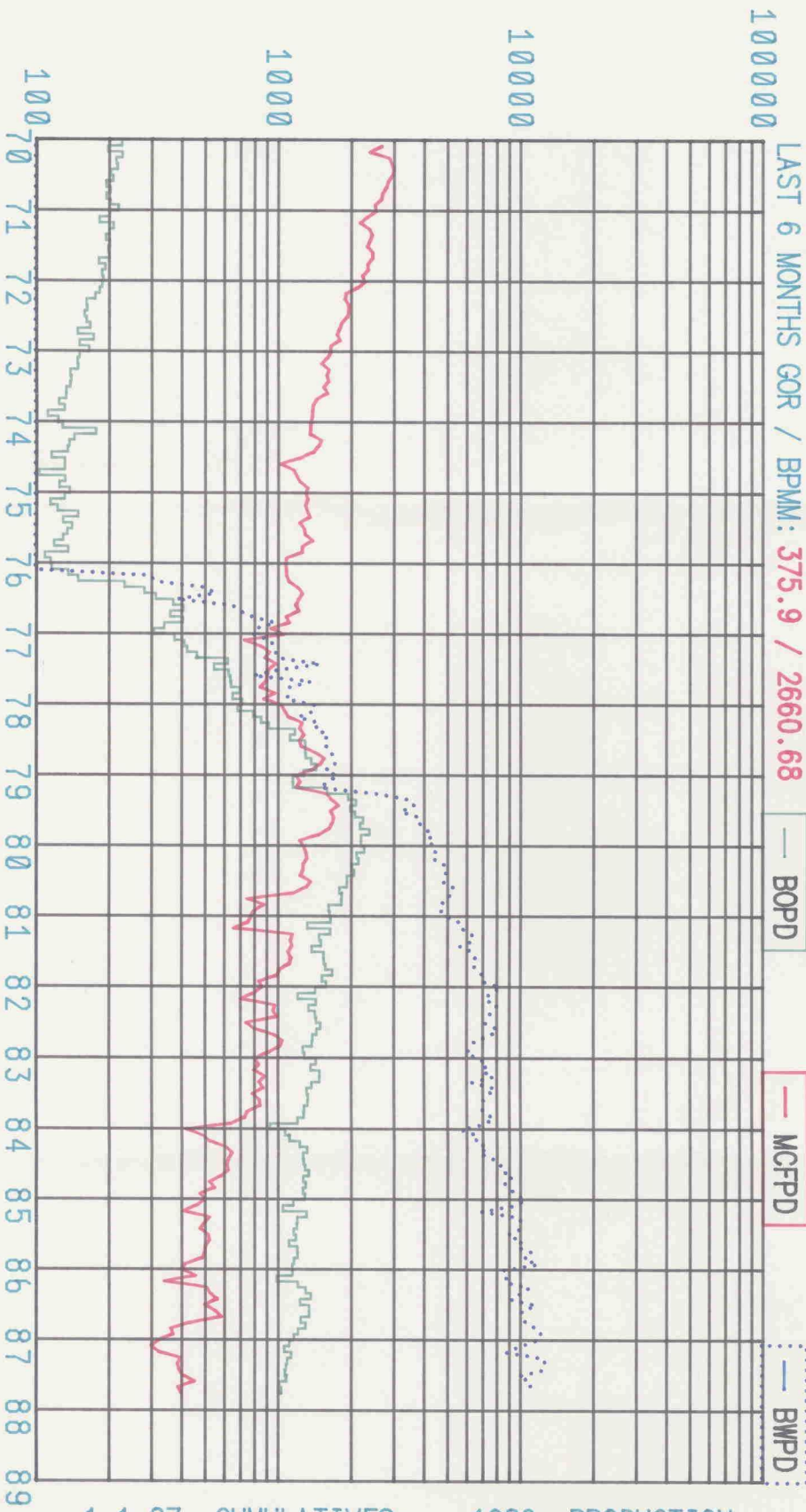
Arco Oil & Gas Company (3)
Dan C. Dodd, Suite 1430
P. O. Box 1610
Midland, Texas 79702

LTV Energy Products Co.
c/o NEFF, CROZIER & CO.
300 InterFirst Plaza Bldg.
102 N. College
Tyler, Texas 75702

Ms. Weslynn McCallister)
c/o Texas Commerce Bank)
Trust Minerals Section) Type Envelope
Acct. 55260-00)
P. O. Box 2558)
Houston, Texas 77252-8033)

PROPERTY NAME: MYERS LANGLEIE MATTIX UNIT
 FIELD NAME: MULTIPLE FIELDS
 OPERATOR NAME: TEXACO PRODUCING CO.
 PRODUCING WELLS YTD: 113

LAST 6 MONTHS GOR / BPMM: 375.9 / 2660.68

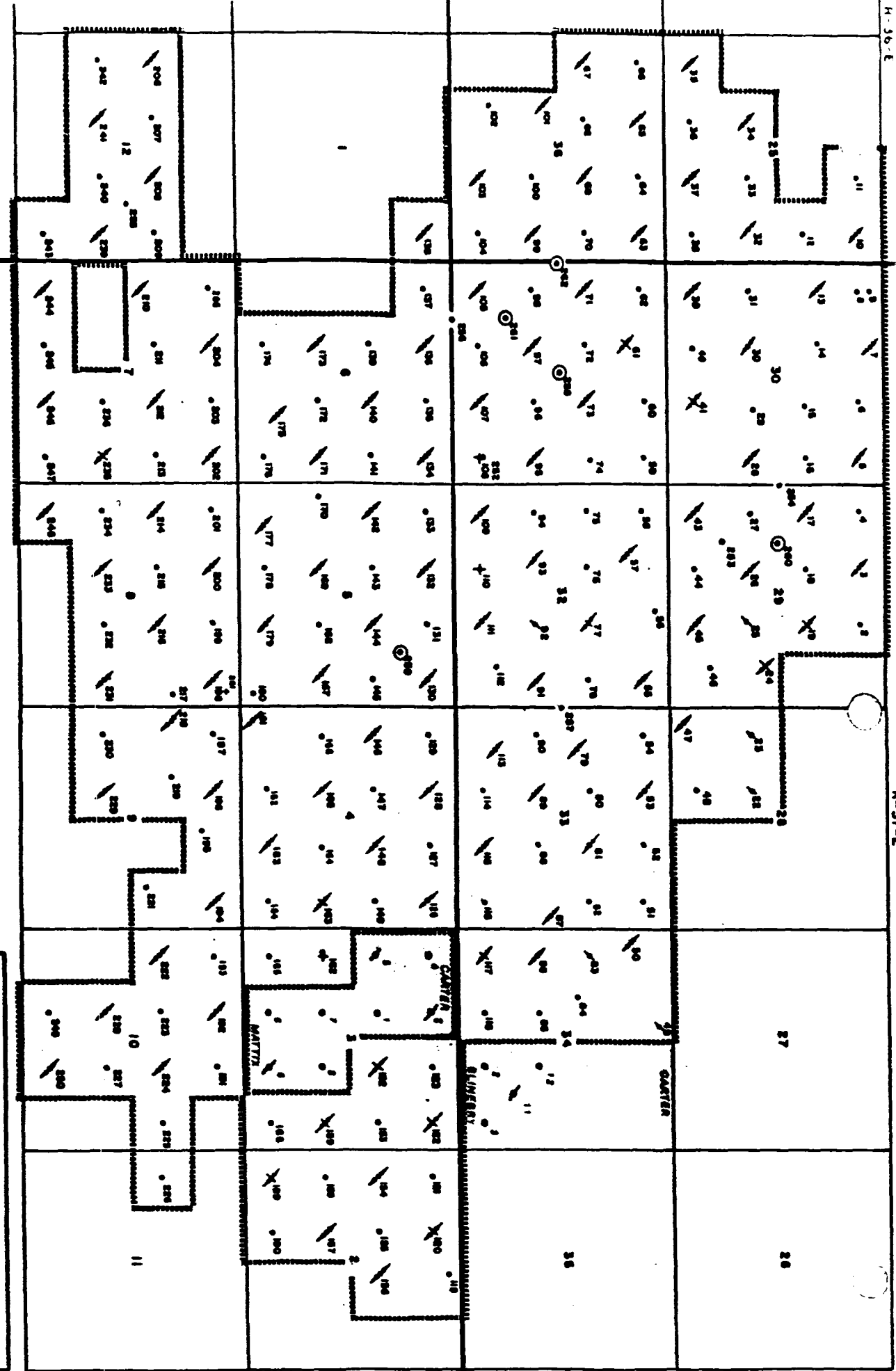


PLOT CREATED: 2 11 1988

ENGR/LOCA: PWS / HBS

1-1-87 CUMULATIVES:
 OIL : 12140.878 MBBLS
 GAS : 39640.338 MMCF
 WAT : 22451.608 MBBLS

1986 PRODUCTION:
 OIL : 453919 BBLS
 GAS : 166678 MCF
 WAT : 3862856 BBLS



TEXACO Inc.

HOBBS DISTRICT

MYERS LANGIE MATTIX UNIT

LANGIE MATTIX FIELD

LEA COUNTY, NEW MEXICO

CRC 5-4-73

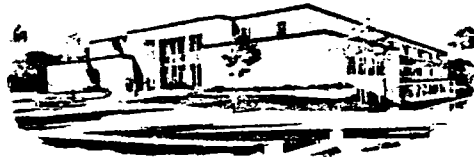
Scale

1000'

4000'

#5086

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER

Commissioner of Public Lands

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

March 11, 1987

Texaco USA
ATTENTION: Mr. Joe E. King
P. O. Box 728
Hobbs, New Mexico 88240

Re: Myers Langlie Mattix Unit
Secondary Recovery Unit
1987 Plan of Operations
Lea County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved your 1987 Plan of Operations for the Myers Langlie Mattix Secondary Recovery Unit Area, Lea County, New Mexico. Such plan advises that you plan to convert nine producing wells to injectors opposite the infill wells which were drilled in 1986 and drill additional infill wells if economically feasible. You also plan to continue the workover program on existing wells and will continue as is necessary.

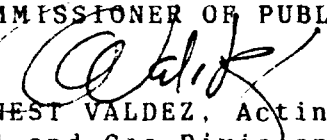
Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Enclosed is an approved copy for your files.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

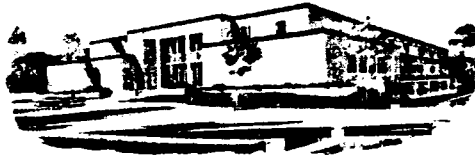
BY: 
ERNEST VALDEZ, Acting Director
Oil and Gas Division
(505) 827-5744

WRH/EV/pm
encls.

cc: OCD-Santa Fe, New Mexico
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez
Gulram, Inc.

State of New Mexico

5086



JIM BACA
COMMISSIONER

Commissioner of Public Lands

February 14, 1986

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Uses
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Texaco USA
P. O. Box 728
Hobbs, New Mexico 88240

Re: Myers Langlie Mattix Unit
1986 Plan of Development
Secondary Recovery Unit
Lea County, New Mexico

ATTENTION: Mr. Joe E. King

Gentlemen:

The Commissioner of Public Lands has this date approved your 1986 Plan of Development for the Myers Langlie Mattix Unit Area, Lea County, New Mexico. Such plan proposes to perform 12 polymer treatments for profile modification as per our certification for Tier III Oil and drill approximately five infill development wells. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Enclosed is an approved copy for your files.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: 

FLOYD O. PRANDO, Director
Oil and Gas Division
AC 505/827-5744

JB/FOP/pm
encls.
cc:

OCD-Santa Fe, New Mexico
BLM-Albuquerque, New Mexico Attn: Fluids Branch
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell District Office

P. O. Box 1397

Roswell, New Mexico 88201

5086

IN REPLY
REFER TO:

Myers Langlie Mattix Unit

April 2, 1984

Getty Oil Company
Attention: Mr. W. A. Frnka
P.O. Box 730
Hobbs, New Mexico 88240

Gentlemen:

Enclosed is an approved copy of your 1984 Plan of Development, for the Myers Langlie Mattix Unit Area, Lea County, New Mexico, covering the period beginning January 1, 1984 and ending December 31, 1984. This plan, proposing to perform 10 polymer profile alteration treatments, drill a replacement well for No. 108, activate three injectors currently shut in, replace 35,000 feet of cement-lined injection line, and continue workovers during 1984, was approved this date, subject to like approval by the New Mexico Commissioner of Public Lands and the New Mexico Oil Conservation Division.

Sincerely yours,

'Orig. Sgd.' Earl R. Cunningham

District Manager

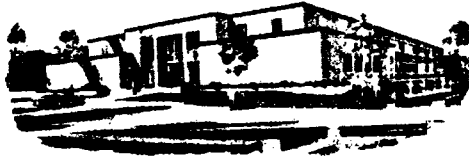
Enclosure: (1)

cc: NMOCD, Santa Fe

State of New Mexico



JIM BACA
COMMISSIONER



Commissioner of Public Lands

April 6, 1984

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

Express Mail Delivery Used
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Getty Oil Company
P. O. Box 730
Hobbs, New Mexico 88240

Re: Myers Langlie Mattix Unit
Lea County, New Mexico
1984 Plan of Development

ATTENTION: Mr. W. A. Frnka

Gentlemen:

The Commissioner of Public Lands has this date approved your 1984 Plan of Development and Operation of the Myers Langlie Mattix Unit, Lea County, New Mexico. Such plan proposes to perform 10 polymer profile alteration treatments, drill a replacement well for the Unit Well No. 108, activate three injectors currently shut in, replace 35,000 feet of cement-lined injection line, and continue workovers during 1984. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Enclosed is an approved copy for your files.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm
encls.
cc:

OCD-Santa Fe, New Mexico
BLM-Albuquerque, New Mexico
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez



IN REPLY
REFER TO:

506

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
505 MARQUETTE AVENUE, N.W., SUITE 815
ALBUQUERQUE, NEW MEXICO 87102


RECEIVED
FEB 21 9 36 AM '83
STATE LAND OFFICE
SANTA FE, N. M.

Getty Oil Company
Attention: Dale R. Crockett
P. O. Box 730
Hobbs, New Mexico 88240

Gentlemen:

An approved copy of your 1983 plan of development for the **Myers Langlie Mattix unit** area, Lea County, New Mexico, is enclosed. Such plan, proposing to initiate the Profile Alteration Pilot Project on well No. 99, drill replacement wells for wells No. 108 and 110, and start activating nineteen wells that are shut-in waiting on lease line agreements with offset operators, was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

Sincerely yours,

 Gene F. Daniel
Deputy Minerals Manager
Oil and Gas

Enclosure

cc:
Comm. of Public Lands
NMOCD

State of New Mexico

#5086



JIM BACA
COMMISSIONER



Commissioner of Public Lands

February 2, 1983

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

Getty Oil Company
P. O. Box 730
Hobbs, New Mexico 88240

Re: **Myers Langlie Mattix Unit**
Lea County, New Mexico
1983 Plan of Development

ATTENTION: Mr. Dale R. Corckett

Gentlemen:

The Commissioner of Public Lands has this date **approved** your 1983 Plan of Development and Operation of the Myers Langlie Mattix Unit, Lea County, New Mexico. Such plan proposes to perform workovers to clean out, deepen and run liners during 1983 and initiate the profile alteration pilot project on well No. 99 & drill two replacement wells for wells Nos. 108 and 110. Getty also plans to monitor all wells for corrosion and scaling tendencies. Our approval is subject to like approval by the United States Minerals Management Service and the New Mexico Oil Conservation Division.

Enclosed is an approved copy for your files.

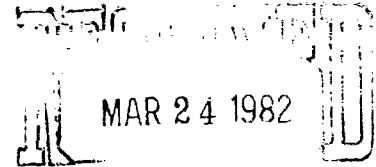
Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY:
FLOYD O. PRANDO, Assistant Director
Oil and Gas Division
AC 505/827-5744

JB/FOP/pm
encls.
cc:

OCD-Santa Fe, New Mexico
USMMS-Albuquerque, New Mexico
Administration



MAR 22 1982

5086

Getty Oil Company
Attention: Dale R. Crockett
P. O. Box 730
Hobbs, New Mexico 88240

Gentlemen:

An approved copy of your 1982 Plan of Development for the Myers Langlie Mattix unit area, Lea County, New Mexico is enclosed. Such plan, proposes to continue completing wells already drilled and convert to injection six wells that are shut in waiting on a lease line agreement with offset operators, was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

Sincerely yours,

(ORIG. SGD.) JAMES W. SHELTON

FOR Gene F. Daniel
Deputy Minerals Manager
Oil and Gas

Enclosure

cc:
Comm of Public Lands, Santa Fe
~~NMOC, Santa Fe~~
DS, Roswell (w/encl)

State of New Mexico

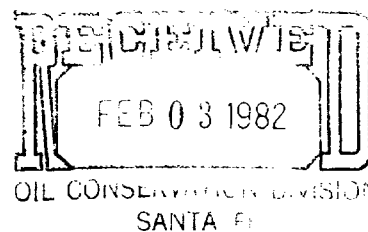


ALEX J. ARMIJO
COMMISSIONER



Commissioner of Public Lands

February 1, 1982



P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Getty Oil Company
P. O. Box 730
Hobbs, New Mexico 88240

Re: Myers Langlie Mattix Unit
Lea County, New Mexico
1982 Plan of Development

ATTENTION: Mr. Dale R. Crockett

Gentlemen:

The Commissioner of Public Lands has this date approved your 1982 Plan of Development for the Myers Langlie Mattix Unit, Lea County, New Mexico. Such plan proposes no further drilling at this time and will continue completing wells that are shut in waiting on a lease-line agreement with offset operators. Our approval is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Division.

Enclosed is one approved copy for your files.

Your filing fee in the amount of Three (\$3.00) Dollars has been received.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-2748

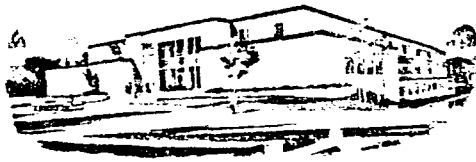
AJA/RDG/pm
encls.

cc:

OCD-Santa Fe, New Mexico
USGS-Albuquerque, New Mexico

5086

State of New Mexico



Commissioner of Public Lands

September 8, 1981

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Getty Oil Company
P. O. Box 1231
Midland, Texas 79702

Re: Myers Langlie Mattix Unit
Exhibit B Corrections
Lea County, New Mexico

5086

ATTENTION: Mr. Raymond W. Bolhm

Gentlemen:

This will acknowledge your letter of August 24, 1981, Together with revised pages to Exhibit "B".

Such pages correct the proper corporate name of Fluor Oil and Gas Corporation.

We have this date accepted these corrected pages and have been filed in our unit file

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

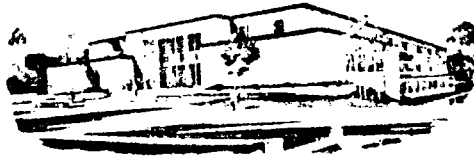
BY:
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-2748

AJA/RDG/pm

cc: OCD-Santa Fe, New Mexico ✓
USGS-Albuquerque, New Mexico

State of New Mexico

5086



Commissioner of Public Lands

August 6, 1981

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Getty Oil Company
P. O. Box 1231
Midland, Texas 79702

Re: Myers Langlie-Mattix Unit
Revised Exhibit B
Lea County, New Mexico

ATTENTION: Mr. Raymond W. Blohm

Gentlemen:

We are in receipt of your letter dated July 14, 1981, together with a copy of the Third Revision of Exhibit "B" and ratifications from owners of the royalty interests and working interests.

The Commissioner of Public Lands has this date approved the Third Revision of Exhibit "B" and the above mentioned ratifications.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505-827-2748

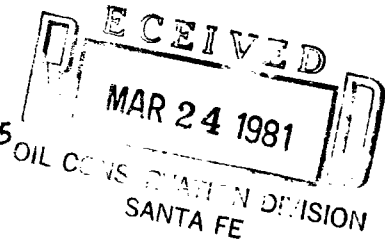
AJA/RDG/pm
cc:

OCD-Santa Fe, New Mexico ✓
USGS-Roswell, New Mexico
USGS-Albuquerque, New Mexico



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
South Central Region
P. O. Box 26124
Albuquerque, New Mexico 87125



18 MAR 1981

5086

Getty Oil Company
Attention: Dale R. Crockett
P. O. Box 730
Hobbs, New Mexico 88240

Gentlemen:

One approved copy of your 1981 plan of development for the Myers Langlie Mattix unit area, Lea County, New Mexico, is enclosed. Such plan, proposing to drill 14 more wells, install an additional pump station, continue to work on lease line agreements, and continue workovers, was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

Sincerely yours,

(ORIG. SGD.) GENE F. DANIEL

Gene F. Daniel
Deputy Conservation Manager
Oil and Gas

Enclosure

cc:
NMOCD, Santa Fe
Comm. Public Lands, Santa Fe

State of New Mexico



ALEX J. ARMIJO
COMMISSIONER



Commissioner of Public Lands

February 18, 1981

5086
P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Getty Oil Company
P. O. Box 703
Hobbs, New Mexico 88240

Re: Myers Langlie Mattix Unit
Lea County, New Mexico
1981 PLAN OF DEVELOPMENT

ATTENTION: Mr. Dale R. Crockett

Gentlemen:

The Commissioner of Public Lands has this date approved your 1981 Plan of Development for the Myers Langlie Mattix Unit, Lea County, New Mexico. Such plan proposes the drilling of fourteen additional wells and continue expansion of the unit. Our approval is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Division.

Enclosed is one approved copy for your files.

Please remit a Three (\$3.00) Dollar filing fee.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505-827-2748

AJA/RDG/s
encls.

cc: OCD-Santa Fe, New Mexico
USGS-Roswell, New Mexico
USGS-Albuquerque, New Mexico



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

January 5, 1981

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Case 6987

Mr. William F. Carr
Campbell and Black, P.A.
P. O. Box 2208
Santa Fe, New Mexico 87501

Re: Myers Langlie-Mattix
Unit, Lea County,
New Mexico

Dear Mr. Carr:

The Oil Conservation Commission is in receipt of the sworn affidavit of Raymond W. Blohm, District Production Manager for the Midland Exploration and Production District of Getty Oil Company, wherein Mr. Blohm swears that Getty Oil Company has received written approval or ratification of the plan for unit operations from more than 75 percent of those who would be required initially to pay the costs of unit operations and from more than 75 percent of the interest owners of production proceeds from the unit that will be credited to interests which are free of costs.

The above percentages of ratification or approval of the plan for unitized operations meet the criteria set forth by Section 70-7-8, NMSA, 1978 Comp., and were also within the time limit prescribed by said Section 70-7-8. It is therefore hereby determined that Commission Order No. R-6447 unitizing all interests in the Myers Langlie-Mattix Unit Area, Lea County, New Mexico, is in full force and effect.

Very truly yours,

JOE D. RAMEY
Division Director and
Secretary, Oil Conservation
Commission

JDR/DSN/fd



Getty Oil Company | P.O. Box 1231, Midland, Texas 79702 • Telephone (915) 683-6301

Raymond W. Blohm, District Production Manager
Midland Exploration and Production District

December 24, 1980

Mr. Bill Carr
Campbell and Black, P.A., Lawyers
P. O. Box 2208
Santa Fe, New Mexico 87501

Re: Affidavit - Myers Langlie
Mattix Unit, Langlie Mattix
Field, Lea County, N. M.

Dear Bill:

Attached is the signed and notarized copy of the Affidavit stating that we have received in excess of 75% of the Royalty and Working Interest Owners' approvals for statutory unitization. Please place this approval in record with the New Mexico Oil Conservation Division for the Statutory Unitization to be effective January 1, 1981.

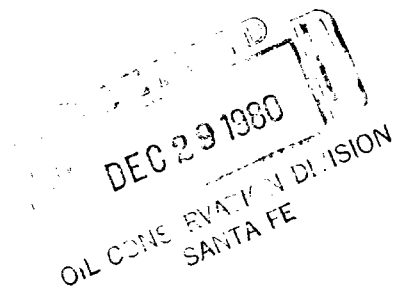
Sincerely yours,

Raymond W. Blohm

JEE:nh

JEE
Attachments

cc: Mr. R. J. Starrak
Mr. L. R. Hall
Mr. J. E. King
Mr. J. E. Eakin



AFFIDAVIT

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

COMES NOW, Raymond W. Blohm, and upon his oath, deposes and states:

1. That he is the Midland District Production Manager for Getty Oil Company.

2. That as District Production Manager, he is responsible for the development and production of the oil and gas properties of Getty Oil Company in Lea County, New Mexico.

3. That on June 19, 1980, Getty Oil Company filed an application with the New Mexico Oil Conservation Division under the New Mexico Statutory Unitization Act (Section 70-7-1 through 70-7-21, N.M.S.A., 1978 Compilation) seeking an order providing for statutory unitization of the Myers Langlie-Mattix Unit in Lea County, New Mexico.

4. That Section 70-7-8, N.M.S.A., 1978 Compilation provides in part as follows: "No order of the Division providing for unit operations shall become effective unless and until the plan for unit operations described by the Division has been approved in writing by those persons who, under the Division's Order, will be required initially to pay at least seventy-five percent of the cost of unit operations, and also by the owners of at least seventy-five percent of the production proceeds thereof that will be credited to interest which are free of

cost . . . and the Division has made a finding either in the order providing for unit operations or in a supplemental order that the plan for unit operation has been so approved."

5. That the application of Getty Oil Company for statutory unitization of the Myers Langlie-Mattix Unit (Oil Conservation Division Case No. 6987) was heard by the full Oil Conservation Commission on August 5, 1980.

6. That on August 27, 1980, the Oil Conservation Commission entered Order No. R-6447 approving the application of Getty Oil Company for statutory unitization of the Myers Langlie-Mattix Unit.

7. That Oil Conservation Division Order R-6447 " . . . approved and adopted and incorporated by reference . . ." the Myers Langlie-Mattix Unit Agreement and Unit Operating Agreement.

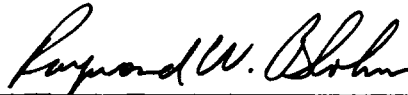
8. That said Order No. R-6447 provided "that when . . . the persons owning the required percentage of interest in the unit area have approved or ratified the Unit Agreement and the Unit Operating Agreement, the interests of all persons within the unit area are unitized, whether or not such persons have approved the Unit Agreement or the Unit Operating Agreement."

9. That following issuance of Order R-6447, Getty Oil Company solicited the written approval of ratification of all interest owners in the unit area.

10. That as of December 15, 1980, Getty Oil Company has received written approval or ratification of the plan for unit operations from more than 75% of those who would be required

initially to pay the costs of unit operations and from more than 75% of the interest owners of production proceeds from the unit that will be credited to interests which are free of costs.

11. That Getty Oil Company intends to commence unitized operations of the Myers Langlie-Mattix Unit under Oil Conservation Division Order No. R-6447 on January 1, 1981 at 7:00 a.m.



Raymond W. Blohm

SUBSCRIBED AND SWORN TO before me this 24th day of December, 1980, by Raymond W. Blohm.



Notary Public

J. R. AMENT Notary Public
Midland County, Texas

My Commission Expires:

6-30-84



Getty Oil Company | P.O. Box 1231, Midland, Texas 79702 • Telephone (915) 683-6301

Raymond W. Blohm, District Production Manager
Midland Exploration and Production District

December 24, 1980

Mr. Bill Carr
Campbell and Black, P.A., Lawyers
P. O. Box 2208
Santa Fe, New Mexico 87501

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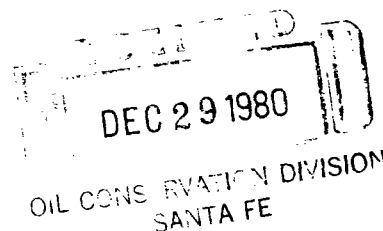
Raymond W. Blohm

JEE:nh

JEE
Attachments

cc: Mr. R. J. Starrak
Mr. L. R. Hall
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*Case No 6987
Order No
R-6447*



AFFIDAVIT

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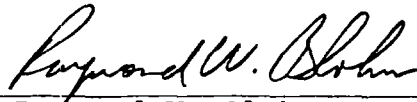
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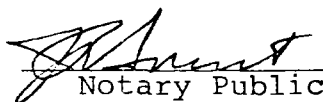
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11. That Getty Oil Company intends to commence unitized operations of the Myers Langlie-Mattix Unit under Oil Conservation Division Order No. R-6447 on January 1, 1981 at 7:00 a.m.



Raymond W. Blohm

SUBSCRIBED AND SWORN TO before me this 24th day of December, 1980, by Raymond W. Blohm.



Notary Public

J. B. NENT - Notary Public
Midland County, Texas

My Commission Expires:

6-30-84



Getty Oil Company | P O Box 1231, Midland, Texas 79702 • Telephone (915) 683-6301

Raymond W. Blohm, District Production Manager
Midland Exploration and Production District

December 24, 1980

Mr. Bill Carr
Campbell and Black, P.A., Lawyers
P. O. Box 2208
Santa Fe, New Mexico 87501

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Mr. L. R. Hall
Mr. J. E. King
Mr. J. E. Eakin

10-23-12-79
DEC 29 1980
OIL CONSERVATION DIVISION
SANTA FE

AFFIDAVIT

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) ss.
COUNTY OF MIDLAND)

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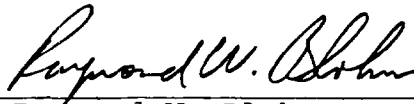
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6-30-84



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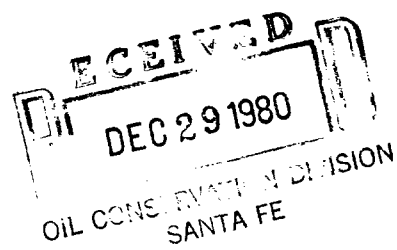
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Attachments

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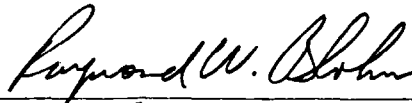
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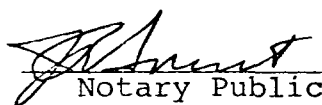
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Notary Public

J. R. AVENT Notary Public
Midland County, Texas

My Commission Expires:

6-30-84



United States Department of the Interior

GEOLOGICAL SURVEY

South Central Region

P. O. Box 26124

Albuquerque, New Mexico 87125

MAY 02 1980

Getty Oil Company
Attention: Dale R. Crockett
P. O. Box 730
Hobbs, New Mexico 88240

5086

Gentlemen:

One approved copy of your 1980 plan of development for the Myers Langlie Mattix unit area, Lea County, New Mexico, is enclosed. Such plan, proposing to drill 5 producing wells and 11 injection wells, expand the Central Battery, and perform workovers on 20 injection wells, was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

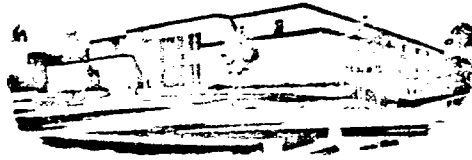
RECEIVED
MAY 07 1980
Sincerely yours,
(JACK, SGD.) JACK WILLOCK
Jack Willock
Acting Deputy Conservation Manager,
Oil and Gas
OIL CONSERVATION DIVISION
SANTA FE

Enclosure

cc:

NMOCD, Santa Fe

State of New Mexico



Commissioner of Public Lands
May 7, 1980

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Getty Oil Company
P. O. Box 1231
Midland, Texas 79702

5086

Re: Royalty Owner Ratification
of Unit Agreement (21)
Working Interest Owners (1)
Myers Langlie-Mattix Unit
Lease No. 07938
Lea County, New Mexico

ATTENTION: Mr. H. O. Woods, Jr.

Gentlemen:

Your letter of April 28, 1980, transmits 21 ratifications of Royalty Owners and 1 ratification of Working Interest Owner for the Myers Langlie Mattix unit agreement, Lea County, New Mexico, as shown on the attached list. Such instruments were received by this office on May 1, 1980, along with appropriate evidence of working interest approval, and are hereby approved, subject to like approval by the United States Geological Survey.

Enclosed is one set of the ratifications reflecting the date they were received in this office.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505-827-2748

AJA/RDG/s
encls.
cc:

OCD-Santa Fe, New Mexico ✓
USGS-Roswell, New Mexico
USGS-Albuquerque, New Mexico

WORKING INTEREST OWNER AND ROYALTY OWNERS LISTING

MYERS LANGLEIE-MATTIX UNIT
LEA COUNTY, NEW MEXICO

Working Interest Owner

Tract No.

1. Grace Johnson

68

Royalty Owner

Tract Nos.

1. Frances Wooten Scott
2. Richard L. Cromartie
3. Jane Cromartie Williams
4. Harry E. Smith
5. Lillian Smith Ward
6. Eugene D. Smith
7. H. Winfield Smith, Jr.
8. Katie Smith Hazelhurst
9. Magabel Smith Rule
10. Mildred Smith Rawls
11. Mary Smith Bowers
12. Rosa Lee Smith Johnson
13. Maude S. Smith
14. Leon D. Smith
15. R. P. Smith
16. David L. Smith
17. Cassuis L. Smith
18. Edmond D. Smith
19. Betty S. Warren
20. Harry Eldon Smith
21. Dudley M. Smith

81

RECEIVED
MAY 19 15 PM '80
STATE OF NEW MEXICO
SANTA FE, N.M.

