

EUNICE MONUMENT SOUTH UNIT
LEA COUNTY, NEW MEXICO
11-1-84

- 1 -

	<u>Working Interest Owner</u>	<u>Joinder Received</u>	<u>Operator</u>	<u>Tract Owned</u>	<u>Percent of Unit Owned</u>
5.	BOSS, KENNETH R. East Star Route Box 9-B Lovington, NM 88263	(No)	No	081	0.217972
6.	BRADY PRODUCTION P. O. Box 9128 Midland, TX 79703	*	Yes*	089	0.211657
7.	BRUNO, EARL P. O. Box 5456 Midland, TX 79704	*	Yes	094 A&B	0.153687
8.	Catron W. I. Acct. c/o Catron, Catron and Sawtell P. O. Box 788 Santa Fe, NM 87501 -----	Yes	No No No No	044 045 046 047	0.063394 0.238845 0.135395 0.132934 -----
	CATRON W. I. ACCT.	Yes			0.570568
9.	JOHN S. CATRON AND THOMAS B. CATRON III c/o Catron, Catron and Sawtell P. O. Box 788 Santa Fe, NM 87501	Yes	No	048	0.018148
10.	THOMAS B. CATRON III, TRUSTEE U/W/O SUE C. BERGERE TRUST c/o Catron, Catron and Sawtell P. O. Box 788 Santa Fe, NM 87501	Yes	No	048	0.018148
11.	Chevron, U.S.A., Inc. P. O. Box 1660 Midland, TX 79702 -----	Yes	No No No No No No No No No	001 002 003 004 005 006 007 008 009	2.077190 0.230352 0.161889 0.017721 0.063690 0.080786 1.666127 2.264863 0.331526 -----
	CHEVRON, U.S.A., INC.	Yes			6.894144
12.	Cities Service Company P. O. Box 1919 Midland, TX 79702 -----	(No)	Yes Yes	039 041	0.244360 0.751093
	CITIES SERVICE COMPANY	(No)			(0.995453)
13.	Conoco Inc. P. O. Box 460 Hobbs, NM 88240 -----	Yes	Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes	001 002 003 004 005 006 007 008 009 025 026	2.077190 0.230352 0.161889 0.017721 0.063690 0.080786 1.666127 2.264863 0.331526 0.474353 1.957890 -----
	CONOCO INC.	Yes			9.326387

*Interest being acquired by Gulf/Unit

	<u>Working Interest Owner</u>	<u>Joinder Received</u>	<u>Operator</u>	<u>Tract Owned</u>	<u>Percent of Unit Owned</u>
14.	Crile, Herman R. Estate c/o Mr. Bernard Johnston P. O. Box 880 Roswell, NM 88201	Yes	No No	072 091	0.013744 0.026231
	----- CRILE, HERMAN R. ESTATE	Yes			----- 0.039975
15.	DENNIS, ETHEL c/o Crain Oil Co. One Marienfeld Place Midland, TX 79701	*	No	055	0.013819
16.	ELLISON, T. W. 2502 Cimmaron Midland, TX 79701	*	No	055	0.013819
17.	Exxon Company U.S.A. P. O. Box 1600 Midland, Texas 79702	(No)	Yes Yes Yes No Yes	012 037 088 089 090	0.151224 1.962315 0.931331 0.211657 1.604876
	----- EXXON COMPANY U.S.A.	(No)			----- (4.861403)
18.	FIELDS, BERT JR. 11835 Preston R. Dallas, TX 75230	-?-	Yes	063	0.058119
19.	Getty Oil Company P. O. Box 1231 Midland, TX 79702	Yes	Yes Yes Yes Yes Yes Yes Yes No Yes Yes Yes No Yes Yes No No	023 024 030 031 032 033 038 043 056 060 065 073 082 095 097 099 100	0.918559 0.277424 1.328423 0.137520 0.427150 0.169794 0.442503 0.634662 0.186322 0.559636 0.009005 0.081241 0.250057 0.375553 1.415360 0.086860 0.013302
	----- GETTY OIL COMPANY	Yes			----- 7.313371
20.	Gulf Oil Corporation P. O. Box 1150 Midland, TX 79702	Yes	Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes No Yes Yes Yes Yes	013 014 015 016 017 018 019 020 021 022 029 034 035 036 038 051 057 071 079 A&B	1.055350 2.739613 3.195507 0.682139 3.726787 1.459570 0.426101 0.796347 0.355963 2.683321 0.405359 3.559765 1.701394 0.361025 0.885006 2.723870 0.520475 0.825987 0.714308

	<u>Working Interest Owner</u>	<u>Joinder Received</u>	<u>Operator</u>	<u>Tract Owned</u>	<u>Percent of Unit Owned</u>
20.	Gulf Oil Corporation (cont)		Yes	085	0.185457
			Yes	086	0.649681
			Yes	099	0.347319
			Yes	100	0.053189
	-----				-----
	GULF OIL CORPORATION	Yes			30.053533
21.	HARTMAN,* DOYLE	Yes	Yes	040	0.051033
	Interest purchased by		Yes	042	0.032484
	Gulf on 10-10-84				-----
	GULF OIL CORPORATION	Yes			0.083517
22.	HEADLEY, KENNETH	*	No	091	0.026231
	P. O. Box 569				
	Tijeras, NM 87509				
23.	HENDRIX, JOHN H.	*	No	055	0.066329
	525 Midland Tower				
	Midland, TX 79701				
24.	Hudson, E. R., Agent	*	No	063 A&B	0.004359
	For Moore Interests		Yes	074	0.004353
	1440 InterFirst Tower				
	801 Cherry Street				
	Fort Worth, TX 76102				-----
	HUDSON, E. R., AGENT	*			0.008712
25.	Hudson, E. R. & W. A.	*	No	063 A&B	0.024701
	1440 InterFirst Tower		Yes	074	0.024664
	801 Cherry Street				
	Fort Worth, TX 76102				-----
	HUDSON, E. R. & W. A.	*			0.049365
26.	KLEIN, MICHAEL	*	No	055	0.031783
	One First City Center				
	Suite 505				
	Midland, Tx 79701				
27.	KLEIN, S. H.	*	No	055	0.031783
	1980 Post Oak				
	Suite 1075				
	Houston, TX 77056				
28.	KOCH EXPLORATION COMPANY	Yes	Yes	069	0.326589
	P. O. Box 2256				
	Wichita, KS 67201				
29.	LANDRETH, GEORGE H.	-	No	061**	0.096276
	206 Bluff Crest	-	No	076	0.035821
	San Antonio, TX 78216				
30.	LANDRETH, W. A.	-	No	061**	0.096276
	908 The Texas Building	-	No	076	0.035821
	Fort Worth, TX 76102				
31.	ME-TEX COMPANIES	Yes	Yes	048	0.254073
	c/o Don Maddox				
	Box 5370				
	Hobbs, NM 88241				
32.	PERDEW, W. L. EST.	Yes	No	069	0.017189
	c/o First National Bank,				
	Trust Department				
	105 North Main				
	Wichita, KS 67202				

*Interest being acquired by Gulf/Unit

**Carried W. I. - Committed by Amoco

	<u>Working Interest Owner</u>	<u>Joinder Received</u>	<u>Operator</u>	<u>Tract Owned</u>	<u>Percent of Unit Owned</u>
33.	Pfluger, Carl Box S Eden, TX 76837 -----	Yes	No No	040 042	0.025516 0.032484 -----
	PFLUGER, CARL	Yes	.		0.058000
34.	S & S ENGINEERING P. O. Box 8923 Midland, TX 79701	Yes	No	081	0.108986
35.	SHELBY, JEANNE FIELDS c/o RepublicBank, Dallas Agency #9591-00 P. O. Box 241 Dallas, TX 75221	Yes***	No	063	0.058119
36.	Shell Western E&P, Inc. P. O. Box 991 Houston, TX 77001 -----	Yes	Yes Yes Yes Yes Yes	052 053 054 070 098	0.237670 5.112412 0.485839 0.287522 0.572268 -----
	SHELL WESTERN E&P, INC.	Yes			6.695711
37.	Sun Oil Company Campbell Center II P. O. Box 2880 Dallas, TX 75221 -----	Yes	Yes No Yes	038 080 053 A&B	0.442503 0.498853 0.055857 -----
	SUN OIL COMPANY	Yes			0.997213
38.	TEXACO INC. P. O. Box 728 Hobbs, NM 88241	*	Yes	067	0.635532
39.	Turner, F. W. Jr. Est. P. O. Box 910 Midland, TX 79702 -----	No	No No	063 063	0.087179 0.000000 -----
	TURNER, F. W. JR. EST.	No			0.087179
40.	Two States Oil Company Suite 1401 Mercantile Commerce Bldg. Dallas, TX 75201 -----	Yes***	Yes No	072 091	0.059555 0.052462 -----
	TWO STATES OIL COMPANY	Yes			0.112017
41.	WILBANKS, BRUCE P. O. Box 763 Midland, TX 79702	*	Yes	055	0.063565
42.	WISER OIL COMPANY P. O. Box 192 Sisterville, WV 26175	Yes	Yes	091	0.104924
					=====
					100.000000

