

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

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WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY

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JACK M. CAMPBELL
OF COUNSEL

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October 29, 1991

CASE FILE
CASE 10253
RECEIVED
JUN 17 1992

HAND-DELIVERED

Oil Conservation Division
New Mexico Department of
Energy, Minerals and Natural Resources
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87501
Attn: William J. LeMay, Director

OIL CONSERVATION DIVISION

Re: Statutory Unitization of the North Monument Grayburg/San Andres Unit,
Oil Conservation Division Order No. R-9494

Gentlemen:

By Order No. R-9494 entered on May 1, 1991, the New Mexico Oil Conservation Division approved the application of Amerada Hess Corporation for statutory unitization of the North Monument Grayburg/San Andres Unit located in Lea County, New Mexico. Order Paragraph 7 of this order provides that statutory unitization will be effective on approval of the plan for unit operations by the owners of seventy-five percent (75%) of the working interest and seventy-five percent (75%) of the royalty interest in the proposed North Monument Grayburg/San Andres Unit Area.

Amerada Hess Corporation, operator of this unit, has received ratifications from the required percentages of the owners of working interest and royalty interest, including final approvals from the Bureau of Land Management and the New Mexico Commissioner of Public Lands, to make Order No. R-9494 effective thereby unitizing the North Monument Grayburg/San Andres Unit Area. Copies of the Certificate-Determination of the Bureau of Land Management, the Final Approval of the Commissioner of Public lands and an Affidavit with copies of the most recent working interest and royalty interest Ratification and Joinder Summary Reports are enclosed for your information.

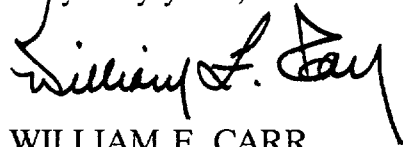
Oil Conservation Division
New Mexico Department of
Energy, Minerals and Natural Resources
Attn: William J. LeMay, Director
October 29, 1991
Page Two

It is the intention of Amerada Hess Corporation for this unitization to be effective at 7:00 a.m. on January 1, 1992 and for unitized operation and management of this unit to be effective at that date and time.

Enclosed is the Certificate of Effectiveness for the North Monument Grayburg/San Andres Unit which we request you execute on behalf of the Division. Following execution of this Certificate, it will be filed by Amerada Hess in the records of Lea County, New Mexico and conformed copies returned to the Division for its files.

Your attention to this matter is appreciated.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR AMERADA HESS CORPORATION

WFC:mlh
Enclosures

cc w/enc.: New Mexico State Land Office
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
Attn: Mr. Floyd Prando
Ms Jami Bailey

Bureau of Land Management
1717 W. 2nd Street
Roswell, New Mexico 88201
Attn: Mr. Joe Lara
Mr. Armando Lopez

Mr. J. C. Hefley
Manager of CO₂ Supply
and Unitization
Amerada Hess Corporation
218 West 6th Street
Tulsa, Oklahoma 74119



United States Department of the Interior
BUREAU OF LAND MANAGEMENT
Roswell District Office
P.O. Box 1397
Roswell, New Mexico 88202-1397



IN REPLY
REFER TO:

NMNM85324X
3180 (065)

RECEIVED

AUG 29 1991

CAMPBELL & BLACK

AUG 23 1991

Campbell & Black, P. A.
Attention: Mr. William F. Carr
P. O. Box 2208
Santa Fe, New Mexico 87504-2208

Gentlemen:

One approved copy of the North Monument Grayburg/San Andres Unit, Lea County, New Mexico, filed on behalf of Amerada Hess Corporation, is enclosed. Such agreement has been assigned No. NMNM85324X and will become effective upon submittal of a Certificate of Effectiveness pursuant to section 24 of the unit agreement. Approval is subject to the NMOC order authorizing a waterflood project.

Approval of the agreement does not warrant or certify that the operator thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

You are requested to furnish all interested principals with appropriate evidence of this approval.

Sincerely,


Armando A. Lopez
Assistant District Manager,
Minerals

Enclosure

CERTIFICATION--DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior, the act approved February 25, 1920, 41 Stat. 437, as amended, 30 U.S.G., secs. 181, et seq., and delegated to the District Manager, Bureau of Land Management, I do hereby:

- A. Approve the attached agreement for the development and operation of the North Monument Grayburg/San Andres unit area, State of New Mexico. This approval shall be invalid ab initio if the public interest requirement under §3183.4 (b) of this title is not met.
- B. Certify and determine that the unit plan of development and operation contemplated in the attached agreement is necessary and advisable in the public interest for the purpose of more properly conserving the natural resources.
- C. Certify and determine that the drilling, producing, rental, minimum royalty, and royalty requirements of all Federal leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of this agreement.


Armando A. Lopez, ADM Minerals
Bureau of Land Management

8/23/91
Date

NMNM85324X
Contract No.



JIM BACA
COMMISSIONER

State of New Mexico
OFFICE OF THE
Commissioner of Public Lands
Santa Fe

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

October 28, 1991

Amerada Hess Corporation
P. O. Box 2040
Tulsa, Oklahoma 74102

Attn: Mr. J. C. Hefley

Re: North Monument Grayburg/San Andres Unit
Lea County, New Mexico
Final Approval

Dear Mr. Hefley:

Please be advised that the Commissioner of Public Lands this date October 28, 1991, has granted final approval for the Waterflood North Monument Grayburg/San Andres Unit and the Initial Plan of Operation, Lea County New Mexico.

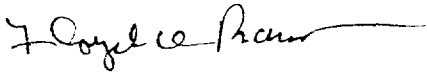
We concur with OCD Case No. 10253, Order No. R-9494 dated May 1, 1991 and Case No. 10252, Order No. R-9596 dated October 15, 1991. Enclosed are five (5) Certificates of Approval and one (1) copy of the approved North Monument Grayburg/San Andres Unit. Your filing fee in the amount of Eight Hundred Seventy dollars (\$870.00) was received.

The effective date of this agreement is November 1, 1991. As per section 24 of the Unit agreement, you will be required to submit a certificate of effectiveness within the next 30 days.

If you have any questions regarding this matter please contact Pete Martinez at (505) 827-5791.

Sincerely,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: 
Floyd O. Prando, Director
Oil, Gas & Minerals Division

JB/FOP/PM/baf
cc: TRD - Oil & Gas Accounting Division
OCD
BLM - Amando Lopez
Royalty Management
Campbell & Black, P. A.



NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

North Monument Grayburg San Andres Unit

Amerada Hess Corporation

Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, the attached Agreement for the development and operation of acreage which is described within the attached Agreement, dated May 1, 1991, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned, Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 28TH day of October, 19 91

Jim Bau
COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF AMERADA HESS CORPORATION FOR
STATUTORY UNITIZATION OF THE NORTH
MONUMENT GRAYBURG/SAN ANDRES UNIT,
LEA COUNTY, NEW MEXICO.