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

September 24, 1980

Getty Oil Company
P. O. Box 730
Hobbs, New Mexico 88240

Attention: Dale R. Crockett

Re: Case No. 5086
Myers Langlie Mattix Unit
1980 Plan of Development

Gentlemen:

We hereby approve the 1980 Plan of Development for the Myers Langlie Mattix Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands.

Two approved copies of the Plan are returned herewith.

Yours very truly,

JOE D. RAMEY
Director

JDR/EP/fd
enc.

cc: U.S.G.S. - Roswell
Commissioner of Public Lands

C
O
P
Y

Central Exploration and Production Division
P. O. Box 730
Hobbs, New Mexico 88240

November 27, 1979

File: Myers Langlie Mattix Unit
Lease No. 003371-03
Lea County, New Mexico

5086

9/16/80

OK

3/12

Director (3) Santa Fe
United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

Oil Conservation Commission (3)
State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

All Working Interest Owners

Gentlemen:

In accordance with Section 12 of Unit Agreement for the Development and Operation of the Myers Langlie Mattix Unit, Lea County, New Mexico. Getty Oil Company respectfully submits for your approval, a report of past operations and a plan of development and operation for the waterflood unit for the year 1980. ✓

PAST OPERATIONS

The Myers Langlie Mattix Unit became effective February 1, 1974. Injection started into 18 wells on August 13, 1975, and 71 wells had been converted by October 1, 1976. Additional wells were converted to injection in 1977, 1978, and 1979 bringing the number of injection wells to 95 on October 1, 1979.

A pilot waterflood was in operation on Skelly's Mattix "A" lease prior to unitization. Cumulative injection into the Mattix "A" No. 4 well (Unit No. 157) was 14,228 barrels on February 1, 1974. Cumulative water injection since unitization was 27,766,891 barrels of water on September 1, 1979. The daily average injection rate during August, 1979, was 30,951 barrels at 700 psig.

Cumulative oil production from the Unit area since unitization was 5,691,032 barrels on September 1, 1979. The average daily producing rate during October, 1979, was 2348 barrels of oil from 100 active producers.

Installation of centralized production facilities and satellite test stations started in September, 1976, was completed in 1977. Tracts with unsigned interests will be segregated until sign-up is complete.

Page 2
11-10-1979, 1979

In 1977, six (6) injectors and one (1) producer were drilled on redevelopment units. In 1978, ten (10) additional producers were drilled. No wells were drilled during 1979.


DEVELOPMENT PLANS FOR 1980

Expansion of the Unit will continue in 1980. In 1980, five (5) producers and eleven (11) injectors will be drilled. The Central Battery will be expanded to be able to handle twice its current capacity of produced fluids.

Workovers to clean out fill, deepen, and run liners will be performed on twenty injection wells in 1980. This work is needed to improve injection profiles and open additional pay zones.

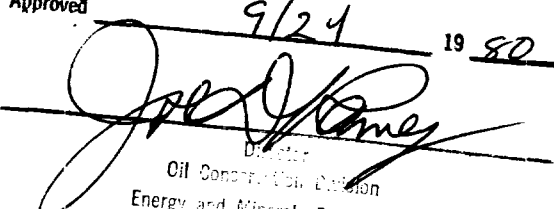
Very truly yours,

GETTY OIL COMPANY


Dale R. Crockett
Hobbs Area Superintendent

JDM/de

Attachments

Approved 9/24 19 80

Director
Oil Construction Division
Energy and Minerals Department

THIS APPROVAL GRANTED IN ACCORDANCE WITH THE APPROVAL
OF THE STATE OF NEW JERSEY, DEPARTMENT OF ENERGY AND MINERALS
AND THE STATE OF NEW JERSEY, DEPARTMENT OF TREASURY AND REVENUE
BY THE STATE OF NEW JERSEY.

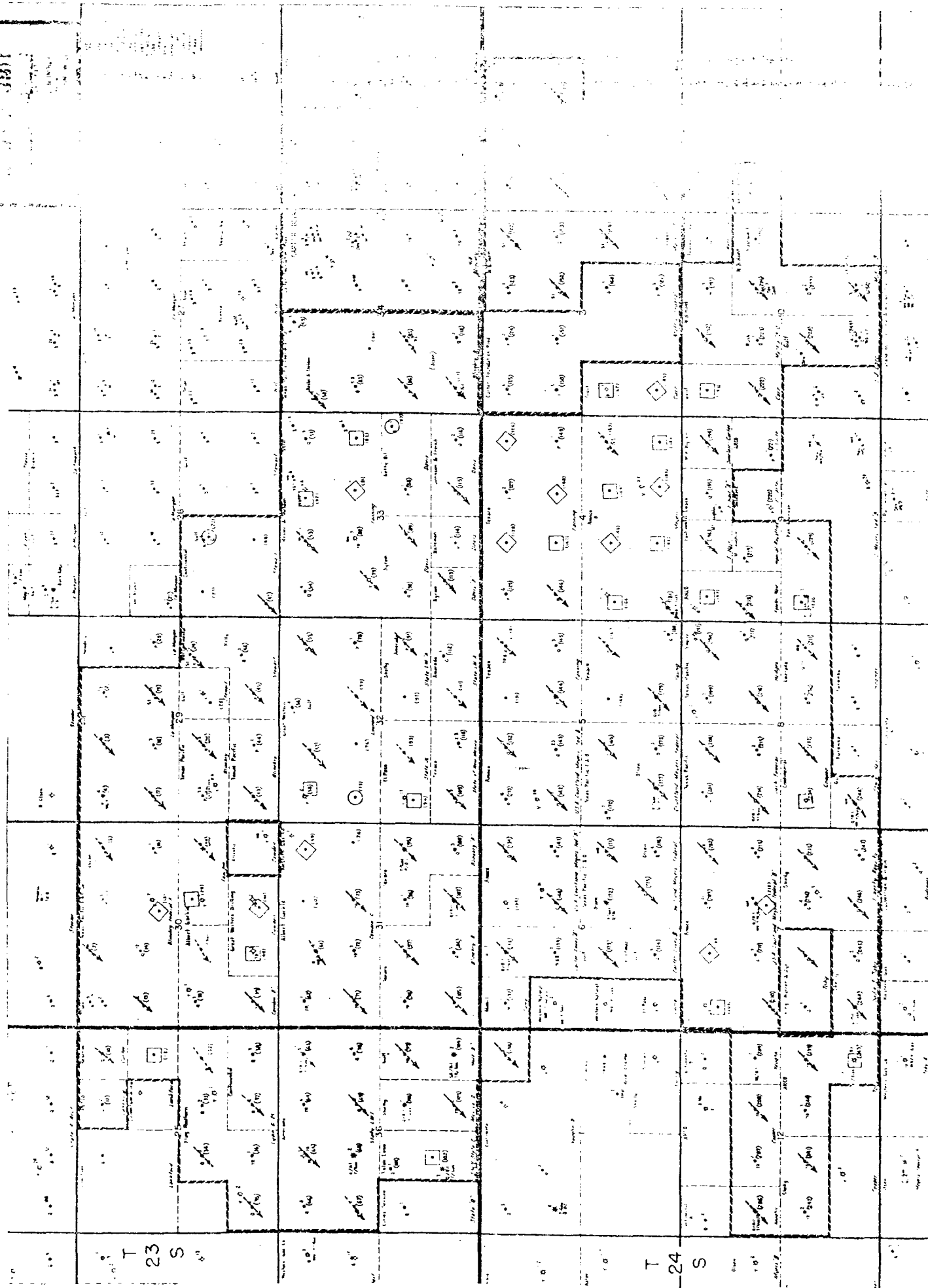
ILLEGIBLE

ILLEGIBLE

R - 36 - E

R - 37 - E

NOV 1987



WYBEE LANGLEY NATIX UNIT
 LANGLEY NATIX FIELD
 LEA COUNTY, NEW MEXICO
 UNIT PERFORMANCE CURVE

WATER INJECTION

WATER PRODUCTION

OIL PRODUCTION

GOR

1,000 10,000

Gas-Oil Ratio (GOR/bbl)

100 1,000

Oil & Water Production (bbl./day)

10 100

1973 1974 1975 1976 1977 1978 1979 1980 1981

ILLEGIBLE

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

December 7, 1978

Getty Oil Company
P. O. Box 730
Hobbs, New Mexico 88240

Attention: Audra B. Cary

Re: Case No. 5086
Myers Langlie Mattix Unit
1979 Plan of Development

Gentlemen:

We hereby approve the 1979 Plan of Development for the Myers Langlie Mattix Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands.

Two approved copies of the Plan of Development are returned herewith.

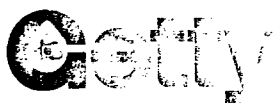
Very truly yours,

JOE D. RAMEY
Director

JDR/LT/fd
enc.

cc: U.S.G.S. - Roswell
Commissioner of Public Lands

C
O
P
Y



Getty Oil Company

NOV 13 1978

Central Exploration and Production Division
P. O. Box 730
Hobbs, New Mexico 88240

November 1, 1978

Santa Fe

File: Myers Langlie Mattix Unit
Lease No. 07938
Lea County, New Mexico

Director (3)
United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

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All Working Interest Owners

*No. 5086
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Cumulative oil production from the Unit area since unitization was 642,624 barrels on September 1, 1978. The average daily producing rate during August, 1978, was 1279 barrels of oil from 95 active producers.

Installation of centralized production facilities and satellite test stations started in September, 1976, was completed in 1977. Tracts with unsigned interests will be segregated until sign-up is complete.

Page 2
November 1, 1978

In 1977, six (6) injectors and one (1) producer were drilled on undeveloped tracts. In 1978, ten (10) additional producers were drilled. Plans are to drill eight (8) injectors and four (4) producers in the last quarter of 1978.

DEVELOPMENT PLANS FOR 1979

Expansion of the Unit will continue in 1979. In 1979, six (6) injectors and fourteen (14) producers will be drilled. The water injection plant will be enlarged by the addition of three (3) pumps which will boost plant output by 20,000 BWPD.

Workovers to clean out fill, deepen, and run liners will be performed on forty injection wells in 1979. This work is needed to improve injection profiles and open additional pay zones.

Very truly yours,

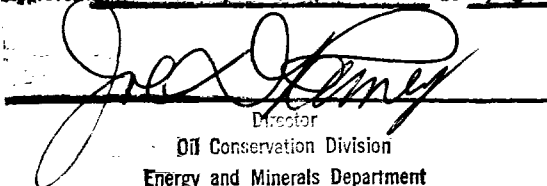
Getty Oil Company

Audra B. Cary

Audra B. Cary, Chairman
Working Interest Owners' Committee

ELB/de

Attachments

Approved 12/7 19 78

Director
Oil Conservation Division
Energy and Minerals Department

THIS APPROVAL GRANTED SUBJECT TO LIKE APPROVAL
BEING OBTAINED BY THE LAND, OIL, WATER, GEOLOGICAL
SURVEY AND BY THE JOINT ENGINEER OF PUBLIC LANDS
OF THE STATE OF NEW MEXICO.

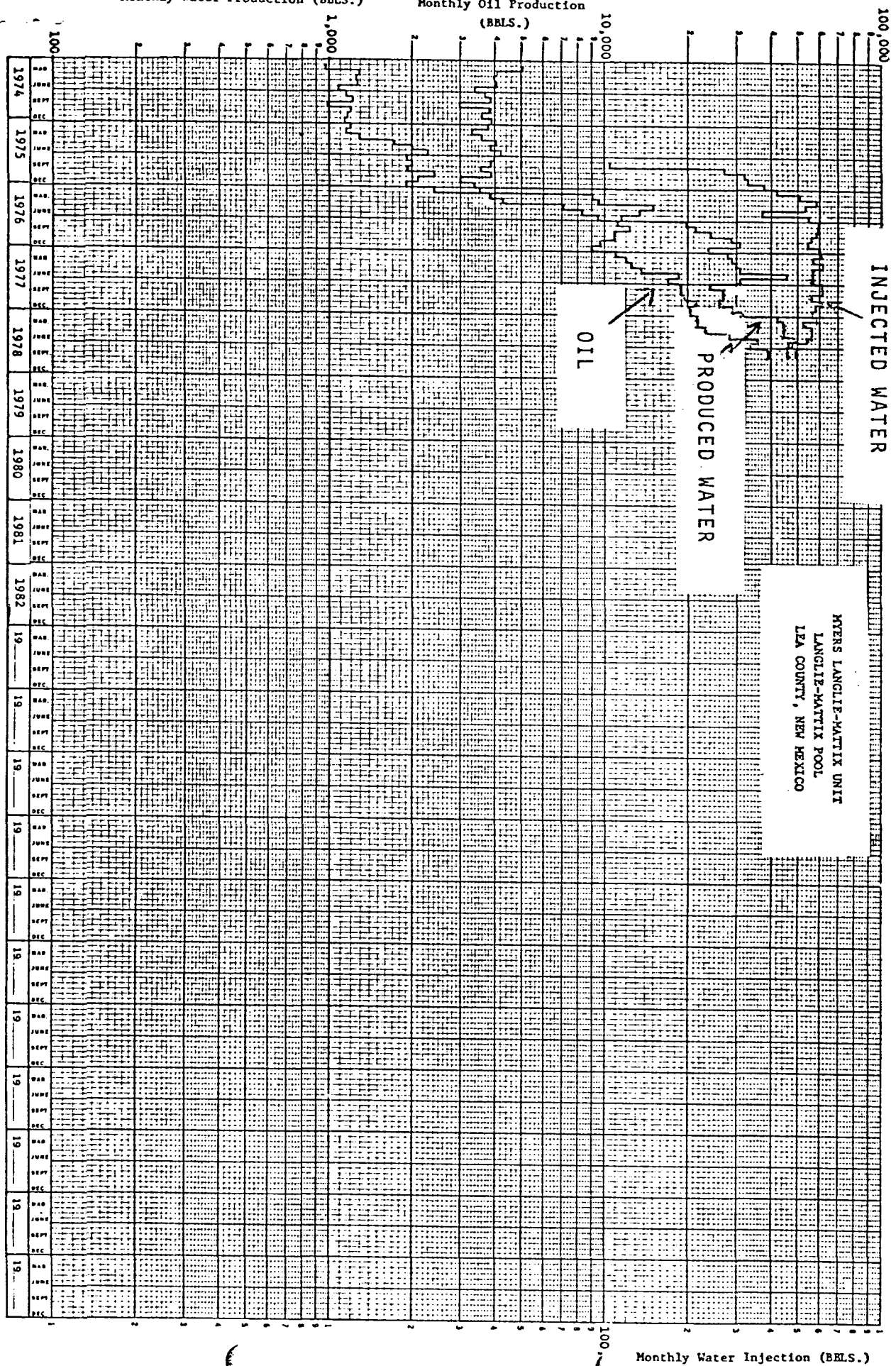
MYERS LANGLIE

SCALE IN THOUSANDS OF FEET

17 ORIGINAL WELL NUMBER
(214) UNIT WELL NUMBER
INJECTION WELL

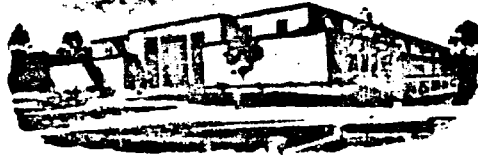
- ### LEGEND
- | | |
|---|--------------|
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| B | Seven Dances |
| C | Queen |
| D | Prize |
| E | San Antonio |
| F | Grading |
| G | Black |
| H | Upper View |
| I | Shirley |
| J | Light |
| K | Drink and |
| L | Also |
| M | Peppermint |
| N | Curious |
| O | Flamingo |
| P | Amelia |
| Q | My Rose |
| R | Flamboyant |

Monthly Oil Production
(BBLs.)





State of New Mexico



Commissioner of Public Lands

June 26, 1978

PHIL R. LUCERO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Getty Oil Company
P. O. Box 1231
Midland, Texas 79702

No. 5086

Re: Myers Langlie Mattix Unit
Lea County, New Mexico
ROYALTY OWNER RATIFICATIONS
OF UNIT AGREEMENT (16)

ATTENTION: Ms Audra B. Cary

Gentlemen:

Your letter of June 14, 1978, transmits three copies each of 16 ratification instruments for the Myers Langlie Mattix Unit Agreement, Lea County, New Mexico, covering royalty interests owners.

The Commissioner of Public Lands has this date approved the ratifications effective as of July 1, 1978. Our approval is subject to like approval by the United States Geological Survey.

Enclosed is one set of the ratifications reflecting the date they were received in this office.

Very truly yours,

PHIL R. LUCERO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division

PRL/RDG/s
encl.
cc:

OCC-Santa Fe, New Mexico ✓
USGS-Roswell, New Mexico
USGS-Albuquerque, New Mexico



United States Department of the Interior

GEOLOGICAL SURVEY

Conservation Division
P. O. Box 26124
Albuquerque, New Mexico 87125

DEC 15 1977

CONSERVATION DIVISION
DEC 14 1977

Getty Oil Company
Attention: Audra B. Cary
P. O. Box 1404
Houston, Texas 77001

70-5086

Gentlemen:

One approved copy of your 1977 report of past operations and 1978 plan of development for the Myers Langlie Mattix Unit area, Lea County, New Mexico, is enclosed.

Such plan, proposing to drill eight injection wells and sixteen producers, as shown on the enclosed plat, was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

Sincerely yours,

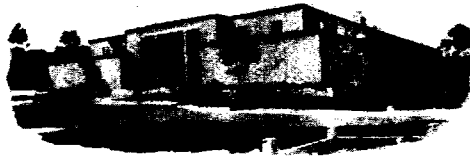
(ORIG. SGD.) JAMES W. SUTHERLAND

JAMES W. SUTHERLAND
Oil and Gas Supervisor, SMOA

Enclosures

cc:
NMOCC, Santa Fe (letter only)
Comm. of Public Lands, Santa Fe (letter only)
District Engineer, Hobbs (w/copy of plan)

State of New Mexico



Commissioner of Public Lands

PHIL R. LUCERO
COMMISSIONER

November 18, 1977

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Getty Oil Company
P. O. Box 1231
Midland, Texas 79701

Re: Myers Langlie Mattix Unit
PLAN OF DEVELOPMENT FOR
1978
Lea County, New Mexico

ATTENTION: Audra B. Cary

Gentlemen:

The Commissioner of Public Lands has this date approved your Plan of Development and Operation for the Myers Langlie Mattix Unit, Lea County, New Mexico. Your plan calls for the drilling of eight injection wells and sixteen producers to continue development of the unit on 80 acre five spot patterns. The injection plant will also be expanded and the remaining inactive Langlie Mattix Wells should be placed on injection and production in 1978.

This approval is subject to like approval By the United States Geological Survey and the New Mexico Oil Conservation Commission.

Enclosed is one approved copy for your files.

Please remit a Three (\$3.00) Dollar filing fee.

Very truly yours,

PHIL R. LUCERO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division

PRL/RDG/s
encls.
cc:

OCC-Santa Fe, New Mexico
USGS-Roswell, New Mexico
USGS-Albuquerque, New Mexico

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

February 20, 1981

Getty Oil Company
P. O. Box 730
Hobbs, New Mexico 88240

Attention: Dale R. Crockett

Re: Case No. 5086
Myers Langlie Mattix Unit
1981 Plan of Development

Gentlemen:

We hereby approve the 1981 Plan of Development for the Myers Langlie Mattix Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands.

Two approved copies of the Plan of Development are returned herewith.

Yours very truly,

JOE D. RAMEY
Director

JDR/EP/fd
enc.

cc: U.S.G.S. - Albuquerque
Commissioner of Public Lands



Getty Oil Company

February 2, 1981

Central Exploration and Production Division

P. O. Box 703
Hobbs, New Mexico 88240

File: Myers Langlie Mattix Unit
Lease No. 07938
Lea County, New Mexico

Director (3)
United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands (3)
State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

Oil Conservation Division (3)
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

All Working Interest Owners

Gentlemen:

In accordance with Section 12 of the Unit Agreement for the Development and operation of the Myers Langlie Mattix Unit, Lea County, New Mexico, Getty Oil Company respectfully submits for your approval a report of past operations and a plan of development for the year 1981.

Past Operations

The Myers Langlie Mattix Unit became effective February 1, 1974. Injection started into (18) wells on August 13, 1975, and (71) wells had been converted by October 1, 1976. Additional wells were converted to injection in 1977, 1978 and 1979, bringing the number of injection wells to (95) on December 1, 1980.

A pilot waterflood was in operation on Skelly's Mattix "A" lease prior to unitization. Cumulative injection into the Mattix "A" Well No. 4 (Unit No. 157) was 14,228 barrels on February 1, 1974. Cumulative injection since unitization was 45,482,835 barrels of water on December 1, 1980. The daily average injection rate during December, 1980 was 34,990 barrels at psig.

Cumulative oil production from the unit area since unitization was 2,216,578 barrels on January 1, 1981. The average daily producing rate during December, 1980 was 1,612 barrels of oil from 100 active producers.

Installation of central production facilities and satellite test stations started in September, 1976. Additional facilities to handle higher fluid volumes were installed in 1980. Statutory unitization became effective January 5, 1981.

In 1977, six (6) injectors and one (1) producer were drilled on undeveloped tracts. In 1978, ten (10) additional producers were drilled. In 1979, there were no additional wells drilled. In 1980, (9) injectors and (6) producers were drilled.

Development Plans for 1981

Expansion of the unit will continue in 1981. Two wells have already been drilled and plans are to drill fourteen (14) more.

Plans are to install an additional pump at the Central Battery to get injection water to the additional injection wells being converted or drilled.

If lease line agreements are obtained in 1981, four (4) producers will be converted to injection and eight (8) wells that are shut in will be placed back on injection.

Workovers to clean out fill, deepen and run liners will continue in 1981. Injection profiles will be conducted on all injectors. This work is needed to improve injection profiles and open additional pay zones.

Very truly yours,

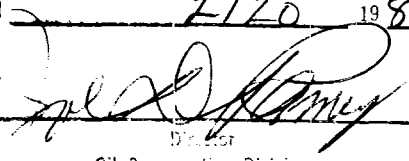
GETTY OIL COMPANY

Dale R. Crockett
Hobbs Area Superintendent

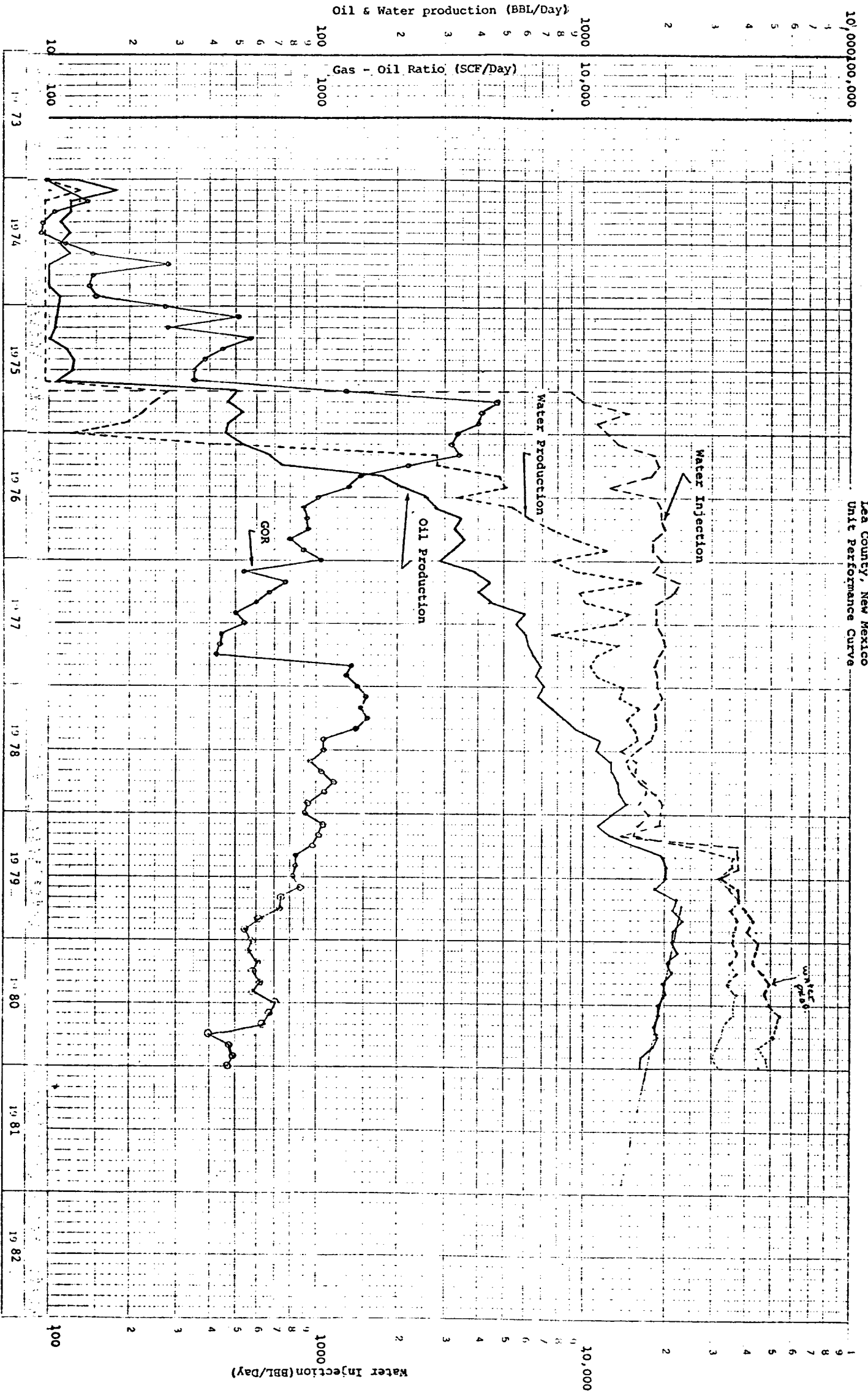
JDM/ly

Attachments

Approved

2/20 1981

Director
Oil Conservation Division
Energy and Minerals Department

COPIES OF THIS DOCUMENT ARE SUBJECT TO THE APPROVAL
OF THE DIRECTOR OF THE ENERGY AND MINERALS
DEPARTMENT AND THE SECRETARY OF THE ENERGY
COMMISSION.



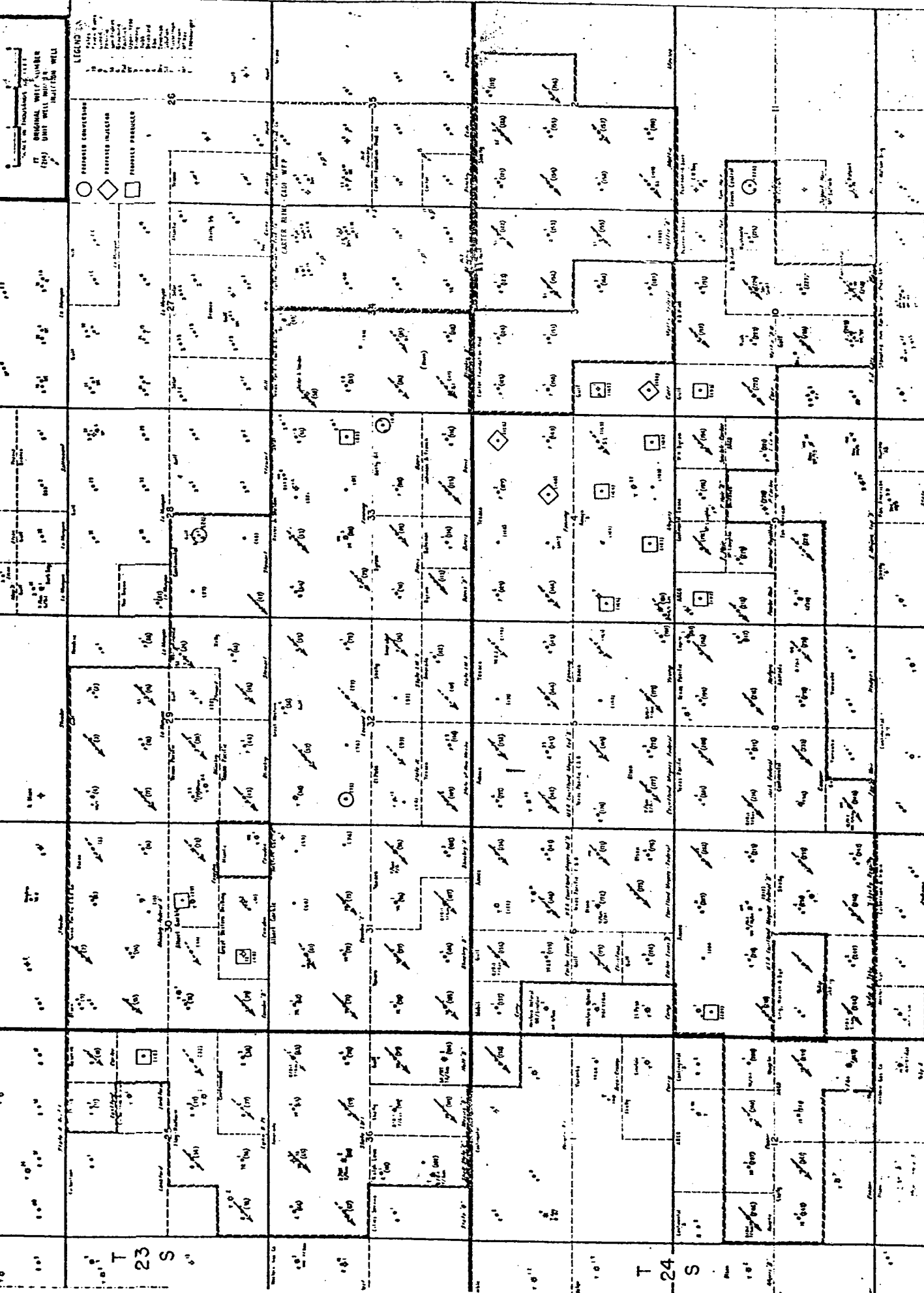
Myers Langlie - Mattix
Langlie Mattix Field
Lea County, New Mexico
Unit Performance Curve

ILLEGIBLE

R - 36 - E

R - 37 - E

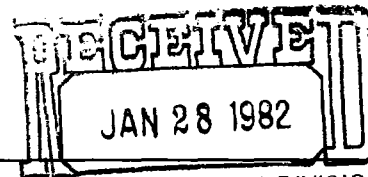
MYERS LANGLEY MATTIX UNIT



Getty Oil Company |

Central Exploration and Production Division
P.O. Box 730
Hobbs, New Mexico 88240

January 15, 1982



OIL CONSERVATION DIVISION
SANTA FE

File: Myers Langlie Mattix Unit
Lease No. 07938
Lea County, New Mexico

Director (3)
United States Geological Survey
Conservation Division
P.O. Box 26124
Albuquerque, New Mexico 87125

Commissioner of Public Lands (3)
State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

Oil Conservation Division (3)
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

All Working Interest Owners

Gentlemen:

In accordance with section 12 of the Unit Agreement for the Development and Operation of the Myers Langlie Mattix Unit, Lea County, New Mexico, Getty Oil Company respectfully submits for your approval a report of past operations and a plan of development for the year 1982.

PAST OPERATIONS

The Myers Langlie Mattix Unit became effective February 1, 1974. Injection started in eighteen (18) wells on August 13, 1975. As of December 1, 1981, ninety-five (95) active injection wells were in service. Cumulative injection since unitization was 56,898,526 barrels on December 1, 1981. The daily average injection rate during November, 1981 was 32,900 barrels at 850 psig.

Cumulative oil production from the unit area since unitization was 2,731,630 barrels oil as of December 1, 1981. The average daily producing rate during November, 1981 was 1550 barrels oil from 110 active producers.

Installation of central production facilities and satellite test stations began in September 1976. Additional facilities were installed in 1978 and 1980 to handle higher volumes. Statutory unitization became effective January 5, 1981.

In 1977, six (6) injectors and one (1) producer were drilled on undeveloped tracts. In 1978, ten (10) producers were drilled. In 1980, nine (9), injectors and six (6) producers were drilled. In 1981, twelve (12) producers and two (2) injectors were drilled.

Development Plans for 1981

No further drilling is warranted at this time. Plans for 1982 are to continue completing wells already drilled and convert to injection six (6) wells that are shut in waiting on a lease-line agreement with offset operators.

Workovers to clean out, deepen and run liners will continue in 1982. Injection profiles will be conducted on all injectors.