*Interest being acquired by Gulf/Unit
***Instruments being mailed

<u>Summary</u> - Effectively Committed Working Interest	93.67%
Working Interest Owners Ratified*	23
Percentage of Participation Ratified	92.36%
Working Interests being acquired	13
Percentage of Participation being acquired	1.31%
Working Interest Owners not joining	6
Working interests not committed	6.33%
Total Working Interest Owners effectively committed	36
Total Working Interest effectively committed	93.67%

Attachments - Purchase offers/acceptances

- #1 - Brady Production
- #2 - Earl R. Bruno
- #3 - Michael Klein
 - Suzanne Klein
 - Bruce Wilbanks
 - John Hendrix
 - Ethel Dennis
 - T. W. Ellison
- #4 - Kenneth Headley
- #5 - E. R. Hudson, Agent
 - E. R. and W. A. Hudson
- #6 - Texaco
- #7 - Doyle Hartman

*Including carried W.I. of Landreth and interests verbally committed with Joinder being mailed.

W. H. BRADY, President
PHONE 915-694-7367



3325 WEST WADLEY
SUITE B-42



Brady W. Production, Inc.

P. O. BOX 9128
MIDLAND, TEXAS 79708

November 1, 1984

Mr. Dave Berlin
Gulf Oil Exploration and Production Company
P.O. Drawer 1150
Midland, Texas 79702

Re: Brady Adkins Track 68
Proposed Eunice Monument South Unit
Lea County, New Mexico

Dear Dave,

This letter will confirm my acceptance and agreement to the terms of Gulf's proposal for the trade of the above referenced property as set out in your letter dated November 1st 1984.

Yours very truly,

A handwritten signature in cursive script that reads "W. H. Brady".

W. H. Brady
President

WHB/cs

Gulf Oil Exploration and Production Company

L. A. Turner
UNITED MANUFACTURING COMPANY
P.O. BOX 1150
MIDLAND, TEXAS 79702

November 1, 1984

P. O. Drawer 1150
Midland, TX 79702

Brady W. Production, Inc.
P. O. Box 9128
Midland, Texas 79708

Attention: Mr. Will Brady


Gentlemen:

Re: Acreage Trade - Tract No. 89
Eunice Monument South Unit

As you discussed with Mr. D. T. Berlin, Gulf is agreeable with an exchange of our 100% WI/87.5% NRI Hinkle lease and our 100% WI/82.0313% NRI Riley lease in Gaines County, Texas for your 50% WI in the A. J. Adkins lease which is to become part of the Eunice Monument South Unit. As additional compensation for the trade, we will include a cash payment of \$ [REDACTED] to you. The exchange is to include wellbores and producing equipment from each property. This offer will be contingent upon the successful formation of the Eunice Monument South Unit, and acceptable title information confirming your interest.

Copies of Abstracts or Title Opinions on your property should be sent to Mr. Ray Vaden of this office so that we may begin preparation of the assignments.

Yours very truly,


L. A. TURNER

DTB/mc

bcc: Mr. Ray Vaden - Midland
Mr. E. C. Anderson - Hobbs

Rm Valen

Gulf Oil Exploration and Production Company

RECEIVED

L. A. TURNER
GENERAL MANAGER - WESTERN DIVISION
EXPLORATION OPERATIONS

June 13, 1984

P. O. Drawer 1150
Midland TX 79702

Brady W. Production, Inc.
P. O. Box 9128
Midland, Texas 79708

Dear Mr. Brady:

Re: Eunice Monument South Unit
Lea County, New Mexico

Your letter of April 24, 1984 inquired about the possibility of trading your interest in EMSU Tract No. 68 for some Gulf property of equal value. We would like to propose an exchange of two Gulf producing wells in Lea County, as shown on the attachment, for your full working interest (50%) in the A. J. Adkins acreage (EMSU Tract No. 68).

Both of these wells are in excellent mechanical condition having just been drilled and completed in 1983. The pumping unit and tanks on the Lea "20" No. 1 well are portable test facilities that will be retained by Gulf, however. Wellbore schematics and recent production histories on these wells are also attached for your review. The liability for plugging the wells at abandonment would be a part of the exchange.

Please advise if you are interested in such a trade. If more information is needed, contact Mr. D. T. Berlin at 687-7339.

Yours very truly,

o/s by L.A. Turner

L. A. TURNER

GULF PRODUCING WELLS

Well	Location	Pool	Acreage	Depths	Net Revenue Interest
.F. Janda "L" No. 1	330' FNL & 990' FWL Sec. 36 T-22-S, R-35-E Lea County, New Mexico	Jalmat Oil	40-acre	Surface to 4130'	87.5%
	Producing equipment includes Continental Emsco C114 pumping unit, 2 3/8" tubing, rods, 2-210 bbl. stock tanks, 1-500 bbl. water tank and 4' x 20' vertical heater treater.				
Lea "ZO" State No. 1	330' FSL & 2310' FWL Sec. 35 T-16-S, R-32-E Lea County, New Mexico	Maljamar	40-acre	Surface to 4550'	87.5%

Producing equipment includes 2 3/8" tubing and rod string.

Gulf Oil Exploration and Production Company

WESTERN DIVISION

L. A. Turner
GENERAL MANAGER
WESTERN DIVISION, GULF OIL CORPORATION

P. O. Drawer 1150
Midland, TX 79702

Earl R. Bruno
P. O. Box 5456
Midland, Texas 79704

Dear Mr. Bruno:

Re: Assignment of Interests,
Eunice Monument South Unit Area,
LEA COUNTY, New Mexico

This letter agreement sets forth certain terms, procedures and conditions relating to the captioned Assignment of Interests; Earl R. Bruno and Gulf Oil Corporation agree to the following:

- (1) The terms of Gulf's purchaser offer letter of January 24, 1984 are hereby revised as to the first paragraph to the extent that Gulf is offering \$ [REDACTED] for your 0.153687% participating interest in the proposed unit based upon the following:

<u>Tract No.</u>	<u>Lease Name</u>	<u>Working Interest</u>	<u>Unit Participation</u>	<u>Useable Wellbores</u>
94a	C.W. Marshall	100%	.062358	1
94b	C.W. Marshall	100%	.091329	1
		<u>100%</u>	<u>.153687</u>	<u>2</u>

The remaining terms and conditions of said letter, except as amended by this agreement, shall remain in effect.

- (2) ~~Earl R. Bruno shall furnish to Gulf an attorney's Title Opinion, or title documents acceptable to Gulf, concerning the interest to be purchased and verifying that said interest is free and clear of all liens and encumbrances.~~ Any abstracts and previous title opinions relating to the premises to be assigned shall also be made available to Gulf.
- (3) Earl R. Bruno agrees that no liens or encumbrances presently exist with respect to the premises to be assigned and that none shall be created prior to the execution and recordation of said Assignment of Interests to Gulf.

8/15
N.H.M.



Earl R. Bruno

-2-

- (4) Upon receipt of said executed assignment and supporting documentation, Gulf shall review the assignment and title information and, if acceptable, shall pay the sum of \$ [REDACTED] to Assignor within thirty (30) days after the effective date of unitization for the Eunice Monument South Unit, or within thirty (30) days of the date of Gulf's acceptance, whichever is the later date, but no later than December 31, 1984. In the event the assignment or supporting title information are not acceptable to Gulf, Gulf's agreement to purchase said interest shall be null and void, and Gulf shall be relieved of all liability and responsibility therefor.