CASE NOS. 10252
ORDER NO. R-9494

AFFIDAVIT

STATE OF NEW MEXICO)
)ss.
COUNTY OF SANTA FE)


J.C. Hefley, authorized representative of Amerada Hess Corporation, the Applicant
herein, being first duly sworn, upon oath, states:

1. New Mexico Oil Conservation Division Order No. R-9494 dated May 1, 1991,
pursuant to the New Mexico Statutory Unitization Act, granted the application of Amerada
Hess Corporation for unitization of the North Monument Grayburg/San Andres Unit Area
comprised of 13,385 acres, more or less, in the Eunice Monument Grayburg-San Andres
Pool, Lea County, New Mexico.

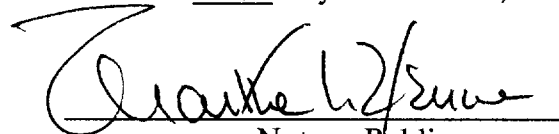
2. Order No. R-9494 provides that statutory unitization of the North Monument
Grayburg/San Andres Unit will become effective upon approval of the plan for unit
operations by the owners of seventy-five percent (75%) of the working interest and by the
owners of seventy-five percent (75%) of the royalty interest in the proposed unit area.

3. Amerada Hess, as operator of this Unit, subsequent to the entry of Order No. R-9494 has sought and obtained the ratification and approval of the plan for unit operations from the owners of the required percentages of interests in the North Monument Grayburg/San Andres Unit Area in accordance with Division rules, regulations and Order No. R-9494 as evidenced by the Working Interest and Royalty Interest Ratification and Joinder Summary Reports attached hereto as Exhibits "A" and "B" to this Affidavit.

4. Amerada Hess has also obtained the Final Approval of the North Monument Grayburg/San Andres Unit from the New Mexico Commissioner of Public Lands and a Certification-Determination from the Bureau of Land Management.


J. C. HEFLEY

SUBSCRIBED AND SWORN to before me this 29th day of October, 1991.


Notary Public

My Commission Expires:

August 19, 1995

EXHIBIT A

ROYALTY RATIFICATION & JOINDER SUMMARY REPORT
NORTH MONUMENT GRAYBURG/SAN ANDRES UNIT

PAGE NO.: 1
REPORT DATE: 10/24/91
R&JROYSU.FRM/R&JROYIN.QBE

ROYALTY PERCENTAGE WITHIN TRACT		ROYALTY PERCENTAGE RATIFIED	PERCENTAGE RATIFIED WITHIN TRACT	PERCENTAGE RATIFIED WITHIN UNIT
UNIT TRACT NO: 17.5000000%	1 OPERATOR: CON	16.7368100%	95.6389143%	1.1455337%
UNIT TRACT NO: 17.5000000%	2 OPERATOR: CON	16.7159700%	95.5198286%	0.2854559%
UNIT TRACT NO: 23.1250000%	3 OPERATOR: GWD	20.6793500%	89.4242162%	1.0689580%
UNIT TRACT NO: 20.0000000%	4 OPERATOR: TEX	17.8601800%	89.3009000%	1.0674839%
UNIT TRACT NO: 17.5062500%	5 OPERATOR: AHC	16.5438300%	94.5024206%	0.2824154%
UNIT TRACT NO: 22.7343700%	6 OPERATOR: AHC	20.7937000%	91.4637177%	0.2733344%
UNIT TRACT NO: 17.5062500%	7 OPERATOR: AHC	16.5438300%	94.5024206%	0.2824154%
UNIT TRACT NO: 12.5000000%	8 OPERATOR: CHE	12.5000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 12.5000000%	9 OPERATOR: TEX	12.5000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 12.5000000%	10 OPERATOR: AHC	12.5000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 12.5000000%	11 OPERATOR: AHC	12.5000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 12.5000000%	12 OPERATOR: AHC	12.5000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 12.5000000%	13 OPERATOR: CON	12.5000000%	100.0000000%	1.7930680%
UNIT TRACT NO: 12.5000000%	14 OPERATOR: CON	12.5000000%	100.0000000%	0.2887587%
UNIT TRACT NO: 12.5000000%	15 OPERATOR: AHC	12.5000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 12.5000000%	16 OPERATOR: SHE	12.5000000%	100.0000000%	0.2988447%

ROYALTY RATIFICATION & JOINDER SUMMARY REPORT
NORTH MONUMENT GRAYBURG/SAN ANDRES UNIT

PAGE NO.: 2
REPORT DATE: 10/24/91
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ROYALTY PERCENTAGE WITHIN TRACT		ROYALTY PERCENTAGE RATIFIED	PERCENTAGE RATIFIED WITHIN TRACT	PERCENTAGE RATIFIED WITHIN UNIT
UNIT TRACT NO: 17	OPERATOR: TEX	12.5000000%	100.0000000%	0.5976893%
12.5000000%		12.5000000%		
UNIT TRACT NO: 18	OPERATOR: AHC	12.5000000%	100.0000000%	0.3007872%
12.5000000%		12.5000000%		
UNIT TRACT NO: 19	OPERATOR: MOB	12.5000000%	100.0000000%	1.1981430%
12.5000000%		12.5000000%		
UNIT TRACT NO: 20	OPERATOR: WIS	12.5000000%	100.0000000%	0.2988447%
12.5000000%		12.5000000%		
UNIT TRACT NO: 21	OPERATOR: AHC	12.5000000%	100.0000000%	0.2988447%
12.5000000%		12.5000000%		
UNIT TRACT NO: 22	OPERATOR: AHC	12.5000000%	100.0000000%	0.2988447%
12.5000000%		12.5000000%		
UNIT TRACT NO: 23	OPERATOR: GRM	12.5000000%	100.0000000%	0.2988447%
12.5000000%		12.5000000%		
UNIT TRACT NO: 24	OPERATOR: AHC	12.5000000%	100.0000000%	0.5976893%
12.5000000%		12.5000000%		
UNIT TRACT NO: 25	OPERATOR: AHC	12.5000000%	100.0000000%	1.1953787%
12.5000000%		12.5000000%		
UNIT TRACT NO: 26	OPERATOR: CHE	12.5000000%	100.0000000%	0.5976893%
12.5000000%		12.5000000%		
UNIT TRACT NO: 27	OPERATOR: AHC	12.5000000%	100.0000000%	0.5769196%
12.5000000%		12.5000000%		
UNIT TRACT NO: 28	OPERATOR: GRC	12.5000000%	100.0000000%	0.5976893%
12.5000000%		12.5000000%		
UNIT TRACT NO: 29	OPERATOR: GRC	12.5000000%	100.0000000%	0.5976893%
12.5000000%		12.5000000%		
UNIT TRACT NO: 30	OPERATOR: GRC	12.5000000%	100.0000000%	0.2988447%
12.5000000%		12.5000000%		
UNIT TRACT NO: 31	OPERATOR: CHE	12.5000000%	100.0000000%	0.2988447%
12.5000000%		12.5000000%		
UNIT TRACT NO: 32	OPERATOR: CHE	12.5000000%	100.0000000%	0.2988447%
12.5000000%		12.5000000%		