Yours very truly,

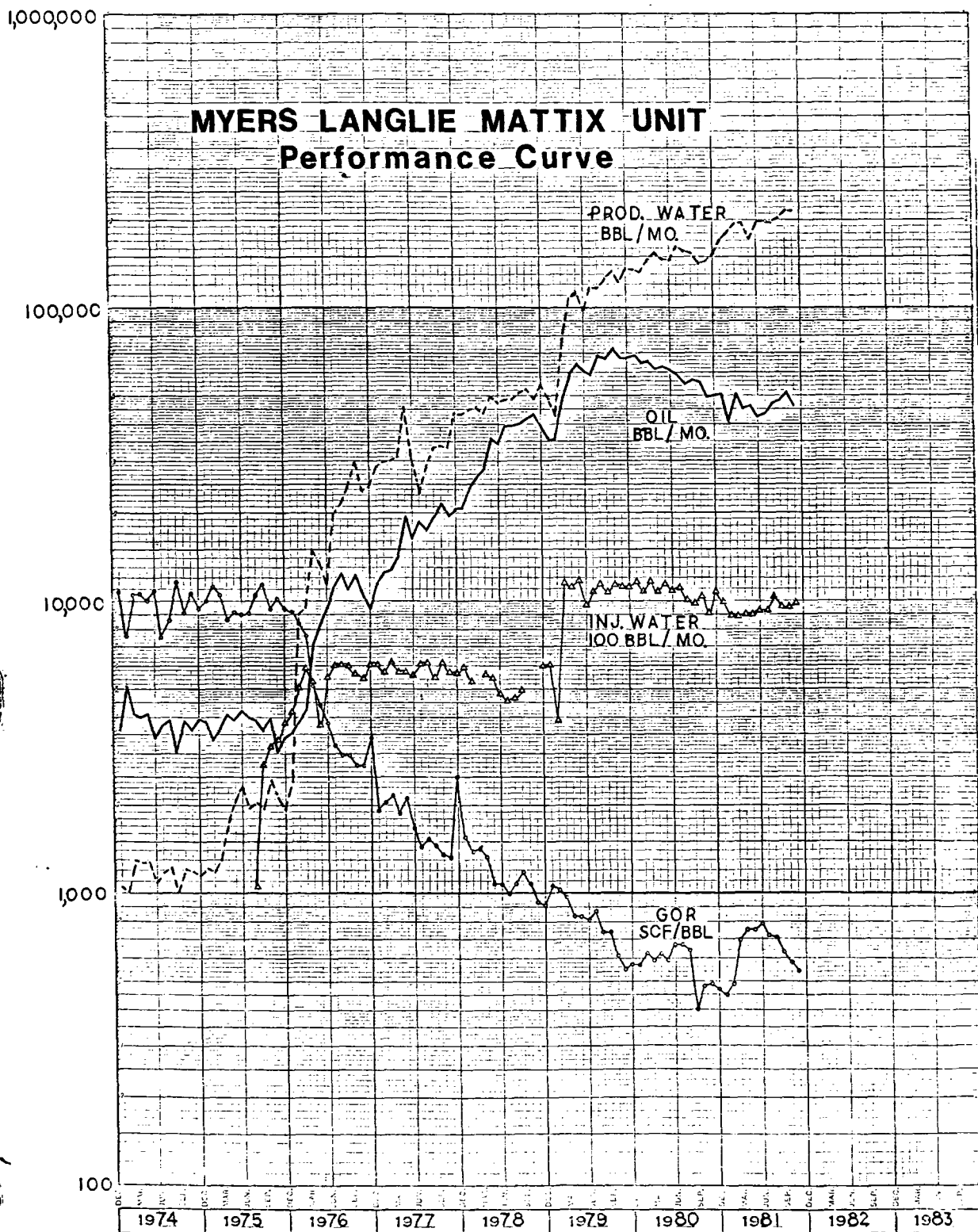
GETTY OIL COMPANY



Dale R. Crockett
Hobbs Area Superintendent

W
JDM/ly

Attachments



R - 36 - E

Continental

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DOYLE HARTMAN
Oil Operator
500 N. MAIN
P.O. BOX 10426
MIDLAND, TEXAS 79702
(915) 684-4011
September 17, 1991

OIL CONSERVATION DIVISION
RECEIVED
SEP 18 1991 9 06

VIA TELEFAX/HAND DELIVERED/CERTIFIED RETURN RECEIPT MAIL

Mr. E. L. Johnson, Jr.
Division Manager/Midland Division
Texaco USA
P.O. Box 3109
Midland, Texas 79702-3109

Case 5086

Re: Myers Langlie Mattix Unit
Lea County, New Mexico
CL-190-90

Gentlemen:

Reference is made to your letter to us of September 9, 1991 written in response to our letter to Texaco of August 28, 1991.

In your letter of September 9, 1991, you stated "... it was Texaco's understanding that the ongoing negotiations, whereby you would trade your interest in the Myers Langlie Mattix Unit to Texaco, were actually intended to settle your dispute with Sirgo Operating and ARCO." Realizing that you have just assumed your new position as Division Manager of Texaco's Midland Division, we must respectfully disagree with this statement.

It is true that if ARCO and Sirgo had actually honored the previously agreed to three-way ARCO/Sirgo/Hartman trade and had not unilaterally abrogated the trade on May 14, 1991, Hartman today would no longer own a working interest in the Texaco operated MLMU waterflood and we would no longer have any concerns about the operatorship of the unit nor the future development plans for the unit. However, the fact remains that the three-way trade did not close as originally scheduled. Consequently, Hartman today still owns an interest in the unit and as a result we have been forced to address the following serious issues:

1. the future operatorship of the MLMU
2. the future development plans for the MLMU

As to the operatorship of the unit, we have serious and justified concerns about both Sirgo's technical ability and financial ability to become operator of one of New Mexico's largest waterflood units. In Sirgo's November 7, 1990 letter to ARCO (copy enclosed), M.A. Sirgo III stated, "We have approached a default issue with our bank, since we cannot pay on our acquisition line..." If Sirgo cannot pay on its acquisition line which was the vehicle by which it purchased its substantial present interest in the MLMU, it is quite obvious that Sirgo is not financially capable of assuming

operatorship of the MLMU and most certainly is not financially capable of pursuing a high risk \$44,000,000 redevelopment plan for the MLMU.

Hartman's working interest in the MLMU waterflood is 4.8% and therefore a \$44,000,000 expenditure on a high risk MLMU redevelopment plan equates to a net exposure for Hartman of \$2,112,000 which we take quite seriously since we most certainly believe in paying our bills. Even more amazing, because the MLMU operating agreement, in its current form, contains a "jointly and severably liable" provision, if the high risk \$44,000,000 redevelopment plan is actually implemented and fails, Hartman and other working interest owners could also be liable for Sirgo's 50+% share of the expenditures which is a very good likelihood given both Sirgo's self admitted poor financial condition and the high risk nature of the proposed \$44,000,000 expenditure. No competent businessman would dare allow himself to be willingly placed under such financial jeopardy and as a result we will not willingly cooperate with such a venture.

In its June 14, 1991 letter to MLMU working interest owners (copy enclosed), Texaco stated it "... has not participated in, authorized nor endorsed the preparation of either the plan of development or the Hickman report." It was also stated in the June 14, 1991 letter, "Should Texaco desire to resign as Unit Operator, it will promptly notify all parties in accordance with the provisions of the Unit Agreement and Unit Operating Agreement."

To our great shock, on September 12, 1991, we came into the possession of Texaco's nearly one-year old letter of September 26, 1990 to Sirgo Operating, Inc. (copy enclosed). In clear contradiction of Texaco's June 14, 1991 letter to the MLMU working interest owners, Texaco's letter to Sirgo of September 26, 1990 stated, "We are most appreciative of the information exchange between yourself, T. Scott Hickman and Associates, and our staff, in regard to the continued development of the subject unit. Texaco is prepared to phase out as unit operator within two to four months following accomplishment of the items listed below..." Going further, the second item listed by Texaco in its letter of September 26, 1990, required that Texaco and Sirgo agree "... on the drilling order and development phase priority for the infill drilling program ..."

Texaco's September 26, 1990 letter also ties closely to Sirgo's letter to Hartman of May 20, 1991 (copy enclosed) that stated "Phase I is a consensus of Texaco's and Sirgo's combined engineering efforts as to the best place to start." It is also quite evident that Sirgo's letter of May 20, 1991 strongly contradicts Texaco's letter to the MLMU working interest owners of June 14, 1991.

Texaco is clearly required as unit operator to keep the working interest owners of the MLMU promptly and accurately informed as to major anticipated changes in the unit plan of operation although it has now become obvious that Texaco has not met this important obligation. In fact, in light of the contradictions found between both Texaco's letter of September 26, 1990 and Texaco's letter of June 14, 1991 and also in light of the contradictions between Sirgo's letter of May 20, 1991 and Texaco's letter of June 14, 1991,

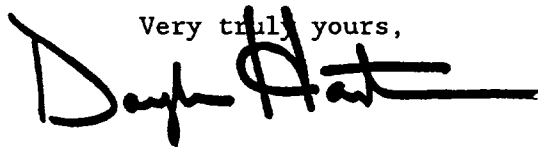
Texaco USA
September 17, 1991
Page 3

it appears (to the financial detriment of the MLMU interest owners) that Texaco and Sirgo may have been cooperating for more than a year to keep vital MLMU development information from other MLMU working interest owners.

For the obvious financial reasons previously discussed above, we have no intention of voluntarily participating in the new unit development plan being promoted by Sirgo and Texaco and moreover it is very possible that the MLMU working interest owners may have been financially harmed as a result of vital unit information being withheld by Texaco and Sirgo. Correspondingly, we do not wish to interfere with the business desires of Sirgo and Texaco as to the MLMU just as long as we do not have to assume any of the financial exposure and also as long as Texaco and Sirgo do not effectively and improperly attempt to confiscate our MLMU property rights.

Therefore, in closing, we respectfully suggest that it would be in the best interest of all parties for Texaco to carefully reconsider our property exchange and settlement proposal dated August 5, 1991, the idea of which proposal was first raised by Mr. Robert Soleberg (former Division Manager) on June 13, 1991 and which was amazingly declined by Texaco on September 13, 1991. As usual, we stand ready to promptly discuss this matter and our proposal of August 5, 1991 if you so desire.

Very truly yours,

A handwritten signature in black ink, appearing to read "Doyle Hartman", with a long horizontal flourish extending to the right.

Doyle Hartman

DH/ckb
002:TEX0917

cc: Mr. Gene Gallegos
Gallegos Law Firm
141 Palace Ave
Santa Fe, New Mexico 87501

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

James A. Davidson
P.O. Box 494
Midland, Texas 79702

William P. Aycock
1207 W. Wall
Midland, Texas 79701

Daniel S. Nutter
105 E. Alicante
Santa Fe, New Mexico 87501

Mr. Alfred C. DeCrane, Jr.
Texaco, Inc.
2000 Westchester Avenue
White Plains, NY 10650

Mr. James W. Kinnear
President, Chief Executive Officer & Director
Texaco, Inc.
2000 Westchester Avenue
White Plains, NY 10650

Mr. William S. Barrack, Jr.
Senior Vice President
Texaco, Inc.
2000 Westchester Avenue
White Plains, NY 10650

Mr. Paul B. Hicks, Jr.
Senior Vice President
Texaco, Inc.
2000 Westchester Avenue
White Plains, NY 10650

Mr. Allen J. Krowe
Senior Vice President & Chief Financial Officer
Texaco, Inc.
2000 Westchester Avenue
White Plains, NY 10650

Mr. William K. Tell
Senior Vice President
Texaco, Inc.
2000 Westchester Avenue
White Plains, NY 10650

Mr. Stephen M. Turner
Senior Vice President & General Counsel
Texaco, Inc.
2000 Westchester Avenue
White Plains, NY 10650

Mr. Elton G. Yates
Senior Vice President
Texaco, Inc.
2000 Westchester Avenue
White Plains, NY 10650

Mr. Ralph S. Cunningham
Vice President
Texaco, Inc.
2000 Westchester Avenue
White Plains, NY 10650

Mr. Richard R. Dickinson
Vice President
Texaco, Inc.
2000 Westchester Avenue
White Plains, NY 10650

Mr. Peter I. Bijur
Vice President
Texaco, Inc.
2000 Westchester Avenue
White Plains, NY 10650

Mr. C. Robert Black
Vice President
Texaco, Inc.
2000 Westchester Avenue
White Plains, NY 10650

Mr. Gerald F. Rome
Vice President
Texaco, Inc.
2000 Westchester Avenue
White Plains, NY 10650

Mr. Earl L. Johnson
Vice President
Texaco, Inc.
2000 Westchester Avenue
White Plains, NY 10650

Mr. Carl B. Davidson
Vice President & Secretary
Texaco, Inc.
2000 Westchester Avenue
White Plains, NY 10650

Mr. John D. Ambler
Vice President
Texaco, Inc.
2000 Westchester Avenue
White Plains, NY 10650

Mr. J. Donald Annett
Vice President
Texaco, Inc.
2000 Westchester Avenue
White Plains, NY 10650

Mr. Glenn F. Tilton
Vice President
Texaco, Inc.
2000 Westchester Avenue
White Plains, NY 10650

Mr. James L. Dunlap
President
Texaco, Inc.
1111 Rusk Avenue
Houston, Texas 77002

Mr. L. Paul Teague
Vice President, Western Exploration & Producing Region
Texaco, Inc.
4601 DTC Boulevard
Denver, Colorado 80237

H. C. Patterson
Texaco Exploration & Production, Inc.
P.O. Box 3109
Midland, Texas 79702-3109

B. H. Johnson
Texaco Exploration & Production, Inc.
P.O. Box 3109
Midland, Texas 79702-3109

Mr. James Head
Texaco Exploration & Production, Inc.
P.O. Box 730
Hobbs, New Mexico 88240-0730

Bruce Pope, Legal Department
Texaco Exploration & Production, Inc.
P.O. box 2100
Denver, Colorado 80201-2100

Ron O'Dwyer
Texaco Exploration & Production, Inc.
P.O. Box 2100
Denver, Colorado 80201-2100

Texaco USA
September 17, 1991
Page 7

Ron Lanning
Texaco Exploration & Production, Inc.
P.O. Box 2100
Denver, Colorado 80201-2100

All MLMU Working Interest Owners
(list attached)

INTEREST OWNERS
MYERS LANGLIE MATTIX UNIT

Amerada Hess Corporation
P. O. Box 2040
Tulsa, OK 74102-2040

Arlene S. Anthony
721 Chatham Road
Glenview, IL 60025

George R. Bentley
P. O. Box 37
Pineville, KY 40977-0037

James C. Brown
P. O. Box 10621
Midland, TX 79702-0621

Ellen Harris Clay Trust
c/o Texas American Bank Fort Worth
P. O. Box 2605
Fort Worth, TX 76113-2605

Jennifer Ann Clay
4135 Glenwick, #25
Dallas, TX 75205

Joan Clay
c/o Grant Thornton
P. O. Box 19585
Irvine, CA 92713-9585

Clay Trusts 618-123
Ameritrust Texas N.A.
P. O. Box 901004
Fort Worth, TX 76101-1004

John W. Clay III
4005 Pin Oak Terrace, #304
Euless, TX 76040

Rufus "Pete" Clay, Jr. Trust
P. O. Box 50688
Amarillo, TX 79159-0688

Susan Marie Clay
2737 Colonial Parkway
Fort Worth, TX 76109

Adele Combs Clough
6926 Midbury Drive
Dallas, TX 75230

Michael Clough
7717 Meadowhaven Dr.
Dallas, TX 75240

Margaret Couch Trust
P. O. Box 50688
Amarillo, TX 79159-0688

Cross Timbers Production Co.
810 Houston St., Ste 2000
Fort Worth, TX 76102

El Paso Natural Gas Company
P. O. Box 1492
El Paso, TX 79978-1492

Geodyne Resources, Inc.
NW-8045
P. O. Box 8045
Minneapolis, MN 55485-8045

HCW Income Properties
The Historic Church
Grn Bld, 101 Summer Street
Boston, MA 21100

Headington Oil Company
7557 Rambler Road, #1150
Dallas, TX 74231
Attention: Brooks Purnell, Vice President

Edythe B. Prikryl
5708 Melstone
Arlington, TX 76016

Lamar Hunt
2400 Thanksgiving Tower
1601 Elm Street
Dallas, TX 75201

N. B. Hunt
2400 Thanksgiving Tower
1601 Elm Street
Dallas, TX 75201

W. H. Hunt
2400 Thanksgiving Tower
1601 Elm Street
Dallas, TX 75201

Kerr-McGee Corporation
P. O. Box 730330
Dallas, TX 75373-0330

Weslynn McCallister
P. O. Box 88
Nokomis, FL 34274

Lortscher Family Trust
Marilyn A. Tarlton, Trustee
561 Orange Avenue
Los Altos, CA 94022

Maralo, Inc.
P. O. Box 832
Midland, TX 79702-0832
Attention: R. A. Lowery, Production Manager

Myers Partners, Inc.
214 W. Texas, Ste 1200
Midland, TX 79701

Evelyn Clay O'Hara Trust
c/o Juanita Jackson
3774 West Sixth Street
Fort Worth, TX 76107

OXY USA Inc.
P. O. Box 300
Tulsa, OK 74102

PC Ltd.
P. O. Box 911
Breckenridge, TX 76024-0911

Robert C. Scott
2400 N.E. 26th Avenue
Fort Lauderdale, FL 33305

Sirgo Brothers, Inc.
P. O. Box 3531
Midland, TX 79702-3531

L. Summers Oil Co.
P. O. Box 776
Hobbs, NM 88240-0776
Attention: Louise Summers

James A. Davidson
P. O. Box 494
Midland, TX 79702-0494

Correspondence
included with and made a part of
Hartman letter to Texaco USA
dated September 17, 1991

1. Texaco USA letter to Sirgo Operating, Inc. dated September 26, 1990.
2. Texaco USA letter to Myers Langlie Mattix Unit Working Interest Owners dated June 14, 1991.
3. Sirgo Operating, Inc. letter to Doyle Hartman dated May 20, 1991.
4. Sirgo Operating, Inc. letter to ARCO Oil and Gas Company dated November 7, 1990.



Robert A. Solberg
Division Manager

Texaco USA

PO Box 3109
Midland TX 79702

September 26, 1990

Sirgo Operating, Inc.
P. O. Box 3531
Midland, TX 79702

Attn: Mr. M. A. Sirgo III
President

Re: MYERS LANGLIE-MATTIX UNIT

Dear Mr. Sirgo:

We are most appreciative of the information exchange between yourself, T. Scott Hickman & Associates, and our staff, in regard to continued development of the subject unit. Texaco is prepared to phase out as unit operator within two to four months following accomplishment of the items listed below:

1. Receipt by Texaco of appropriate certification that your company has obtained 80% or more of the Phase II Unit participating working interest remaining after excluding the Phase II Unit participating working interest of the unit operator;
2. Our companies agree on the drilling order and development phase priority for the infill drilling program;
3. We agree on a reporting procedure to be followed during the development program.

We look forward to continuing our working relationship with you in regard to the subject unit. Best regards.

Yours very truly,

Robert A. Solberg/RS

SES/



Texaco USA
Producing Department
Midland Division

PO Box 3109
Midland TX 79702-3109

June 14, 1991

230830 - MYERS LANGLIE-MATTIX UNIT
LEA COUNTY, NEW MEXICO

TO: ALL WORKING INTEREST OWNERS

Gentlemen:

The purpose of this letter is to clarify some confusion that has apparently arisen regarding Texaco's operation of the referenced Unit and the plan of development proposed by Sirgo Operating, Inc. (Sirgo).

Texaco has received a copy of a report regarding further development of the Unit entitled "Evaluation of Waterflood Development Project, Myers Langlie Mattix Unit, Lea County, New Mexico", prepared by T. Scott Hickman & Associates, Inc. Texaco has not participated in, authorized nor endorsed the preparation of either the plan of development or the Hickman report.

Texaco continues to operate the Unit and has not tendered its resignation as Unit Operator. Should Texaco desire to resign as Unit Operator, it will promptly notify all parties in accordance with the provision of the Unit Agreement and Unit Operating Agreement.

Very truly yours,

Texaco Exploration and Production Inc.

Robert A. Solberg
Division Manager

MRM/srt

cc DH
BJ ✓
...L

JUN 18 1991

DN

Sirgo Operating, Inc.

P. O. Box 3531, Midland, Texas 79702 (915) 685-0878

May 20, 1991

Doyle Hartman
500 N. Main Street
Midland, Texas 79701

Attention: Mr. Bryan Jones

Re: Myers Langlie-Mattix Unit
Operator Ballot

Bryan,

As we have discussed with you, Sirgo Operating is soliciting the support of the working interest owners to be operator of the captioned unit. Enclosed is a ballot for your review, as well as a copy of the proposed project we intend to implement this summer.

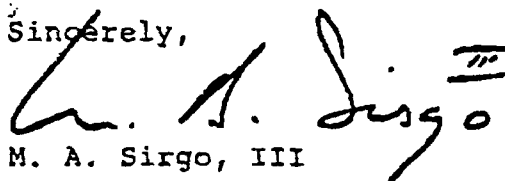
Exclusive of Hartman's interest, Sirgo's current ownership in conjunction with ballots received to date is sufficient for Sirgo to assume operatorship. Texaco has agreed to resign as operator to allow us to do so, and we would also like to have your vote.

Additionally, it is our intent to initially develop Phase I of the proposed project, and then stop and review the results.

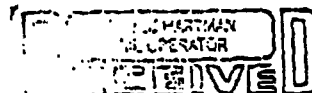
Phase I is a consensus of Texaco and Sirgo's combined engineering efforts as to the best place to start.

As with all the working interest owners, we are extending to you an invitation to sit down and review the proposed project with Sirgo's people or the Hickman engineering firm.

Sincerely,


M. A. Sirgo, III

MAS/pr



MAY 21 1991

Sirgo Operating, Inc.

P. O. Box 3531, Midland, Texas 79702 (915) 685-0878

November 7, 1990

ARCO Oil & Gas Company
P. O. Box 1610
Midland, Texas 79702

RECEIVED
NOV - 9 1990

Attention: Messrs. Eric D. Siegmund
Mike McPherren

Acquisitions & Divestiture

Gentlemen,

Reference is made to your counterproposal dated September 25, 1990, for the sale of the following properties located in Lea County, New Mexico.

- .. T. M. Lankford WN-NW/4 Sec. 25-36E-23S;
- .. E. L. Steeler/Gas/WN, E. L. Steeler/Oil/WN, Eva E. Blinbry WN-SW/4 Sec. 19-37E-23S and N/2 Sec. 30-37E-23S;
- .. Jalmat State Gas Com.-W/2 NE/4, S/2 SE/4, SE/4 SW4 Sec. 37E-25S

Sirgo hereby accepts your counterproposal to purchase the above referenced tracts for the sum of 1.1 million dollars, for an effective date of sale of October 1, 1990. This acceptance is contingent upon a satisfactory opinion of title, review of the applicable gas contracts, and resolution of the following outstanding balances between Sirgo and ARCO on the Myers Langlie-Mattix Unit.

Sirgo purchased ARCO's interests in the Myers Langlie-Mattix Unit effective January 1, 1990 and ARCO NMFU interests effective April, 1990 for approximately \$500,000. To date, ARCO has remitted two checks to Sirgo; #1 dated 10-29-90 for \$76.51 and #2 dated 10-31-90 for \$79.26.

The following is a summary of the Unit's Gross Sales and Expenses provided by Texaco since January 1, 1990:

	<u>GROSS OIL SALES,\$</u>	<u>GROSS GAS SALES,\$</u>	<u>LEASE OPERATING EXPENSES</u>
January	497,746.47	19,568.62	241,126.86
February	442,039.41	22,394.39	185,499.87
March	431,407.52	16,081.13	321,357.14
April	359,637.53	18,317.35	241,703.30
May	371,534.61	12,296.66	271,899.67
June	306,248.93	16,076.26	249,703.48
July	343,118.07	19,673.17	221,794.80
August	535,925.00	18,503.90	214,497.16
September	647,435.99	16,467.40	265,470.58

ARCO Oil and Gas Company
November 7, 1990
Page 2

We purchased ARCO's non-N.M. Federal Unit interest of 9.1350% W.I. and 8.113% N.R.I. effective January 1, 1990. We purchased ARCO's NM Federal Unit interest of .6668% W.I. and .57773% N.R.I. effective April 1, 1990.

ARCO's net income for the above months is calculated as follows:

	<u>GROSS REVENUE, \$</u>	<u>SEVERANCE TAX, \$</u>	<u>LEASE OPERATING EXPENSE</u>	<u>ARCO'S NET LEASE INCOME, \$</u>
JAN	41,969.77	(3,307.21)	(22,026.93)	16,635.63
FEB	37,679.51	(2,969.14)	(16,945.41)	17,764.96
MAR	36,304.75	(2,860.81)	(29,355.97)	4,087.97
APR	32,847.03	(2,562.07)	(23,691.27)	6,593.69
MAY	33,357.74	(2,628.58)	(26,651.06)	4,078.10
JUN	28,012.41	(2,207.38)	(24,475.44)	1,329.59
JUL	31,529.20	(2,484.50)	(21,739.88)	7,304.82
AUG	48,677.67	(3,835.00)	(21,024.58)	23,818.09
SEP	<u>58,289.39</u>	<u>(4,593.20)</u>	<u>(26,020.89)</u>	<u>27,675.30</u>
TOTAL	348,667.47	(27,447.89)	(211,931.43)	109,288.15
		Less Revenue Received		(155.77)
		ARCO's Net Owed to Sirgo		<u>109,132.38</u>

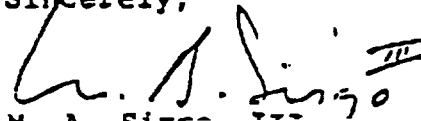
We have worked all over your company trying to collect our money, and have had no satisfaction, as evident by the amount of money we have received. Would you please remit to us a check for the amount above, and work this reconciliation out with your people. This only represents ARCO's interests we purchased that ARCO disburses. There are additional tracts that ARCO purchases the crude that we own an interest in. God only knows how we will ever reconcile those. Additionally, October has come and gone so there will be revenue accumulated there.

We have approached a default issue with our bank, since we cannot pay on our acquisition line when we don't get paid on interests we have bought. We are facing suspension of any borrowings for acquisitions until this is cleared up. Needless to say we have provided all kinds of people in your company, all kinds of support that we bought ARCO's interests, but no checks have materialized.

We cannot wait any longer for something to happen. Would you please cut us a check for the above net amount. Needless to say, yesterday would not be soon enough.

Your cooperation, help and delivery of a check would be most appreciated.

Sincerely,



12/000165/AR



OIL CONSERVATION DIVISION
P.O. Box 50250, Midland, TX 79710-0250

OXY USA Inc.

5086

RECEIVED MAR 6 1995

March 3, 1995

3-20-95

Bureau of Land Management
Roswell District Office
1717 West Second Street
Roswell, New Mexico 88201-2019

O -
Unit letter
Tax 129

Commissioner of Public Lands
P.O. Box 1148
Santa Fe, New Mexico 87504-1148

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

Working Interest Owners
(See attached List)

RE: Myers Langlie Mattix Unit
Plan of Development
Lea County, New Mexico

Gentleman:

In accordance with Section 12 of the Unit Agreement for the Development and Operations of the Myers Langlie Mattix Unit, Lea County, New Mexico, OXY USA Inc. respectfully submits for your approval our annual Plan of Development for 1995. Enclosed for your convenience is a production plot, monthly production for 1994, well status, and individual production or injection for each well.

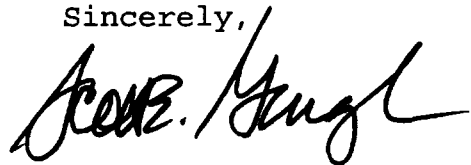
PAST OPERATIONS

The Myers Langlie Mattix Unit became effective February 1, 1974. Injection started in eighteen wells on August 13, 1975. As of January 1, 1995, 100 producers and 68 injection wells were active. From unitization through December of 1994, cumulative injection has been 173,089,228 barrels and cumulative oil production has been 7,165,265 barrels .

1994 Operations

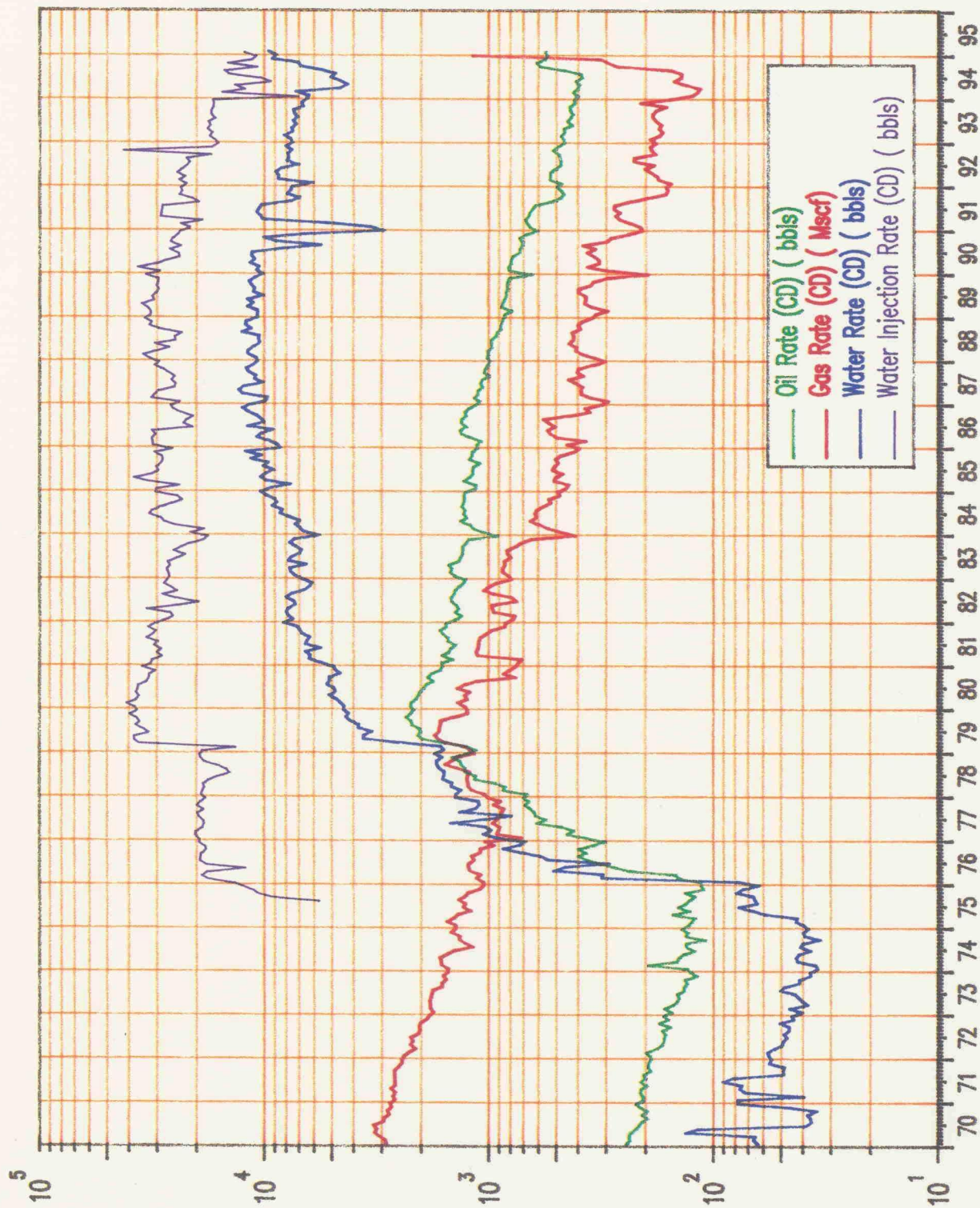
OXY USA Inc. became the operator of the Myers Langlie Mattix Unit effective January 1, 1994. In 1994, eighteen infield wells were drilled, twelve wells were converted to injection, and one well was re-entered for injection purposes to establish a 40 acre five spot waterflood pattern pilot. Additionally, 33,000 feet of injection lines were replaced with fiberglass pipe to upgrade the injection distribution system.

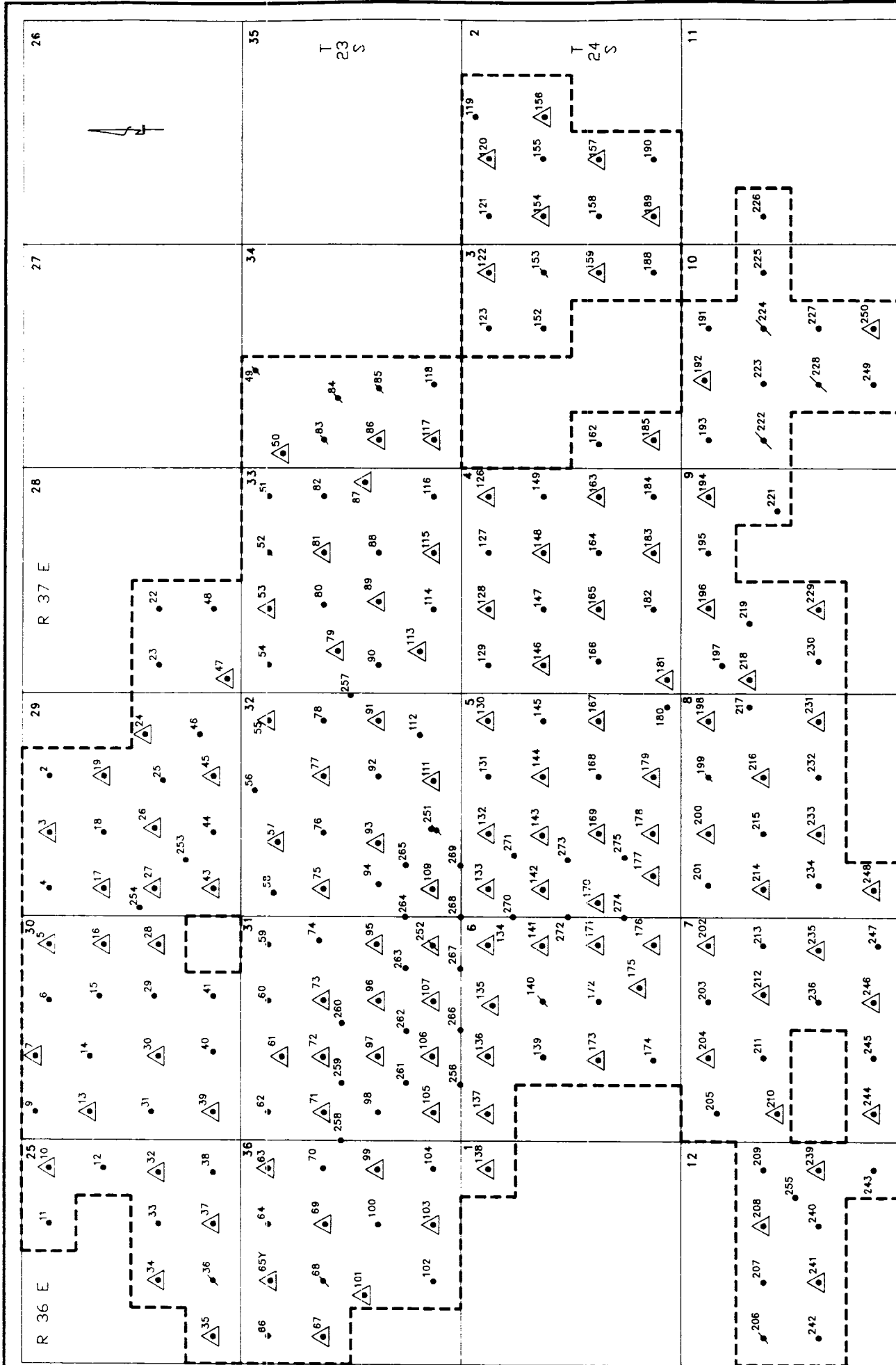
Sincerely,

A handwritten signature in black ink, appearing to read "Scott E. Gengler", written in a cursive style.