If these terms are acceptable, please sign in the space provided below and return one copy for our files.

Yours very truly,

GULF OIL CORPORATION

By: [Signature]
Attorney-in-Fact

[Handwritten initials]

RV:rig

AGREED TO AND ACCEPTED THIS

2nd DAY OF November 1984

[Signature]
EARL R. BRUNO

ASSIGNMENT OF OIL AND GAS LEASE

AND BILL OF SALE

STATE OF NEW MEXICO §

COUNTY OF LEA §

EARL R. BRUNO, P. O. Box 5456, Midland, Texas 79704, hereinafter referred to as "Assignor", for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby bargain, sell, transfer and assign to GULF OIL CORPORATION, P. O. Box 1150, Midland, Texas 79702, hereinafter referred to as "Assignee", 100% of Assignor's right, title and interest, in the oil and gas leases described on Exhibit "A" hereof.

For like consideration, Assignor does hereby bargain, sell, transfer and assign unto Assignee all wells (including well head and production casing) and all other lease equipment and materials located thereon and used in connection therewith as of the date of this instrument.

Assignor, its successors and assigns, does hereby covenant that Assignor is the lawful owner and has good title to the interests hereby conveyed; and that the leases described on Exhibit "A" and hereby conveyed are valid, subsisting and in full force and effect; that the interests hereby conveyed are free and clear of all liens, encumbrances and adverse claims; that all severance taxes, production taxes, ad valorem taxes, royalties and overriding royalties have been paid as required; that all conditions necessary to keep said leases in full force and effect have been duly performed; and that Assignor, its heirs, successors and assigns, will warrant and forever defend the title to the interests hereby conveyed and assigned against the lawful claims and demands of all persons whomsoever.

This assignment is subject to a Casinghead Gas Contract for gas production dated April 17, 1973, for a term of ten (10) years between Phillips Petroleum Company as Purchaser, and Earl R. Bruno as Seller. A copy of said contract shall be furnished to Assignee upon execution of this instrument.

TO HAVE AND TO HOLD the same unto the said Assignee, its successors and assigns, according to the terms and conditions of said lease, the said Assignee to perform all of such conditions and covenants thereof as to the portion of lands herein assigned.

The reservations, conditions and covenants of this conveyance shall run with the real estate herein described and shall be binding upon and enjoyed by the said Assignor and the said Assignee and their respective successors and assigns.

EFFECTIVE DATE: This assignment shall be effective for all purposes as of the effective date of Certification Determination by the Bureau of Land Management for final approval of the Eunice Monument South Unit in Lea County, New Mexico.

IN WITNESS WHEREOF, the said Assignor and Assignee have executed this instrument this 22nd day of October, 1984.

Earl R. Bruno
EARL R. BRUNO

GULF OIL CORPORATION

By [Signature] jry
Attorney-in-Fact

(Acknowledgements)

THE STATE OF TEXAS §

COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me this 22nd
day of October, 19 84, by D. H. MESSER,
Attorney-in-Fact for GULF OIL CORPORATION, a Pennsylvania corporation, on
behalf of said corporation.

My Commission Expires:

7-20-88

Carlton D. Lamon
A Notary Public in the State of Texas

THE STATE OF Texas §

COUNTY OF Midland §

The foregoing instrument was acknowledged before me this 2nd
day of February, 19 84, by EARL R. BRUNO

My Commission Expires:

1-20-88

Kay Finckel
A Notary Public in the State of Texas,
County of Midland.

EXHIBIT "A"

Attached to and made a part of Assignment of Oil and Gas Lease between EARL R. BRUNO, as Assignor, and Gulf Oil Corporation, as Assignee, covering lands in Lea County, New Mexico.

PARTIAL ASSIGNMENT--LEASEHOLD ESTATE ASSIGNED

Oil and Gas Lease dated August 18, 1926, executed by Claudie W. Marshall, a single man, as Lessor, in favor of F. E. Vosburg, as Lessee, recorded in Book 4, Page 356, Lea County, New Mexico,

INSOFAR ONLY as said Oil and Gas Lease covers Well No. 1 and forty (40) acres described as the SE/4SE/4 of Section 11; and Well No. 3 and forty (40) acres described as the SW/4SW/4 of Section 12, all in Township 21 South, Range 36 East, N.M.P.M., Lea County, New Mexico, together with the rights incident thereto and the personal property thereon, appurtenant thereto, or used or obtained in connection therewith; limited in depth from a subsurface depth of 3,600 feet beneath the surface to a subsurface depth of 3,960 feet, as more fully described in that Partial Assignment of Oil and Gas Lease from Sunray DX Oil Company, Assignor, to Western Specialty Company, Assignee, recorded in Book 251, Page 825, Lea County, New Mexico.



BRUCE A. WILBANKS
ENERGY SQUARE BUILDING
805 NORTH BIG SPRING, SUITE 800
MIDLAND, TEXAS 79701
(915) 682-7582

July 9, 1984

GULF OIL EXPLORATION AND PRODUCTION COMPANY
P. O. DRAWER 1150
MIDLAND, TEXAS 79702

ATTN: Ganesh Thakur

RE: Eunice Monument South Unit

Dear Sir:

In response to your letter of January 24, 1984, wherein Gulf was offering to purchasing our interest in the captioned area. Per your offer to purchase our interest for \$[REDACTED], we hereby accept your offer. Further we understand that you will prepare an assignment for Mr. Wilbanks' execution. As soon as we receive the assignment we will have him execute it and return it to you as soon as possible.

Thank you for your consideration and patience in this matter.

Yours very truly,

N. G. Brown
Operations Manager

Gulf Oil Exploration and Production Company

WESTERN DIVISION

L. A. Turner
GENERAL MANAGER
U. S. PRODUCTION OPERATIONS

F. C. Drawer 115C
Midland, TX 79702

Bruce A. Wilbanks
P. O. Box 763
Midland, Texas 79702

Dear Mr. Wilbanks:

Re: Assignment of Interests,
Eunice Monument South Unit Area,
LEA COUNTY, New Mexico

This letter agreement sets forth certain terms, procedures and conditions relating to the captioned Assignment of Interests; Bruce A. Wilbanks, et al, and Gulf Oil Corporation agree to the following:

- (1) The terms of Gulf's offer letter of January 24, 1984 shall apply to this agreement and Gulf's purchase shall include the rights to the Shell State "G" #1 wellbore.
- (2) Bruce A. Wilbanks, et al, shall furnish to Gulf an attorney's Title Opinion concerning the interest to be purchased and verifying that said interest is free and clear of all liens and encumbrances. Any abstracts and previous title opinions relating to the premises to be assigned shall also be made available to Gulf.
- (3) Bruce A. Wilbanks, et al, agrees that no liens or encumbrances presently exist with respect to the premises to be assigned and that none shall be created prior to the execution and recordation of said Assignment of Interests to Gulf.
- (4) Upon receipt of said executed assignment and supporting documentation, Gulf shall review the assignment and title information and, if acceptable, shall pay the sum of \$ [REDACTED] to Assignors in accordance with Exhibit "B" of the Assignment within thirty (30) days after the effective date of unitization for the Eunice Monument South Unit or within thirty (30) days of Gulf's acceptance, whichever is the later date, but no later than December 31, 1984. In the event the assignment or supporting title information are not acceptable to Gulf, Gulf's agreement to purchase said interest shall be null and void, and Gulf shall be relieved of all liability and responsibility therefor.



Bruce A. Wilbanks

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If these terms are acceptable, please sign in the space provided below and return one copy for our files.

This letter agreement may be executed in any number of counterparts, each of which shall be considered an original for all purposes.