ROYALTY RATIFICATION & JOINDER SUMMARY REPORT
NORTH MONUMENT GRAYBURG/SAN ANDRES UNIT

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ROYALTY PERCENTAGE WITHIN TRACT		ROYALTY PERCENTAGE RATIFIED	PERCENTAGE RATIFIED WITHIN TRACT	PERCENTAGE RATIFIED WITHIN UNIT
UNIT TRACT NO: 33	OPERATOR: CHE			
12.5000000%		12.5000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 34	OPERATOR: CHE			
12.5000000%		12.5000000%	100.0000000%	0.8965340%
UNIT TRACT NO: 35	OPERATOR: AHC			
12.5000000%		12.5000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 36	OPERATOR: OXY			
12.5000000%		12.5000000%	100.0000000%	1.1750572%
UNIT TRACT NO: 37	OPERATOR: AHC			
12.5000000%		12.5000000%	100.0000000%	1.1953787%
UNIT TRACT NO: 38	OPERATOR: CHE			
12.5000000%		12.5000000%	100.0000000%	1.1953787%
UNIT TRACT NO: 39	OPERATOR: CHE			
12.5000000%		12.5000000%	100.0000000%	1.1953787%
UNIT TRACT NO: 40	OPERATOR: CHE			
12.5000000%		12.5000000%	100.0000000%	1.1953787%
UNIT TRACT NO: 41	OPERATOR: CHE			
12.5000000%		12.5000000%	100.0000000%	1.1953787%
UNIT TRACT NO: 42	OPERATOR: CHE			
12.5000000%		12.5000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 43	OPERATOR: TEX			
12.5000000%		12.5000000%	100.0000000%	1.1953787%
UNIT TRACT NO: 44	OPERATOR: TEX			
12.5000000%		12.5000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 45	OPERATOR: AHC			
12.5000000%		12.5000000%	100.0000000%	0.8965340%
UNIT TRACT NO: 46	OPERATOR: DUR			
12.5000000%		12.5000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 47	OPERATOR: AHC			
12.5000000%		12.5000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 48	OPERATOR: AHC			
12.5000000%		12.5000000%	100.0000000%	1.1969476%

ROYALTY RATIFICATION & JOINDER SUMMARY REPORT
NORTH MONUMENT GRAYBURG/SAN ANDRES UNIT

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ROYALTY PERCENTAGE WITHIN TRACT	ROYALTY PERCENTAGE RATIFIED	PERCENTAGE RATIFIED WITHIN TRACT	PERCENTAGE RATIFIED WITHIN UNIT
UNIT TRACT NO: 49 OPERATOR: TEX 12.5000000%	12.5000000%	100.0000000%	1.1953787%
UNIT TRACT NO: 50 OPERATOR: AHC 12.5000000%	12.5000000%	100.0000000%	1.1953787%
UNIT TRACT NO: 51 OPERATOR: ORY 12.5000000%	12.5000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 52 OPERATOR: TEX 12.5000000%	12.5000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 53 OPERATOR: MAR 12.5000000%	12.5000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 54 OPERATOR: AHC 12.5000000%	12.5000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 55 OPERATOR: SHE 12.5000000%	12.5000000%	100.0000000%	0.3047468%
UNIT TRACT NO: 56 OPERATOR: SHE 12.5000000%	12.5000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 57 OPERATOR: SHE 12.5000000%	12.5000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 58 OPERATOR: SHE 12.5000000%	12.5000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 59 OPERATOR: SHE 12.5000000%	12.5000000%	100.0000000%	1.1953787%
UNIT TRACT NO: 60 OPERATOR: TEX 12.5000000%	12.5000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 61 OPERATOR: CON 12.5000000%	12.5000000%	100.0000000%	1.1755802%
UNIT TRACT NO: 62 OPERATOR: AHC 12.5000000%	12.5000000%	100.0000000%	1.1953787%
UNIT TRACT NO: 63 OPERATOR: TEX 12.5000000%	12.5000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 64 OPERATOR: TEX 12.5000000%	12.5000000%	100.0000000%	0.5878275%

ROYALTY RATIFICATION & JOINDER SUMMARY REPORT
NORTH MONUMENT GRAYBURG/SAN ANDRES UNIT

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ROYALTY PERCENTAGE WITHIN TRACT	ROYALTY PERCENTAGE RATIFIED	PERCENTAGE RATIFIED WITHIN TRACT	PERCENTAGE RATIFIED WITHIN UNIT
UNIT TRACT NO: 65 OPERATOR: AHC 12.5000000%	12.5000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 66 OPERATOR: AHC 12.5000000%	12.5000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 67 OPERATOR: AHC 12.5000000%	12.5000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 68 OPERATOR: TEX 12.5000000%	12.5000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 69 OPERATOR: PHI 12.5000000%	12.5000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 70 OPERATOR: SHE 12.5000000%	12.5000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 71 OPERATOR: CHE 12.5000000%	12.5000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 72 OPERATOR: MAR 12.5000000%	12.5000000%	100.0000000%	1.1953787%
UNIT TRACT NO: 73 OPERATOR: WIS 16.6666600%	15.7407400%	94.4444778%	0.5644846%
UNIT TRACT NO: 74 OPERATOR: AHC 12.5000000%	12.5000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 75 OPERATOR: AHC 14.5000000%	14.5000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 76 OPERATOR: CHE 12.5000000%	12.5000000%	100.0000000%	1.1855168%
UNIT TRACT NO: 77 OPERATOR: AHC 20.0000000%	20.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 78 OPERATOR: AHC 23.4375000%	20.0842500%	85.6928000%	0.2560884%
UNIT TRACT NO: 79 OPERATOR: CHE 12.5000000%	8.5841700%	68.6733600%	0.4104533%
UNIT TRACT NO: 80 OPERATOR: CHE 12.5000000%	11.1654000%	89.3232000%	0.5338752%