Scott E. Gengler
Engineering Advisor
Western Region

Myers Langlie Mattix Unit





OXY USA INC. - OPERATOR
MYERS LANGLEIE MATTIX QUEEN UNIT
 Lee County, New Mexico

• PRODUCER
 ▲ WATER INJECTOR
 ✕ PLUGGED & ABANDONED

Feb. 23, 1995
 Wells Revised: 7/8/94

MYERS LANGLIE MATTIX UNIT

Well	Well Status	Well Type	Water Injection		1994 Production			Unit Cumulative Production		
			1994 (Bbls)	Unit Cum (Bbls)	Oil (Bbls)	Gas (MCF)	Water (Bbls)	Oil (Bbls)	Gas (MCF)	Water (Bbls)
2	Inactive	Producer	0	0	0	0	0	28658	43473	300361
3	Active	Injector	61095	2222715	0	0	0	1876	12782	2
4	Inactive	Producer	0	0	0	0	0	34737	11701	56870
5	Inactive	Injector	0	1359356	0	0	0	881	1162	3664
6	Inactive	Producer	0	0	0	0	0	46458	19456	332484
7	Inactive	Injector	0	1404085	0	0	0	0	0	0
9	Active	Producer	0	0	915	1668	3552	22578	16626	48019
10	Inactive	Injector	0	1732023	0	0	0	1833	11143	0
11	Active	Producer	0	0	1029	0	1802	14154	28556	44639
12	Active	Producer	0	0	1007	1280	4269	21967	24758	49489
13	Inactive	Injector	0	1354314	0	0	0	0	0	0
14	Active	Producer	0	0	1314	11	763	20269	36632	28728
15	Active	Producer	0	0	3698	1070	6039	145369	9055	111819
16	Active	Injector	75712	272927	0	0	0	45337	7154	82456
17	Active	Injector	72311	2380454	0	0	0	1900	3252	25
18	Active	Producer	0	0	3044	12	51936	61356	11152	701708
19	Active	Injector	79011	1245467	0	0	0	0	0	0
22	Inactive	Producer	0	0	0	0	0	0	0	0
23	Inactive	Producer	0	0	0	0	0	70	939	1392
24	Active	Injector	0	616530	0	0	0	0	0	0
25	Inactive	Producer	0	0	0	0	0	931	3678	7178
26	Active	Injector	91201	2681816	0	0	0	0	0	0
27	Inactive	Injector	0	324994	0	0	0	97910	47553	118752
28	Active	Injector	5431	1587040	0	0	0	0	0	0
29	Active	Producer	0	0	1292	3311	4019	36112	24982	229910
30	Inactive	Injector	0	564794	0	0	0	0	0	0
31	Inactive	Producer	0	0	0	0	0	8624	38256	23299
32	Inactive	Injector	0	804091	0	0	0	4501	239	2841
33	Active	Producer	0	0	871	9	9986	28917	52922	560253
34	Inactive	Injector	0	1733254	0	0	0	711	12093	0
35	Inactive	Injector	0	1805562	0	0	0	0	0	0
36	P&A	Producer	0	0	0	0	0	12140	52810	276673
37	Active	Injector	82005	2287151	0	0	0	0	0	0
38	Active	Producer	0	0	1230	10	6585	53498	107886	153899
39	Active	Injector	9994	1226410	0	0	0	782	0	0
40	Active	Producer	0	0	444	9	13525	19836	13407	222428
41	Active	Injector	30558	357669	0	0	0	3320	1264	2206
43	Active	Injector	175212	2600635	0	0	0	1654	26778	783
44	Active	Producer	0	0	1143	9	40186	53922	53980	748213
45	Active	Injector	132868	2921630	0	0	0	0	0	0
46	Inactive	Producer	0	0	0	0	0	15690	92970	167617
47	Active	Injector	162177	2021687	0	0	0	1157	8455	0
48	Inactive	Producer	0	0	0	0	0	4651	703	59245
49	P&A	Producer	0	0	0	0	0	0	0	0
50	Inactive	Injector	0	679974	0	0	0	0	0	0
51	Inactive	Producer	0	0	0	0	0	9809	15417	62687
52	P&A	Producer	0	0	0	0	0	4668	8881	80732
53	Active	Injector	70179	1778014	0	0	0	2271	17680	65
54	Active	Producer	0	0	2790	15	135669	52833	48178	1042730

Well	Well Status	Well Type	Water Injection		1994 Production			Unit Cumulative Production		
			1994 (Bbls)	Unit Cum (Bbls)	Oil (Bbls)	Gas (MCF)	Water (Bbls)	Oil (Bbls)	Gas (MCF)	Water (Bbls)
55	Active	Injector	84403	2621178	0	0	0	557	964	0
56	Active	Producer	0	0	2167	429	130493	75019	271986	724631
57	Active	Injector	15852	2191482	0	0	0	0	0	0
58	Active	Producer	0	0	541	0	7594	54007	5637	125516
59	Inactive	Injector	0	573060	0	0	0	23344	28179	26993
60	Active	Producer	0	0	129	0	10062	13749	9553	91467
61	Active	Injector	136	1693214	0	0	0	0	0	0
62	Active	Producer	0	0	2383	15	8383	96613	13854	335359
63	Inactive	Injector	0	2325893	0	0	0	0	0	0
64	Active	Producer	0	0	960	9	17368	75747	3962	1090323
65Y	Inactive	Injector	0	1726521	0	0	0	734	653	265
66	Inactive	Producer	0	0	0	0	0	20488	137997	241047
67	Inactive	Producer	0	0	0	0	0	877	694	1165
68	P&A	Producer	0	0	0	0	0	52927	5545	317275
69	Active	Injector	166167	2792155	0	0	0	758	755	361
70	Inactive	Producer	0	0	0	0	0	58629	41673	294737
71	Active	Injector	58993	2417656	0	0	0	993	3140	330
72	Inactive	Producer	0	0	0	0	0	27756	21535	333442
73	Active	Injector	54863	1666390	0	0	0	749	1784	311
74	Active	Producer	0	0	991	10	6546	21261	21173	120505
75	Inactive	Injector	0	73742	0	0	0	7234	6563	35548
76	Active	Producer	0	0	693	0	29307	25643	39888	506252
77	Active	Injector	52871	2070498	0	0	0	2391	520	423
78	Active	Producer	0	0	3556	1557	27111	47531	45857	321702
79	Active	Injector	157783	2967026	0	0	0	485	5341	0
80	Inactive	Producer	0	0	0	0	0	3424	7804	61011
81	Inactive	Injector	0	949110	0	0	0	0	0	0
82	Active	Producer	0	0	2195	1658	8644	25513	25821	248850
83	Inactive	Producer	0	0	0	0	0	14090	7802	709623
84	Inactive	Producer	0	0	0	0	0	12740	14501	204348
85	Inactive	Producer	0	0	0	0	0	56772	5472	21276
86	Inactive	Injector	0	477442	0	0	0	0	0	0
87	Active	Injector	18410	1171749	0	0	0	1447	2437	1567
88	Active	Producer	0	0	1664	10	13517	42371	92335	250396
89	Inactive	Injector	0	1984585	0	0	0	977	31923	0
90	Inactive	Producer	0	0	0	0	0	72075	77597	1109371
91	Inactive	Injector	0	1931578	0	0	0	0	0	0
92	Active	Producer	0	0	922	9	140837	41029	1274	1639838
93	Active	Injector	64393	1992399	0	0	0	1461	465	1268
94	Inactive	Producer	0	0	0	0	0	15808	5092	187714
95	Active	Injector	38948	1903430	0	0	0	0	0	0
96	Active	Producer	0	0	778	2288	31330	107460	15111	1346541
97	Inactive	Injector	0	1833982	0	0	0	608	0	67
98	Active	Producer	0	0	4650	3314	43718	324601	52884	1860992
99	Inactive	Injector	0	1269936	0	0	0	0	2	0
100	Active	Producer	0	0	3060	15	24526	62347	35225	1207541
101	Inactive	Injector	0	1693099	0	0	0	393	25401	599
102	Active	Producer	0	0	2892	17	62828	39552	72734	554095
103	Active	Injector	103803	2773600	0	0	0	1665	110627	486
104	Active	Producer	0	0	4681	21	28731	114859	26982	764797
105	Active	Injector	75626	2533886	0	0	0	0	0	0
106	Active	Producer	0	0	206	0	1707	24829	15840	309459
107	Active	Injector	54165	2049294	0	0	0	1357	66436	0

Well	Well Status	Well Type	Water Injection		1994 Production			Unit Cumulative Production		
			1994 (Bbls)	Unit Cum (Bbls)	Oil (Bbls)	Gas (MCF)	Water (Bbls)	Oil (Bbls)	Gas (MCF)	Water (Bbls)
108	P&A	Producer	0	0	0	0	0	40230	5939	159152
109	Active	Injector	48027	1803196	0	0	0	0	0	0
110	P&A	Producer	0	0	0	0	0	18492	23114	73972
111	Active	Injector	94021	1765196	0	0	0	6222	0	656
112	Active	Producer	0	0	4453	7147	72987	433490	294334	833785
113	Active	Injector	207143	2515134	0	0	0	489	9009	402
114	Inactive	Producer	0	0	0	0	0	15510	6159	143471
115	Active	Injector	34618	2091716	0	0	0	999	7793	0
116	Active	Producer	0	0	1225	1660	11409	32445	127923	151634
117	Active	Injector	8420	454892	0	0	0	2702	1163	12491
118	Active	Producer	0	0	848	395	1554	36221	32000	53971
119	Inactive	Producer	0	0	0	0	0	9179	6608	157565
120	Inactive	Injector	0	708643	0	0	0	4938	2777	4907
121	Active	Producer	0	0	2285	0	2552	76491	8605	202419
122	Inactive	Injector	0	876214	0	0	0	0	0	0
123	Active	Producer	0	0	1893	10	2943	65355	40683	122372
126	Active	Injector	107	173901	0	0	0	0	0	0
127	Active	Producer	0	0	889	1665	1596	27557	12573	24527
128	Active	Injector	7609	524530	0	0	0	0	0	0
129	Active	Producer	0	0	1414	1712	78500	147062	35341	856165
130	Active	Injector	51608	1271391	0	0	0	2027	2668	6022
131	Active	Producer	0	0	3131	15	70459	344740	20065	1363769
132	Active	Injector	51939	2158522	0	0	0	0	0	0
133	Active	Producer	0	0	755	0	8765	82913	40522	307862
134	Inactive	Injector	0	1324099	0	0	0	0	0	0
135	Active	Producer	0	0	1405	1	19260	43932	18631	737388
136	Active	Injector	138870	2910997	0	0	0	0	0	0
137	Active	Producer	0	0	1711	10	42593	160799	14937	719427
138	Active	Injector	180626	2895463	0	0	0	0	39555	0
139	Active	Producer	0	0	3689	17	53048	71786	14855	1159315
140	P&A	Injector	0	1537333	0	0	0	0	0	0
141	Active	Producer	0	0	866	0	7075	26063	15130	147162
142	Active	Injector	3700	1441377	0	0	0	0	0	0
143	Active	Producer	0	0	727	0	22943	119666	76433	822306
144	Active	Injector	44735	1922960	0	0	0	0	0	0
145	Active	Producer	0	0	3985	16	39402	208271	43269	798616
146	Active	Injector	2711	515486	0	0	0	0	0	0
147	Active	Producer	0	0	8693	4968	6951	69765	122177	106819
148	Active	Injector	11962	404336	0	0	0	0	0	0
149	Active	Producer	0	0	1385	3321	1385	20232	15564	21290
152	P&A	Injector	0	395996	0	0	0	2624	5532	2657
153	P&A	Producer	0	0	0	0	0	10200	12233	28387
154	Inactive	Injector	0	766110	0	0	0	3534	5213	1318
155	Inactive	Producer	0	0	0	0	0	9042	6926	112485
156	Inactive	Injector	0	461528	0	0	0	0	0	0
157	Inactive	Injector	0	437985	0	0	0	0	0	0
158	Active	Producer	0	0	839	2801	1252	35117	19145	113351
159	Inactive	Injector	0	666097	0	0	0	131	417	6
162	Active	Producer	0	0	466	10861	630	7101	23133	7283
163	Active	Injector	1448	315223	0	0	0	2616	2523	192
164	Active	Producer	0	0	1109	10131	278	20667	45064	13453
165	Active	Injector	817	348654	0	0	0	0	0	0
166	Inactive	Producer	0	0	0	0	0	6721	2010	17666

Well	Well Status	Well Type	Water Injection		1994 Production			Unit Cumulative Production		
			1994 (Bbls)	Unit Cum (Bbls)	Oil (Bbls)	Gas (MCF)	Water (Bbls)	Oil (Bbls)	Gas (MCF)	Water (Bbls)
167	Inactive	Injector	0	501971	0	0	0	5203	28601	1373
168	Active	Producer	0	0	1802	9	11620	118809	16908	393504
169	Active	Injector	92950	1921701	0	0	0	0	0	0
170	Active	Producer	0	0	1733	10	21027	98554	82852	1141841
171	Active	Injector	55465	2092071	0	0	0	526	1811	0
172	Active	Producer	0	0	2295	13	11929	122468	16280	354177
173	Active	Injector	148164	2668040	0	0	0	4084	53559	244
174	Inactive	Producer	0	0	0	0	0	27824	32409	282784
175	Active	Injector	148209	3098440	0	0	0	425	1112	0
176	Active	Producer	0	0	1011	0	18605	134804	49369	738354
177	Active	Injector	215	929363	0	0	0	0	0	0
178	Active	Producer	0	0	238	0	5268	66553	29490	467730
179	Active	Injector	64307	1815950	0	0	0	0	0	0
180	Active	Producer	0	0	508	10	7237	54094	22279	256610
181	Active	Injector	22174	900830	0	0	0	0	0	0
182	Active	Producer	0	0	1918	10	867	35472	5546	32080
183	Active	Injector	674	138146	0	0	0	0	0	0
184	Active	Producer	0	0	669	3190	1601	28529	7195	29135
185	Active	Injector	2	104127	0	0	0	0	0	0
188	Active	Producer	0	0	599	0	537	33761	9266	99337
189	Inactive	Injector	0	81512	0	0	0	1206	1206	55317
190	Active	Producer	0	0	567	9	287	16614	11642	82682
191	Active	Producer	0	0	942	1240	1295	53748	29405	202547
192	Inactive	Injector	0	1370256	0	0	0	897	6466	0
193	Active	Producer	0	0	684	8230	4718	20925	19789	542622
194	Inactive	Injector	0	1232175	0	0	0	2046	6772	616
195	Active	Producer	0	0	450	9	901	19044	5859	50529
196	Active	Injector	14960	1427539	0	0	0	3260	1349	1332
197	Inactive	Producer	0	0	0	0	0	54474	20253	1075910
198	Active	Injector	66560	2446752	0	0	0	0	0	0
199	P&A	Producer	0	0	0	0	0	61186	79176	397866
200	Inactive	Injector	0	1308791	0	0	0	0	0	0
201	Active	Producer	0	0	3698	14	43944	153105	24011	1443722
202	Active	Injector	29498	2152350	0	0	0	0	0	0
203	Active	Producer	0	0	2184	13	10854	66543	13215	144453
204	Inactive	Injector	0	1126912	0	0	0	0	0	0
205	Inactive	Producer	0	0	0	0	0	10408	13011	176970
206	P&A	Injector	0	794054	0	0	0	0	0	0
207	Inactive	Producer	0	0	0	0	0	12351	19275	92598
208	Active	Injector	102649	2776529	0	0	0	0	0	0
209	Active	Producer	0	0	1369	10	16297	37628	49840	307426
210	Inactive	Injector	0	1821101	0	0	0	0	0	0
211	Inactive	Producer	0	0	0	0	0	14714	255645	76874
212	Active	Injector	106968	1502346	0	0	0	0	0	0
213	Active	Producer	0	0	1394	14	10697	87386	59519	406954
214	Active	Injector	51714	2055966	0	0	0	0	0	0
215	Active	Producer	0	0	1738	1430	7953	47840	30114	701089
216	Inactive	Injector	0	1817193	0	0	0	618	8176	39
217	Active	Producer	0	0	2327	15	33363	45573	77000	651725
218	Active	Injector	108840	1774312	0	0	0	0	0	0
219	Inactive	Producer	0	0	0	0	0	15070	61612	42934
221	Inactive	Producer	0	0	0	0	0	6083	28158	149775
222	Inactive	Producer	0	0	0	0	0	0	0	0

Well	Well Status	Well Type	Water Injection		1994 Production			Unit Cumulative Production		
			1994 (Bbls)	Unit Cum (Bbls)	Oil (Bbls)	Gas (MCF)	Water (Bbls)	Oil (Bbls)	Gas (MCF)	Water (Bbls)
223	Inactive	Producer	0	0	0	0	0	28464	24735	89458
224	P&A	Injector	0	766843	0	0	0	354	0	4072
225	Inactive	Producer	0	0	0	0	0	10959	4991	15935
226	Active	Producer	0	0	662	893	1436	31080	6936	35985
227	Active	Producer	0	0	473	977	302	42514	11578	35277
228	P&A	Injector	0	1009964	0	0	0	0	0	0
229	Inactive	Injector	0	1652027	0	0	0	0	0	0
230	Inactive	Producer	0	0	0	0	0	5551	145514	183348
231	Active	Injector	8610	1744872	0	0	0	0	0	0
232	Inactive	Producer	0	0	0	0	0	11197	14240	247462
233	Inactive	Injector	0	1690824	0	0	0	0	0	0
234	Inactive	Producer	0	0	0	0	0	18667	5989	1280686
235	Active	Injector	62077	2282869	0	0	0	82	46	82
236	Inactive	Producer	0	0	0	0	0	33677	43638	220393
239	Active	Injector	204259	3057732	0	0	0	0	45054	0
240	Active	Producer	0	0	3054	15	34352	83393	11865	580284
241	Active	Injector	90009	2558194	0	0	0	136	570	49
242	Inactive	Producer	0	0	0	0	0	14054	13889	33397
243	Active	Producer	0	0	1460	10	16027	64215	5219	478872
244	Active	Injector	47864	2016528	0	0	0	0	0	0
245	Active	Producer	0	0	1682	10	17128	150752	49538	488600
246	Active	Injector	23160	2426471	0	0	0	499	30617	18
247	Active	Producer	0	0	2040	10	28295	197793	368614	667686
248	Active	Injector	55772	2306383	0	0	0	0	0	0
249	Active	Producer	0	0	794	9	439	18711	13751	17645
250	Inactive	Injector	0	1385618	0	0	0	143	0	64
251	Active	Producer	0	0	1098	0	18042	37847	2396	272870
252	Active	Producer	0	0	1295	4	31604	21691	2865	512606
253	Active	Producer	0	0	5423	1659	134235	195721	7836	1179514
254	Active	Producer	0	0	598	1658	8326	24289	12488	121499
255	Active	Producer	0	0	0	0	0	22825	36218	191689
256	Active	Producer	0	0	3632	22	89833	50694	7908	1073458
257	Active	Producer	0	0	0	0	0	10305	1436	345670
258	Active	Producer	0	0	583	11	38373	583	11	38373
259	Active	Producer	0	0	684	17	50432	684	17	50432
260	Active	Producer	0	0	521	11	47562	521	11	47562
261	Active	Producer	0	0	2035	0	27213	2035	0	27213
262	Active	Producer	0	0	0	0	0	0	0	0
263	Active	Producer	0	0	4024	11	17350	4024	11	17350
264	Active	Producer	0	0	0	0	0	0	0	0
265	Active	Producer	0	0	659	14513	3570	659	14513	3570
266	Active	Producer	0	0	2407	11	16324	2407	11	16324
267	Active	Producer	0	0	1006	11	7847	1006	11	7847
268	Active	Producer	0	0	2016	11	19650	2016	11	19650
269	Active	Producer	0	0	745	11	30466	745	11	30466
270	Active	Producer	0	0	1341	11	36006	1341	11	36006
271	Active	Producer	0	0	2783	11	9716	2783	11	9716
272	Active	Producer	0	0	2407	11	22062	2407	11	22062
273	Active	Producer	0	0	3231	11	11846	3231	11	11846
274	Active	Producer	0	0	2326	11	8680	2326	11	8680
275	Active	Producer	0	0	1480	11	2634	1480	11	2634

Myers Langlie Mattix Unit
Working Interest Owners

Amerada Hess Corp.
Attn: W.S. Lehmann
P.O. Box 2040
Houston, TX 77252-2040

Rufus Clay Jr. Trust
James C. Brown Trustee.
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Midland, TX 79702

Headington Minerals Inc.
Attn: Ron Crosby
7557 Rambler Road, Ste 1150
Dallas, TX 75231

Arlene Anthony
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Glenview, IL 60025

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Arlington, TX 76016-2755

Doyle Hartman
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Trust Dept. - Agent
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Middlesborough, KY 40965

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Lamar Hunt
c/o Petroleum Financial Inc
1025 Fort Worth Club Bldg
306 West 7th Street
Fort Worth, TX 76102

Ann Clay Brown
Charles H. Brown Jr.
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Joint Venture Operations
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Midland, TX 79702

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Dallas, TX 75205

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Midland, TX 79702

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c/o Grant Thornton
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Irvine, CA 92713

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James C. Brown Trustee
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Midland, TX 79702

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Sarasota, FL 34231

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Sidney, MT 59270

Evelyn Clay O'Hara Trust
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Fort Worth, TX 76107

P.C. Limited
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Breckenridge, TX 76024

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Arlington, TX 76016

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Fort Worth, TX 76112-5034

Robert C. Scott
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L. Summers Oil Co.
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Hobbs, NM 88241-0273

Ruth Sutton
2826 Moss
Midland, TX 79705

Marilyn L. Tarlton
561 Orange Ave.
Los Altos, CA 94022



State of New Mexico
Commissioner of Public Lands

RAY POWELL, M.S., D.V.M.
COMMISSIONER

310 OLD SANTA FE TRAIL P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760
FAX (505) 827-5766

July 11, 1994

OXY USA, Inc.
Box 50250
Midland, Texas 79710

Attention: Mr. T. Kent Woolley

Re: Resignation/Designation of Successor Unit Operator
Myers Langlie-Mattix
Lea County, New Mexico

Dear Mr. Woolley:

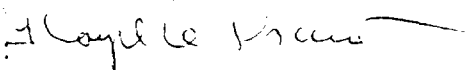
This office is in receipt of a resignation/designation of successor unit operator, wherein Texaco USA, Inc. has resigned as unit operator of the Myers Langlie-Mattix Unit and designated OXY USA, Inc. as the successor unit operator.

The Commissioner of Public Lands has this date approved the resignation of Texaco USA, Inc. and the designation of OXY USA, Inc. as the successor unit operator of this unit. This change in operators is effective January 1, 1994. In accordance with this approval, OXY USA, Inc. is now responsible for all operations and the reporting of all production from the unit.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744

Enclos.

RP/FOP/pm

cc: Reader File

Texaco USA, Inc.

OCD

TRD



#5086

March 23, 1990

District Supervisor
Bureau of Land Management
Roswell District Office
P. O. Box 1397
Roswell, New Mexico 88201

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

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

All Working Interest Owners
(Address List Attached)

RE: **MYERS LANGLIE MATTIX UNIT**
SECONDARY RECOVERY UNIT
LEA COUNTY, NEW MEXICO

Gentlemen:

In accordance with Section 12 of the Unit Agreement for the Development and Operations of the Myers Langlie Mattix Unit, Lea County, New Mexico, Texaco Inc. respectfully submits for your approval a report of past operations and a plan of development for the year 1990. Enclosed for your convenience is a production plot, monthly operating reports for 1989 and a well status list.

PAST OPERATIONS

The Myers Langlie Mattix Unit became effective February 1, 1974. Injection started in eighteen (18) wells on August 13, 1975. As of December 1, 1989, ninety-eight producers and ninety-nine active injection wells were in service. Cumulative injection since unitization was 128,801,000 barrels through December of 1989. The daily average injection rate during December, 1989 was 29,918 BWPD at an average of 900 psig.

Bureau of Land Management,
Commissioner of Public Lands,
New Mexico Oil Conservation
Division, and Working
Interest Owners

-2-

March 23, 1990

Cumulative oil production from the Unit area since unitization was 5,704,436 barrels of oil through December of 1989. The average daily production during December of 1989 was 638 BOPD.

Installation of central production facilities and satellite test stations began in September, 1976. Additional facilities were installed in 1978 and 1980 to handle higher volumes. Statutory unitization became effective January 5, 1981.

In 1977, six (6) injectors and one (1) producer were drilled on undeveloped tracts. In 1978, ten (10) producers were drilled. In 1980, nine (9) injectors and six (6) producers were drilled.

In 1981, twelve (12), producers and two (2) injectors were drilled. In 1982, the fourteen (14) newly drilled wells were completed.

In 1983, one (1) replacement well was drilled for Well No. 110, which was plugged. Eight previously NIO injections were returned to injection to lease line agreements reached with the Carter Foundation. Well No. 99 was treated with polymer for profile modification.

In 1984, one (1) replacement well was drilled for Well No. 108, which was plugged. One (1) well was converted to injection. Ten (10) wells were polymer treated for profile modification.

In 1985, twelve (12) injection wells were polymer treated for profile modification.

In January, 1986, four (4) wells were polymer treated for profile modification and five (5) infill development wells were drilled. The unit was decertified as a tertiary recovery project after it was determined that polymer treatments for profile modification did not significantly add to the reserves of the unit. Two injectors were reactivated and eight (8) producers operating below economic limit were shut-in.

In 1987, 33,000' of injection line was replaced with fiberglass injection line. A 3000 Bbl, gun barrel was installed. Other work included the treatment of two wells with "injectrol". Moderate success was achieved on one injectrol treatment.

In 1988 workovers were performed on 16 wells. In 1989, the MLMU Nos. 163, 172, 253 and 254 were cleaned out and acidized. The MLMU No. 27 was converted to an injection well. Currently, workovers are pending on the MLMU Nos. 41 and 56.

Bureau of Land Management,
Commissioner of Public Lands,
New Mexico Oil Conservation
Division, and Working
Interest Owners

-3-

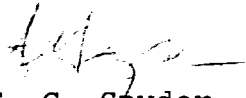
March 23, 1990

PLANS FOR 1990

The proposed plan of development for 1990 includes the drilling of five infill wells upon partnership approval. Unit production will continue to be monitored and optimized.

Yours very truly,

Texaco Inc.



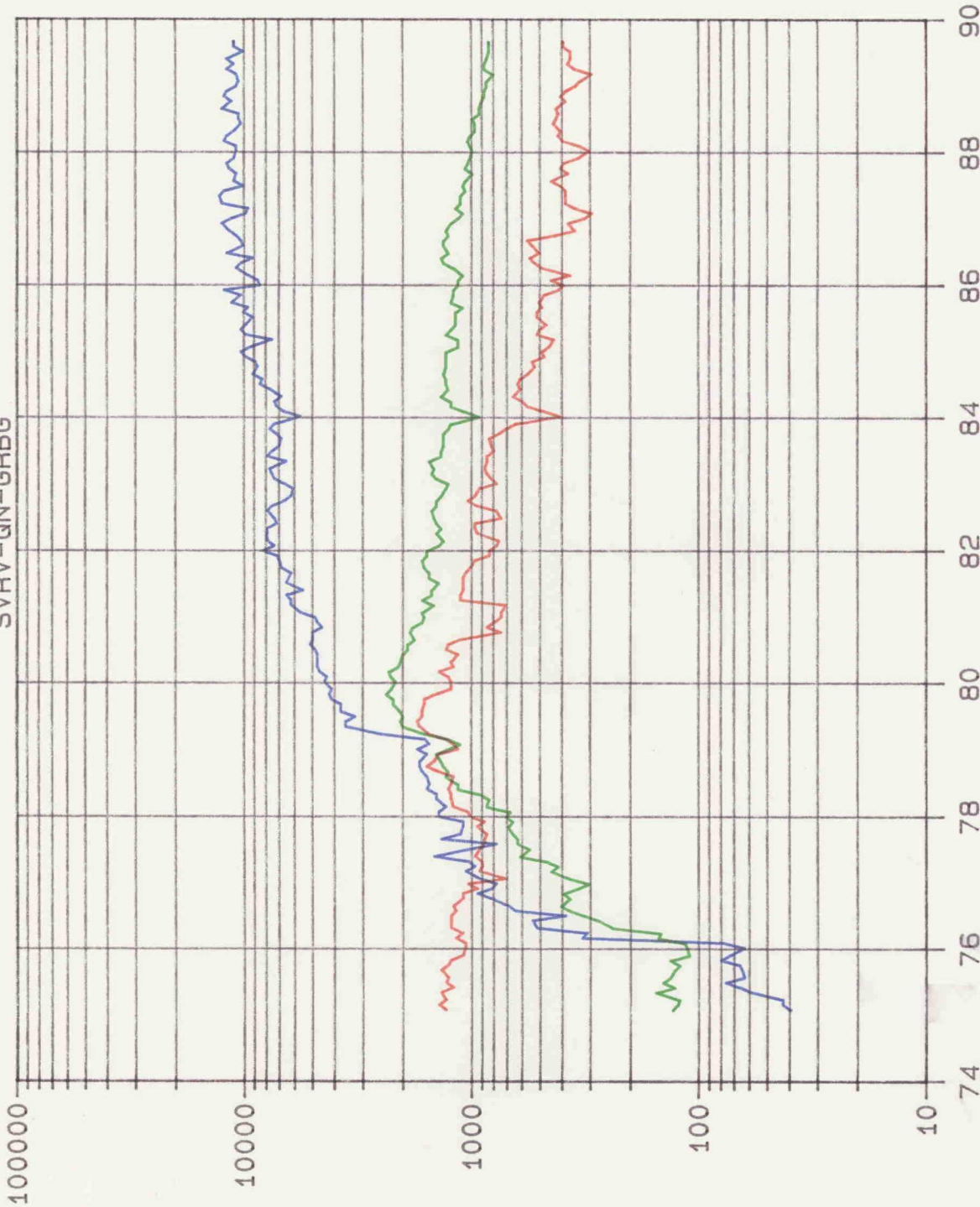
S. G. Snyder
Portfolio Manager

MOS/srt
Attachments

file
chrono

MYERS LANGLEIE MATTIX UNIT LANGLEIE MATTIX

SVRV-QN-GRBG



YEARS

LEASE DATA
 LSE 534800
 FLD 31900
 OPER
 ZONE 468
 --
 COUNTY 025
 STATE
 STATUS
 CO 14202 MBO
 CG 43276 MMCF
 BOPD 825
 BWPD 10995
 MCFPD 398
 WELLS 184

MCFPD

BWPD

BOPD

Amerada Hess Corporation
Attn: R. W. Mullins
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Tulsa, Oklahoma 74102

Clay Trusts 618-1,2,3
MBANK Fort Worth
Attn: Trust Dept.
P. O. Box 910
Fort Worth, TX 76101-0910

Meridian Oil
Attn: T. H. Olle
21 Desta Drive
Midland, Texas 79705

Oryx Energy Company
Attn: Linda Guerrero
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Midland, Texas 79702-1861

Rufus Clay, Jr. Trust
Juanita Jackson, Trustee
P. O. Box 50668
Amarillo, Texas 79159

Amoco Production Company
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P. O. Box 3092
Houston, Texas 77253

Sirgo Brothers, Inc.
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Midland, Texas 79702

Kerr-McGee Corporation
Attn: Joint Interest
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Midland, Texas 79702

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721 Chatham Road
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Mrs. Adele Combs Clough
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Geodyne Resources, Inc.
Attn: Robert Clemons
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Tulsa, Oklahoma 74103

OXY USA Inc.
Production Manager
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Midland, Texas 79710

Mr. Michael Clough
7717 Meadowhaven Drive
Dallas, Texas 75240-8105

Texas American Bank
ELLEN HARRIS CLAY ESTATE
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Great Western Drlg. Co.
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Conoco, Inc.
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Juanita Jackson, Trustee
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Amarillo, TX 79159-0668

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Doyle Hartman
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Cross Timbers Production
810 Houston Street
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Parker & Parsley
Development Partner, L.P.
P. O. Box 3178
Midland, Texas 79702

ARCO Oil & Gas Company
Joint Interest Operations
P. O. Box 1610
Midland, Texas 79702

Davoil, Inc.
Attn: Jerry Brannon
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Fort Worth, TX. 76121-2269

MYERS LANGLIE MATTIX UNIT (Cont'd)
LEA COUNTY, NEW MEXICO

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Dallas, Texas 75201

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Marilyn Barnes, Trustee
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LTV Energy Products Co.
c/o NEFF, CROZIER & CO.
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c/o Grant Thornton
P. O. Box 19585
Irvine, California 92713

Susan Marie Clay
3550 Loop 363
No. 223
Temple, Texas 76501

John W. Clay, III
7604 Fair Oaks Ave.
No. 2099
Dallas, Texas 75231-4614

Jennifer Ann Clay
2500 Ruger #37
Arlington, Texas 76006

Edythe B. Humphries
1706 Valleywood #110
Arlington, Texas 76013

Mr. T. J. Sivley
P. O. Drawer 'GG'
Artesia, New Mex. 88210

Robert C. Scott
2400 N.E. 26th Avenue
Fort Lauderdale,
Florida 33305

MONTHLY OPERATIONS REPORT

PROJECT-107068
FIELD-LANGLIE MATTIX
COUNTY-LEA STATE-NEW MEXICO
OPERATOR-TEXACO PRODUCING INC.