Yours very truly,

GULF OIL CORPORATION

By: *[Signature]* Attorney-in-Fact *DN*

RV:rig

AGREED TO AND ACCEPTED THIS

____ DAY OF _____, 1984

BY: _____

BRUCE A. WILBANKS

JOHN H. HENDRIX

MICHAEL L. KLEIN

SUZANNE H. KLEIN

THOMAS W. ELLISON

MRS. ETHEL T. DENNIS

ORIGINAL		
Approval	Yes	No
Law Dept.		
Land Agent	<i>[Signature]</i>	
Reg. Geol.		
Area Expl. Mgr.		
Prod. Geol. Mgr.		
Jnt. Int. Mgr.	<i>[Signature]</i>	
Jnt. Op. Mgr.		
Comptroller	<i>[Signature]</i>	
Tech. Mgr.	<i>[Signature]</i>	
Land Mgr.	<i>[Signature]</i>	
Prod. Mgr.	<i>[Signature]</i>	
Expl. Mgr.	<i>[Signature]</i>	
D.T. Berlin	<i>[Signature]</i>	
Gulf Original - File Copy		

Gulf Oil Exploration and Production Company

L. A. TURNER
VICE PRESIDENT, WESTERN DIVISION
U. S. PRODUCTION OPERATIONS

January 24, 1984

P. O. Drawer 1180
Midland, TX 79702

Mr. Bruce Wilbanks
P. O. Box 763
Midland, Texas 79702

Dear Mr. Wilbanks:

Re: Proposed Eunice Monument South Unit
Lea County, New Mexico

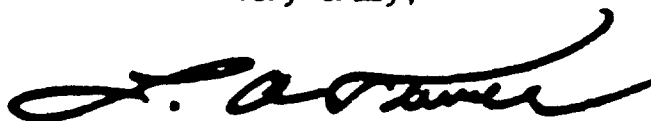
Some of the working interest owners in the proposed Eunice Monument South Unit have indicated they are not interested in participating in the water-flood project. Due to their relatively small participation percentages these owners have requested that Gulf offer to purchase their unit interests. Gulf is extending this offer to all parties owning up to 1.5% of the total unit participation. In this connection, Gulf is offering the sum of \$[REDACTED] for your 0.22109% participating interest in the proposed Unit as derived below.

<u>Tract No.</u>	<u>Lease Name</u>	<u>Working Interest</u>	<u>Unit Participation</u>	<u>Useable Wellbores</u>
31	State "G"	100.0000	0.22109	1

This offer is contingent upon the successful formation of the unit as currently proposed and assumes that each interest purchased will provide an 87.5% net revenue interest to Gulf. Any interest carrying royalty burdens in excess of 12.5% will be subject to further negotiation. Also, the delivery of the indicated number of Tract useable wellbores, producing equipment and rights to all temporarily abandoned and abandoned wells are requisites to this offer.

Each sale will be effective as of the effective date of the unit agreement and approval of title by Gulf. Please advise us as to the acceptability of this offer on or before May 1, 1984. Should you have any questions concerning this offer, please contact Mr. D. T. Berlin at (915) 687-7339.

Yours very truly,



L. A. TURNER

DTB:ac

ASSIGNMENT OF OIL AND GAS LEASE
AND BILL OF SALE

STATE OF NEW MEXICO §
COUNTY OF LEA §

BRUCE A. WILBANKS, P. O. Box 763, Midland, Texas 79702,
MICHAEL L. KLEIN, One First City Center, Suite 505, Midland, Texas
79701, JOHN H. HENDRIX, 525 Midland Tower, Midland, Texas 79701,
THOMAS W. ELLISON, 2502 Cimmaron, Midland, Texas 79705, MRS. ETHEL
T. DENNIS, P. O. Box 1764, Midland, Texas 79702, AND SUZANNE H. KLEIN,
1980 South Post Oak, Suite 1075, Houston, Texas 77056, hereinafter
referred to as "Assignors", for and in consideration of the sum of
Ten Dollars (\$10.00) and other good and valuable consideration, the
receipt and sufficiency of which is hereby acknowledged, do hereby
bargain, sell, transfer and assign to GULF OIL CORPORATION, P. O. Box
1150, Midland, Texas 79702, hereinafter referred to as "Assignee",
100% of Assignor's right, title and interest, in the oil and gas
lease described on Exhibit "A" hereof.

For like consideration, Assignors do hereby bargain, sell, trans-
fer and assign unto Assignee all wells (including well head and produc-
tion casing) and all other lease equipment and materials located there-
on and used in connection therewith as of the date of this instrument.

Assignors, their successors and assigns, do hereby covenant that
Assignors are the lawful owners and have good title to the interests
hereby conveyed; and that the lease described on Exhibit "A" and here-
by conveyed is valid, subsisting and in full force and effect; that the
interests hereby conveyed are free and clear of all liens, encumbrances
and adverse claims; that all severance taxes, production taxes, ad-
valorem taxes, royalties and overriding royalties have been paid as
required; that all conditions necessary to keep said leases in full
force and effect have been duly performed; and that Assignors, their
heirs, successors and assigns, will warrant and forever defend the
title to the interests hereby conveyed and assigned against the law-
ful claims and demands of all persons whomsoever.

This assignment is subject to a Casinghead Gas Contract dated
November 1, 1957, between Phillips Petroleum Company as Purchaser,

and Shell Oil Company as Seller. A copy of said contract shall be furnished to Assignee upon execution of this instrument.

TO HAVE AND TO HOLD the same unto the said Assignee, its successors and assigns, according to the terms and conditions of said lease, the said Assignee to perform all of such conditions and covenants thereof as to the portion of lands herein assigned.

The reservations, conditions and covenants of this conveyance shall run with the real estate herein described and shall be binding upon and enjoyed by Assignee and its respective successors and assigns.

EFFECTIVE DATE: This assignment shall be effective for all purposes as of the effective date of Certification Determination by the Bureau of Land Management for final approval of the Eunice Monument South Unit in Lea County, New Mexico.

This assignment may be executed in any number of counterparts, each of which shall be considered an original for all purposes.

IN WITNESS WHEREOF, the said Assignor and Assignee have executed this instrument this 22nd day of October, 1984.

ASSIGNORS:

BRUCE A. WILBANKS

MICHAEL L. KLEIN

JOHN H. HENDRIX

THOMAS W. ELLISON

MRS. ETHEL T. DENNIS

SUZANNE H. KLEIN

ORIGINAL		
Approval	Yes	No
Law Dept.		
Land Agent	<i>Line</i>	
Rep. Sec.		
Area Land Mgr.		
Prod. Gen. Mgr.		
Dist. Dir. Mgr.	<i>TP</i>	
Dist. Op. Mgr.		
Comptroller		
Tech. Mgr.	<i>TP</i>	
Land Mgr.	<i>TP</i>	
Prod. Mgr.	<i>TP</i>	
Expl. Mgr.	<i>TP</i>	
<i>P.T. Berlin</i>	<i>TP</i>	
Gulf Original - File Copy		

ASSIGNEE:

GULF OIL CORPORATION

By *[Signature]*
Attorney-in-Fact

(Acknowledgements)

THE STATE OF TEXAS §

COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me this 26th
day of October, 19 84, by D.H. MESSER,
Attorney-in-Fact for GULF OIL CORPORATION, a Pennsylvania corporation, on
behalf of said corporation.

My Commission Expires:

7-30-88

Carlton D. Lamm
A Notary Public in the State of Texas

THE STATE OF §

COUNTY OF §

The foregoing instrument was acknowledged before me this _____
day of _____, 19 _____, by BRUCE A. WILBANKS
_____.

My Commission Expires:

A Notary Public in the State of _____
County of _____.

THE STATE OF §
COUNTY OF §

The foregoing instrument was acknowledged before me this _____
day of _____, 19 _____, by MICHAEL L. KLEIN
_____.

My Commission Expires:

A Notary Public in the State of _____
County of _____.

THE STATE OF §
COUNTY OF §

The foregoing instrument was acknowledged before me this _____
day of _____, 19 _____, by JOHN H. HENDRIX
_____.

My Commission Expires:

A Notary Public in the State of _____
County of _____.

THE STATE OF §
COUNTY OF §

The foregoing instrument was acknowledged before me this _____
day of _____, 19 _____, by THOMAS W. ELLISON
_____.

My Commission Expires:

A Notary Public in the State of _____
County of _____.

THE STATE OF §

COUNTY OF §

The foregoing instrument was acknowledged before me this _____
day of _____, 19 _____, by MRS. ETHEL T. DENNIS
_____.

My Commission Expires:

A Notary Public in the State of _____
County of _____.