ROYALTY RATIFICATION & JOINDER SUMMARY REPORT
NORTH MONUMENT GRAYBURG/SAN ANDRES UNIT

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ROYALTY PERCENTAGE WITHIN TRACT	ROYALTY PERCENTAGE RATIFIED	PERCENTAGE RATIFIED WITHIN TRACT	PERCENTAGE RATIFIED WITHIN UNIT
UNIT TRACT NO: 81 OPERATOR: AHC 25.0000100%	9.5703200%	38.2812647%	0.1107979%
UNIT TRACT NO: 82 OPERATOR: TEX 12.5000000%	0.0000000%	0.0000000%	0.0000000%
UNIT TRACT NO: 83 OPERATOR: TEX 12.5000000%	8.4418200%	67.5345600%	0.2018234%
UNIT TRACT NO: 84 OPERATOR: TEX 12.5000000%	8.4418200%	67.5345600%	0.2018234%
UNIT TRACT NO: 85 OPERATOR: TEX 12.5000000%	8.5372100%	68.2976800%	0.6123119%
UNIT TRACT NO: 86 OPERATOR: ORY 12.5000000%	8.1250000%	65.0000000%	0.1942490%
UNIT TRACT NO: 87 OPERATOR: PHI 12.5000000%	10.1844800%	81.4758400%	0.2348424%
UNIT TRACT NO: 88 OPERATOR: CHE 12.5000000%	9.5480300%	76.3842400%	1.5899592%
UNIT TRACT NO: 89 OPERATOR: TEX 12.5000000%	6.3880400%	51.1043200%	0.6108901%
UNIT TRACT NO: 90 OPERATOR: AHC 19.6940000%	6.3199600%	32.0907891%	0.0959016%
UNIT TRACT NO: 91 OPERATOR: AHC 10.9375000%	5.8586300%	53.5646171%	0.6403000%
UNIT TRACT NO: 92 OPERATOR: TEX 12.5000000%	9.2057400%	73.6459200%	0.4401738%
UNIT TRACT NO: 93 OPERATOR: CHE 12.5000000%	8.7294500%	69.8356000%	0.2087000%
UNIT TRACT NO: 94 OPERATOR: AHC 11.8099000%	5.1432400%	43.5502417%	0.1301476%
UNIT TRACT NO: 95 OPERATOR: AHC 54.6875000%	46.6662900%	85.3326446%	0.2550121%
UNIT TRACT NO: 96 OPERATOR: CHE 12.5000000%	4.9479000%	39.5832000%	0.1182923%

ROYALTY RATIFICATION & JOINDER SUMMARY REPORT
NORTH MONUMENT GRAYBURG/SAN ANDRES UNIT

PAGE NO.: 7
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ROYALTY PERCENTAGE WITHIN TRACT	ROYALTY PERCENTAGE RATIFIED	PERCENTAGE RATIFIED WITHIN TRACT	PERCENTAGE RATIFIED WITHIN UNIT
UNIT TRACT NO: 97 OPERATOR: TEX 12.5000000%	9.2057400%	73.6459200%	0.4401738%
UNIT TRACT NO: 98 OPERATOR: AHC 12.5000000%	8.7384100%	69.9072800%	0.2089142%
UNIT TRACT NO: 99 OPERATOR: TEX 12.5000000%	5.8593800%	46.8750400%	0.1400836%
UNIT TRACT NO: 100 OPERATOR: CHE 12.5000000%	5.1236000%	40.9888000%	0.3674785%
UNIT TRACT NO: 101 OPERATOR: CHE 12.5000000%	7.5735000%	60.5880000%	0.1810640%
UNIT TRACT NO: 102 OPERATOR: CHE 12.5000000%	7.5735000%	60.5880000%	0.1810640%
UNIT TRACT NO: 103 OPERATOR: AHC 12.5000000%	8.3789000%	67.0312000%	0.2003192%
UNIT TRACT NO: 104 OPERATOR: SHE 12.5000000%	11.2237400%	89.7899200%	0.5366648%
UNIT TRACT NO: 105 OPERATOR: AHC 12.5000000%	9.6676500%	77.3412000%	1.3867803%
UNIT TRACT NO: 106 OPERATOR: ORY 12.5000000%	6.5155000%	52.1240000%	0.9346188%
UNIT TRACT NO: 107 OPERATOR: CHE 12.5000000%	8.7294500%	69.8356000%	0.2087000%
UNIT TRACT NO: 108 OPERATOR: AHC 12.5000000%	10.1662400%	81.3299200%	0.4861003%
UNIT TRACT NO: 109 OPERATOR: AHC 12.5000000%	10.5119300%	84.0954400%	0.9878554%
UNIT TRACT NO: 110 OPERATOR: CHE 12.5000000%	8.1331300%	65.0650400%	0.3888868%
UNIT TRACT NO: 111 OPERATOR: AHC 12.5000000%	8.3178500%	66.5428000%	0.3977192%
UNIT TRACT NO: 112 OPERATOR: AHC 12.5000000%	10.3036000%	82.4288000%	0.9681545%

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UNIT TRACT NO: 113 OPERATOR: CHE 12.5000000%	9.5480300%	76.3842400%	0.6848107%
UNIT TRACT NO: 114 OPERATOR: AHC 12.5000000%	9.6543000%	77.2344000%	0.2308109%
UNIT TRACT NO: 115 OPERATOR: AHC 12.5000000%	8.5040200%	68.0321600%	0.8132419%
UNIT TRACT NO: 116 OPERATOR: TEX 12.5000000%	9.8117800%	78.4942400%	0.2345758%
UNIT TRACT NO: 117 OPERATOR: GWD 11.8227000%	7.9990600%	67.6584875%	0.2021938%
UNIT TRACT NO: 118 OPERATOR: AHC 10.6250000%	7.0742700%	66.5813647%	0.1989749%
UNIT TRACT NO: 119 OPERATOR: CON 23.4375000%	1.2734700%	5.4334720%	0.0162376%
UNIT TRACT NO: 120 OPERATOR: MAR 12.5000000%	5.7674200%	46.1393600%	0.2757700%
UNIT TRACT NO: 121 OPERATOR: CHE 12.5000000%	7.7753300%	62.2026400%	0.3717785%
UNIT TRACT NO: 122 OPERATOR: AHC 12.5000000%	10.9677200%	87.7417600%	0.5244231%
UNIT TRACT NO: 123 OPERATOR: CHE 12.5000000%	5.5832600%	44.6660800%	0.2669644%
UNIT TRACT NO: 124 OPERATOR: AHC 25.0000000%	21.7571000%	87.0284000%	1.5604784%
UNIT TRACT NO: 125 OPERATOR: AHC 12.5000000%	8.4895900%	67.9167200%	0.4059310%
UNIT TRACT NO: 126 OPERATOR: AHC 12.5000000%	5.4687500%	43.7500000%	0.1307445%
UNIT TRACT NO: 127 OPERATOR: AHC 23.4375000%	18.4458600%	78.7023360%	0.4703955%
UNIT TRACT NO: 128 OPERATOR: AHC 18.7500000%	16.6297200%	88.6918400%	0.5301017%