MYERS LANGLEY MATRIX UNIT

EFFECTIVE DATE OF UNIT 2/1/74
WATER INJECTION BEGAN 8/1/75
CUM OIL FOR PROJECT PRIOR TO 2/1/74
8015466 BARRELS
TOTAL ACRES UNITIZED-9923.68

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
ALLOWABLE	849	789	881	871	853	836	838	825	829	824	811	638
OIL PRODUCTION												
BBLS/MONTH	26311	22104	27300	26118	26432	25086	25985	25370	24865	25555	24327	19770
BBLS/DAY	849	789	881	871	853	836	838	825	829	824	811	638
CUM. SINCE UNIT	5431324	5453428	5480728	5506846	5533278	5558364	5584349	5609919	5634784	5660339	5684668	5704436
CUM. SINCE DISC.	13446790	13468894	13496194	13522312	13548744	13573830	13599815	13625385	13650250	13675805	13700132	13719902
GAS PRODUCTION												
MCF/MONTH	10278	8235	10766	11230	11433	11114	12347	12348	10521	10552	8815	6033
MCF/DAY	332	294	347	374	369	370	398	398	351	340	294	195
CUM. SINCE UNIT	4805973	4814208	4824974	4836204	4847637	4858751	4871098	4883446	4893967	4904519	4913334	4919367
GAS-OIL RATIO (CF/BBL)	391	373	394	430	433	443	475	483	423	413	362	305
WATER PRODUCTION												
BBLS/MONTH	331246	299977	367998	334497	368458	302451	345658	340834	342184	361863	329151	314299
BBLS/DAY	10685	10713	11871	11150	11886	10082	11150	10995	11406	11673	10972	10139
CUM. SINCE UNIT	27894202	28194179	28562177	28896674	29265132	29567583	29913241	30254075	30596259	30958122	31287273	31601572
WATER CUT %	92.6	93.1	93.1	92.8	93.3	92.3	93.0	93.0	93.2	93.4	93.1	94.1
INJECTION												
TOTAL WATER INJECTION												
BBLS/MONTH	1002650	897503	1028758	996163	956119	943587	939774	915069	906010	921948	893242	927460
BBLS/DAY	32344	32054	33186	33205	30843	31453	30315	29518	30200	29740	29775	29918
CUM. SINCE UNIT (MBBLS)	118475	119373	120401	121397	122354	123297	124237	125152	126058	126980	127873	128801
NET WATER INJECTION												
BBLS/MONTH	671404	597526	640760	661666	587661	641136	594116	574235	563826	560085	564091	613161
BBLS/DAY	21658	21340	21315	22056	18957	21371	19165	18524	18794	18067	18803	19779
CUM. SINCE UNIT	90581477	91179003	91839763	92501429	93089090	93730226	94324342	94898577	95462403	96022488	96586579	97199740
INJ. PRESSURE MAXIMUM	1480	1440	1500	1500	1480	1450	1425	1460	1460	1460	1450	1460
INJ-WITHDRAWAL RATIO	2.79	2.77	2.59	2.75	2.41	2.86	2.51	2.48	2.46	2.37	2.52	2.77
WELL STATUS												
PRODUCERS	104	103	103	103	101	101	100	99	100	99	99	98
INJECTORS	105	105	105	103	103	99	91	88	101	101	101	99
SHUT-IN PRODUCERS	12	12	12	12	14	13	13	12	14	14	14	14
SHUT-IN INJECTORS	2	2	2	4	4	8	16	20	7	7	7	7
RECYCLING INJ & MONITOR	1	1	1	1	1	1	1	1	1	1	1	1
2&A'D, ASP, ASD	6	6	6	6	6	6	6	6	6	6	6	9
TO BE RECONDITIONED (TR-O)	9	10	10	10	10	11	12	13	10	11	11	11
WATER SUPPLY WELLS	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL WELLS	239	239	239	239	239	239	239	239	239	239	239	239

W

TEXACO PRODUCING INC.

MONTH ENDING 01-01-90

HOBBS DISTRICT

MIDLAND DIVISION

FIELD NAME/ LEASE NO.	LEASE NAME/ FRS NO.	WELL NO.	WELL STATUS	COMMENTS	CONDITION	SEQUENCE NUMBER	API NUMBER
--------------------------	------------------------	-------------	----------------	----------	-----------	--------------------	------------

(2) JOINTLY OWNED AND OPERATED BY TEXACO

TEXACO WI = 87.50000000

96 KING, E. F.
333000061070096
00318802
TEXACO WI = 75.00000000

1	NG					22184800	3002509204
2	PM					22184900	3002509205
3	NG					22184900	3002509206
4	PM					22184900	3002509207
5	PM					22185000	3002509208

482 MYERS LANGLE MAITIX UN
333000061800482
00337103
TEXACO WI = 24.3233900

1	US				08-22-80	22185400	3002599063
2	PM					22185400	3002510873
3	INJ					22185600	3002510874
4	PM					22185700	3002510871
5	INJ					22185800	3002510896
6	PM					22185900	3002510897
7	INJ					22186000	3002510893
9	PM					22186100	3002510892
10	INJ					22186200	3002509419
11	PM					22186300	3002509424
12	PM					22186400	3002527378
13	INJ					22186500	3002510894

10/1/90

W

TEXACO PRODUCING INC.

MIDLAND DIVISION		HOBBS DISTRICT		MONTH ENDING 01-01-90	
FIELD NAME/ LEASE NO.	LEASE NAME/ FRS NO.	WELL NO.	WELL STATUS	COMMENTS	CONDITION

(2) JOINTLY OWNED AND OPERATED BY TEXACO					

(2) JOINTLY OWNED AND OPERATED BY TEXACO

14	PM	22186600	3002510895
15	PM	22186700	3002526968
16	PM	22186800	3002510890
17	INJ	22186900	3002510869
18	PM	22187000	3002510870
19	INJ	22187100	3002510872
22	SI-O	22187200	3002522644
23	SI-O	22187300	3002525986
24	INJ	22187400	3002510877
25	SI-O	22187500	3002525987
26	INJ	22187600	3002510882
27	INJ	22187700	3002510881
28	INJ	22187800	3002521722
29	PM	22187900	3002527379
30	INJ	22188000	3002525676
31	PM	22188100	3002510888
32	INJ	22188200	3002525736
33	PM	22188300	3002509413
34	INJ	22188400	3002509414
35	INJ	22188500	3002509415
36	TR-O	22188600	3002509412
37	INJ	22188700	3002509418

SUB-AREA -6107 EUNICE-OIL CENTER SUB AREA

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TEXACO PRODUCING INC.

MIDLAND DIVISION

HOBBS DISTRICT

MONTH ENDING 01-01-90

FIELD NAME/
LEASE NO.LEASE NAME/
FRS NO.WELL
NO.WELL
STATUS

COMMENTS

CONDITION

SEQUENCE
NUMBER

API NUMBER

(2) JOINTLY OWNED AND OPERATED BY TEXACO

			38	PM		22188800	3002509417
			39	INJ		22188900	3002510887
			40	PM		22189000	3002510886
			41	SI-O		22189100	3002526906
			43	INJ		22189200	3002510879
			44	PM		22189300	3002510880
			45	INJ		22189400	3002510876
			46	PM		22189500	3002510878
			47	INJ		22189600	3002510855
			48	SI-O	UNECON. TO PROD 05 04-89	22189700	3002525988
			49	TR-O		22189800	3002510953
			50	INJ		22189900	3002510958
			51	PM		22190000	3002510933
			52	TR-O	HELD FOR RW 08-30 88	22190100	3002526057
			53	INJ		22190200	3002510932
			54	PM		22190300	3002510931
			55	INJ		22190400	3002510921
			56	PM		22190500	3002510919
			57	INJ		22190600	3002510918
			58	PM		22190700	3002527381
			59	PM		22190800	3002526905
			60	SI-O	NO REASON GIVEN 07-19-89	22190900	3002525945

SUB AREA 6107 EUNICE-OIL CENTER SUB-AREA

TEXACO PRODUCING INC.

MIDLAND DIVISION

HOBBS DISTRICT

MONTH ENDING 01-01-90

FIELD NAME/
LEASE NO.WELL
NO.WELL
STATUS

COMMENTS

CONDITION

SEQUENCE
NUMBER

API NUMBER

(2) JOINTLY OWNED AND OPERATED BY TEXACO

61	INJ				22191000	3002510903
62	PM				22191100	3002510900
63	INJ				22191200	3002509476
64	PM				22191300	3002509477
65	INJ				22191400	3002509478
66	ASD			08-23-86	22191500	3002509480
67	INJ				22191600	3002509472
69	INJ				22191700	3002509474
70	TR-O			08-14-86	22191800	3002509475
71	INJ				22191900	3002510901
72	PM				22192000	3002510902
73	INJ				22192100	3002510904
74	PM				22192200	3002525677
75	PM				22192300	3002525678
76	PM				22192400	3002525946
77	INJ				22192500	3002525679
78	PM				22192600	3002510916
79	INJ				22192700	3002510929
80	SI-O			UNECON. TO PROD 10-15-85	22192800	3002510930
81	INJ				22192900	3002526907
82	PM				22193000	3002527382
83	SI-O			NO REASON GIVEN 11-17-88	22193100	3002510955

SUB AREA 6107 EUNICE-OIL CENTER SUB AREA

TEXACO PRODUCING INC.

MIDLAND DIVISION

HOBBS DISTRICT

MONTH ENDING 01-01-90

FIELD NAME/
LEASE NO.LEASE NAME/
FRS NO.WELL
NO.WELL
STATUS

COMMENTS

CONDITION

SEQUENCE
NUMBER

API NUMBER

(2) JOINTLY OWNED AND OPERATED BY TEXACO

		84	TR-O	WO FAILURE	01-06-89	22193200	3002510957
		85	INJ			22193300	3002510956
		86	INJ			22193400	3002510954
		87	INJ			22193500	3002522936
		88	PM			22193600	3002510934
		89	INJ			22193700	3002510924
		90	SI-O		11-07-89	22193800	3002510923
		91	INJ			22193900	3002510915
		92	PM			22194000	3002525947
		93	INJ			22194100	3002525680
		94	SI-O	UNECUN. TO PROD	05-08-89	22194200	3002526908
		95	INJ	DUAL W/ E.E. BLINEBRY 'A' NCT-1 #2		22194300 22194300	3002510912
		96	PM			22194400	3002510907
		97	INJ			22194500	3002510909
		98	PM			22194600	3002510906
		99	ASD	CASING LEAK	05-15-87	22194700	3002509482
		100	PM			22194800	3002509485
		101	INJ			22194900	3002509484
		102	PM			22195000	3002526909
		103	INJ			22195100	3002509486
		104	PM			22195200	3002509483

TEXACO PRODUCING INC.

MIDLAND DIVISION	HOBBS DISTRICT	MONTH ENDING 01-01-90	
FIELD NAME/ LEASE NO.	LEASE NAME/ FRS NO.	WELL NO.	WELL STATUS
COMMENTS			
CONDITION			
SEQUENCE NUMBER			
API NUMBER			
(2) JOINTLY OWNED AND OPERATED BY TEXACO			
		105	INJ
		106	PM
		107	INJ
		109	INJ
		111	INJ
		112	PM
		113	INJ
		114	PM
		115	INJ
		116	PM
		117	INJ
		118	PM
		119	TR-O
		120	INJ
		121	PM
		122	INJ
		123	PM
		126	INJ
		127	PM
		128	INJ
		129	PM
		130	INJ
		22195300	
		22195400	
		22195500	
		22195600	
		22195700	
		22195800	
		22195900	
		22196000	
		22196100	
		22196200	
		22196300	
		22196400	
		22196500	
		22196600	
		22196700	
		22196800	
		22196900	
		22197000	
		22197100	
		22197200	
		22197300	
		22197400	
		3002510908	
		3002510911	
		3002510910	
		3002503205	
		3002525681	
		3002510914	
		3002510925	
		3002510926	
		3002510935	
		3002510928	
		3002510951	
		3002510952	
		3002510983	
		3002510977	
		3002510978	
		3002510993	
		3002510994	
		3002527383	
		3002511001	
		3002526910	
		3002511003	
		3002511013	

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TEXACO PRODUCING INC.

MIDLAND DIVISION

HOBBS DISTRICT

MONTH ENDING 01-01-90

FIELD NAME/
LEASE NO.

WELL
NO.

WELL
STATUS

COMMENTS

CONDITION

SEQUENCE
NUMBER

API NUMBER

(2) JOINTLY OWNED AND OPERATED BY TEXACO

	131	PM			22197500	3002525948
	132	INJ			22197600	3002511010
	133	PM			22197700	3002511008
	134	INJ			22197800	3002511026
	135	PM			22197900	3002511024
	136	INJ			22198000	3002511019
	137	PM			22198100	3002511036
	138	INJ			22198200	3002509489
	139	PM			22198300	3002511020
	140	INJ			22198400	3002511028
	141	PM			22198500	3002511027
	142	INJ			22198600	3002511009
	143	PM			22198700	3002511011
	144	INJ			22198800	3002511017
	145	PM			22198900	3002511012
	146	INJ			22199000	3002511002
	147	PM			22199100	3002526058
	148	INJ			22199200	3002526911
	149	PM			22199300	3002511000
	152	INJ			22199400	3002510991
	153	TR-O		NO REASON GIVEN 01-13-89	22199500	3002510992
	154	INJ			22199600	3002510980

SUB AREA -6107 EUNICE-OIL CENTER SUB AREA

TEXACO PRODUCING INC.

MIDLAND DIVISION		HOBBS DISTRICT		MONTH ENDING 01-01-90	
FIELD NAME/ LEASE NO.	LEASE NAME/ FRS NO.	WELL NO.	WELL STATUS	COMMENTS	CONDITION
(2) JOINTLY OWNED AND OPERATED BY TEXACO					

SEQUENCE NUMBER	API NUMBER
22199700	3002510979
22199800	3002510984
22199900	3002510982
22200000	3002510981
22200100	3002510996
22200200	3002527386
22200300	3002510997
22200400	3002527480
22200500	3002526969
22200600	3002527481
22200700	3002511015
22200800	3002525949
22200900	3002511005
22201000	3002511004
22201100	3002511030
22201200	3002511023
22201300	3002511022
22201400	3002511021
22201500	3002511029
22201600	3002511025
22201700	3002511006
22201800	3002511007

TEXACO PRODUCING INC.

MIDLAND DIVISION	LEASE NAME/ FRS NO.	WELL NO.	WELL STATUS	COMMENTS	MONTH ENDING 01-01-90	SEQUENCE NUMBER	API NUMBER
(2) JOINTLY OWNED AND OPERATED BY TEXACO							
		179	INJ	DUAL W/ J.D. YOUNG WELL #3 G.		22201900 22201900	3002511016
		180	PM			22202000	3002511014
		181	INJ			22202100	3002510999
		182	PM			22202200	3002527482
		183	INJ			22202300	3002526970
		184	PM			22202400	3002527483
		185	INJ			22202500	3002527384
		188	PM			22202600	3002525990
		189	SI-INJ	UNECON. TO INJ	06-01-89	22202700	3002510975
		190	PM			22202800	3002510976
		191	PM			22202900	3002511091
		192	SI-INJ	NO REASON GIVEN	04-14-89	22203000	3002511090
		193	PM			22203100	3002527385
		194	INJ			22203200	3002511066
		195	PM			22203300	3002511067
		196	INJ			22203400	3002511068
		197	PM			22203500	3002526411
		198	INJ			22203600	3002511061
		200	INJ			22203700	3002511063
		201	PM			22203800	3002511064
		202	INJ			22203900	3002511035

TEXACO PRODUCING INC.

MIDLAND DIVISION		HOBBS DISTRICT		MONTH ENDING 01 01-90	
FIELD NAME/ LEASE NO.	LEASE NAME/ FRS NO.	WELL NO.	WELL STATUS	COMMENTS	CONDITION
(2) JOINTLY OWNED AND OPERATED BY TEXACO					
		203	PM		22204000
		204	INJ		22204100
		205	PM		22204200
		207	SI-O	NO REASON GIVEN	12-02-88
		208	INJ		22204400
		209	PM		22204500
		210	INJ		22204600
		211	SI-O		22204700
		212	INJ		22204800
		213	PM		22204900
		214	INJ		22205000
		215	PM		22205100
		216	INJ		22205200
		217	PM		22205300
		218	INJ		22205400
		219	PM		22205500
		221	SI-O		22205600
		222	SI-INJ	UNECON. 10 INJ	06-01-89
		223	SI-O	UNECON TO PROD.	02-25-87
		225	PM		22205900
		226	PM		22206000
		227	PM		22206100
					3002511038
					3002526971
					3002527448
					3002509553
					3002509549
					3002509548
					3002511043
					3002511046
					3002527089
					3002511045
					3002511065
					3002511062
					3002511060
					3002511055
					3002511078
					3002511069
					3002511075
					3002511081
					3002511086
					3002511087
					3002511095
					3002524407

TEXACO PRODUCING INC.

MIDLAND DIVISION HOBBS DISTRICT MONTH ENDING 01 01-90

FIELD NAME/ LEASE NO.	LEASE NAME/ FRS NO.	WELL NO.	WELL STATUS	COMMENTS	CONDITION	SEQUENCE NUMBER	API NUMBER
(2) JOINTLY OWNED AND OPERATED BY TEXACO							
229		229	SI-INJ	UNECON. TO INJ	06-01-89	22206200	3002511071
230		230	TR-O		08-14-86	22206300	3002527004
231		231	SI-INJ	UNECON. TO INJ	06-01-89	22206400	3002511051
232		232	ASD	UNECON. TO PROD	04-18-86	22206500	3002511053
233		233	SI-INJ	UNECON. TO INJ	06-01-89	22206600	3002511058
234		234	TR-O	NO REASON GIVEN	06-07-88	22206700	3002526915
235		235	INJ			22206800	3002511039
236		236	PM			22206900	3002511040
239		239	INJ			22207000	3002509554
240		240	PM			22207100	3002509555
241		241	INJ			22207200	3002509551
242		242	PM			22207300	3002509547
243		243	PM			22207400	3002509550
244		244	INJ	DUAL-LANGLIE MATTIX WITH S.E. TOBY #1		22207500 22207500	3002511048
245		245	PM			22207600	3002511042
246		246	INJ			22207700	3002511049
247		247	PM			22207800	3002511044
248		248	INJ			22207900	3002511056
249		249	PM			22208000	3002511083
250		250	SI-INJ	NO REASON GIVEN	04-14-89	22208100	3002511093
251		251	PM			22208200	3002528246



Getty Oil Company

P.O. Box 1231, Midland, Texas 79702 • Telephone (915) 683-6301

Audra B. Cary, District Production Manager
Central Exploration and Production Division

October 25, 1977

File: Myers Langlie Mattix Unit
Lease No. 07938
Lea County, New Mexico

Re: First Enlargement - Second
Revision of Exhibits
(Corrected 9/12/77).

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

Attn: Mr. Joe D. Ramey

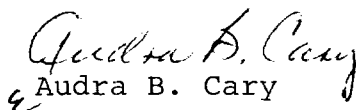
Gentlemen:

Attached in triplicate are copies of the revised Certificate of Effectiveness of the First Enlargement of the Myers Langlie Mattix Unit to include Tracts No. 50 and 51, together with copies of the revised exhibits. These exhibits were corrected to reflect the change in effective date from July 1, 1976 to June 1, 1976.

This change in effective date was necessary to conform to the interpretation of Sections 34 and 15 of the Unit Agreement by the U.S.G.S. and the New Mexico State Land Office.

This completes the documentation of the First Enlargement of the Myers Langlie Mattix Unit.

Yours very truly,


Audra B. Cary

OVS/slw

Attach.

OCT 23 1977

KNOW ALL MEN BY THESE PRESENTS:

THAT, GETTY OIL COMPANY, in its capacity as Unit Operator of the above described Unit and pursuant to the terms and provisions of said Unit Agreement of record in Book 316, page 455 of the Miscellaneous Records of the County Court Clerk's Office in Lea County, New Mexico, reference to such agreement and the record thereof being hereby made for all purposes, does hereby certify as follows, to-wit:

1. That it has, in compliance with said agreement, revised Exhibits "A" and "C" attached thereto, each of said revisions being occasioned by and in accordance with the provisions thereof;

2. That true and correct copies of said Exhibits "A" and "C", marked "Second Revision - Effective June 1, 1976 (corrected 9/12/77)", as so revised are attached hereto and by reference made a part hereof; and

3. That in accordance with the provisions of said Unit Agreement, the said revised Exhibits "A" and "C" are each to become effective as of June 1, 1976; and shall thereafter remain in full force and effect until again revised pursuant to the terms of provisions of said Unit Agreement; and

4. That reference to Tracts No. 50 and 51 in Exhibit "B", page 26, as "unqualified tracts" is hereby voided.

IN WITNESS WHEREOF, GETTY OIL COMPANY, acting in its capacity as Unit Operator, has on this 29th day of September, 1977, executed this instrument by and through its Attorney-in-fact thereunto duly authorized.

GETTY OIL COMPANY

By R. James Stark
Attorney-in-fact
B. JAMES STARK

STATE OF OKLAHOMA)
) SS:
COUNTY OF TULSA)

The foregoing instrument was acknowledged before me this 29th day of September, 1977, by R. J. Starrak, Attorney-in-fact of GETTY OIL COMPANY, a Delaware corporation, on behalf of said corporation.

Notary Public

My commission expires:

RUTH STUEVE

Notary Public, Tulsa County, Oklahoma
My Commission Expires November 3, 1979

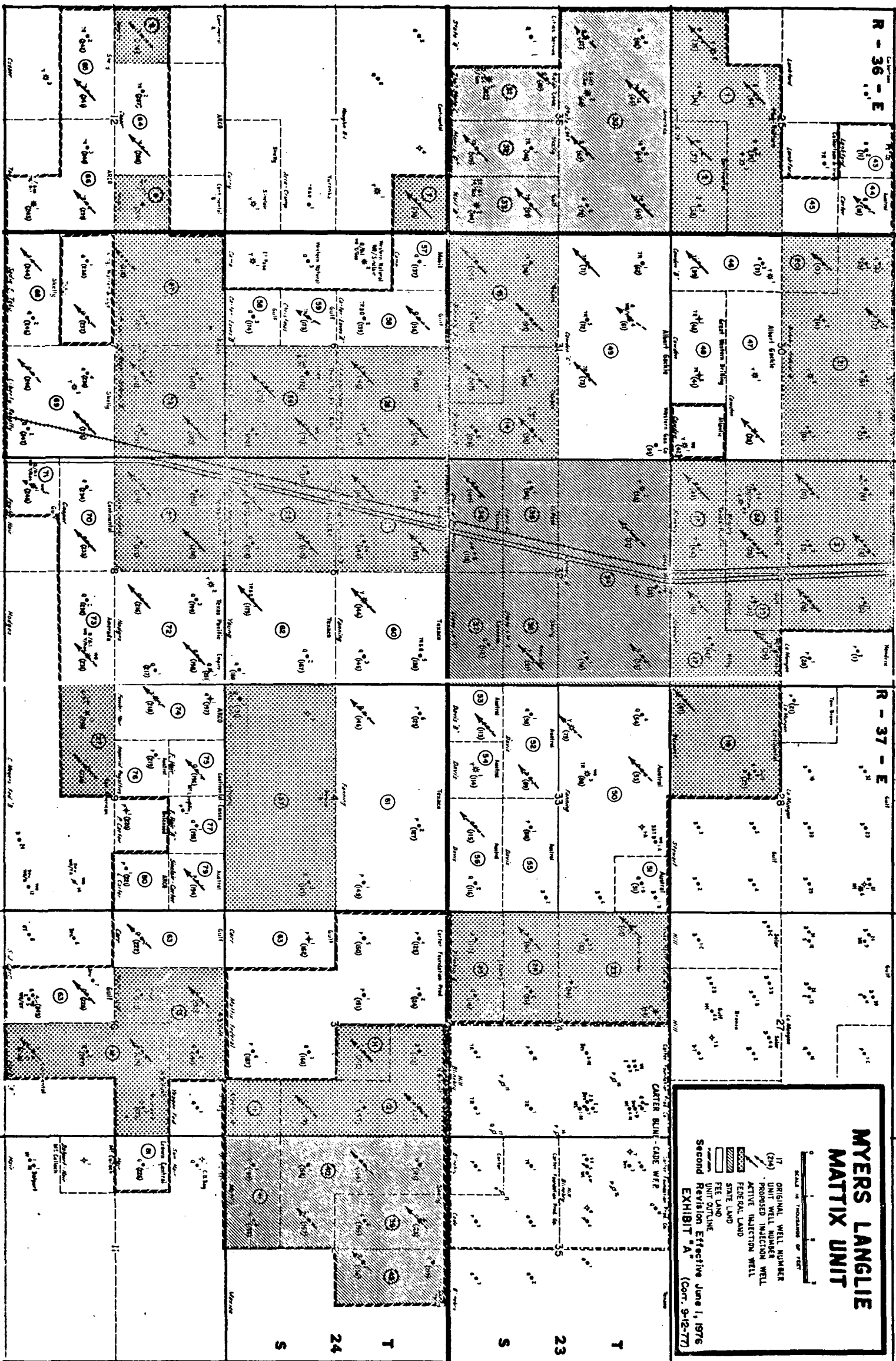


EXHIBIT "C"

UNIT AGREEMENT
MYERS LANGLIE MATTIX UNIT
LEA COUNTY, NEW MEXICO

SCHEDULE OF TRACT PARTICIPATION

<u>Tract No.</u>	<u>Phase II Tract Participation (%)</u>
1	1.22311
2	.59021
3	4.16521
6	.64225
7	1.07386
8	.36086
10	2.14022
11	.33405
12	2.07257
13	1.66580
14	1.54385
15	4.11596
16	.40945
17	1.19564
18	.33599
19	2.49538
20	.15631
21	3.08133
22	2.00252
23	.30952
24	.30468
25	.91715
26	3.39996
27	2.63684
28	2.19345
29	1.02337
30	5.63333
31	.59616
32	1.22538
33	2.41311
34	2.57678
35	.08931
36	.33124
37	.76162
38	.15657
39	.94333
40	2.69658
41	.39002
42	.27833
43	.26781
44	1.29114
45	.02187
46	.45346
47	.06561
48	.04581
49	3.29505
50	1.33259
51	.18398
52	.67176
53	.31075
54	.26871
55	.23648
56	1.15151
57	1.37678
58	.85761
59	1.43644
60	1.38687
61	1.10778
62	2.09278
63	2.10707
64	1.50062
65	1.91167

SCHEDULE OF TRACT PARTICIPATION
SECOND REVISION
PAGE 2

Tract No.	Phase II Tract Participation (%)
66	4.41344
68	3.85760
69	2.34135
70	.27581
71	.29746
72	1.85423
73	.59021
74	1.06063
75	.50868
76	.75123
77	.18322
79	.38667
80	.71139
81	.91263
TOTAL	100.00000

EXHIBIT "D"

UNIT OPERATING AGREEMENT
MYERS LANGLIE MATTIX UNIT
LEA COUNTY, NEW MEXICO

<u>Working Interest Owner</u>	<u>Participation Percent</u>
Allied Chemical Co.	1.03974
Amerada Hess Corp.	6.38753
Amoco Production Co.	5.49708
Arlene S. Anthony	.08528
Atlantic Richfield Co.	9.80180
Austral Oil Co. Inc.	6.25819
George R. Bentley	.01512
Chevron Oil Company	.66680
Adele Combs Clough	.00065
Michael Clough	.00022
Cities Service Oil Company	1.69279
Margaret B. Clay	.77206
Clay Trusts 618-123	.75696
W. J. Clay	.01859
Continental Emsco Co.	.60541
Continental Oil Co.	2.14914
Crown Central Pet. Cp.	.91263
Charles A. Dore	.00219
Clara Dwyer Estate	.04302
El Paso Nat'l. Gas Co.	.08931
Flag-Redfern Oil Co.	1.22311
Flour Corporation	.10297
Gackle Oil Co.	.92814
General Crude Oil Co.	.25815
Great Western Drlg. Co.	2.62259
Gulf Oil Corporation	11.18408
Lamar Hunt	1.55315
N. B. Hunt	3.10633
W. H. Hunt	1.55316
Frank D. Lortscher	.25584
Irma Lowe	.29808
Management Trust Co.	.27844
Maralo	.29808
Blanche McCallister	.14294
Merchants Nat'l. Bank	.01511
Gertrude C. Mitchell	.04302
Mobil Oil Corp.	.68839
Petroleum Cp. of Texas	.13937
W. A. Pruitt	.00109
Herbert J. Schmitz	.20468
Charles T. Scott, Jr.	.08528
Robert C. Scott	.08528
T. J. Sivley	.39855
Getty Oil Company	13.74491
R. L. Summers	.08649
Texaco, Inc.	10.57848
Texas Pacific Oil Co.	13.32978
TOTAL	100.00000

CERTIFICATE
RELATING TO SECOND REVISION (CORRECTED 9/12/77) OF
EXHIBITS "A" AND "C" ATTACHED TO
UNIT AGREEMENT - MYERS LANGLEIE MATTIX UNIT
LEA COUNTY, NEW MEXICO

SEP 23 1977

THE STATE OF NEW MEXICO)
) SS:
COUNTY OF LEA)

KNOW ALL MEN BY THESE PRESENTS:

THAT, GETTY OIL COMPANY, in its capacity as Unit Operator of the above described Unit and pursuant to the terms and provisions of said Unit Agreement of record in Book 316, page 455 of the Miscellaneous Records of the County Court Clerk's Office in Lea County, New Mexico, reference to such agreement and the record thereof being hereby made for all purposes, does hereby certify as follows, to-wit:

1. That it has, in compliance with said agreement, revised Exhibits "A" and "C" attached thereto, each of said revisions being occasioned by and in accordance with the provisions thereof:

2. That true and correct copies of said Exhibits "A" and "C", marked "Second Revision - Effective June 1, 1976 (corrected 9/12/77)", as so revised are attached hereto and by reference made a part hereof; and

3. That in accordance with the provisions of said Unit Agreement, the said revised Exhibits "A" and "C" are each to become effective as of June 1, 1976; and shall thereafter remain in full force and effect until again revised pursuant to the terms of provisions of said Unit Agreement; and

4. That reference to Tracts No. 50 and 51 in Exhibit "B", page 26, as "unqualified tracts" is hereby voided.

IN WITNESS WHEREOF, GETTY OIL COMPANY, acting in its capacity as Unit Operator, has on this 29th day of September, 1977, executed this instrument by and through its Attorney-in-fact thereunto duly authorized.

GETTY OIL COMPANY

By

Attorney-in-fact
B. JAMES STARRAK

STATE OF OKLAHOMA)
) SS:
COUNTY OF TULSA)

The foregoing instrument was acknowledged before me this 29th day of September, 1977, by E. JAMES STARRAK, Attorney-in-fact of GETTY OIL COMPANY, a Delaware corporation, on behalf of said corporation.