THE STATE OF §

COUNTY OF §

The foregoing instrument was acknowledged before me this _____
day of _____, 19 _____, by SUZANNE H. KLEIN
_____.

My Commission Expires:

A Notary Public in the State of _____
County of _____.

EXHIBIT "A"

Attached to and made a part of Assignment of Oil and Gas Lease and Bill of Sale between BRUCE A. WILBANKS, et al, as "Assignors", and GULF OIL CORPORATION, as "Assignee", covering lands in Lea County, New Mexico.

LEASEHOLD ESTATE ASSIGNED

Lease dated December 3, 1932, bearing No. B-1400 from the State of New Mexico, as Lessor, to Shell Petroleum Corporation (to which Shell is the successor), as Lessee, insofar as said lease covers the oil and casinghead gas rights in the lands described below as to all depths thereunder from the surface down to and including, but not below, a depth of 4,000 feet below the surface:

Lots Eleven (11) and Twelve (12) in Section Six (6), Township Twenty-one (21) South, Range Thirty-six (36) East, Lea County, New Mexico, said lots containing 40 acres and 35.15 acres, respectively, more or less,

together with all of Assignor's right, title, and interest in and to all wells, pipe, pipelines and related facilities on the lands covered by this assignment and used in connection with Assignor's operations thereon for oil and casinghead gas as to the horizons covered herein.

Gulf Oil Exploration and Production Company

WESTERN DIVISION

L. A. Turner
GENERAL MANAGER
U.S. PRODUCTION OPERATIONS

P. O. Drawer 1150
Midland TX 79702

Kenneth N. Headley
P. O. Box 569
Tijeras, New Mexico 87059

Dear Mr. Headley:

Re: Assignment of Interests,
Eunice Monument South Unit Area,
LEA COUNTY, New Mexico

This letter agreement sets forth certain terms, procedures and conditions relating to the captioned Assignment of Interests; Kenneth N. Headley and Gulf Oil Corporation agree to the following:

- (1) The terms of Gulf's offer letter of January 24, 1984 shall apply to this Agreement.
- (2) Kenneth N. Headley shall furnish to Gulf an attorney's Title Opinion or acceptable title information concerning the interest to be purchased and verifying that said interest is free and clear of all liens and encumbrances. Any abstracts and previous title opinions relating to the premises to be assigned shall also be made available to Gulf.
- (3) Kenneth N. Headley agrees that no liens or encumbrances presently exist with respect to the premises to be assigned and that none shall be created prior to the execution and recording of said Assignment of Interests to Gulf.
- (4) Upon receipt of said executed assignment and supporting documentation, Gulf shall review the assignment and title information and, if acceptable, shall pay the sum of [REDACTED] to Assignor within thirty (30) days after the effective date of unitization for the Eunice Monument South Unit or within thirty (30) days of Gulf's acceptance, whichever is the later date, but no later than December 31, 1984. In the event the assignment or supporting title information are not acceptable to Gulf, Gulf's agreement to purchase said interest shall be null and void, and Gulf shall be relieved of all liability and responsibility therefor.



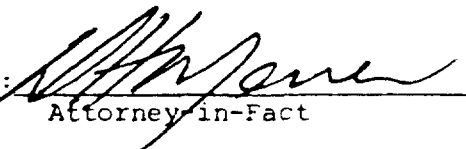
Kenneth N. Headley

-2-

If these terms are acceptable, please sign in the space provided below and return one copy for our files.

Yours very truly,

GULF OIL CORPORATION

By:  *KHS*
Attorney-in-Fact *dsf*

RV:rig

AGREED TO AND ACCEPTED THIS

31 DAY OF October, 1984


KENNETH N. HEADLEY

ASSIGNMENT OF OIL AND GAS LEASE

AND BILL OF SALE

STATE OF NEW MEXICO §
COUNTY OF LEA §

KENNETH N. HEADLEY, P. O. Box 569, Tijeras, New Mexico 87059, hereinafter referred to as "Assignor", for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby bargain, sell, transfer and assign to GULF OIL CORPORATION, P. O. Box 1150, Midland, Texas 79702, hereinafter referred to as "Assignee", 100% of Assignor's right, title and interest, in the oil and gas leases described on Exhibit "A" hereof.

For like consideration, Assignor does hereby bargain, sell, transfer and assign unto Assignee all wells (including well head and production casing) and all other lease equipment and materials located thereon and used in connection therewith as of the date of this instrument.

Assignor, its successors and assigns, does hereby covenant that Assignor is the lawful owner and has good title to the interests hereby conveyed; and that the leases described on Exhibit "A" and hereby conveyed are valid, subsisting and in full force and effect; that the interests hereby conveyed are free and clear of all liens, encumbrances and adverse claims; that all severance taxes, production taxes, ad valorem taxes, royalties and overriding royalties have been paid as required; that all conditions necessary to keep said leases in full force and effect have been duly performed; and that Assignor, its successors and assigns, will warrant and forever defend the title to the interests hereby conveyed and assigned against the lawful claims and demands of all persons whomsoever.

TO HAVE AND TO HOLD the same unto the said Assignee, its successors and assigns, according to the terms and conditions of said lease, the said Assignee to perform all of such conditions and covenants thereof as to the portion of lands herein assigned.

The reservations, conditions and covenants of this conveyance shall run with the real estate herein described and shall be binding

upon and enjoyed by the said Assignor and the said Assignee and their respective heirs, successors, devisees and assigns.

EFFECTIVE DATE: This assignment shall be effective for all purposes as of the effective date of Certification Determination by the Bureau of Land Management for final approval of the Eunice Monument South Unit in Lea County, New Mexico.

IN WITNESS WHEREOF, the said Assignor and Assignee have executed this instrument this 22nd day of October, 1984.

Kenneth N. Headley
KENNETH N. HEADLEY

GULF OIL CORPORATION

By [Signature] ^{CHS}
Attorney-in-Fact _{mg}

(Acknowledgements)

THE STATE OF TEXAS §

COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me this 22nd
day of October, 19 84, by D. H. MESSER,
Attorney-in-Fact for GULF OIL CORPORATION, a Pennsylvania corporation, on
behalf of said corporation.

My Commission Expires:

7-30-88

Carolyn W. Larson
A Notary Public in the State of Texas

THE STATE OF NEW MEXICO §

COUNTY OF BERNALILLO §

The foregoing instrument was acknowledged before me this 31st
day of October, 19 84, by KENNETH N. HEADLEY

My Commission Expires:

1-19-87

Clara
A Notary Public in the State of 1984
County of Bern

EXHIBIT "A"

Attached to and made a part of Assignment of Oil and Gas Lease and Bill of Sale between KENNETH N. HEADLEY, as "Assignor", and GULF OIL CORPORATION, as "Assignee", covering lands in Lea County, New Mexico.

LEASEHOLD ESTATE ASSIGNED

Lease dated June 2, 1927 by and between Mrs. R. B. McQuatters, et al, as Lessors, and Robert W. Atha, as Lessee, covering among other lands not affected by this assignment, the following described land in the County of Lea, State of New Mexico, to-wit: (Stanolind Lease 13723)

South Half of the Northeast Quarter (S/2NE/4) and the Northwest Quarter of the Southeast Quarter (NW/4SE/4) of Section 11, Township 21 South, Range 36 East;

which lease is recorded in Book 8, on Page 195, of the Records of Lea County, New Mexico.

Limited in depth to the unitized interval of the Eunice Monument South Unit, the vertical limits of which extend from an upper limit described as 100 feet below mean sea level or at the top of the Grayburg formation, whichever is higher, to a lower limit at the base of the San Andres formation.

Said assignment shall include all of Assignor's interest in the wellbores, surface and subsurface equipment of Wiser Oil Company's Wells #1, #2, and #3, drilled in 1937, but shall not include the wellbore, surface and subsurface equipment of Wells #4 and #5, drilled by Wiser Oil Company in 1980.

Gulf Oil Exploration and Production Company

E. A. Turner
Vice President, Western Division
Gulf Oil Corporation

November 1, 1984

P. O. Drawer 1150
Midland, TX 79701

William A. & Edward R. Hudson
1440 InterFirst Tower
Fort Worth, Texas 76102-4780

Gentlemen:

Re: Proposed Eunice Monument South Unit
Lea County, New Mexico

In your letter of October 17, 1984 to Mr. Ray Vaden of this office you accepted the terms of our purchase offer and advised that the Moore interests in your properties could be acquired on the same terms.