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UNIT TRACT NO: 129 OPERATOR: AHC 12.5000000%	9.6676500%	77.3412000%	0.2329213%
UNIT TRACT NO: 130 OPERATOR: TEX 12.5000000%	7.3208500%	58.5668000%	0.6903375%
UNIT TRACT NO: 131 OPERATOR: AHC 12.4218700%	5.8519000%	47.1096542%	0.5644410%
UNIT TRACT NO: 132 OPERATOR: MAR 12.5000000%	5.7674200%	46.1393600%	0.6913555%
UNIT TRACT NO: 133 OPERATOR: TEX 12.5000000%	9.2054100%	73.6432800%	0.8851578%
UNIT TRACT NO: 135 OPERATOR: ORY 12.5000000%	11.0801200%	88.6409600%	0.2648988%
UNIT TRACT NO: 136 OPERATOR: GRM 12.5000000%	9.8442000%	78.7536000%	0.4707019%
UNIT TRACT NO: 137 OPERATOR: SHE 12.5000000%	7.0959900%	56.7679200%	0.5138211%
UNIT TRACT NO: 138 OPERATOR: SHE 12.5000000%	6.6389700%	53.1117600%	0.1613406%
UNIT TRACT NO: 139 OPERATOR: AHC 12.5000000%	8.1399700%	65.1197600%	0.1980612%
UNIT TRACT NO: 140 OPERATOR: TEX 12.5000000%	10.6950700%	85.5605600%	0.5113863%
UNIT TRACT NO: 141 OPERATOR: AHC 12.5000000%	11.2712900%	90.1703200%	1.3473460%
UNIT TRACT NO: 142 OPERATOR: AHC 18.7500000%	9.8003900%	52.2687467%	0.1562024%
UNIT TRACT NO: 143 OPERATOR: ORY 12.5000000%	11.0801200%	88.6409600%	0.2648988%
UNIT TRACT NO: 144 OPERATOR: AHC 18.7500000%	10.3558700%	55.2313067%	0.3301116%
UNIT TRACT NO: 145 OPERATOR: AHC 12.5000000%	10.0570400%	80.4563200%	0.2449477%

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UNIT TRACT NO: 146 OPERATOR: AHC 18.7500000%	15.9164200%	84.8875733%	0.2585019%
UNIT TRACT NO: 147 OPERATOR: AHC 24.2187500%	13.1527400%	54.3080877%	0.1654616%
UNIT TRACT NO: 148 OPERATOR: AHC 12.5000000%	9.0137000%	72.1096000%	0.2154957%
UNIT TRACT NO: 149 OPERATOR: AHC 18.7500000%	15.9164200%	84.8875733%	0.2536820%
UNIT TRACT NO: 150 OPERATOR: AHC 18.7500000%	9.4697000%	50.5050667%	0.1509317%
UNIT TRACT NO: 151 OPERATOR: AHC 25.1584100%	6.0286500%	23.9627624%	0.0716114%
UNIT TRACT NO: 152 OPERATOR: GRM 12.5000000%	9.8442000%	78.7536000%	0.2353509%
UNIT TRACT NO: 153 OPERATOR: AHC 12.5000000%	12.5000000%	100.0000000%	0.8965340%
UNIT TRACT NO: 154 OPERATOR: MAR 12.5000000%	9.3750000%	75.0000000%	0.8965340%

TOTAL RATIFIED WITHIN UNIT

=====

84.2598569%

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UNIT TRACT NO: 1 OPERATOR: CON 100.0000000%	75.0000000%	75.0000000%	0.8983271%
UNIT TRACT NO: 2 OPERATOR: CON 100.0000000%	75.0000000%	75.0000000%	0.2241335%
UNIT TRACT NO: 3 OPERATOR: GWD 100.0000000%	100.0000000%	100.0000000%	1.1953787%
UNIT TRACT NO: 4 OPERATOR: TEX 100.0000000%	100.0000000%	100.0000000%	1.1953787%
UNIT TRACT NO: 5 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 6 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 7 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 8 OPERATOR: CHE 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 9 OPERATOR: TEX 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 10 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 11 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 12 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 13 OPERATOR: CON 100.0000000%	100.0000000%	100.0000000%	1.7930680%
UNIT TRACT NO: 14 OPERATOR: CON 100.0000000%	100.0000000%	100.0000000%	0.2887587%
UNIT TRACT NO: 15 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.5976893%

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UNIT TRACT NO: 16 OPERATOR: SHE 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 17 OPERATOR: TEX 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 18 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.3007872%
UNIT TRACT NO: 19 OPERATOR: MOB 100.0000000%	100.0000000%	100.0000000%	1.1981430%
UNIT TRACT NO: 20 OPERATOR: WIS 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 21 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 22 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 23 OPERATOR: GRM 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 24 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 25 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	1.1953787%
UNIT TRACT NO: 26 OPERATOR: CHE 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 27 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.5769196%
UNIT TRACT NO: 28 OPERATOR: GRC 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 29 OPERATOR: GRC 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 30 OPERATOR: GRC 100.0000000%	100.0000000%	100.0000000%	0.2988447%

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UNIT TRACT NO: 31 OPERATOR: CHE 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 32 OPERATOR: CHE 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 33 OPERATOR: CHE 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 34 OPERATOR: CHE 100.0000000%	100.0000000%	100.0000000%	0.8965340%
UNIT TRACT NO: 35 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 36 OPERATOR: OXY 100.0000000%	100.0000000%	100.0000000%	1.1750572%
UNIT TRACT NO: 37 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	1.1953787%
UNIT TRACT NO: 38 OPERATOR: CHE 100.0000000%	100.0000000%	100.0000000%	1.1953787%
UNIT TRACT NO: 39 OPERATOR: CHE 100.0000000%	100.0000000%	100.0000000%	1.1953787%
UNIT TRACT NO: 40 OPERATOR: CHE 100.0000000%	100.0000000%	100.0000000%	1.1953787%
UNIT TRACT NO: 41 OPERATOR: CHE 100.0000000%	100.0000000%	100.0000000%	1.1953787%
UNIT TRACT NO: 42 OPERATOR: CHE 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 43 OPERATOR: TEX 100.0000000%	100.0000000%	100.0000000%	1.1953787%
UNIT TRACT NO: 44 OPERATOR: TEX 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 45 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.8965340%

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WORKING INTEREST PERCENTAGE WITHIN TRACT	WORKING INTEREST PERCENTAGE RATIFIED	WORKING INTEREST PERCENTAGE RATIFIED WITHIN TRACT	WORKING INTEREST PERCENTAGE RATIFIED WITHIN UNIT

UNIT TRACT NO: 46 OPERATOR: DUR 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 47 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 48 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	1.1969476%
UNIT TRACT NO: 49 OPERATOR: TEX 100.0000000%	100.0000000%	100.0000000%	1.1953787%
UNIT TRACT NO: 50 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	1.1953787%
UNIT TRACT NO: 51 OPERATOR: ORY 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 52 OPERATOR: TEX 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 53 OPERATOR: MAR 100.0000000%	0.0000000%	0.0000000%	0.0000000%
UNIT TRACT NO: 54 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 55 OPERATOR: SHE 100.0000000%	100.0000000%	100.0000000%	0.3047468%
UNIT TRACT NO: 56 OPERATOR: SHE 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 57 OPERATOR: SHE 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 58 OPERATOR: SHE 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 59 OPERATOR: SHE 100.0000000%	100.0000000%	100.0000000%	1.1953787%
UNIT TRACT NO: 60 OPERATOR: TEX 100.0000000%	100.0000000%	100.0000000%	0.5976893%