Notary Public

My commission expires:

RUTH STUEVE

Notary Public, Tulsa County, Oklahoma

My Commission Expires November 3, 1979

James Foundation Fund, Inc. No. 1000

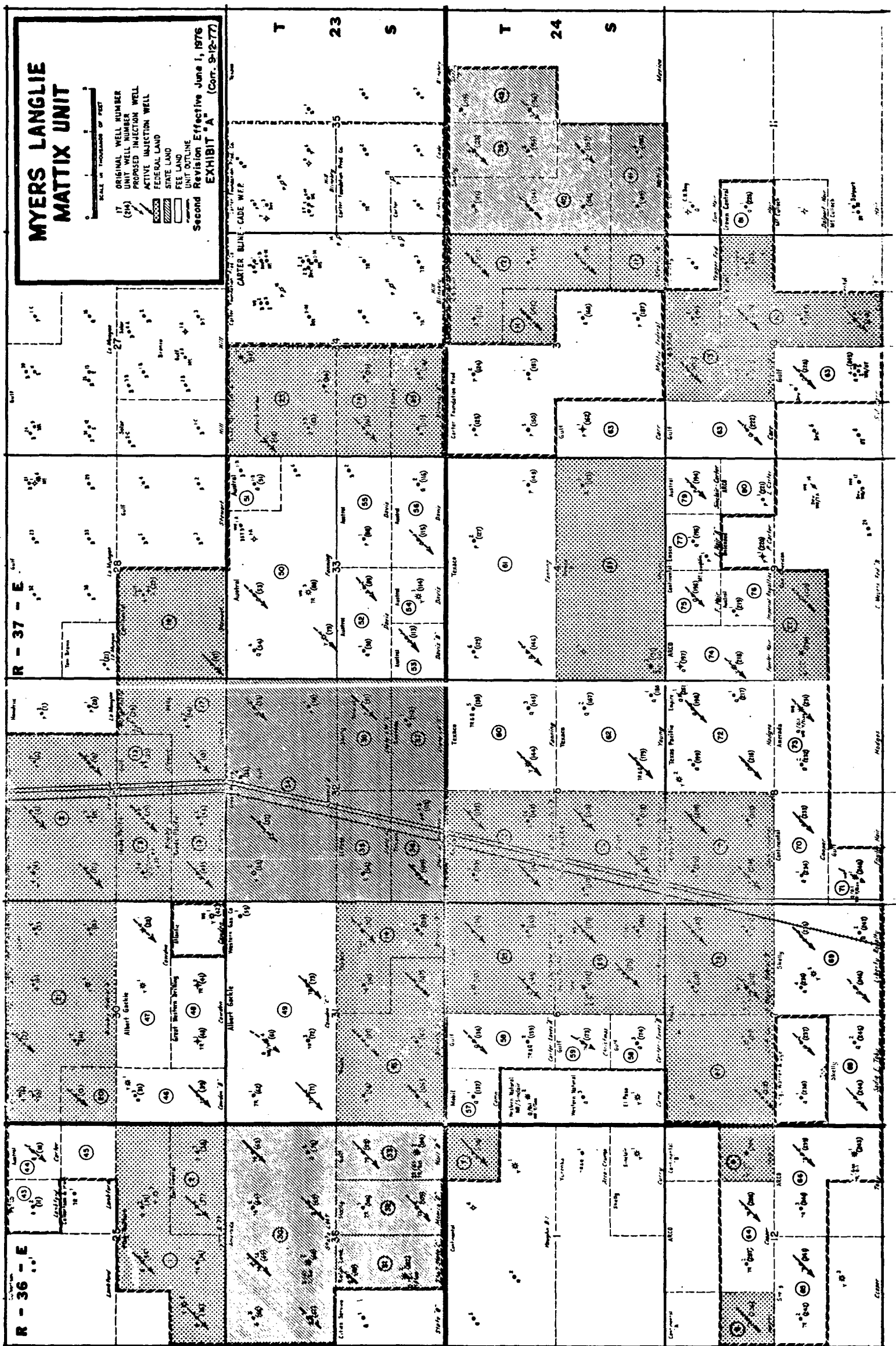


EXHIBIT "C"

UNIT AGREEMENT
MYERS LANGLIE MATTIX UNIT
LEA COUNTY, NEW MEXICO

SCHEDULE OF TRACT PARTICIPATION

<u>Tract No.</u>	<u>Phase II Tract Participation (%)</u>
1	1.22311
2	.59021
3	4.16521
6	.64225
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8	.36086
10	2.14022
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61	1.10778
62	2.09278
63	2.10707
64	1.50062
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SCHEDULE OF TRACT PARTICIPATION
SECOND REVISION
PAGE 2

Tract No.	Phase II Tract Participation (%)
66	4.41344
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74	1.06063
75	.50868
76	.75123
77	.18322
79	.38667
80	.71139
81	.91263
TOTAL	100.00000

EXHIBIT "D"

UNIT OPERATING AGREEMENT
MYERS LANGLIE MATTIX UNIT
LEA COUNTY, NEW MEXICO

<u>Working Interest Owner</u>	<u>Participation Percent</u>
Allied Chemical Co.	1.03974
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Cities Service Oil Company	1.69279
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Continental Oil Co.	2.14914
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Gackle Oil Co.	.92814
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Great Western Drlg. Co.	2.62259
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N. B. Hunt	3.10633
W. H. Hunt	1.55316
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Irma Lowe	.29808
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T. J. Sivley	.39855
Getty Oil Company	13.74491
R. L. Summers	.08649
Texaco, Inc.	10.57848
Texas Pacific Oil Co.	13.32978
TOTAL	100.00000

CERTIFICATE
RELATING TO SECOND REVISION (CORRECTED 9/12/77) OF
EXHIBITS "A" AND "C" ATTACHED TO
UNIT AGREEMENT - MYERS LANGLIE MATTIX UNIT
LEA COUNTY, NEW MEXICO

SEP 23 1977

REGISTRATION COMMISSION

THE STATE OF NEW MEXICO)
COUNTY OF LEA) SS:

KNOW ALL MEN BY THESE PRESENTS:

THAT, GETTY OIL COMPANY, in its capacity as Unit Operator of the above described Unit and pursuant to the terms and provisions of said Unit Agreement of record in Book 316, page 455 of the Miscellaneous Records of the County Court Clerk's Office in Lea County, New Mexico, reference to such agreement and the record thereof being hereby made for all purposes, does hereby certify as follows, to-wit:

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IN WITNESS WHEREOF, GETTY OIL COMPANY, acting in its capacity as Unit Operator, has on this 29th day of September, 1977, executed this instrument by and through its Attorney-in-fact thereunto duly authorized.

GETTY OIL COMPANY

By

R. James Starrak
Attorney-in-fact
R. JAMES STARRAK

STATE OF OKLAHOMA)
COUNTY OF TULSA) SS:

The foregoing instrument was acknowledged before me this 29th day of September, 1977, by R. JAMES STARRAK, Attorney-in-fact of GETTY OIL COMPANY, a Delaware corporation, on behalf of said corporation.

Ruth Stueve
Notary Public

My commission expires:

RUTH STUEVE

Notary Public, Tulsa County, Oklahoma

My Commission Expires November 3, 1979

R - 36 - E

R - 37 - E

MYERS LANGLEIE MATIX UNIT

17 ORIGINAL WELL NUMBER
(24) UNIT WELL NUMBER
PROPOSED INJECTION WELL
ACTIVE INJECTION WELL
FEDERAL LAND
STATE LAND
FEE LAND
UNIT OUTLINE
Second Revision Effective June 1, 1976
EXHIBIT A (Cont. 9-12-77)

SCALE IN THOUSANDS OF FEET

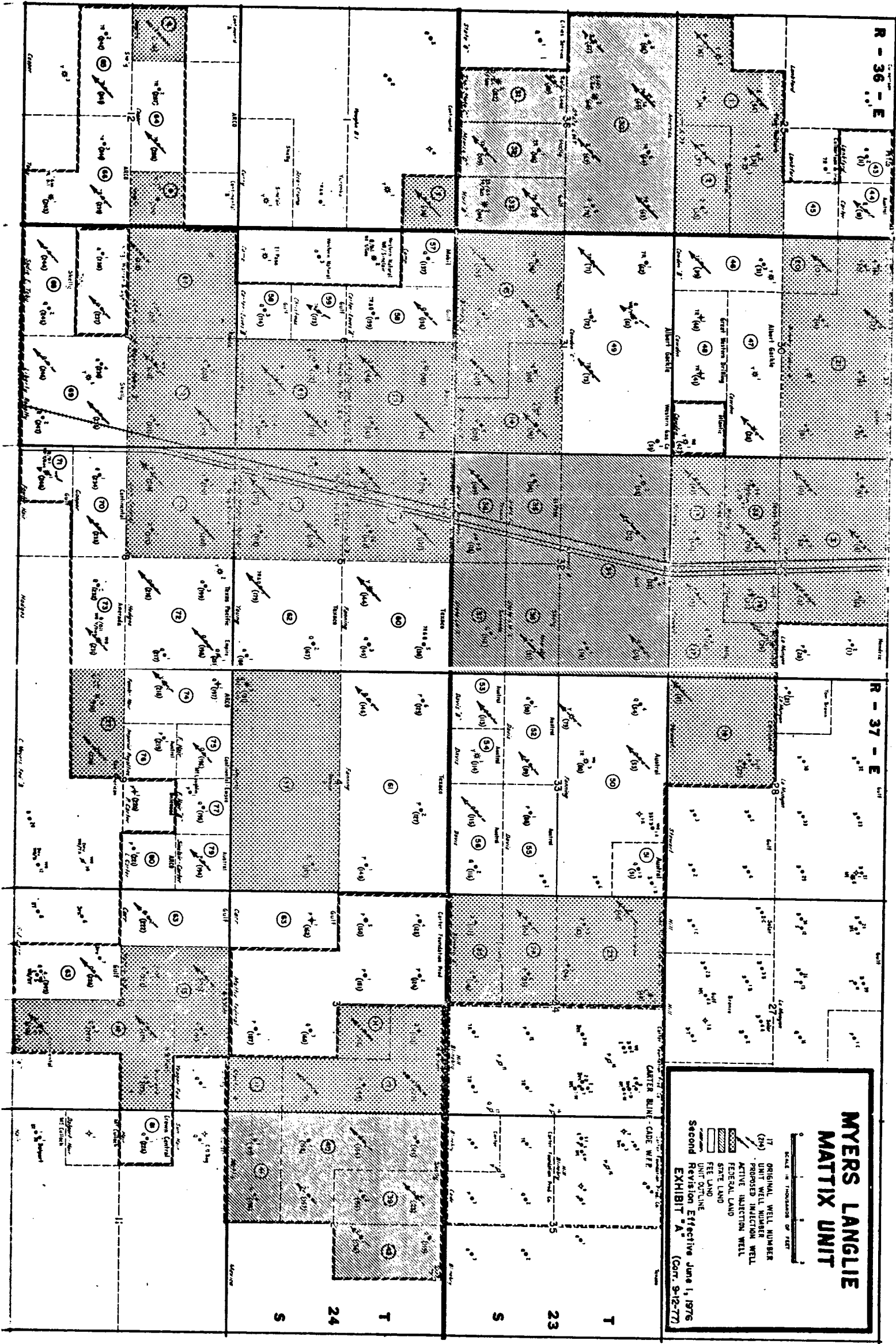


EXHIBIT "C"

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MYERS LANGLIE MATTIX UNIT
LEA COUNTY, NEW MEXICO

SCHEDULE OF TRACT PARTICIPATION

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SCHEDULE OF TRACT PARTICIPATION
SECOND REVISION
PAGE 2

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76	.75123
77	.18322
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81	.91263
TOTAL	100.00000

EXHIBIT "D"

UNIT OPERATING AGREEMENT
MYERS LANGLIE MATTIX UNIT
LEA COUNTY, NEW MEXICO

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W. H. Hunt	1.55316
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Getty Oil Company	13.74491
R. L. Summers	.08649
Texaco, Inc.	10.57848
Texas Pacific Oil Co.	13.32978
TOTAL	100.00000



United States Department of the Interior

GEOLOGICAL SURVEY
Conservation Division
P. O. Box 26124
Albuquerque, New Mexico 87125

Getty Oil Company
Attention: Mr. Audra B. Cary
P. O. Box 1351
Midland, Texas 79701

Gentlemen:

Your letter of March 28, 1977, transmits three copies each of 45 ratification instruments for the Myers Langlie Mattix unit agreement, Lea County, New Mexico, covering royalty interests shown on the attached list. Such instruments were received by this office on April 8, 1977, along with appropriate evidence of working interest approval, and are hereby approved, effective as of May 1, 1977, the first of the month following filing pursuant to Section 34 of the unit agreement. This approval is subject to similar approval by the Commissioner of Public Lands of the State of New Mexico.

Copies of the approved instruments are being distributed to the appropriate Federal offices.

Sincerely yours,

Orig. Sig. [Signature]

Area Oil and Gas Supervisor

Attachment

cc: BLM, Santa Fe (w/cy joinders)
Comm. Pub. Lands, Santa Fe (ltr. only)
NMOCC, Santa Fe (ltr. only)

Tortuga Oil and Gas, Inc.

Ritts Royalty Co.

Reginald Lee Regis

Ferinez Phelps

Ruth Hensley

Mildred M. Wilson

Linda C. & Weldon W. Hammond

Kathleen Cone

Estate of Gordon M. Cone

J. F. & Beulah H. Simmons Estate

Boyce Rush Davis

Estate of Annie May Kavanaugh-deceased

Charles S. Mitchell

Patrick J. Leonard

Mary W. Stroube

H. R. Stroube, Jr. Trust #375.00
First National Bank, Corsicana, Texas

Jack A. Stroube Trust #376.00
First National Bank, Corsicana, Texas

The University of New Mexico

U/W of Selma E. Andrews Tr. #5188
Republic National Bank of Dallas

Jerry Davis

David D. & Carolyn B. Wakefield

Mary M. & Stanley F. Parr

Winnie M. Rhodes

Mr. & Mrs. Johnnie R. Russell

Allie M. Lee Trust
First National Bank of Roswell

E. Ray Phelps

Bertha S. Adkins

Archie D. & Clarabelle B. Smith Trust

Adeline Z. Cone

Fred Turner, Jr. Trust

W. C. Hentzler

Geraldine Davis Walker & Louis M. Walker

Roy S. Magruder Trust #1059
Fort Worth National Bank

Estate of Jack Stieren

Myrtle M. Smith

Paul L. Davis, Jr. & Betty Rea Davis

F. Ferrell Davis & Polly C. Davis

L. T. Lewis Estate

Nellie T. Lewis Estate

Mary Lois Neal

Estate of C. M. Neal, deceased

Estate of Billy F. Kennedy, deceased

North Central Oil Corporation

Cathrine Alice Ivy

Robert W. Wakefield

John L. Pratt III

LaGloria Oil and Gas Company

Katherine Cone Keck 1971 Trust "C"

U/W Frances Grier Wakefield

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

November 23, 1976

**Skelly Oil Company
P. O. Box 1351
Midland, Texas 79701**

Attention: Mr. Leland Franz

**Re: 1977 Development Plans,
Myers Langlie Mattix Unit,
Lea County, New Mexico**

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Development Plans for the calendar year 1977 for the Myers Langlie Mattix Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Two approved copies of the plans are returned herewith.

Very truly yours,

**JOE D. RAMEY
Secretary-Director**

JDR/JEK/oq

**cc: United States Geological Survey
Roswell, New Mexico**

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



United States Department of the Interior

GEOLOGICAL SURVEY
Conservation Division
Western National Bank Building
505 Marquette, NW, Room 815
Albuquerque, New Mexico 87102

November 16, 1976

Skelly Oil Company
Attention: Mr. Leland Franz
P. O. Box 1351
Midland, Texas 79701

Gentlemen:

One approved copy of your 1976 report of past operations and 1977 plan of development for the Myers Langlie Mattix unit area is enclosed.

Such plan, proposing conversion of wells to injection service under the approved pattern to place the unit under full-scale flood operations and deferring conversion of lease-line boundary wells until appropriate agreements are finalized was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

Sincerely yours,

JAMES W. SUTHERLAND
Area Oil and Gas Supervisor

cc:
NMOCC, Santa Fe, (ltr. only)
Com. Public Lands, Santa Fe (ltr. only)



SKELLY OIL COMPANY

November 1, 1976

DOMESTIC EXPL. & PROD. DEPARTMENT

MIDLAND E & P DISTRICT

F. L. FRANZ, DISTRICT PRODUCTION MANAGER

M. J. EKMAN, DISTRICT ENGINEER

C. F. BOSECKER, LEAD RESERVOIR ENGINEER

F. J. PETRO, LEAD PRODUCTION ENGINEER

ADDRESS REPLY TO:

P. O. BOX 1351

MIDLAND, TEXAS 79701

File: Myers Langlie Mattix Unit
Lease No. 07938
Lea County, New Mexico

Director (3)
United States Geological Survey
P. O. Box Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

Oil Conservation Commission of (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

All Working Interest Owners

Gentlemen:

In accordance with Section 12 of the Unit Agreement for the Development and Operation of the Myers Langlie Mattix Unit, Lea County, New Mexico. Skelly Oil Company respectfully submits for your approval, a report of past operations and a plan of development and operation for the waterflood unit for the year 1977.

PAST OPERATIONS

The Myers Langlie Mattix Unit became effective February 1, 1974. Injection started into 18 wells on August 13, 1975, and 71 wells had been converted by October 1, 1976. Conversion of additional wells will be expedited to place the unit area under full-scale waterflood operations.

A pilot waterflood was in operation on Skelly's Mattix "A" lease prior to unitization. Cumulative injection into the Mattix "A" No. 4 well (Unit No. 157) was 14,228 barrels on February 1, 1974. Cumulative water injection since unitization was 6,265,935 barrels of water to October 1, 1976. The daily average injection rate during September, 1976, was 19,639 barrels at 250 psig.

Cumulative oil production from the Unit area since unitization was 158,241 barrels on October 1, 1976. The average daily producing rate during September, 1976, was 323 barrels of oil from 56 active producers. Plans are to re-activate inactive producers as soon as equipment can be installed.

Page No. 2
November 1, 1976

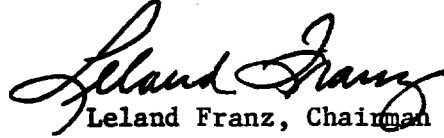
Installation of centralized production facilities and satellite test stations was started in September, 1976. These facilities should be operational in the near future. Tracts with unsigned interests will be segregated until signup is complete.

DEVELOPMENT PLANS FOR 1977

Conversion of wells to injection service under the approved pattern will be expedited to place the Myers Langlie Mattix Unit under full-scale flood operations. Conversion of wells along lease line boundaries will be deferred until appropriate agreements have been finalized.

Very truly yours,

SKELLY OIL COMPANY



Leland Franz, Chairman
Working Interest Owners' Committee

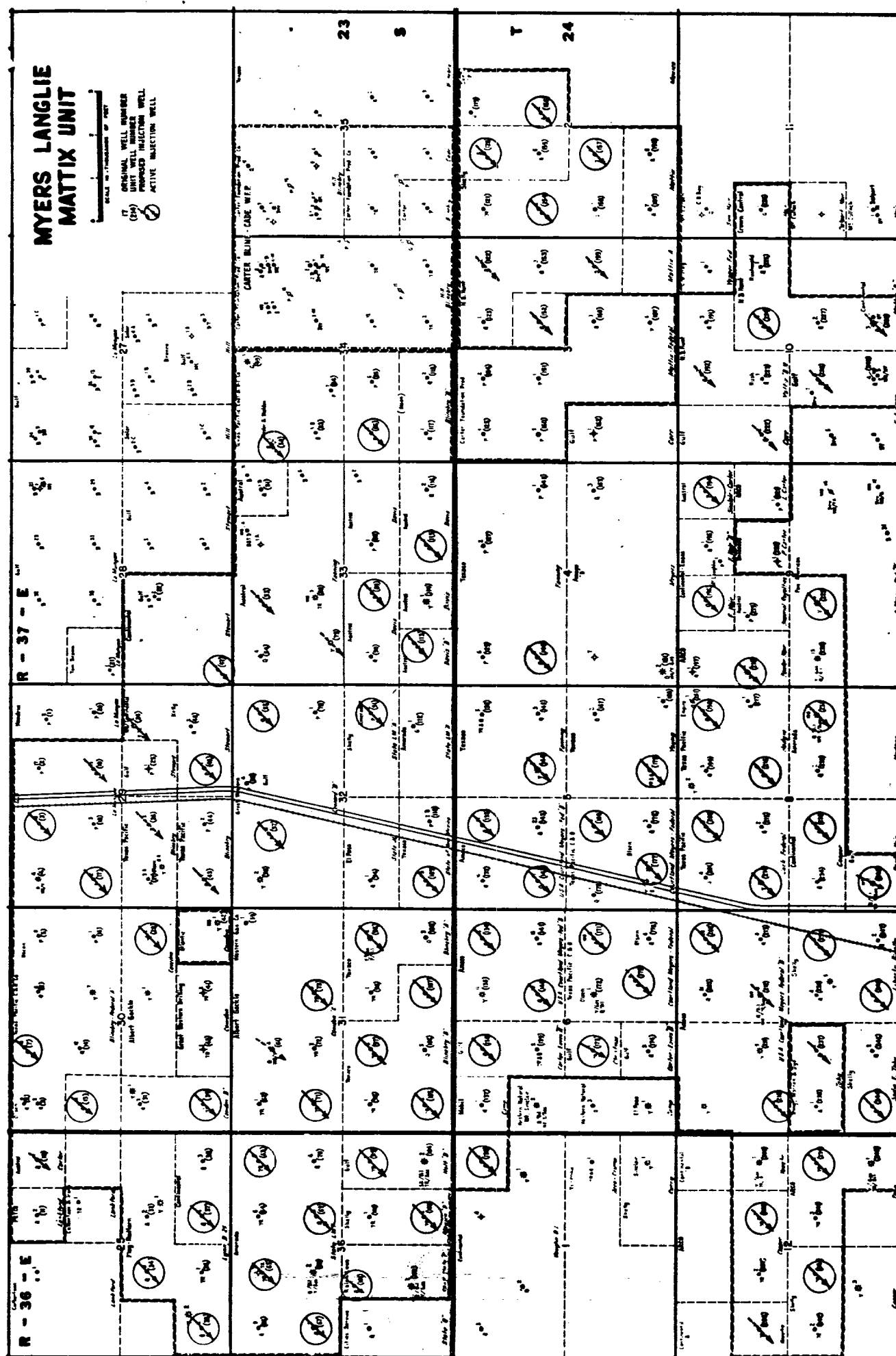
OVS/slw

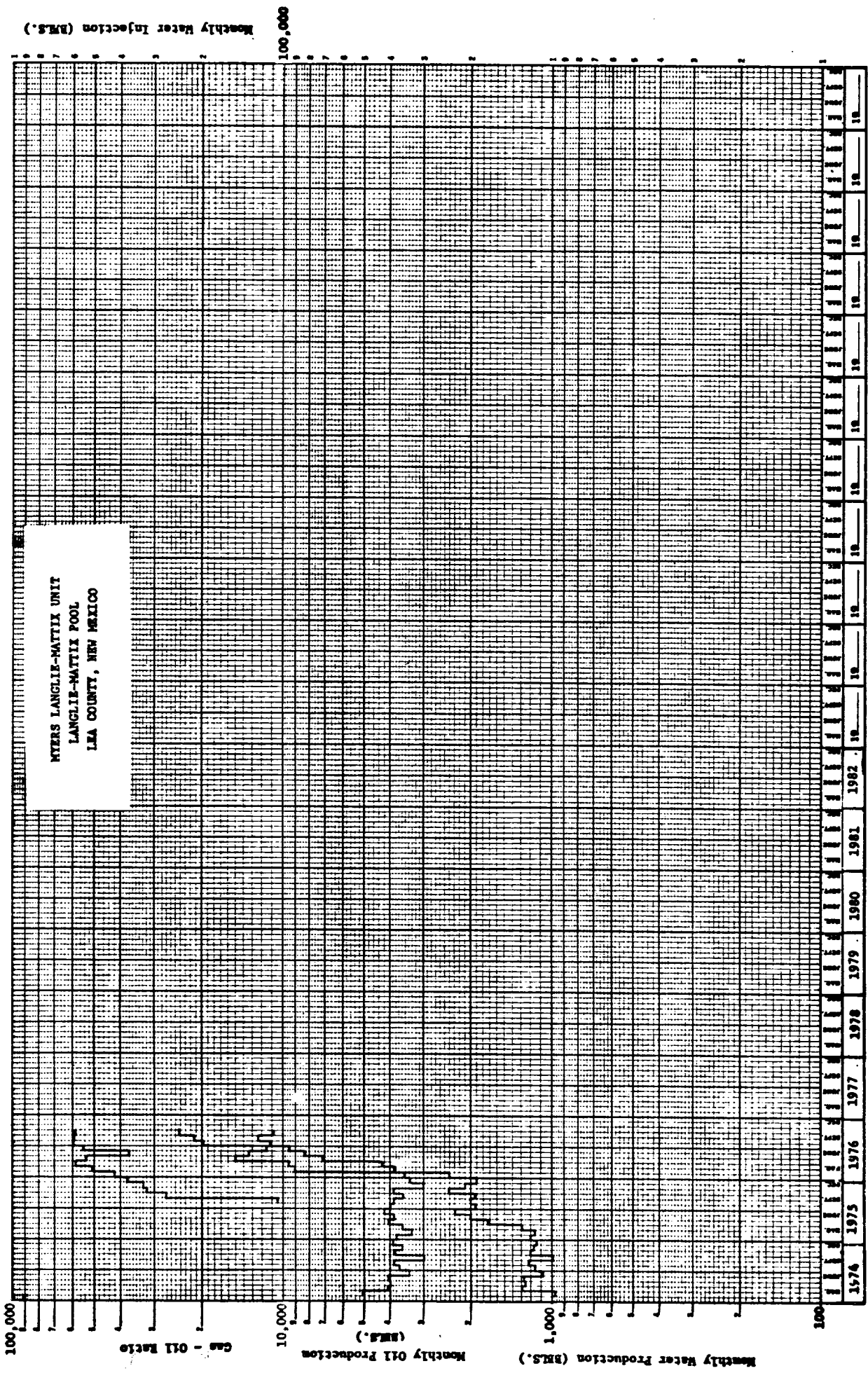
Approved.....November 23, 1976


Secretary-Director

NEW MEXICO OIL CONSERVATION COMMISSION

17 ORIGINAL WELL NUMBER
(24) UNIT WELL NUMBER
PROPOSED INJECTION WELL
ACTIVE INJECTION WELL







SKELLY OIL COMPANY

October 4, 1976

DOMESTIC EXPL. & PROD. DEPARTMENT

MIDLAND E & P DISTRICT

F. L. FRANZ, DISTRICT PRODUCTION MANAGER

M. J. EKMAN, DISTRICT ENGINEER

C. F. BOSECKER, LEAD RESERVOIR ENGINEER

F. J. PETRO, LEAD PRODUCTION ENGINEER

ADDRESS REPLY TO:
P. O. BOX 1351
MIDLAND, TEXAS 79701

File: First Enlargement
Myers Langlie-Mattix Unit
Lease No. 07938
Lea County, New Mexico

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

Attn: Mr. Joe D. Ramey

Gentlemen:

Attached are three copies (one with original signature) of the Certificate of Effectiveness and related revised exhibits covering the first enlargement of the Myers Langlie-Mattix Unit to include Tracts 50 and 51.

This should complete your files on this matter.

Yours very truly,

Merlin J. Ekman

JRA/jf
Attach.

My commission expires:
My Commission Expires August 20, 1979

MYERS LANGLEIE MATTIX UNIT

SCALE IN THOUSANDS OF FEET

17 ORIGINAL WELL NUMBER
(24) UNIT WELL NUMBER
PROPOSED INJECTION WELL
ACTIVE INJECTION WELL
FEDERAL LAND
STATE LAND
FEE LAND
UNIT OUTLINE
Second Revision Effective July 1, 1976

EXHIBIT "A"

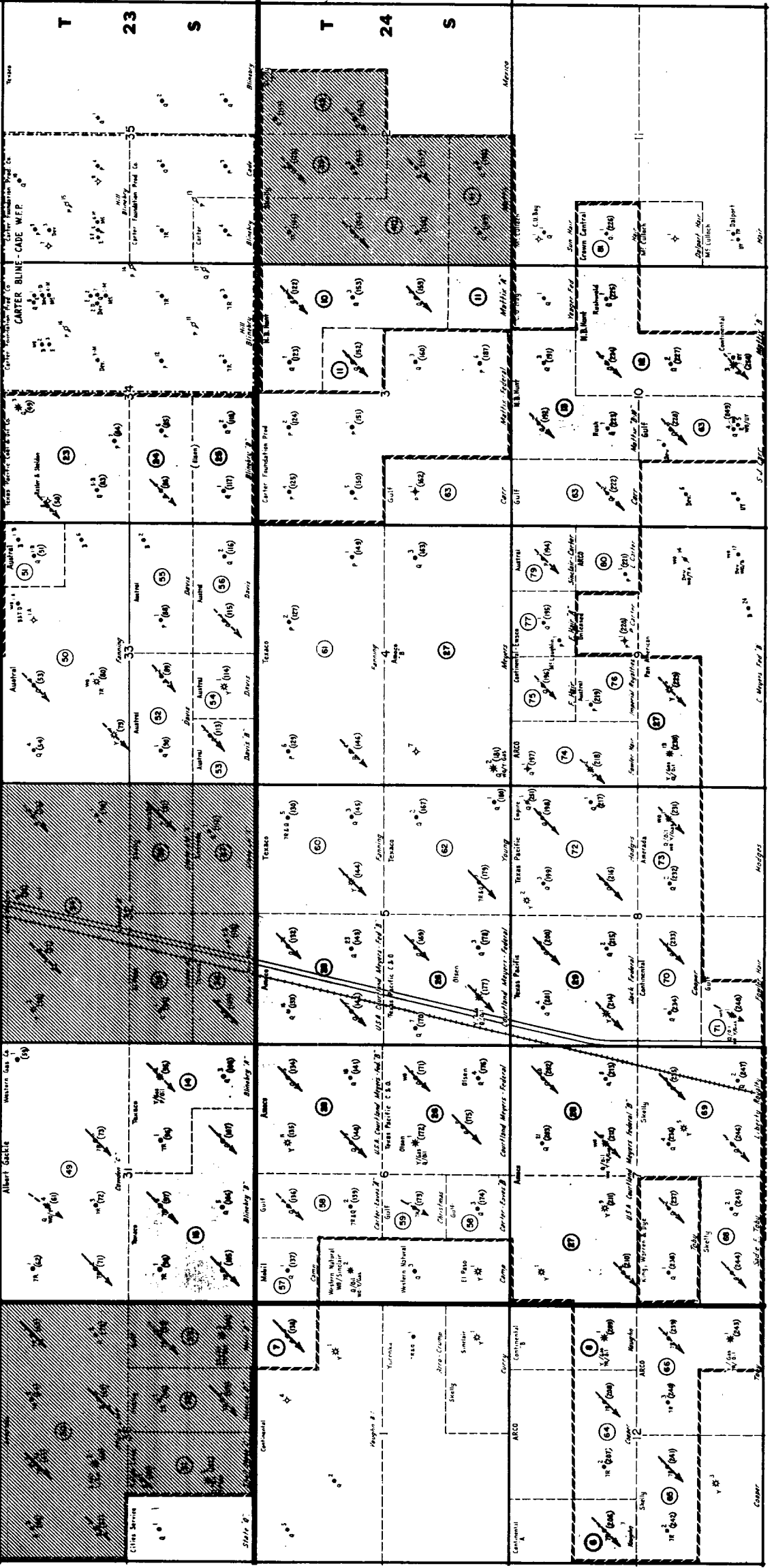


EXHIBIT "C"

UNIT AGREEMENT
MYERS LANGLIE MATTIX UNIT
LEA COUNTY, NEW MEXICOSCHEDULE OF TRACT PARTICIPATION

<u>Tract No.</u>	<u>Phase II Tract Participation (%)</u>
1	1.22311
2	.59021
3	4.16521
6	.64225
7	1.07386
8	.36086
10	2.14022
11	.33405
12	2.07257
13	1.66580
14	1.54385
15	4.11596
16	.40945
17	1.19564
18	.33599
19	2.49538
20	.15631
21	3.08133
22	2.00252
23	.30952
24	.30468
25	.91715
26	3.39996
27	2.63684
28	2.19345
29	1.02337
30	5.63333
31	.59616
32	1.22538
33	2.41311
34	2.57678
35	.08931
36	.33124
37	.76162
38	.15657
39	.94333
40	2.69658
41	.39002
42	.27833
43	.26781
44	1.29114
45	.02187
46	.45346
47	.06561
48	.04581
49	3.29505
50	1.33259
51	0.18398
52	.67176
53	.31075
54	.26871
55	.23648
56	1.15151
57	1.37678
58	.85761
59	1.43644
60	1.38687
61	1.10778
62	2.09278
63	2.10707
64	1.50062
65	1.91167

Tract No.	Phase II Tract Participation (%)
66	4.41344
68	3.85760
69	2.34135
70	.27581
71	.29746
72	1.85423
73	.59021
74	1.06063
75	.50868
76	.75123
77	.18322
79	.38667
80	.71139
81	<u>.91263</u>
TOTAL	100.00000

My Commission Expires August 20, 1979

MYERS LANGLEIE MATTIX UNIT

SCALE IN THOUSANDS OF FEET

UNIT WELL NUMBER
(214)

PROPOSED INJECTION WELL

ACTIVE INJECTION WELL

FEDERAL LAND

STATE LAND

UNIT OUTLINE

Second Revision Effective July 1, 1976

EXHIBIT "A"

UNIT OUTLINE

Second Revision Effective July 1, 1976

EXHIBIT "A"

UNIT OUTLINE

Second Revision Effective July 1, 1976

EXHIBIT "A"

UNIT OUTLINE

Second Revision Effective July 1, 1976

EXHIBIT "A"

UNIT OUTLINE

Second Revision Effective July 1, 1976

EXHIBIT "A"

UNIT OUTLINE

Second Revision Effective July 1, 1976

EXHIBIT "A"

UNIT OUTLINE

Second Revision Effective July 1, 1976

EXHIBIT "A"

UNIT OUTLINE

Second Revision Effective July 1, 1976

EXHIBIT "A"