We are also agreeable to purchasing the Moore interest in the proposed Eunice Monument South Unit (.008712%). The purchase price for their 15% interest in your property would be \$ [REDACTED]. We do not have any interest, however, in acquiring rights to your shallow gas production.

Copies of Abstracts or Title Opinions on both the Moore interest and your own should be sent to Mr. Vaden so that we can prepare the assignments.

Yours very truly,

E. A. Turner
E. A. Turner

ITE:mr

cc: Ray Vaden - Midland

ILLEGIBLE



William A. & Edward R. Hudson

1440 Inter-Ford Tower

Fort Worth, Texas 76102-4780

817-330-7109

October 17, 1984

Gulf Oil Exploration and Production Company
P.O. Drawer 1150
Midland, Tx 79702

Re: Proposed Eunice Monument South Unit
Lea County, New Mexico

Attn: Ray Vaden

Gentlemen:

Pursuant to my telephone conversation with Ray Vaden, William A. and Edward R. Hudson accept Gulf's offer as set forth in your letters dated June 29 and January 24, 1984, to sell our .04936 participating interest in the captioned proposed unit for \$ [REDACTED]. It is my understanding this sale will include only the unitized zone, no deeper or shallower rights, and more particularly pursuant to your letter of June 29, we are allowed to retain the exclusive use of our well located on the eighty acre tract, being the NW/4NE/4 and NE/4NW/4 in Section 30-20-37 for the production of the shallow gas. As I further discussed with Mr. Vaden, we would be willing to sell our 85% of 50% interest in that well for approximately four times our net annual income, or \$ [REDACTED], again with all deep rights being retained by us. Phillips through communitization of the N/2N/2 of 30 owns 50% of this production.

The Hudson's interest set forth above represents 85% of the interest formerly owned by the Emperor Oil Company. The joint Moore interests of Galveston own the other 15%. I am agent in various capacities for the Moores. They will make the same trade or trades as made by the Hudsons if acceptable to Gulf.

This sale or sales would be effective as of the effective date of the unit agreement.

Yours truly,

Edward R. Hudson, Jr.

Edward R. Hudson, Jr.

ILLEGIBLE

Gulf Oil Exploration and Production Company

WESTERN DIVISION

L. A. TURNER
GENERAL MANAGER
UNIT OPERATING DEPARTMENT

P. O. Drawer 1150
Midland, TX 79702

June 29, 1984

Mr. Edward R. Hudson
Agent for Estate of Charles Moore
1000 First National Bank Building
Fort Worth, Texas 76102

Gentlemen:

Re: Proposed Eunice Monument
South Unit
Lea County, New Mexico

We have recently been advised of your telephone conversation with Mr. Ray Vaden of our office concerning the sale of your interests in the referenced Unit. Gulf would be agreeable to purchasing your full interest in the Unit as set out in our letter offer of January 24, 1984 and allowing you to retain the use of your well in the NW $\frac{1}{4}$, NE $\frac{1}{4}$, Section 30, T-20-S, R-36-E for the production of other reservoirs.

Enclosed you will also find copies of the revised Unit Agreement and Unit Operating Agreement. If you should decide to participate in the Unitization and waterflood project rather than sell your interest, please execute the ratification and joinder forms as instructed in the cover letter attached to the agreements.

If you have questions regarding the purchase offer or the Unit Agreements, please contact Mr. D. T. Berlin at (915) 687-7339 or Mr. Ray Vaden at (915) 687-7202. Your prompt consideration of this matter would be appreciated as we plan to schedule the Oil Conservation Division hearing in August or September.

Yours very truly,



L. A. TURNER

DTB:ac

Enclosure



Gulf Oil Exploration and Production Company

L. A. TURNER
VICE PRESIDENT, WESTERN DIVISION
U. S. PRODUCTION OPERATIONS

January 24, 1984

P. O. Drawer 1180
Midland, TX 79702

Mr. Edward R. Hudson,
Agent for Estate of Charles Moore
1000 First National Building
Fort Worth, Texas 76102

Dear Mr. Hudson:

Re: Proposed Eunice Monument South Unit
Lea County, New Mexico

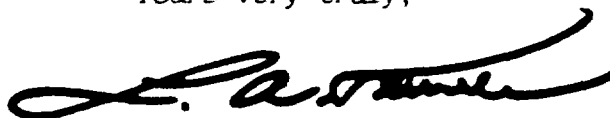
Some of the working interest owners in the proposed Eunice Monument South Unit have indicated they are not interested in participating in the water-flood project. Due to their relatively small participation percentages these owners have requested that Gulf offer to purchase their unit interests. Gulf is extending this offer to all parties owning up to 1.5% of the total unit participation. In this connection, Gulf is offering the sum of \$[REDACTED] for your 0.00871% participating interest in the proposed Unit as derived below:

<u>Tract No.</u>	<u>Lease Name</u>	<u>Working Interest</u>	<u>Unit Participation</u>	<u>Useable Wellbores</u>
7	Phillips	15.0000	0.00435	1
24	Turner State	1.8750	0.00436	3
118	Turner State-Btry 2	3.7500	0.00000	0
			<u>0.00871</u>	

This offer is contingent upon the successful formation of the unit as currently proposed and assumes that each interest purchased will provide an 87.5% net revenue interest to Gulf. Any interest carrying royalty burdens in excess of 12.5% will be subject to further negotiation. Also, the delivery of the indicated number of Tract useable wellbores, producing equipment and rights to all temporarily abandoned and abandoned wells are requisites to this offer.

Each sale will be effective as of the effective date of the unit agreement and approval of title by Gulf. Please advise us as to the acceptability of this offer on or before May 1, 1984. Should you have any questions concerning this offer, please contact Mr. D. T. Berlin at (915) 687-7339.

Yours very truly,



L. A. TURNER

DTE:ac



Gulf Oil Exploration and Production Company

E. H. MOORE
MANAGER, LEASES, INTERNATIONAL DIVISION

October 23, 1984

P. O. Box 1180
Midland TX 79702

Texaco Inc.
P. O. Box 3109
Midland, Texas 79702

Gentlemen:

Re: Assignment of Operating Rights,
Eunice Monument South Unit Area,
LEA COUNTY, New Mexico

This letter agreement sets forth certain terms, procedures and conditions relating to the captioned Assignment of Operating Rights; Texaco Inc. and Gulf Oil Corporation agrees to the following:

- (1) The terms of Gulf's offer letter of January 24, 1984 shall apply to this Agreement.
- (2) Texaco Inc. shall make lease file information, including paid up rental receipts available to Gulf for photo copying. Any abstracts and previous title opinions relating to the premises to be assigned shall also be made available to Gulf.
- (3) Texaco Inc. records reflect that no liens or encumbrances presently exist with respect to the premises to be assigned and that none shall be created prior to the execution and recordation of said Assignment of Operating Rights to Gulf. The Assignment by Texaco is made without warranty, express or implied.
- (4) Upon receipt of said executed assignment and supporting documentation, Gulf shall review the assignment and title information and, if acceptable, shall pay the sum of \$ [REDACTED] to Assignor within thirty (30) days after the effective date of unitization for the Eunice Monument South Unit. In the event the assignment or supporting title information are not acceptable to Gulf, Gulf's agreement to purchase said interest shall be null and void, and Gulf shall be relieved of all liability and responsibility therefor. Said Assignment shall be on the same form as Exhibit "A" attached hereto.
- (5) In the event Gulf has not accepted the assignment from Texaco and concluded the purchase by the payment provided for in No. 4 above, on or before December 31, 1984, then this letter agreement shall be null and void.

WMM
AR-10



Texaco Inc.

-2-

October 23, 1984

If these terms are acceptable, please sign in the space provided below and return one copy for our files.

Yours very truly,

GULF OIL CORPORATION

By: 

Attorney-in-Fact

RV:rig

AGREED TO AND ACCEPTED THIS

31st DAY OF OCTOBER, 1984

TEXACO INC.