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UNIT TRACT NO: 61 OPERATOR: CON 100.0000000%	100.0000000%	100.0000000%	1.1755802%
UNIT TRACT NO: 62 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	1.1953787%
UNIT TRACT NO: 63 OPERATOR: TEX 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 64 OPERATOR: TEX 100.0000000%	100.0000000%	100.0000000%	0.5878275%
UNIT TRACT NO: 65 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 66 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 67 OPERATOR: AHC 100.0000000%	87.5000000%	87.5000000%	0.2614891%
UNIT TRACT NO: 68 OPERATOR: TEX 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 69 OPERATOR: PHI 100.0000000%	0.0000000%	0.0000000%	0.0000000%
UNIT TRACT NO: 70 OPERATOR: SHE 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 71 OPERATOR: CHE 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 72 OPERATOR: MAR 100.0000000%	0.0000000%	0.0000000%	0.0000000%
UNIT TRACT NO: 73 OPERATOR: WIS 100.0000000%	94.0000000%	94.0000000%	0.5618280%
UNIT TRACT NO: 74 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 75 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.2988447%

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UNIT TRACT NO: 76 OPERATOR: CHE 100.0000000%	100.0000000%	100.0000000%	1.1855168%
UNIT TRACT NO: 77 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 78 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 79 OPERATOR: CHE 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 80 OPERATOR: CHE 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 81 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.2894311%
UNIT TRACT NO: 82 OPERATOR: TEX 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 83 OPERATOR: TEX 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 84 OPERATOR: TEX 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 85 OPERATOR: TEX 100.0000000%	100.0000000%	100.0000000%	0.8965340%
UNIT TRACT NO: 86 OPERATOR: ORY 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 87 OPERATOR: PHI 100.0000000%	0.0000000%	0.0000000%	0.0000000%
UNIT TRACT NO: 88 OPERATOR: CHE 100.0000000%	100.0000000%	100.0000000%	2.0815278%
UNIT TRACT NO: 89 OPERATOR: TEX 100.0000000%	100.0000000%	100.0000000%	1.1953787%
UNIT TRACT NO: 90 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.2988447%

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UNIT TRACT NO: 91 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	1.1953787%
UNIT TRACT NO: 92 OPERATOR: TEX 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 93 OPERATOR: CHE 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 94 OPERATOR: AHC 100.0000000%	39.5833400%	39.5833400%	0.1182927%
UNIT TRACT NO: 95 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 96 OPERATOR: CHE 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 97 OPERATOR: TEX 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 98 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 99 OPERATOR: TEX 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 100 OPERATOR: CHE 100.0000000%	100.0000000%	100.0000000%	0.8965340%
UNIT TRACT NO: 101 OPERATOR: CHE 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 102 OPERATOR: CHE 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 103 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 104 OPERATOR: SHE 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 105 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	1.7930680%

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UNIT TRACT NO: 106 OPERATOR: ORY 100.0000000%	100.0000000%	100.0000000%	1.7930680%
UNIT TRACT NO: 107 OPERATOR: CHE 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 108 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 109 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	1.1746837%
UNIT TRACT NO: 110 OPERATOR: CHE 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 111 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 112 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	1.1745343%
UNIT TRACT NO: 113 OPERATOR: CHE 100.0000000%	100.0000000%	100.0000000%	0.8965340%
UNIT TRACT NO: 114 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 115 OPERATOR: AHC 100.0000000%	87.5000000%	87.5000000%	1.0459563%
UNIT TRACT NO: 116 OPERATOR: TEX 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 117 OPERATOR: GWD 100.0000000%	91.2858000%	91.2858000%	0.2728027%
UNIT TRACT NO: 118 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 119 OPERATOR: CON 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 120 OPERATOR: MAR 100.0000000%	0.0000000%	0.0000000%	0.0000000%

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UNIT TRACT NO: 121 OPERATOR: CHE 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 122 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 123 OPERATOR: CHE 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 124 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	1.7930680%
UNIT TRACT NO: 125 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 126 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 127 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 128 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 129 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.3011607%
UNIT TRACT NO: 130 OPERATOR: TEX 100.0000000%	100.0000000%	100.0000000%	1.1787181%
UNIT TRACT NO: 131 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	1.1981430%
UNIT TRACT NO: 132 OPERATOR: MAR 100.0000000%	0.0000000%	0.0000000%	0.0000000%
UNIT TRACT NO: 133 OPERATOR: TEX 100.0000000%	100.0000000%	100.0000000%	1.2019532%
UNIT TRACT NO: 135 OPERATOR: ORY 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 136 OPERATOR: GRM 100.0000000%	100.0000000%	100.0000000%	0.5976893%

WORKING INTEREST
RATIFICATION & JOINDER SUMMARY REPORT
NORTH MONUMENT GRAYBURG/SAN ANDRES UNIT

PAGE NO.: 10
REPORT DATE: 10/24/91
R&JWIOSU.FRM/R&JWIOSU.QBE

WORKING INTEREST PERCENTAGE WITHIN TRACT	WORKING INTEREST PERCENTAGE RATIFIED	WORKING INTEREST PERCENTAGE RATIFIED WITHIN TRACT	WORKING INTEREST PERCENTAGE RATIFIED WITHIN UNIT
UNIT TRACT NO: 137 OPERATOR: SHE 100.0000000%	100.0000000%	100.0000000%	0.9051256%
UNIT TRACT NO: 138 OPERATOR: SHE 100.0000000%	100.0000000%	100.0000000%	0.3037756%
UNIT TRACT NO: 139 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.3041492%
UNIT TRACT NO: 140 OPERATOR: TEX 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 141 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	1.4942233%
UNIT TRACT NO: 142 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.2998447%
UNIT TRACT NO: 143 OPERATOR: GRV 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 144 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.5976893%
UNIT TRACT NO: 145 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.3044480%
UNIT TRACT NO: 146 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.3045227%
UNIT TRACT NO: 147 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.3046721%
UNIT TRACT NO: 148 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 149 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 150 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 151 OPERATOR: AHC 100.0000000%	94.4444400%	94.4444400%	0.2822422%

WORKING INTEREST
RATIFICATION & JOINDER SUMMARY REPORT
NORTH MONUMENT GRAYBURG/SAN ANDRES UNIT

PAGE NO.: 11
REPORT DATE: 10/24/91
R&JWIOSU.FRM/R&JWIOSU.QBE

WORKING INTEREST PERCENTAGE WITHIN TRACT	WORKING INTEREST PERCENTAGE RATIFIED	WORKING INTEREST PERCENTAGE RATIFIED WITHIN TRACT	WORKING INTEREST PERCENTAGE RATIFIED WITHIN UNIT