UNIT OUTLINE

Second Revision Effective July 1, 1976

EXHIBIT "A"

UNIT OUTLINE

Second Revision Effective July 1, 1976

EXHIBIT "A"

UNIT OUTLINE

Second Revision Effective July 1, 1976

EXHIBIT "A"

UNIT OUTLINE

Second Revision Effective July 1, 1976

EXHIBIT "A"

UNIT OUTLINE

Second Revision Effective July 1, 1976

EXHIBIT "C"

UNIT AGREEMENT
MYERS LANGLIE MATTIX UNIT
LEA COUNTY, NEW MEXICOSCHEDULE OF TRACT PARTICIPATION

<u>Tract No.</u>	<u>Phase II Tract Participation (%)</u>
1	1.22311
2	.59021
3	4.16521
6	.64225
7	1.07386
8	.36086
10	2.14022
11	.33405
12	2.07257
13	1.66580
14	1.54385
15	4.11596
16	.40945
17	1.19564
18	.33599
19	2.49538
20	.15631
21	3.08133
22	2.00252
23	.30952
24	.30468
25	.91715
26	3.39996
27	2.63684
28	2.19345
29	1.02337
30	5.63333
31	.59616
32	1.22538
33	2.41311
34	2.57678
35	.08931
36	.33124
37	.76162
38	.15657
39	.94333
40	2.69658
41	.39002
42	.27833
43	.26781
44	1.29114
45	.02187
46	.45346
47	.06561
48	.04581
49	3.29505
50	1.33259
51	0.18398
52	.67176
53	.31075
54	.26871
55	.23648
56	1.15151
57	1.37678
58	.85761
59	1.43644
60	1.38687
61	1.10778
62	2.09278
63	2.10707
64	1.50062
65	1.91167

Tract No.	Phase II
	<u>Tract Participation (%)</u>
66	4.41344
68	3.85760
69	2.34135
70	.27581
71	.29746
72	1.85423
73	.59021
74	1.06063
75	.50868
76	.75123
77	.18322
79	.38667
80	.71139
81	<u>.91263</u>
TOTAL	100.00000

My Commission Expires August 20, 1979

MYERS LANGLEIE MATTIX UNIT

SCALE IN THOUSANDS OF FEET

ORIGINAL WELL NUMBER
UNIT WELL NUMBER
PROPOSED INJECTION WELL
ACTIVE INJECTION WELL
FEDERAL LAND
STATE LAND
FEE LAND
UNIT OUTLINE
Second Revision Effective July 1, 1976

EXHIBIT "A"

T 23 S

T 24 S

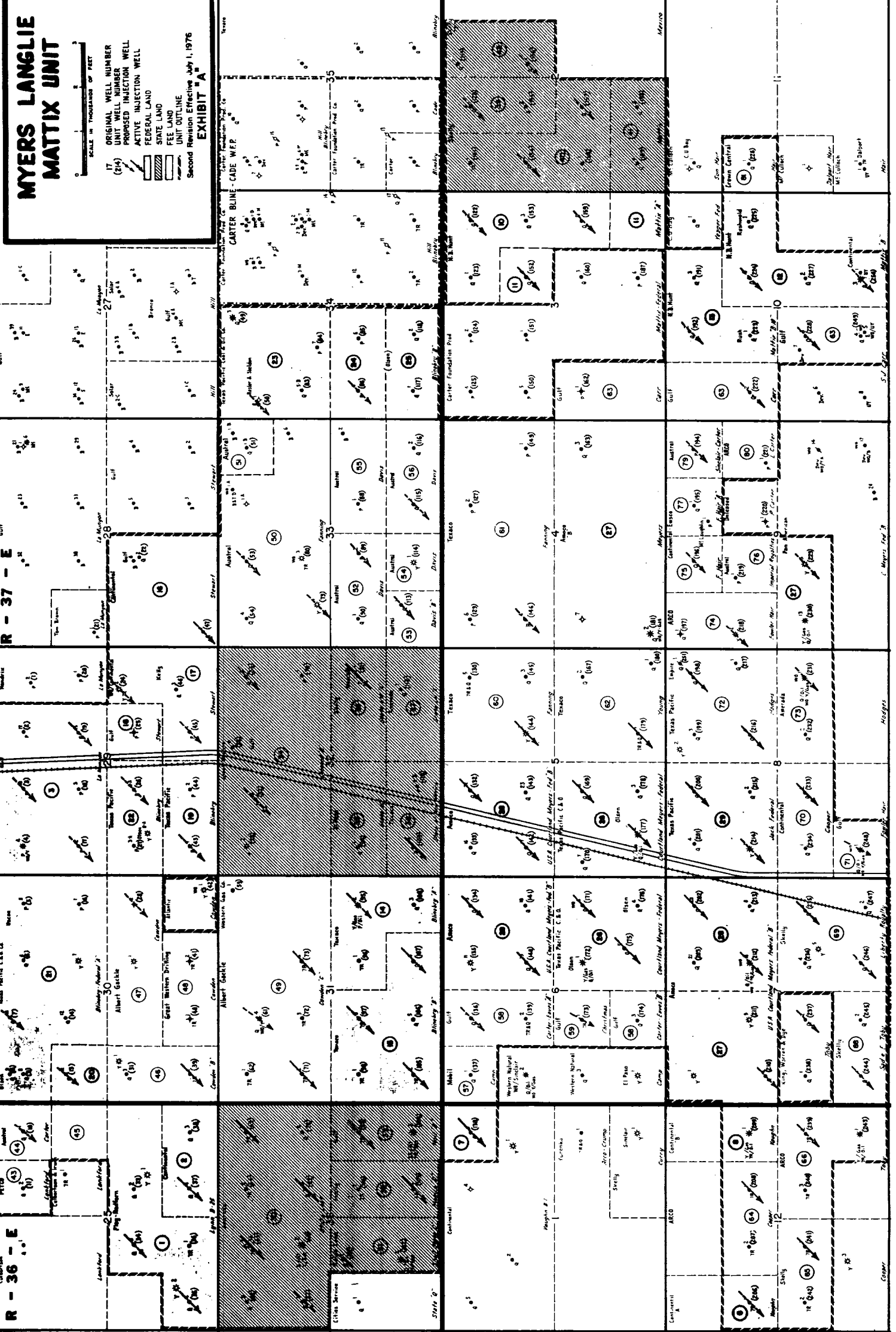


EXHIBIT "C"

UNIT AGREEMENT
MYERS LANGLIE MATTIX UNIT
LEA COUNTY, NEW MEXICOSCHEDULE OF TRACT PARTICIPATION

<u>Tract No.</u>	<u>Phase II Tract Participation (%)</u>
1	1.22311
2	.59021
3	4.16521
6	.64225
7	1.07386
8	.36086
10	2.14022
11	.33405
12	2.07257
13	1.66580
14	1.54385
15	4.11596
16	.40945
17	1.19564
18	.33599
19	2.49538
20	.15631
21	3.08133
22	2.00252
23	.30952
24	.30468
25	.91715
26	3.39996
27	2.63684
28	2.19345
29	1.02337
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31	.59616
32	1.22538
33	2.41311
34	2.57678
35	.08931
36	.33124
37	.76162
38	.15657
39	.94333
40	2.69658
41	.39002
42	.27833
43	.26781
44	1.29114
45	.02187
46	.45346
47	.06561
48	.04581
49	3.29505
50	1.33259
51	0.18398
52	.67176
53	.31075
54	.26871
55	.23648
56	1.15151
57	1.37678
58	.85761
59	1.43644
60	1.38687
61	1.10778
62	2.09278
63	2.10707
64	1.50062
65	1.91167

Tract No.
66
68
69
70
71
72
73
74
75
76
77
79
80
81
TOTAL

Phase II Tract Participation (%)
4.41344
3.85760
2.34135
.27581
.29746
1.85423
.59021
1.06063
.50868
.75123
.18322
.38667
.71139
.91263
100.00000

A R-36-E

B

C

D

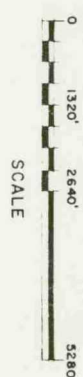
E R-37-E

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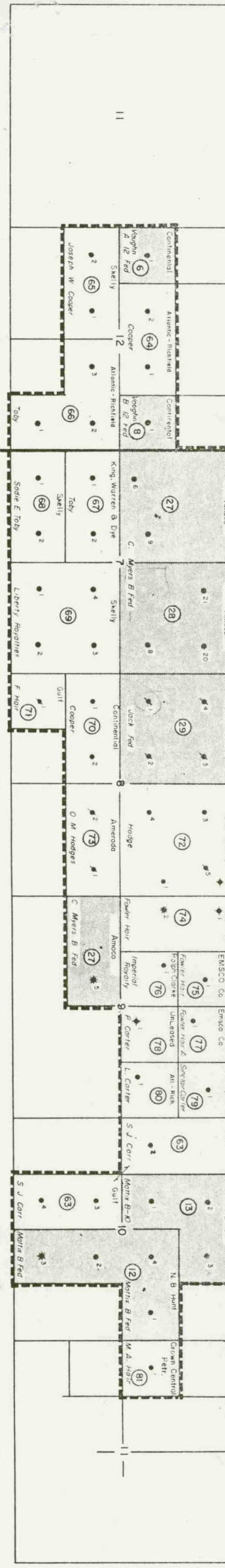
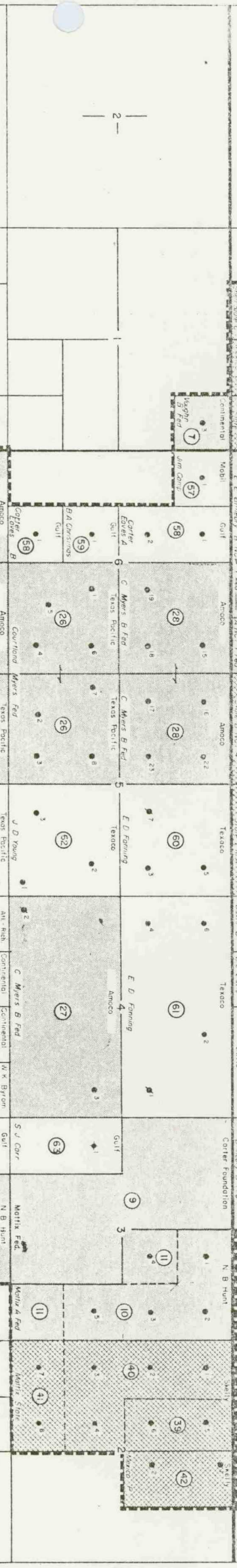
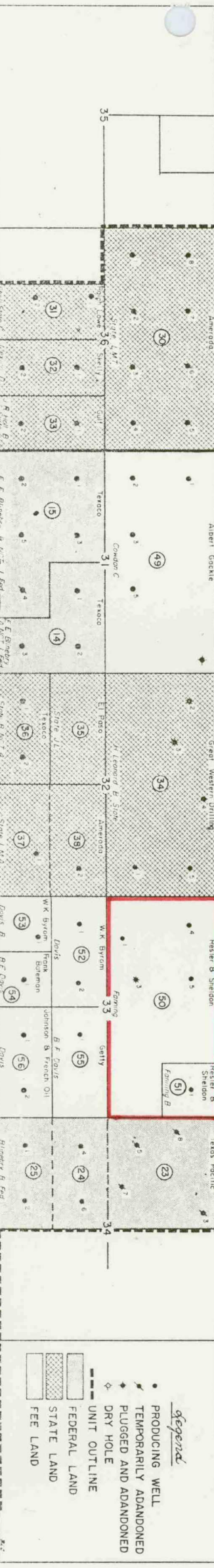
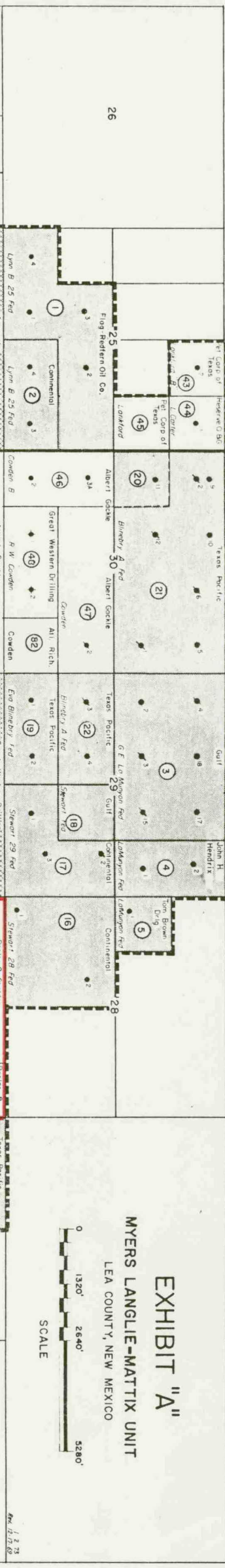
G

EXHIBIT "A"

MYERS LANGLE-MATTIX UNIT
LEA COUNTY, NEW MEXICO



- Legend*
- PRODUCING WELL
 - TEMPORARILY ADAPTIONED
 - PLUGGED AND ADAPTIONED
 - DRY HOLE
 - UNIT OUTLINE
 - ▨ FEDERAL LAND
 - ▩ STATE LAND
 - FEE LAND



WORKING INTEREST OWNER PARTICIPATION
FIRST ENLARGEMENT PROPOSAL

<u>Working Interest Owner</u>	<u>Participation Percent</u>
Allied Chemical Co.	1.03974
Amerada Hess Corp.	6.38753
Amoco Production Co.	5.49708
Arlene S. Anthony	.08528
Atlantic Richfield Co.	9.80180
Austral Oil Co. Inc.	6.25819
George R. Bentley	.01512
Chevron Oil Company	.66680
Adele Combs Clough	.00065
Michael Clough	.00022
Cities Service Oil Company	1.69279
Margaret B. Clay	.77206
Clay Trusts 618-123	.75696
W. J. Clay	.01859
Continental Emsco Co.	.60541
Continental Oil Co.	2.14914
Crown Central Pet. Cp.	.91263
Charles A. Dore	.00219
Clara Dwyer Estate	.04302
El Paso Natl. Gas Co.	.08931
Flag-Redfern Oil Co.	1.22311
Fluor Corporation	.10297
Gackle Oil Co.	.92814
General Crude Oil Co.	.25815
Great Western Drlg. Co.	2.62259
Gulf Oil Corporation	11.18408
Lamar Hunt	1.55315
N. B. Hunt	3.10633
W. H. Hunt	1.55316
Frank D. Lortscher	.25584
Irma Lowe	.29808
Management Trust Co.	.27844
Maralo	.29808
Blanche McCallister	.14294
Merchants Natl. Bank	.01511
Gertrude C. Mitchell	.04302
Mobil Oil Corp.	.68839
Petroleum Cp. of Texas	.13937
W. A. Pruitt	.00109
Herbert J. Schmitz	.20468
Charles T. Scott, Jr.	.08528
Robert C. Scott	.08528
T. J. Sivley	.39855
Skelly Oil Company	13.74491
R. L. Summers	.08649
Texaco Inc.	10.57848
Texas Pacific Oil Co.	<u>13.32978</u>
TOTAL	100.00000

SCHEDULE OF TRACT PARTICIPATION
FIRST ENLARGEMENT PROPOSAL

<u>Tract No.</u>	<u>Phase II Tract Participation (%)</u>
1	1.22311
2	.59021
3	4.16521
6	.64225
7	1.07386
8	.36086
10	2.14022
11	.33405
12	2.07257
13	1.66580
14	1.54385
15	4.11596
16	.40945
17	1.19564
18	.33599
19	2.49538
20	.15631
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27	2.63684
28	2.19345
29	1.02337
30	5.63333
31	.59616
32	1.22538
33	2.41311
34	2.57678
35	.08931
36	.33124
37	.76162
38	.15657
39	.94333
40	2.69658
41	.39002
42	.27833
43	.26781
44	1.29114
45	.02187
46	.45346
47	.06561
48	.04581
49	3.29505
50	1.33259
51	0.18398
52	.67176
53	.31075
54	.26871
55	.23648
56	1.15151
57	1.37678
58	.85761
59	1.43644
60	1.38687
61	1.10778
62	2.09278
63	2.10707
64	1.50062
65	1.91167

SCHEDULE OF TRACT PARTICIPATION
FIRST ENLARGEMENT PROPOSAL
PAGE 2

<u>Tract No.</u>	<u>Phase II Tract Participation (%)</u>
66	4.41344
68	3.85760
69	2.34135
70	.27581
71	.29746
72	1.85423
73	.59021
74	1.06063
75	.50868
76	.75123
77	.18322
79	.38667
80	.71139
81	<u>.91263</u>
TOTAL	100.00000



United States Department of the Interior

GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201

June 2, 1976

Skelly Oil Company
Attention: Mr. Leland Franz
P.O. Box 1351
Midland, Texas 79701

Gentlemen:

Your letter of May 12, 1976, transmits the necessary ratifications to commit tracts 50 and 51 to the Myers Langlie Mattix unit agreement, Lea County, New Mexico. Such letter also provides that more than 80 percent of the working interest owners owning tracts with Phase II participation in the unit have approved the qualification of tracts 50 and 51 for unit participation.

Therefore, in accordance with our letter of April 6, 1976, granting preliminary approval, this office hereby approves the above mentioned ratifications, and the qualification of the Myers Langlie Mattix unit tracts 50 and 51 for unit participation. Such approvals are effective as of June 1, 1976, the first of the month following filing with this office. Similar approval was granted by the Commissioner of Public Lands on May 20, 1976.

Notice of these approvals is being provided to the appropriate Federal offices, and you are requested to notify all other interested parties. One set of ratifications which is surplus to our need is returned herewith.

Sincerely yours,

FORM. SCD. 17

for!

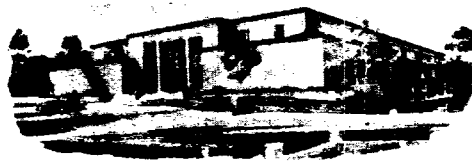
CARL C. TRAYWICK
Acting Area Oil and Gas Supervisor

cc:
BLM, Santa Fe (ltr. only)
Hobbs (w/cy joinders)
Com. Pub. Lands, Santa Fe (ltr. only)
NMOCC, Santa Fe (ltr. only)

ARStall:dap



State of New Mexico



Commissioner of Public Lands

May 20, 1976

PHIL R. LUCERO
COMMISSIONER

TELEPHONE
505-827-2748

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Skelly Oil Company
P. O. Box 1351
Midland, Texas 79701

Re: Myers Langlie Mattix Unit
FIRST ENLARGEMENT
Lea County, New Mexico

ATTENTION: Mr. Leland Franz

Gentlemen:

The Commissioner of Public Lands has this date given final approval to the qualification of Tracts 50 and 51 for unit participation in the Myers Langlie Mattix Unit, Lea County, New Mexico. This approval is subject to like approval by the United States Geological Survey.

Enclosed is a set of ratifications surplus to our need.

Very truly yours,

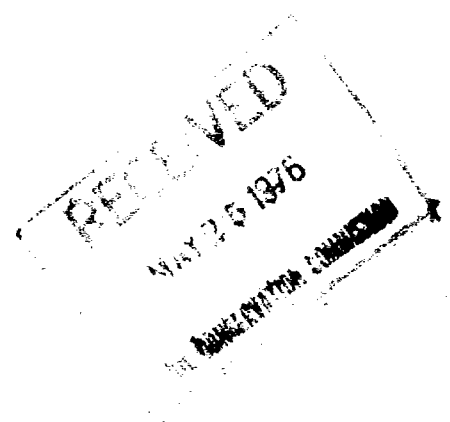
PHIL R. LUCERO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division

PRL/RDG/s

encl.

cc: USGS-Roswell, New Mexico
OCC- Santa Fe, New Mexico





United States Department of the Interior

GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201

April 19, 1976

Skelly Oil Company
Attention: Mr. Leland Franz
P.O. Box 1351
Midland, Texas 79701

Gentlemen:

Your letter of April 9, 1976 transmitted two executed copies of a cooperative lease line agreement in which Skelly Oil Company as operator of the Myers Langlie Mattix unit, and Reserve Oil and Gas Company as operator of the Cooper Jal unit, will cooperate in water flooding involving the common boundary between sec. 7, T. 24S., R. 37E., Myers Langlie Mattix unit, and sec. 18, T. 24S., R. 37E., Cooper Jal unit, Lea County, New Mexico.

Such cooperative lease line agreement has been approved by the Acting Area Oil and Gas Supervisor on this date. You are requested to notify all interested parties of this approval.

Sincerely yours,

(ORIG. SGD.) CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Area Oil and Gas Supervisor

cc:

Hobbs (w/cy agree)

NMOCC, Santa Fe (ltr. only) ← This copy for

Com. of Pub. Lands, Santa Fe (ltr. only)

RLindau:dap

P. O. Drawer 1857
Roswell, New Mexico 88201

March 4, 1976

Skelly Oil Company
Attention: Mr. Leland Franz
P. O. Box 1351
Midland, Texas 79701

Gentlemen:

Your letter of October 24, 1975, transmitted a proposed border protection agreement in which Skelly Oil Company as operator of the Myers Langlie Mattix unit, and Reserve Oil and Gas Company as operator of the Cooper Jal unit, will cooperate in water flooding involving the common boundary between sec. 7, T. 24S., R. 37E., Myers Langlie Mattix unit, and sec. 18, T. 24S., R. 37E., Cooper Jal unit, Lea County, New Mexico. You state in your letter that you have received written concurrence of the working interest owners to comply with Section 40 of the Myers Langlie Mattix unit agreement. Such border protection agreement has been approved on this date.

Please send two copies of this agreement, including one with original signatures to this office after it has been executed.

Sincerely yours,

ORIGINAL FILED IN 100-111111-1000

CARL C. TRAYWICK
Acting Area Oil and Gas Supervisor

cc:
Hobbs
NMOCC, Santa Fe
Com. of Pub. Lands, Santa Fe

RLindau:clt

← This Copy for

P. O. Drawer 1857
Roswell, New Mexico 88201

March 2, 1976

Skelly Oil Company
Attention: Mr. Leland Franz
P. O. Box 1351
Midland, Texas 79701

Gentlemen:

Two approved copies of your 1976 plan of development for the Myers Langlie Mattix unit area, Lea County, New Mexico, are enclosed. Such plan, proposing finalization of full scale waterflood operations with deferment of injection along lease line boundaries until appropriate agreements can be completed was approved on this date subject to like approval by the appropriate official of the State of New Mexico.

It is requested that you provide this office with a copy of water-flood injection and production data in graphical form at your earliest convenience and include an updated copy of such graph with all subsequent plans of development.

Sincerely yours,

(ORIG. SCD: CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Area Oil and Gas Supervisor

cc:
Hobbs (w/cy plan)
NMOCC, Santa Fe (1tr only) ← This Copy for
Com. Pub. Lands, Santa Fe (1tr only)

JAGillham:dlk

P. O. Drawer 1857
Roswell, New Mexico 88201

March 1, 1976

Reserve Oil and Gas Company
Attention: Mr. Erd M. Johnson
201 First Savings Building
Midland, Texas 79701

Gentlemen:

Your letter of October 27, 1975, transmitted a proposed border protection agreement in which Reserve Oil and Gas Company as operator of the Cooper Jal unit and Skelly Oil Company as operator of the Myers Langlie Mattix unit, will cooperate in water flooding involving the common boundary between sec. 18, T. 24S., R. 37E., Cooper Jal unit, and sec. 7, T. 24S., R. 37E., Myers Langlie Mattix unit, Lea County, New Mexico. You state in your letter that you have received written concurrence of the working interest owners to comply with Article 31 of the Cooper Jal unit agreement. Such border protection agreement has been approved on this date.

Please send two copies of this agreement, including one with original signatures to this office after it has been executed.

Sincerely yours,

CARL C. TRAYNICK
Acting Area Oil and Gas Supervisor

cc:
Hobbs
NMOCC, Santa Fe

RLindau:dlk

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

November 7, 1975

Skelly Oil Company
P. O. Box 1351
Midland, Texas 79701

Attention: Mr. Leland Franz

Re: 1976 Plan of Development,
Myers Langlie Mattix Unit,
Lea County, New Mexico.

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the plan of development for the calendar year 1976 for the Myers Langlie Mattix Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Two approved copies of the plan are returned herewith.

Very truly yours,

JOE D. RAMFY
Secretary-Director

JDR/JEK/oq

cc: United States Geological Survey
Roswell, New Mexico

Commissioner of Public Lands
Santa Fe, New Mexico

UNITED STATES DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

February 24, 1975

Skelly Oil Company
Attention: Mr. Leland Franz
P.O. Box 1351
Midland, Texas 79701

Gentlemen:

The 1975 plan of development submitted for the Myers Langlie-Mattix unit area, Lea County, New Mexico, was approved on this date subject to like approval by the appropriate State officials.

Such plan proposes completion of water injection facilities and the initiation of full-scale waterflood operations. Three approved copies of the plan are enclosed.

Sincerely yours,

(ORIG. SGD) CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Area Oil and Gas Supervisor

cc:
- NMOCC, Santa Fe (ltr only)
Com. Pub. Lands, Santa Fe (ltr only)
Hobbs (w/cy paln)

JAGillham:ds



SKELLY OIL COMPANY

October 28, 1975

DOMESTIC EXPL. & PROD. DEPARTMENT

MIDLAND E & P DISTRICT

F. L. FRANZ, DISTRICT PRODUCTION MANAGER

M. J. EKMAN, DISTRICT ENGINEER

C. F. BOSECKER, LEAD RESERVOIR ENGINEER

F. J. PETRO, LEAD PRODUCTION ENGINEER

ADDRESS REPLY TO:

P. O. BOX 1351

MIDLAND, TEXAS 79701

File: Myers Langlie Mattix Unit
Lease No. 07938
Lea County, New Mexico

Director (4)
United States Geological Survey
P. O. Box Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands (2)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

Oil Conservation Commission of (3) All Working Interest Owners
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

Gentlemen:

In accordance with Section 12 of the Unit Agreement for the Development and Operation of the Myers Langlie Mattix Unit, Lea County, New Mexico. Skelly Oil Company respectfully submits for your approval, a report of past operations and a plan of development and operation for the waterflood unit for the year 1976.

PAST OPERATIONS

The Myers Langlie Mattix Unit became effective February 1, 1974. Injection started into 18 wells on August 13, 1975, and 32 wells had been converted by October 20, 1975. Conversion of additional wells will be expedited to place the unit area under full-scale waterflood operations.

A pilot waterflood was in operation on Skelly's Mattix "A" lease prior to unitization. Cumulative injection into the Mattix "A" No. 4 well (Unit No. 157) was 14,228 barrels on February 1, 1974. Cumulative water injection since unitization was 458,249 barrels of water to October 1, 1975. The daily average injection rate during September, 1975, was 9,090 barrels at 120 psig.

Cumulative oil production from the Unit area since unitization was 77,711 barrels on October 1, 1975. The average daily producing rate during September, 1975, was 121 barrels of oil.


DEVELOPMENT PLANS FOR 1976

Conversion of wells to injection service under the approved pattern will be expedited to place the Myers Langlie Mattix Unit under full-scale flood operations. Conversion of wells along lease line boundaries will be deferred until appropriate agreements have been finalized.

Centralized producing facilities and satellite test stations will be installed as soon as feasible after waterflood operations are underway.

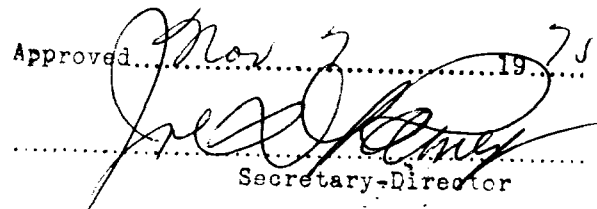
Very truly yours,

SKELLY OIL COMPANY


Leland Franz, Chairman
Working Interest Owners' Committee

OVS/ss

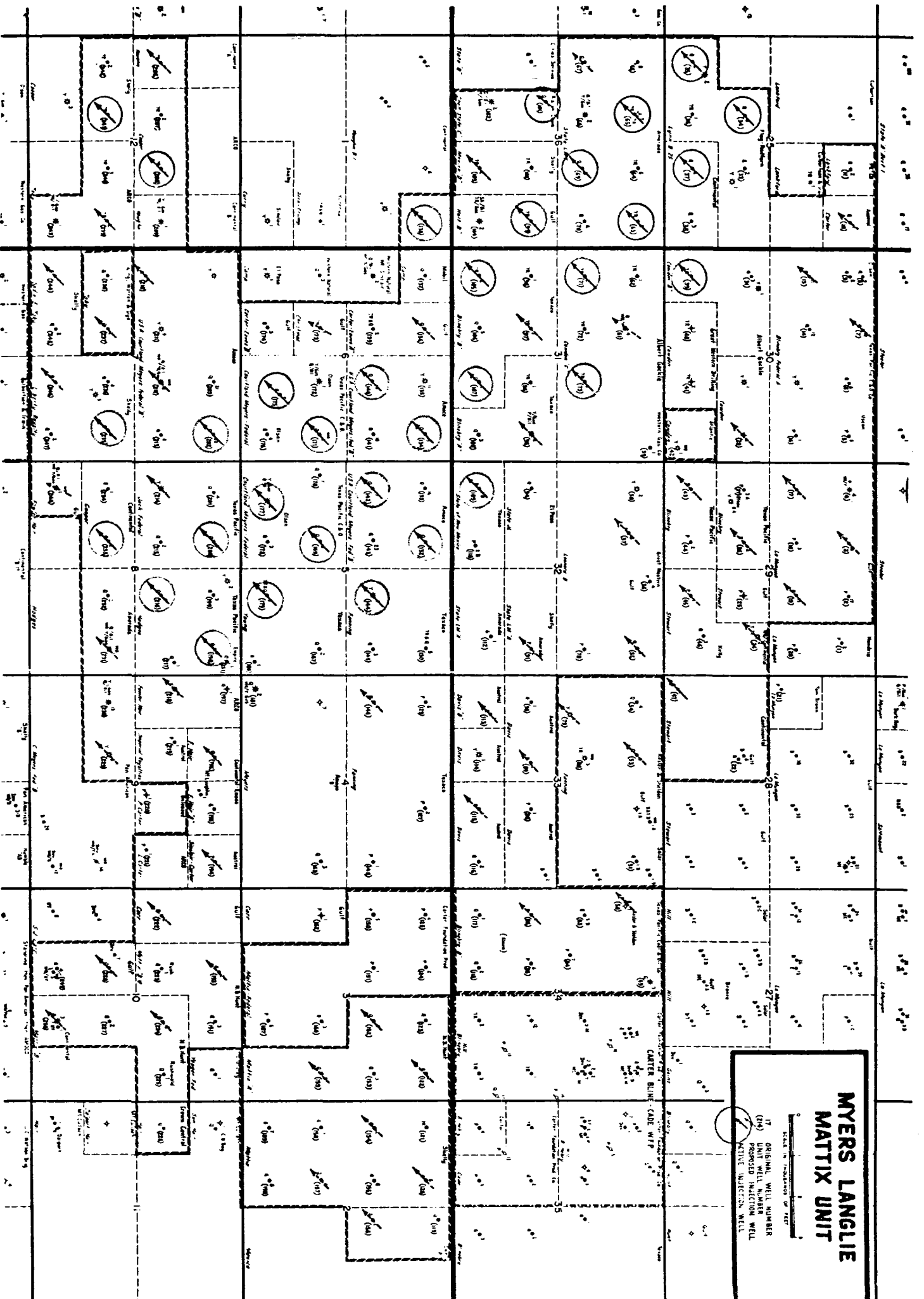
Approved.....*Nov 2*.....19*75*.....


Secretary-Director

NEW MEXICO OIL CONSERVATION COMMISSION

MYERS LANGLEIE MATTIX UNIT

17 ORIGINAL WELL NUMBER
(24) UNIT WELL NUMBER
PROMISED INJECTION WELL
ACTIVE INJECTION WELL



OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE NEW MEXICO 87501

January 8, 1975

5486

C
O
P
Y

Skelly Oil Company
P. O. Box 1351
Midland, Texas 79701

Attention: Mr. Leland Franz

Re: 1975 Plan of Operations,
Myers Langlie Mattix Unit,
Lea County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Plan of Operation for the year 1975 for the Myers Langlie Mattix Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Two approved copies of the plan are returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: Commissioner of Public Lands
Santa Fe New Mexico

United States Geological Survey
Roswell, New Mexico



SKELLY OIL COMPANY

December 19, 1974

DOMESTIC EXPL. & PROD. DEPARTMENT

WEST CENTRAL E & P DISTRICT

F. L. FRANZ, DISTRICT PRODUCTION MANAGER
M. J. EKMAN, DISTRICT ENGINEER
F. J. HENSLEY, LEAD RESERVOIR ENGINEER
F. J. PETRO, LEAD PRODUCTION ENGINEER

File: Myers Langlie Mattix Unit
Lease No. 07938
Lea County, New Mexico

ADDRESS REPLY TO:
P. O. BOX 1351
MIDLAND, TEXAS 79701

Director (5)
United States Geological Survey
P. O. Box Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands (2)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

Oil Conservation Commission of (3) All Working Interest Owners
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

Gentlemen:

In accordance with Section 12 of the Unit Agreement for the Development and Operation of the Myers Langlie Mattix Unit, Lea County, New Mexico. Skelly Oil Company respectfully submits for your approval, a report of past operations and a plan of development and operation for the waterflood unit for the year 1975.