BY: 

TITLE: ATTORNEY-IN-FACT

ASSIGNMENT OF OPERATING RIGHTS

AND BILL OF SALE

STATE OF NEW MEXICO §
COUNTY OF LEA §

TEXACO INC., P. O. Box 3109, Midland, Texas 79702, herein-
after referred to as "Assignor," for and in consideration of the
sum of Ten Dollars (\$10.00) and other good and valuable consider-
ation, the receipt and sufficiency of which is hereby acknowledged,
does hereby bargain, sell, transfer and assign, without warranty,
express or implied, to GULF OIL CORPORATION, P. O. Box 1150,
Midland, Texas 79702, hereinafter referred to as "Assignee," 100%
of Assignor's operating rights in the following described Oil and
Gas Lease limited in depth to the following interval:

The vertical limits extending from an upper
limit described as 100 feet below mean sea
level or at the top of the Grayburg formation,
whichever is higher, to a lower limit at the
base of the San Andres formation; the geologic
markers having been previously found to occur
at 3,657 feet and 5,290 feet, respectively,
in Continental Oil Company's #23 Meyer B-4
Well (located at 660 feet FSL and 1,980 feet
FEL of Section 4, T-21-S, R-36-E, Lea County,
New Mexico) as recorded on the Welex Acoustic
Velocity Log taken on October 30, 1962, said
log being measured from a Kelly drive bushing
elevation of 3,595 feet above sea level.

Lease No.: State of New Mexico Lease Number B-160-1,
Assignor's Lease Number 54036--New Mexico
"H" State NCT-1

Lease Date: August 14, 1931

Lessor: State of New Mexico Commissioner of
Public Lands

Lessee: Texaco Inc., Successor Lessee to The
Texas Company

Description: Insofar only as said oil and gas lease
covers the following described land:
Township 20 South, Range 37 East, N.M.P.M.
Section 31: Southeast Quarter (SE/4)
Lea County, New Mexico; the SE/4 of Sec-
tion 31, limited in depth to the above de-
scribed interval shall hereinafter be
referred to as "said lands."

In addition to its operating rights, Assignor does hereby
transfer, convey and assign to Assignee all of Assignor's right,
title and interest in and to tanks, pumps, pipelines, water lines,

roads, buildings, easements and rights of way, machinery, facilities, equipment and all other personal property used in connection with the oil and gas operations of the four wells, being the Texaco--New Mexico "H" State NCT-1, Well Nos. 1 and 2, which are plugged and abandoned, and Well Nos. 4 and 5, which are currently producing oil wells, on said land. The personal property and equipment conveyed hereunder are sold and purchased without warranty or representation, either express or implied as to the quantity, quality, condition or fitness for use thereof, and Assignee stipulates that no such warranty or representation has been made.

Assignor and Assignee herein further covenant and agree as follows:

(1) Assignor and Assignee each covenants and agrees that neither party shall create any liens, encumbrances or other burdens upon the interest of the other party in and to the said lease.

(2) Assignor and Assignee shall enjoy all rights under the lease, including the use of the surface and the right to drill wells and produce and market all production therefrom as to the rights owned by each of the parties pursuant hereto according to all terms and conditions of said lease and assignment.

(3) Assignor shall pay all rentals which become due under the terms of said lease insofar as same covers the lands covered hereby, and shall furnish Assignee with statements for such payment. Assignee, upon receipt of such statement, shall reimburse Assignor to the extent of fifty percent (50%) thereof, unless and until commercial production ceases and/or Assignee surrenders his operating rights and terminates its obligations hereunder. There shall be no liability of any kind, money or otherwise, against Assignor for any failure to pay such rental.

(4) Assignee agrees to the obligation for Lessor royalty payments under the terms of said lease for production from the assigned premises as limited by this agreement.

(5) Assignor and Assignee agree that ad valorem and severance taxes shall be prorated in accordance with the terms of this assignment as of the effective date hereof.

(6) Assignor saves and excepts herefrom any and all sums, production, adjustments of production, unpaid proceeds owed Assignor accruing by virtue of production from said lease and said land prior to the effective date of this assignment, and any and all payments owed Assignor under any other agreements, to which this assignment is made subject.

(7) Assignee shall observe, perform and comply with the terms, provisions, covenants and conditions, express or implied, of said lease and with all laws, rules, regulations and orders, both State and Federal, applicable to ownership and enjoyment of the rights herein assigned.

(8) Assignee agrees to accept full responsibility for the plugging of all unplugged wells conveyed hereby and agrees to comply with all the requirements of the statutes of the New Mexico Oil Conservation Commission (NMOCC) and with all the rules and regulations of the New Mexico Oil Conservation Commission (NMOCC), or successor regulatory body, in effect at the time any well is plugged. Assignee agrees to hold Assignors harmless against any expense, claim or cause of action brought against Assignor or Assignee by any third party, including the New Mexico Oil Conservation Commission (NMOCC), arising from Assignee's failure to plug or improper plugging of any well conveyed hereby.

(9) In the event Assignee should desire to discontinue operations and to plug and abandon a well or wells located on the assigned premises, Assignee shall give Assignor the option, to be exercised within thirty (30) days of receipt of notice, to reacquire the said wells (including wellhead and production casing at salvage value). Should Assignor elect to reacquire any or all such wells, Assignee shall be relieved of all plugging and abandoning responsibilities and liabilities therefor and Assignor shall assume such responsibilities and liabilities. Should Assignor elect not to reacquire such wells, Assignee shall plug and abandon any and all such wells in accordance with the requirements of the New Mexico Oil Conservation Commission (NMOCC).

(10) This assignment is subject to a Casinghead Gas Contract, and any amendment thereto, for gas production from the surface down to 3,900 feet, dated November 1, 1955, between Phillips Petroleum Company as Purchaser, and Texaco Inc. as Seller. A copy of said contract shall be furnished to Assignee upon execution of this instrument.

(11) Assignee agrees to defend, protect and indemnify, and hold harmless Assignor, its employees and agents, from and against each and every claim, demand, action, cause of action, or lawsuit, and any liability, cost, expense, damage, or loss, including court costs and attorney's fees, that may be asserted against Assignor or Assignee by any third party, including Assignee's employees and agents, arising from or on account of any operations conducted by Assignee, or for the benefit of Assignee.

TO HAVE AND TO HOLD the same unto the said Assignee, its successors and assigns, according to the terms and conditions of said lease, the said Assignee to perform all of such conditions and covenants thereof as to the portion of lands herein assigned.

The reservations, conditions and covenants of this conveyance shall run with the real estate herein described and shall be binding upon and enjoyed by the said Assignor and the said Assignee and their respective successors and assigns.

EFFECTIVE DATE: This assignment shall be effective for all purposes as of the effective date of Certification Determination by the Bureau of Land Management for the Eunice Monument South Unit in Lea County, New Mexico, which is _____, 1984.

IN WITNESS WHEREOF, the said Assignor and Assignee have executed this instrument this _____ day of _____, 1984.

TEXACO INC.

By _____

GULF OIL CORPORATION

By _____
Attorney-in-Fact

(Acknowledgements)

THE STATE OF TEXAS §

COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me this _____ day of _____, 19 _____, by _____, Attorney-in-Fact for GULF OIL CORPORATION, a Pennsylvania corporation, on behalf of said corporation.

My Commission Expires:

A Notary Public in the State of Texas

THE STATE OF §

COUNTY OF §

The foregoing instrument was acknowledged before me this _____ day of _____, 19 _____, by _____, for/of TEXACO INC., a _____ corporation, on behalf of said corporation.

My Commission Expires:

A Notary Public in the State of _____
County of _____.

Corporate Royalty Joinder

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Eunice Monument South Unit Area, County of Lea, State of New Mexico, dated June 22, 1984, in form approved on behalf of the Secretary of the Interior and the State of New Mexico, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts, and confirms said Unit Agreement as fully as though the undersigned had executed the original agreement.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder of Unit Agreement shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 31st day of October, 1984.

TEXACO INC.

AS LESSEE OF RECORD ONLY

AS TO TRACT #67 OF SAID UNIT

By A. R. McDaniel
Attorney-in-Fact

Address: P. O. Box 3109

Midland, Texas 79702

THE STATE OF TEXAS §

COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me this 31st day of October, 1984, by Alan R. McDaniel, Attorney-in-Fact, for TEXACO INC. AS LESSEE OF RECORD ONLY, a Delaware corporation, on behalf of said corporation.