UNIT TRACT NO: 152 OPERATOR: GRM 100.0000000%	100.0000000%	100.0000000%	0.2988447%
UNIT TRACT NO: 153 OPERATOR: AHC 100.0000000%	100.0000000%	100.0000000%	0.8965340%
UNIT TRACT NO: 154 OPERATOR: MAR 100.0000000%	0.0000000%	0.0000000%	0.0000000%

TOTAL RATIFIED WITHIN UNIT

=====

93.5083873%

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY

ANNIE-LAURIE COOGAN
PATRICIA A. MATTHEWS
MICHAEL H. FELDEWERT

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

October 29, 1991

HAND-DELIVERED

Oil Conservation Division
New Mexico Department of
Energy, Minerals and Natural Resources
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87501
Attn: William J. LeMay, Director

RECEIVED
JUN 12 1992
OIL CONSERVATION DIVISION

Re: Statutory Unitization of the North Monument Grayburg/San Andres Unit,
Oil Conservation Division Order No. R-9494

Gentlemen:

By Order No. R-9494 entered on May 1, 1991, the New Mexico Oil Conservation Division approved the application of Amerada Hess Corporation for statutory unitization of the North Monument Grayburg/San Andres Unit located in Lea County, New Mexico. Order Paragraph 7 of this order provides that statutory unitization will be effective on approval of the plan for unit operations by the owners of seventy-five percent (75%) of the working interest and seventy-five percent (75%) of the royalty interest in the proposed North Monument Grayburg/San Andres Unit Area.

Amerada Hess Corporation, operator of this unit, has received ratifications from the required percentages of the owners of working interest and royalty interest, including final approvals from the Bureau of Land Management and the New Mexico Commissioner of Public Lands, to make Order No. R-9494 effective thereby unitizing the North Monument Grayburg/San Andres Unit Area. Copies of the Certificate-Determination of the Bureau of Land Management, the Final Approval of the Commissioner of Public lands and an Affidavit with copies of the most recent working interest and royalty interest Ratification and Joinder Summary Reports are enclosed for your information.

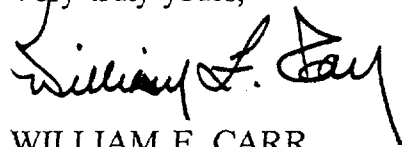
Oil Conservation Division
New Mexico Department of
Energy, Minerals and Natural Resources
Attn: William J. LeMay, Director
October 29, 1991
Page Two

It is the intention of Amerada Hess Corporation for this unitization to be effective at 7:00 a.m. on January 1, 1992 and for unitized operation and management of this unit to be effective at that date and time.

Enclosed is the Certificate of Effectiveness for the North Monument Grayburg/San Andres Unit which we request you execute on behalf of the Division. Following execution of this Certificate, it will be filed by Amerada Hess in the records of Lea County, New Mexico and conformed copies returned to the Division for its files.

Your attention to this matter is appreciated.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR AMERADA HESS CORPORATION

WFC:mlh
Enclosures

cc w/enc.: New Mexico State Land Office
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
Attn: Mr. Floyd Prando
Ms Jami Bailey

Bureau of Land Management
1717 W. 2nd Street
Roswell, New Mexico 88201
Attn: Mr. Joe Lara
Mr. Armando Lopez

Mr. J. C. Hefley
Manager of CO₂ Supply
and Unitization
Amerada Hess Corporation
218 West 6th Street
Tulsa, Oklahoma 74119



United States Department of the Interior
BUREAU OF LAND MANAGEMENT

Roswell District Office
P.O. Box 1397
Roswell, New Mexico 88202-1397



IN REPLY
REFER TO:

NMNM85324X
3180 (065)

RECEIVED

AUG 29 1991

CAMPBELL & BLACK

AUG 23 1991

Campbell & Black, P. A.
Attention: Mr. William F. Carr
P. O. Box 2208
Santa Fe, New Mexico 87504-2208

Gentlemen:

One approved copy of the North Monument Grayburg/San Andres Unit, Lea County, New Mexico, filed on behalf of Amerada Hess Corporation, is enclosed. Such agreement has been assigned No. NMNM85324X and will become effective upon submittal of a Certificate of Effectiveness pursuant to section 24 of the unit agreement. Approval is subject to the NMOC order authorizing a waterflood project.

Approval of the agreement does not warrant or certify that the operator thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

You are requested to furnish all interested principals with appropriate evidence of this approval.

Sincerely,

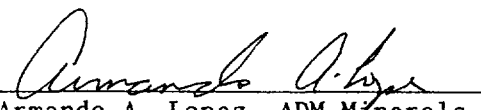
Armando A. Lopez
Assistant District Manager,
Minerals

Enclosure

CERTIFICATION--DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior, the act approved February 25, 1920, 41 Stat. 437, as amended, 30 U.S.G., secs. 181, et seq., and delegated to the District Manager, Bureau of Land Management, I do hereby:

- A. Approve the attached agreement for the development and operation of the North Monument Grayburg/San Andres unit area, State of New Mexico. This approval shall be invalid ab initio if the public interest requirement under §3183.4 (b) of this title is not met.
- B. Certify and determine that the unit plan of development and operation contemplated in the attached agreement is necessary and advisable in the public interest for the purpose of more properly conserving the natural resources.
- C. Certify and determine that the drilling, producing, rental, minimum royalty, and royalty requirements of all Federal leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of this agreement.


Armando A. Lopez, ADM Minerals
Bureau of Land Management

8/23/91
Date

NMNM85324X
Contract No.



JIM BACA
COMMISSIONER

State of New Mexico
OFFICE OF THE
Commissioner of Public Lands
Santa Fe

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

October 28, 1991

Amerada Hess Corporation
P. O. Box 2040
Tulsa, Oklahoma 74102

Attn: Mr. J. C. Hefley

Re: North Monument Grayburg/San Andres Unit
Lea County, New Mexico
Final Approval

Dear Mr. Hefley:

Please be advised that the Commissioner of Public Lands this date October 28, 1991, has granted final approval for the Waterflood North Monument Grayburg/San Andres Unit and the Initial Plan of Operation, Lea County New Mexico.

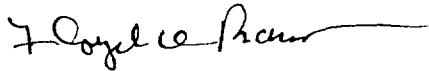
We concur with OCD Case No. 10253, Order No. R-9494 dated May 1, 1991 and Case No. 10252, Order No. R-9596 dated October 15, 1991. Enclosed are five (5) Certificates of Approval and one (1) copy of the approved North Monument Grayburg/San Andres Unit. Your filing fee in the amount of Eight Hundred Seventy dollars (\$870.00) was received.

The effective date of this agreement is November 1, 1991. As per section 24 of the Unit agreement, you will be required to submit a certificate of effectiveness within the next 30 days.