PAST OPERATIONS

The Myers Langlie Mattix Unit became effective February 1, 1974. Construction operations are underway on the injection plant installation; and construction on the water injection lines and water supply lines are projected to be underway by January 1, 1975. Conversion of wells to injection service will follow shortly thereafter to place the unit area under full-scale waterflood operations.

A pilot waterflood was in operation on Skelly's Mattix "A" lease prior to unitization. Cumulative injection into the Mattix "A" No. 4 well (Unit No. 157) was 14,228 barrels on February 1, 1974. No water has been injected since unitization.

Cumulative oil production from the Unit area since unitization was 40,504 barrels on November 1, 1974. The average daily producing rate during October, 1974, was 126 barrels of oil.

DEVELOPMENT PLANS FOR 1975

Construction of injection plant and associated water supply and water injection lines will be pushed to completion.

Conversion of wells to injection service under the approved pattern will be expedited to place the Myers Langlie Mattix Unit under full-scale flood operations. Conversion of wells along lease line boundaries will be deferred until appropriate agreements have been finalized.

Centralized producing facilities and satellite test stations will be installed as soon as feasible after waterflood operations are underway.

Very truly yours,

Skelly Oil Company

B. A. Strickling, Jr.

for Leland Franz, Chairman
Working Interest Owners Committee

OVS/ss

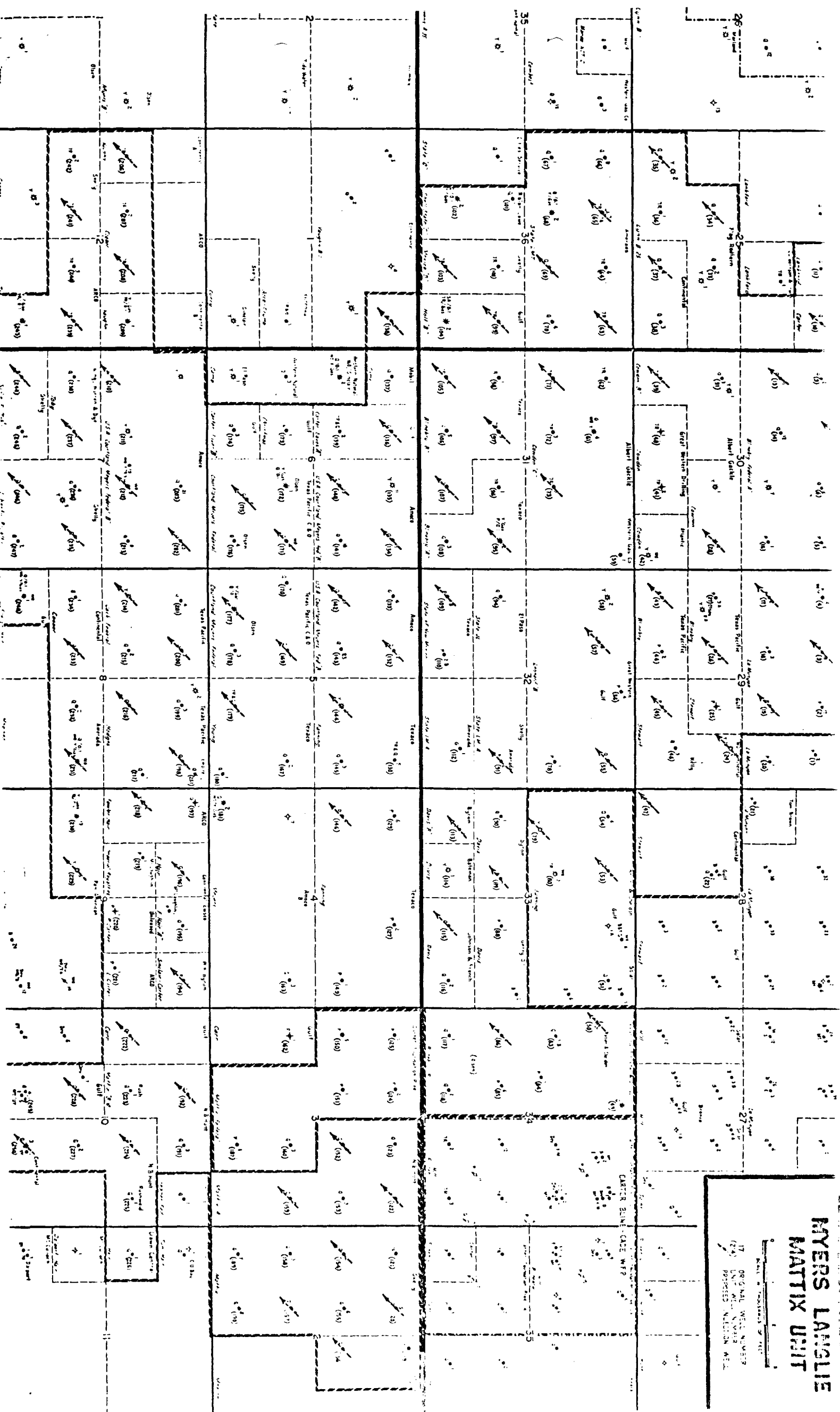
Approved *January 8* 19 *75*
A. H. Carter
Secretary-Director

NEW MEXICO OIL CONSERVATION COMMISSION

MYERS LANGLEY MATRIX UNIT

IT
ORIGINAL WELL NUMBER
(74)
PROCESSED NUCLEON WELL

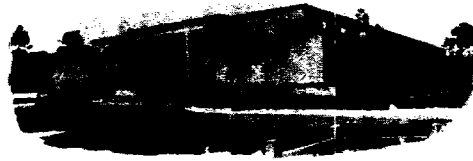
SCALE IN FEET



State of New Mexico

TELEPHONE
505-827-2748

5096



Commissioner of Public Lands

ALEX J. ARMIJO
COMMISSIONER

December 26, 1974

P. O. Box 1148
SANTA FE, NEW MEXICO

Skelly Oil Company
P. O. Box 1351
Midland, Texas 79701

Re: Myers Langlie Mattin Unit
1975 PLAN OF DEVELOPMENT
Lea County, New Mexico

ATTENTION: Mr. Leland Franz

Gentlemen:

The Commissioner of Public Lands has this date approved your Plan of Development for the year 1975, in which you will complete your injection plant, conversion of wells to injection service will be expedited, conversion of wells along lease-line boundaries will be deferred until appropriate agreements have been finalized, and centralized producing facilities and satellite test stations will be installed as soon as feasible after waterflood operations are underway.

Enclosed is one approved copy of the plan.

Please remit a Three (\$3.00) Dollar filing fee.

Very truly yours,

RAY D. GRAHAM, Director
Oil and Gas Department

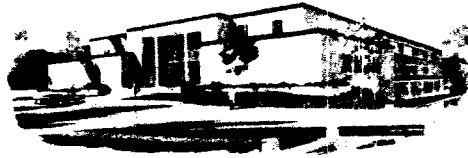
AJA/RDC/s

encls.

cc: USGS-Roswell, New Mexico
OCC- Santa Fe, New Mexico

State of New Mexico

TELEPHONE
505-827-2748



Commissioner of Public Lands

April 1, 1974

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

Skelly Oil Company
P. O. Box 1351
Midland, Texas 79701

Re: Myers Langlie-Mattix Unit
INITIAL PLAN OF DEVELOPMENT
AND OPERATION
Lea County, New Mexico

ATTENTION: Mr. Leland Franz

Gentlemen:

The Commissioner of Public Lands has this date approved your initial plan of development and operation for the Myers Langlie-Mattix Unit area, Lea County, New Mexico, in which you propose to initiate an approximate five-spot waterflood injection pattern, also proposes deferred injection wells offsetting tracts that failed to qualify or offsetting producing wells outside the designated unit area. To insure against drainage of unitized substances, the deferred injection wells will not be converted to injection until appropriate cooperative agreements have been made.

Enclosed is one approved copy for your files.

Very truly yours,

RAY D. GRAHAM, Director
Oil and Gas Department

AJA/RDG/s

encl.

cc: USGS-Roswell, New Mexico
OCC- Santa Fe, New Mexico ✓



United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

March 14, 1974

Skelly Oil Company
Attention: Mr. Leland Franz
P.O. Box 1351
Midland, Texas 79701

Gentlemen:

On this date, your initial plan of development and operation for the Myers Langlie-Mattix unit area, Lea County, New Mexico, in which you propose to initiate an approximate five-spot waterflood injection pattern, was approved. Such plan also proposes deferred injection wells offsetting tracts that failed to qualify or offsetting producing wells outside the designated unit area. To insure against drainage of unitized substances, the deferred injection wells will not be converted to injection until appropriate cooperative agreements have been made. The approval of the plan is subject to like approval by the appropriate officials of the State of New Mexico. One approved copy of the plan is enclosed.

Sincerely yours,

CARL C. TRAYWICK
Acting Area Oil & Gas Supervisor

cc:
NMOGC, Santa Fe
Com. Pub. Lands, Santa Fe
Hobbs

JAMonro:ds

State of New Mexico

TELEPHONE
505-827-2748



Commissioner of Public Lands

December 26, 1973

ALEX J. ARMIJO
COMMISSIONER

P. O. Box 1148
SANTA FE, NEW MEXICO

Skelly Oil Company
P. O. Box 1351
Midland, Texas 79701

Re: Proposed Myers Langlie-Mattix Unit
Lea County, New Mexico

ATTENTION: Mr. C. J. Love

Gentlemen:

The Commissioner of Public Lands has this date approved your Myers Langlie-Mattix Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey.

Enclosed are five (5) Certificates of approval.

Please advise this office when the United States Geological Survey has approved this unit so that we may finish processing the unit and ascertain the effective date.

We will expect to receive the ratifications you have for some of the tracts not committed as outlined in our letter of November 19, 1973, also, an Exhibit "B" reflecting any revisions subsequent to the effective date.

Very truly yours,

RAY D. GRAHAM, Director
Oil and Gas Division

AJA/REG/s
encls.

cc: USGS-Roswell, New Mexico
OCC- Santa Fe, New Mexico ✓



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

I. R. TRUJILLO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

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

November 16, 1973

Mr. Chester E. Blodgett
Skelly Oil Company
Post Office Box 1650
Tulsa, Oklahoma 74102

Re: CASE NO. 5086
ORDER NO. R-4660
Applicant:
Skelly Oil Company

Dear Sir:

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

Very truly yours,

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

ALP/ir

Copy of order also sent to:

Hobbs OCC x
 Artesia OCC
 Aztec OCC

Other Unit Division - State Land Office

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 31, 1973

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

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 5076: (Continued from the October 17, 1973, Examiner Hearing)

Application of David Fasken for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a well at an unorthodox location 1980 feet from the North line and 660 feet from the West line of Section 7, Township 18 South, Range 26 East, West Atoka-Morrow Gas Pool, Eddy County, New Mexico, the N/2 of said Section 7 to be dedicated to the well.

CASE 5086: Application of Skelly Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Myers Langlie-Mattix Unit Area comprising 9924 acres, more or less, of Federal, State, and Fee lands in Townships 23 and 24 South, Ranges 36 and 37 East, Lea County, New Mexico.

CASE 5087: 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 Myers Langlie-Mattix Unit Area, Langlie-Mattix Pool, Lea County, New Mexico, by the injection of water into the Queen formation through 84 injection wells in said unit area.

CASE 5088: Application of Amini Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface of the ground down to and including the Pennsylvanian formation underlying the S/2 of Section 32, Township 20 South, Range 33 East, South Salt Lake-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location in Unit N of said Section 32. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5089: (This case will be dismissed)

Application of Coquina Oil Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its proposed Cities Service State Well No. 3, at an unorthodox location 1325 feet from the South line and 660 feet from the East line of Section 27, Township 14 South, Range 34 East, High Plains-Pennsylvanian Pool, Lea County, New Mexico.

- CASE 5090: Application of Atlantic Richfield Company for lease commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Commission Rule 309-A to permit the commingling of unitized and non-unitized production within applicant's Seven Rivers-Queen Unit Area, Langlie-Mattix Pool, Lea County, New Mexico.
- CASE 5091: Application of Superior Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the E/2 of Section 2, Township 18 South, Range 25 East, West Atoka-Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to a well presently being drilled at a point 2080 feet from the South line and 660 feet from the East line of said Section 2. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 5092: Application of Gulf Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the base of the Wolfcamp formation to the base of the Morrow formation underlying the E/2 of Section 9, Township 16 South, Range 35 East, Townsend-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to its Hulda Townsend Well No. 2 located in Unit I of said Section 9. Also to be considered will be the present value of said well and the cost of deepening and completing same and the allocation of such values and costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in deepening said well.
- CASE 5093: Application of Morris R. Antweil for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the N/2 of Section 17, Township 22 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location in Unit B of said Section 17. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 5094: Application of Cities Service Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Azotea Mesa Unit Area comprising 5686 acres, more or less, of Federal and State lands in Township 23 South, Range 24 East, Eddy County, New Mexico.
- CASE 5095: Application of Cities Service Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Loafer Draw Unit Area comprising 5844 acres, more or less, of Federal, Fee, and State lands in Township 21 South, Ranges 21 and 22 East, Eddy County, New Mexico.

- CASE 5096: Application of H. L. Brown, Jr. for a non-standard gas proration unit and unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard gas proration unit comprising the SE/4 of Section 15 and the E/2 NE/4, SW/4 NE/4, and NE/4 SE/4 of Section 22, all in Township 17 South, Range 29 East, Grayburg-Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled at an unorthodox gas well location 330 feet from the South and East lines of said Section 15.
- CASE 5097: Application of Dorchester Exploration Company for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new gas pool for Wolfcamp production for its well located in Unit F of Section 35, Township 19 South, Range 28 East, and the promulgation of special rules therefor including a provision for 320-acre spacing and standard 320-acre well locations.
- CASE 5073: (Continued and Readvertised)
- Application of Belco Petroleum Corporation for a non-standard gas proration unit and unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard gas proration unit comprising the E/2 SW/4 and SE/4 of Section 30 and the N/2 NE/4 of Section 31, all in Township 20 South, Range 33 East, South Salt Lake Field, Lea County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South line and 1300 feet from the East line of said Section 30.

DRAFT

dr/ *CW*

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

[Handwritten signatures]

CASE No. 5086
Order No. R-4660

APPLICATION OF SKELLY OIL COMPANY
FOR APPROVAL OF THE MYERS LANGLIE-MATTIX
UNIT AGREEMENT, LEA, COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
October 31, 1963, at Santa Fe, New Mexico, before Examiner
Richard L. Stamets.

NOW, on this _____ day of November, 1963, the Commission,
a quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Skelly Oil Company,
seeks approval of the Myers Langlie-Mattix Unit Agreement
covering 9923.68 ~~9924~~ acres, more or less, of State,
Federal lands
and Fee
described as follows:

LEA COUNTY, NEW MEXICO

~~TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM~~

Township 23 South, Range 36 East, NMPM

Sec 25: $N/2 NE/4$, $SE/4 NE/4$, $E/2 SW/4$, ~~SW/4~~
~~SW/4~~, $SW/4 SW/4$, and $SE/4$
Sec 36: $N/2$, $SE/4$, and $E/2 SW/4$

Township 23 South, Range 37 East, NMPM

Sec 28: $SW/4 NW/4$ and $SW/4$
Secs 29 through 33: All
Sec 34: $W/2$

Township 24 South, Range 36 East, NMAP

Sec 1: $NE/4 NE/4$
Sec 12: $S/2 N/2$, $N/2 S/2$, and $SE/4 SE/4$

Township 24 South, Range 37 East, NMPM

Sec 2: $W/2 NE/4$ and $W/2$
Sec 3: $NE/4$, $E/2 SE/4$, and $W/2 SW/4$
Secs 4 and 5: All
Sec 6: $E/2$, $E/2 W/2$, and $NW/4 NW/4$
Sec 7: All
Sec 8: $N/2$, $N/2 S/2$, and $SW/4 SW/4$
Sec 9: $N/2$ and $N/2 SW/4$
Sec 10: $NW/4$, $W/2 NE/4$, $SE/4 NE/4$, $E/2 SW/4$,
and $W/2 SE/4$
Sec 11: $SW/4 NW/4$

(3) That approval of the proposed unit agreement should promote the prevention of waste and the protection of correlative rights within the unit area.

IT IS THEREFORE ORDERED:

(1) That the Myers Langlie-Mattix Unit Agreement is hereby approved.

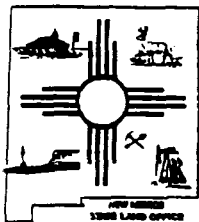
(2) That the plan contained in said unit agreement for the development and operation of the unit area is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Commission to supervise and control operations for the exploration and development of any lands committed to the unit and production of oil or gas therefrom.

(3) That the unit operator shall file with the Commission an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; that in the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Commission within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(4) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico and the Director of the United States Geological Survey; that this order shall terminate ipso facto upon the termination of said unit agreement; and that the last unit operator shall notify the Commission immediately in writing of such termination.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.



State of New Mexico
Commissioner of Public Lands

#5086

W. R. Humphries
COMMISSIONER

April 27, 1990

Advisory Board

George Clark
Chairman

Kristin Conniff
Vice Chairman

Melvin Cordova

Joe Kelly

Robert Portillos

Nancy Lynch Vigil

Rex Wilson

Texaco USA
P.O. Box 3109
Midland, Texas 79702

ATTN: S.G. Snyder

RE: Myers Langlie Mattix Unit
1990 Plan of Development

Gentlemen:

The Commissioner of Public Lands has this date approved the 1990 Plan of Development for the Myers Langlie Mattix Unit. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the Unit Area and the need for further development of the Unit may exist. You will be contacted at a later date regarding these possibilities.

Enclosed is an approved copy of the 1990 Plan of Development for your files. If we may be of further help, please do not hesitate to contact this office at (505) 827-5746.

Very truly yours,

W.R. HUMPHRIES,
COMMISSIONER OF PUBLIC LANDS

BY:

F. Coyote Pham

FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5746

cc: OCD - Santa Fe, New Mexico
BLM
Unit Correspondence File
Unit P.O.D. File

WRH/FOP/SMH

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

June 3, 1976

Skelly Oil Company
P. O. Box 1351
Midland, Texas 79701

Attention: Mr. Leland Franz

Re: First Enlargement,
Myers Langlie Mattix
Unit, Lea County,
New Mexico.

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the enlargement to include Tracts 50 and 51 to the Myers Langlie Mattix Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Three approved copies of the application are returned herewith.

Very truly yours,

JOE D. RAMEY
Secretary-Director

JDR/JEK/og

cc: Commissioner of Public Lands
Santa Fe, New Mexico

- United States Geological Survey
Roswell, New Mexico



SKELLY OIL COMPANY

May 12, 1976

DOMESTIC EXPL. & PROD. DEPARTMENT

MIDLAND E & P DISTRICT

F. L. FRANZ, DISTRICT PRODUCTION MANAGER

M. J. EKMAN, DISTRICT ENGINEER

C. F. BOSECKER, LEAD RESERVOIR ENGINEER

F. J. PETRO, LEAD PRODUCTION ENGINEER

ADDRESS REPLY TO:
P. O. BOX 1351
MIDLAND, TEXAS 79701

File: Myers Langlie Mattix Unit
Lease No. 07938
Lea County, New Mexico

Re: First Enlargement

New Mexico Oil Conservation Commission (4)
P. O. Box 1148
Santa Fe, New Mexico 87501

Gentlemen:

Skelly Oil Company respectfully requests administrative approval for an enlargement of its Myers Langlie Mattix Unit to include Tracts 50 and 51 (Resler & Sheldon Fanning Lease; northwest quarter, west half northeast quarter and southeast quarter northeast quarter Section 33, and Fanning "B" lease northeast quarter northeast quarter Section 33, Township 23 south, Range 37 east) on the original basis of unit participation. The enlargement tracts are shown on the attached plat of the unit.

Tracts 50 and 51 were included in the original unit area approved by the Commission in Case No. 5086, Order No. R-4660, in 1973. The unit became effective on January 1, 1974, and the operator of those tracts refused to ratify the agreement at that time.

Austral Oil Incorporated has reached agreement with the owners of these tracts to purchase them, and now desires to include the tracts in the Myers Langlie Mattix Unit.

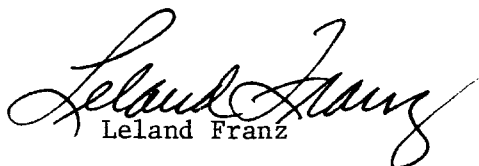
Participation for these tracts on the original basis is as follows:

Tract 50	1.33259%
Tract 51	<u>.18398%</u>
Total	1.51657%

Working Interest Owners in the present unit have approved this enlargement to include Tracts 50 and 51; and, as provided in the unit agreement, all tracts in the original unit shall remain in the same ratio to one another after enlargement. Participation for all tracts, and by working interest owners, will be as shown on the attached schedules if this enlargement is approved.

Skelly, as unit operator, proposes to make this enlargement effective June 1, 1976, providing the necessary approvals are secured.

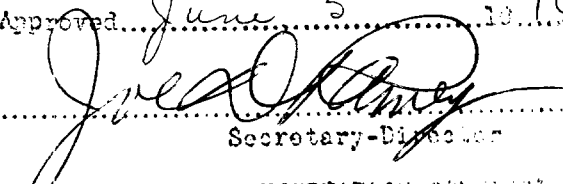
Very truly yours,


Leland Franz

FDM/slw

Attachs.

cc: Oil Conservation Commission District Office
P. O. Box 1980
Hobbs, New Mexico 88240

Approved..... June 3 1976

.....
Secretary-Director
NEW MEXICO OIL CONSERVATION COMMISSION

November 15, 1977

C
O
P
Y

Getty Oil Company
Box 1231
Midland, Texas 79701

Attention: Audra B. Cary

Re: ✓ Case No. 5086
Myers Langlie Mattix Unit
1978 Plan of Development

Gentlemen:

We hereby approve the 1978 Plan of Development for the Myers Langlie Mattix Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands.

Two approved copies of the Plan are returned herewith.

Very truly yours,

JOE D. RAMEY
Secretary-Director

JDR/LT/fd
enc.

cc: U.S.G.S. - Roswell
Commissioner of Public Lands

OCT 27 1977

MIDLAND E&P DISTRICT
PRODUCTION DEPARTMENT

Getty Oil Company

North American Exploration and Production Division

File: Myers Langlie Mattix Unit
Lease No. 07938
Lea County, New MexicoDirector (3)
United States Geological Survey
P.O. Box Drawer 1857
Roswell, New Mexico 88201Commissioner of Public Lands (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501Oil Conservation Commission of (3) ✓
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501All Working Interest Owners
Mr. 2026

Gentlemen:

In accordance with Section 12 of Unit Agreement for the Development and Operation of the Myers Langlie Mattix Unit, Lea County, New Mexico. Getty Oil Company respectfully submits for your approval, a report of past operations and a plan of development and operation for the waterflood unit for the year 1978.

PAST OPERATIONS

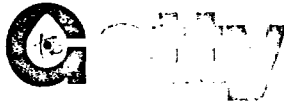
The Myers Langlie Mattix Unit became effective February 1, 1974. Injection started into 18 wells on August 13, 1975, and 71 wells had been converted by October 1, 1976. Additional wells were converted to injection in 1977 bringing the number of injection wells to 80 on September 1, 1977

A pilot waterflood was in operation on Skelly's Mattix "A" lease prior to unitization. Cumulative injection into the Mattix "A" No. 4 well (Unit No. 157) was 14,228 barrels on February 1, 1974. Cumulative water injection since unitization was 12,144,496 barrels of water to September 1, 1977. The daily average injection rate during August 1977, was 19,857 barrels at 700 psig.

Cumulative oil production from the Unit area since unitization was 310,558 barrels on September 1, 1977. The average daily producing rate during August, 1977, was 927 barrels of oil from 94 active producers.

Installation of centralized production facilities and satellite test stations started in September, 1976 was 90% complete on September 1, 1977. Tracts with unsigned interests will be segregated until sign-up is complete.

AFE's to drill 7 infill wells on undeveloped tracts are currently circulating among the working interest owners. Six (6) of these wells will be injectors with one being a producer.



Getty Oil Company

North American Exploration and Production Division

DEVELOPMENT PLANS FOR 1978

Further infill drilling is planned on the Myers Langlie Mattix Unit for 1978. Eight (8) injection wells and sixteen (16) producers will be drilled to continue development of the unit on 80 acre five spot patterns. The injection plant will also be expanded to accommodate the additional injection wells. The remaining inactive Langlie Mattix Wells should be placed on injection and production in 1978.

Very Truly Yours,

Audra B. Cary
Audra B. Cary, Chairman
Working Interest Owners'
Committee

Approved.....11/15.....1977

Joe Stiney
Secretary-Director

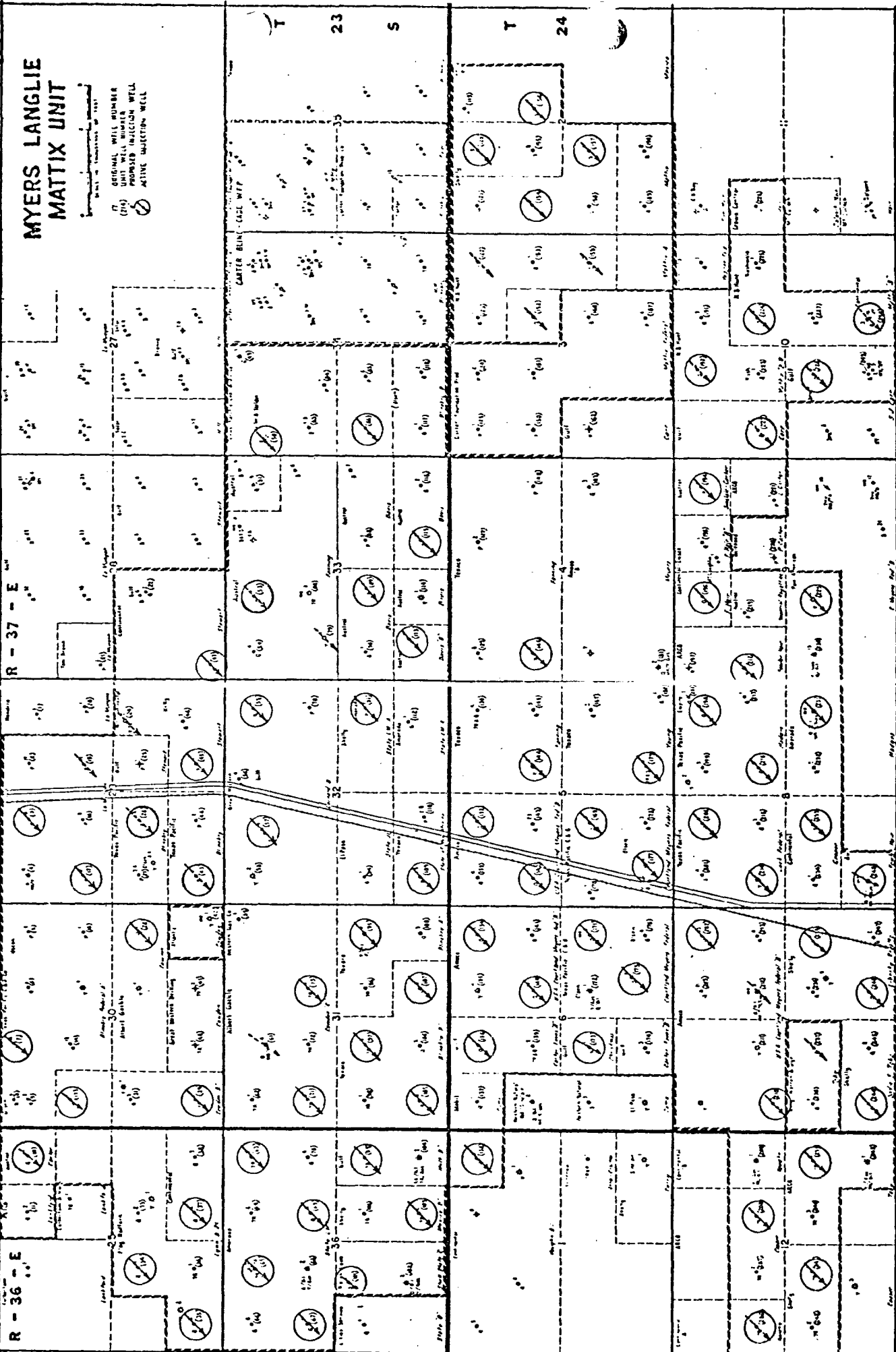
NEW MEXICO OIL CONSERVATION COMMISSION

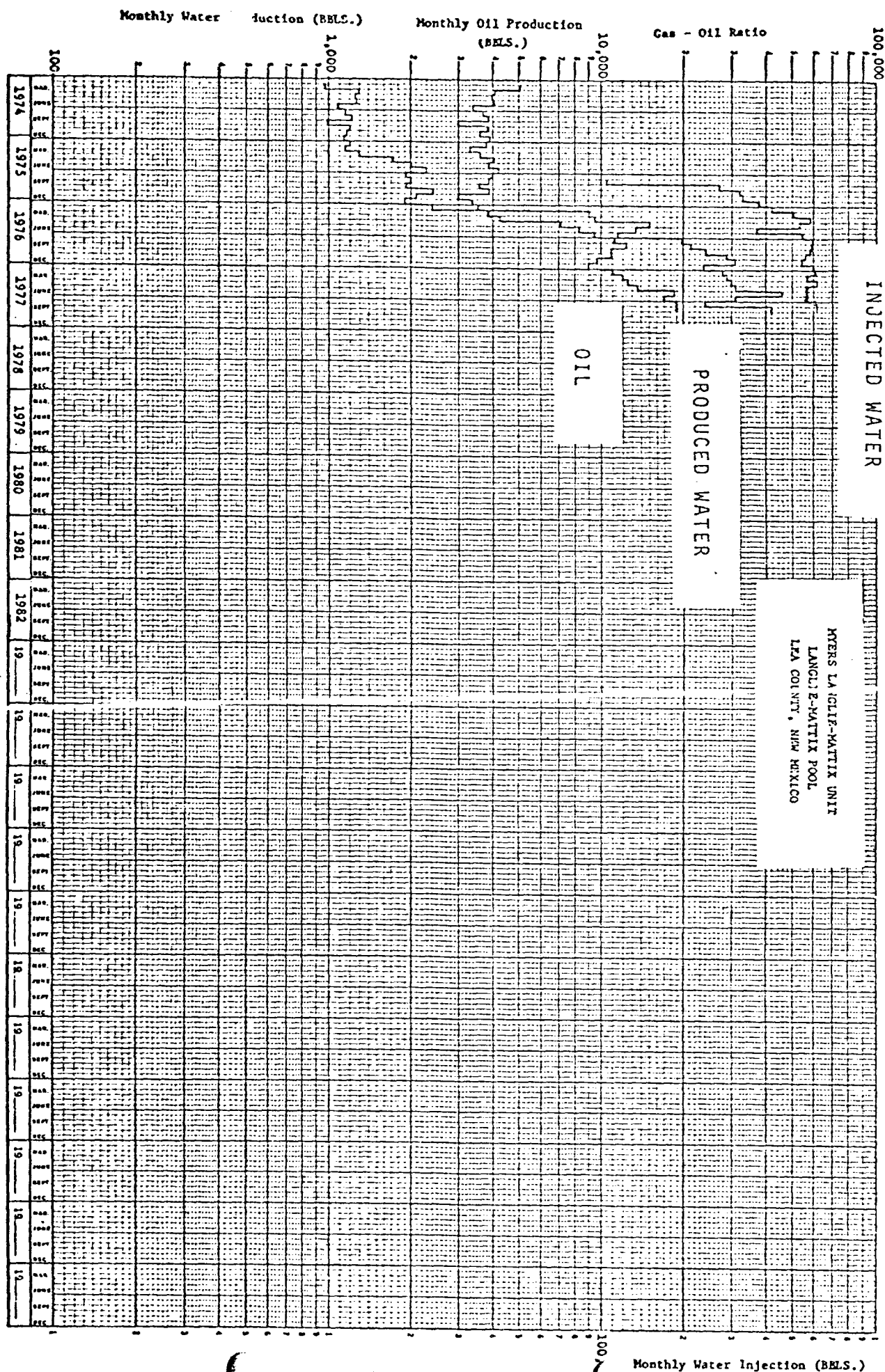
THIS APPROVAL IS LIMITED SUBJECT TO THE APPROVAL
OF THE FEDERAL GOVERNMENT OF THE UNITED STATES IN OILS AND
GAS PRODUCTION AND TO THE DECISION OF THE COURTS
OF THE STATE OF NEW MEXICO.

ELB/cap

MYERS LANGLEIE MATTIX UNIT

ORIGINAL WELL NUMBER
(1)
PUMPED INJECTION WELL
(2)
ACTIVE INJECTION WELL





BEFORE THE NEW MEXICO
OIL CONSERVATION COMMISSION

APPLICATION OF SKELLY OIL COMPANY
FOR APPROVAL OF UNIT AGREEMENT FOR
THE MYERS LANGLIE-MATTIX UNIT, IN
THE LANGLIE-MATTIX POOL, LEA COUNTY,
NEW MEXICO

No. _____

ENTRY OF APPEARANCE

Comes now L. C. White, of White, Koch, Kelly & McCarthy, P. O.
Box 787, Santa Fe, New Mexico, and herewith enters their
appearance as local counsel for and on behalf of the applicant
Skelly Oil Company in the above entitled matter.

WHITE, KOCH, KELLY & MCCARTHY

By _____
Attorneys for Skelly Oil Company