My Commission Expires:

Barbara E. Higgins

BARBARA E. HIGGINS

Gulf Oil Exploration and Production Company

WESTERN DIVISION

L. A. TURNER
GENERAL MANAGER
U.S. PRODUCTION OPERATIONS

P. O. Drawer 1180
Midland, TX 79702

September 25, 1984

Re: Letter Agreement Concerning Cross
Assignments Operating Rights Between
Doyle Hartman and Gulf Oil Corporation
Covering the Lands in Lea County,
New Mexico as Described in the
Attachment Hereto

Mr. Doyle Hartman
Post Office Box 10426
Midland, Texas 79702

Dear Mr. Hartman:

This letter agreement sets forth certain terms, procedures and conditions relating to the captioned operating rights assignments and in consideration of said assignments, both Doyle Hartman and Gulf Oil Corporation agree as follows:

- (1) Hartman shall furnish Gulf abstracts covering the premises to be assigned to Gulf, as well as attorney's written opinion that said assignment is free and clear of all liens and encumbrances and covers the interest as shown on Exhibit "B" of Gulf's assignment to Hartman.
- (2) Gulf shall make available to Hartman or Hartman's representative at Gulf's office, all abstracts and lease file data covering the premises it assigns to Hartman for review and photo copying.
- (3) Both Gulf and Hartman agree that each party shall be solely responsible for accepting title to the respective assignments, that neither party shall create any liens or encumbrances to the properties prior to execution and recordation of said assignments, and that said assignments shall reflect the same effective date and both shall be promptly filed of record.



Mr. Doyle Hartman

- 2 -

September 25, 1984

If this is your understanding of our agreement concerning the cross assignments, please sign in the space provided below and return one copy for our files.

Yours very truly,

GULF OIL CORPORATION

By: *F. A. Turner* ^{KWP}
Attorney in Fact

AGREED TO AND ACCEPTED

THIS 9th DAY OF October, 1984

By: *Doyle Hartman* ^{PS}

ASSIGNMENT OF OPERATING RIGHTS
UNDER STATE OF NEW MEXICO OIL & GAS LEASE NO. B-1481

ASSIGNMENT of Operating Rights made and entered into this 9TH day of OCTOBER, 1984, by and between the following party, hereinafter referred to as "Assignor";

DOYLE HARTMAN
Post Office Box 10426
Midland, Texas 79702

and the following party, hereinafter referred to as "Assignee";

GULF OIL CORPORATION
Post Office Drawer 1150
Midland, Texas 79702

W I T N E S S E T H :

THAT ASSIGNOR is the owner of certain oil and gas operating rights under State of New Mexico Oil and Gas Lease No. B-1481, dated December 19, 1932, and

THAT ASSIGNEE, under the terms of certain Agreements by and between Assignor and Assignee, is entitled to an assignment of said rights under said Oil and Gas Lease as more fully described hereinafter, insofar as said Lease covers the following described lands situated in Lea County, New Mexico:

Township 21 South, Range 36 East, NMPM

Section 2: S/2 SW/4
(which may also be described as
the S/3 S/2 W/2 of Section 2)

Containing 80.00 acres, more or less,

Limited, however, to those intervals from 3,650 feet
to 3,902 feet subsurface in the Grayburg formation.
Such lands and intervals being hereinafter referred
to as the "Operating Zone".

AND WHEREAS, Assignee by letter of June 1, 1984 as amended June 8, 1984, and Assignor by letter of June 14, 1984, reference to which is here made for all purposes, have agreed to exchange those certain oil and gas operating rights described in Exhibit "B", which is attached hereto and made a part hereof.

NOW, THEREFORE, in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor does hereby bargain, sell, transfer, assign and convey unto Assignee all of its right, title and interest in and to the oil and gas operating rights under said Oil and Gas Lease insofar, but only insofar, as said Lease covers the lands and intervals described and defined above as the Operating Zone, together with a like interest in the personal property situated thereon, subject to all existing royalties, excess royalties, overriding royalties, production payments and like burdens against said Lease of record as of the effective date hereof.

This Assignment shall be subject to the following:

I. AGREEMENTS AND PRIOR ASSIGNMENTS:

This Assignment shall be subject to the terms and conditions of that certain Operating Agreement dated August 8, 1978 between Doyle Hartman as Operator and James W. Rasmussen et al as Non-Operators, and all other assignments and operating agreements of record in Lea County, New Mexico, and the Office of the Commissioner of Public Lands of the State of New Mexico, affecting the above described lands.

II. MISCELLANEOUS:

(a) This Assignment shall be specifically subject to the terms and provisions of State of New Mexico Oil and Gas Lease No. B-1481.

(b) Assignor hereby warrants title under this Assignment of Operating Rights by, through and under Assignor BUT NOT OTHERWISE.

(c) The terms and provisions of this Assignment of Operating Rights shall be construed as covenants running with the above described lands and shall be binding upon and shall inure to the benefit of the parties hereto, their heirs, personal representatives, successors and assigns.

(d) This Assignment of Operating Rights affects an Oil and Gas Lease issued by the State of New Mexico and shall be construed as a "Contract for Development" as permitted by §19-10-13 NMSA (1978) and not as an assignment of record title to said Lease.

EXECUTED in multiple originals on the day and year first above written, but effective as of OCTOBER 10, 1984.

"ASSIGNOR"

Doyle Hartman ES.
Doyle Hartman

Margaret Hartman
Margaret Hartman, his wife

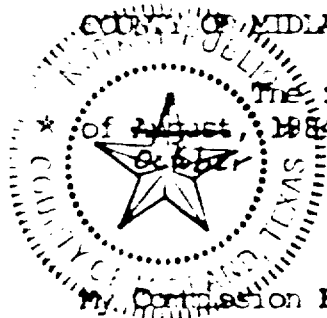
"ASSIGNEE"

Gulf Oil Corporation ES

By: L.A. Turner

STATE OF TEXAS)

COUNTY OF MIDLAND)



The foregoing instrument was acknowledged before me this 9th day of October, 1984, by Doyle Hartman and Margaret Hartman, his wife.

Cindy Sue Harrison
Notary Public

My Commission Expires:

CINDY SUE HARRISON
My Commission Expires Aug. 11, 1987

STATE OF TEXAS)

COUNTY OF MIDLAND)

The foregoing instrument was acknowledged before me this 9th day of October, 1984, by L.A. TURNER Attorney-in-Fact for GULF OIL CORPORATION, a Pennsylvania corporation, on behalf of said corporation.

My Commission Expires:

7-30-88

Carolyn D. Larson
A Notary Public in the State of Texas
CAROLYN D. LARSON

Tract Description	Interests Delivered*		Depths Assigned	Production Rights	Remarks
	Working Interest	Net Revenue Interest			
<u>Half Acreage To Be Delivered</u>					
. F. Janda "G" (160 acres) NE/4 Sec 24 T23S, R36E	All (100%)	87.5%	Surface to 100' above the top of the Queen Formation or 3,300', whichever is the lesser depth.	Jalmat Gas	No wellbores or producing equipment included.
Plot "B" (80 acres) E/2 SE/4 Sec 36 T23S, R36E	All (100%)	87.5%	Surface to 100' above the top of the Queen Formation or 3,375', whichever is the lesser depth.	Jalmat Gas	No wellbores or producing equipment included.
. F. Janda "J" (80 acres) N/2 SE/4 Sec 4 T23S, R36E	All (100%)	75.0%	Surface to 100' above the top of the Queen Formation or 3,720', whichever is the lesser depth.	Jalmat Gas	No wellbores or producing equipment included.
<u>Hartman Acreage To Be Delivered</u>					
asmussen State "G" (40 acres) E/2 S/3 S/2 W/2 Sec 2, T21S, R36E	All (50%)	43.75%	3650 to 3902	Eunice Monument	Includes rights to one TA'd wellbore
asmussen State (40 acres) W/2 S/3 S/2 W/2 Sec 2, T21S, R36E	All (66.66%)	57.67%	3650 to 3902	Eunice Monument	Includes one producing wellbore with all surface and subsurface equipment.

Subject to title approval, approval of assignment, and retention of necessary surface use rights.