If you have any questions regarding this matter please contact Pete Martinez at (505) 827-5791.

Sincerely,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: 

Floyd O. Prando, Director
Oil, Gas & Minerals Division

JB/FOP/PM/baf

cc: TRD - Oil & Gas Accounting Division
OCD
BLM - Amando Lopez
Royalty Management
Campbell & Black, P. A.



NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

North Monument Grayburg San Andres Unit

Amerada Hess Corporation

Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, the attached Agreement for the development and operation of acreage which is described within the attached Agreement, dated May 1, 1991, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned, Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 28TH day of October, 19 91

Jim Bau
COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

**NORTH MONUMENT GRAYBURG/SAN ANDRES UNIT
LEA COUNTY, NEW MEXICO**

CERTIFICATE OF EFFECTIVENESS

The Oil Conservation Division of the Energy, Minerals and Natural Resources Department, State of New Mexico, hereby certifies as follows:

1. In accordance with the provisions of the New Mexico Statutory Unitization Act (N.M.Stat.Ann. § 70-7-1 through 70-7-21 (1978)), the Oil Conservation Division entered Order No. R-9494, dated May 1, 1991, which granted the application of Amerada Hess Corporation for statutory unitization of the North Monument Grayburg/San Andres Unit Area comprised of 13,385 acres, more or less, of Federal, State and Fee lands, in the Eunice Monument Grayburg-San Andres Pool, Lea County, New Mexico.

2. Order No. R-9494 provides that statutory unitization of the North Monument Grayburg/San Andres Unit will become effective upon approval of the plan for unit operations by the owners of seventy-five percent (75%) of the working interest and seventy-five percent (75%) of the royalty interest in the proposed unit area.

3. Amerada Hess Corporation, operator of the North Monument Grayburg/San Andres Unit, has provided the Division with documentation which verifies that the persons owning the required percentages of working interest and royalty interest in the North Monument Grayburg/San Andres Unit Area have ratified and approved the plan for unit operations in accordance with the rules and regulations of the Division and Order No. R-9494.

4. Accordingly, Division Order No. R-9494 is now in full force and effect and the unit agreement and unit operating agreement for the North Monument Grayburg/San

Andres Unit shall become effective as of January 1, 1992 at 7:00 a.m. Mountain Standard Time for the area known as the North Monument Grayburg/San Andres Unit Area.

5. The horizontal limits of this unit area shall be comprised of the following described Federal, State and Fee lands in Lea County, New Mexico:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, N.M.P.M.

Section 13: E/2 SE/4
Section 23: S/2 SE/4; SE/4 SW/4
Section 24: E/2; E/2 SW/4; SW/4 SW/4
Section 25: All
Section 26: E/2; SW/4; E/2 NW/4
Section 34: E/2 E/2; SW/4 SE/4
Sections 35 and 36: All

TOWNSHIP 19 SOUTH, RANGE 37 EAST, N.M.P.M.

Section 7: SE/4; E/2 SW/4
Section 8: W/2 SW/4; SW/4 NW/4
Section 17: W/2 NE/4; SE/4; W/2
Section 18: E/2; E/2 W/2; W/2 W/2 (Lots 1, 2, 3 & 4)
Section 19: E/2; E/2 W/2; W/2 W/2 (Lots 1, 2, 3 & 4)
Section 20: All
Section 21: W/2 NW/4; SW/4
Section 28: W/2
Section 29: All
Section 30: E/2; E/2 W/2; W/2 W/2 (Lots 1, 2, 3 & 4)
Section 31: E/2; E/2 W/2; W/2 W/2 (Lots 1, 2, 3 & 4)
Section 32: All
Section 33: All
Section 34: SE/4; S/2 SW/4

TOWNSHIP 20 SOUTH, RANGE 36 EAST, N.M.P.M.

Section 1: SW/4; S/2 NW/4; N/2 NW/4 (Lots 3 & 4)
Section 2: S/2; S/2 N/2; N/2 N/2 (Lots 1, 2, 3 & 4)
Section 3: E/2 SE/4; S/2 NE/4; NE/4 NE/4 (Lot 1)

TOWNSHIP 20 SOUTH, RANGE 37 EAST, N.M.P.M.

Section 3: SW/4 NE/4; S/2 NW/4; NW/4 SW/4; N/2 N/2 (Lots 1, 2, 3 & 4)
Section 4: S/2; S/2 N/2; N/2 N/2 (Lots 1, 2, 3 & 4)
Section 5: NE/4 SE/4; S/2 SE/4; NW/4 SW/4; S/2 N/2; N/2 N/2
(Lots 1, 2, 3 & 4)
Section 6: S/2 N/2; N/2 N/2 (Lots 1, 2, 3 & 4)
Section 8: NE/4 NE/4
Section 9: S/2 NE/4; NW/4 NE/4; NW/4

6. The vertical limits of the Unit Area shall comprise the interval containing the Grayburg and San Andres formations as found from a depth of 3,642 feet to a depth of 5,050 feet on the Gamma Ray Formation Compensated Density Log run on the Amerada Hess Corporation Monument Abo Unit Well No. 1 located in the NE/4 NW/4 of Section 2, Township 20 South, Range 36 East, N.M.P.M., Lea County, New Mexico.

IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED THIS _____
DAY OF MAY, 1991.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
DIRECTOR

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

The foregoing instrument was acknowledged before me this _____ day of October, 1991, by William J. LeMay, Director of the New Mexico Oil Conservation Division, on behalf of said Division.

Notary Public

My Commission Expires:

DATE	OCD CASE NO.	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL -	FEE	SEG CLAUSE
------	--------------	----------------	---------------	-------	-----------	-----	------------

11/1/91			13,384.88	6,349.49	640.32	6,395.07	
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All leases sharing in royalty from unit will be extended

OCD: Case No. 10253, Order No. R-9494 5/1/91

Case No. 10252, Order No. R-9596 10/15/91

CPL: October 28, 1991

BLM: August 23, 1991

UNIT AREA:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NM19N

Section 13: E/2 SE/4
 Section 23: S/2 SE/4, SE/4 SW/4
 Section 24: E/2, E/2 SW/4, SW/4 SW/4
 Section 25: All
 Section 26: E/2, SW/4, E/2 NW/4
 Section 34: E/2 E/2, SW/4 SE/4
 Sections 35 and 36: All

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NM19N

Section 7: SE/4, E/2 SW/4
 Section 8: W/2 SW/4, SW/4 NW/4
 Section 17: W/2, SE/4, W/2 NE/4
 Sections 18 through 20: All
 Section 21: SW/4, W/2 NW/4
 Section 28: W/2
 Sections 29 through 33: All
 Section 34: SE/4, S/2 SW/4

TOWNSHIP 20 SOUTH, RANGE 36 EAST, NM20N

Section 1: W/2
 Section 2: All
 Section 3: E/2 E/2, SW/4 NE/4

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NM20N

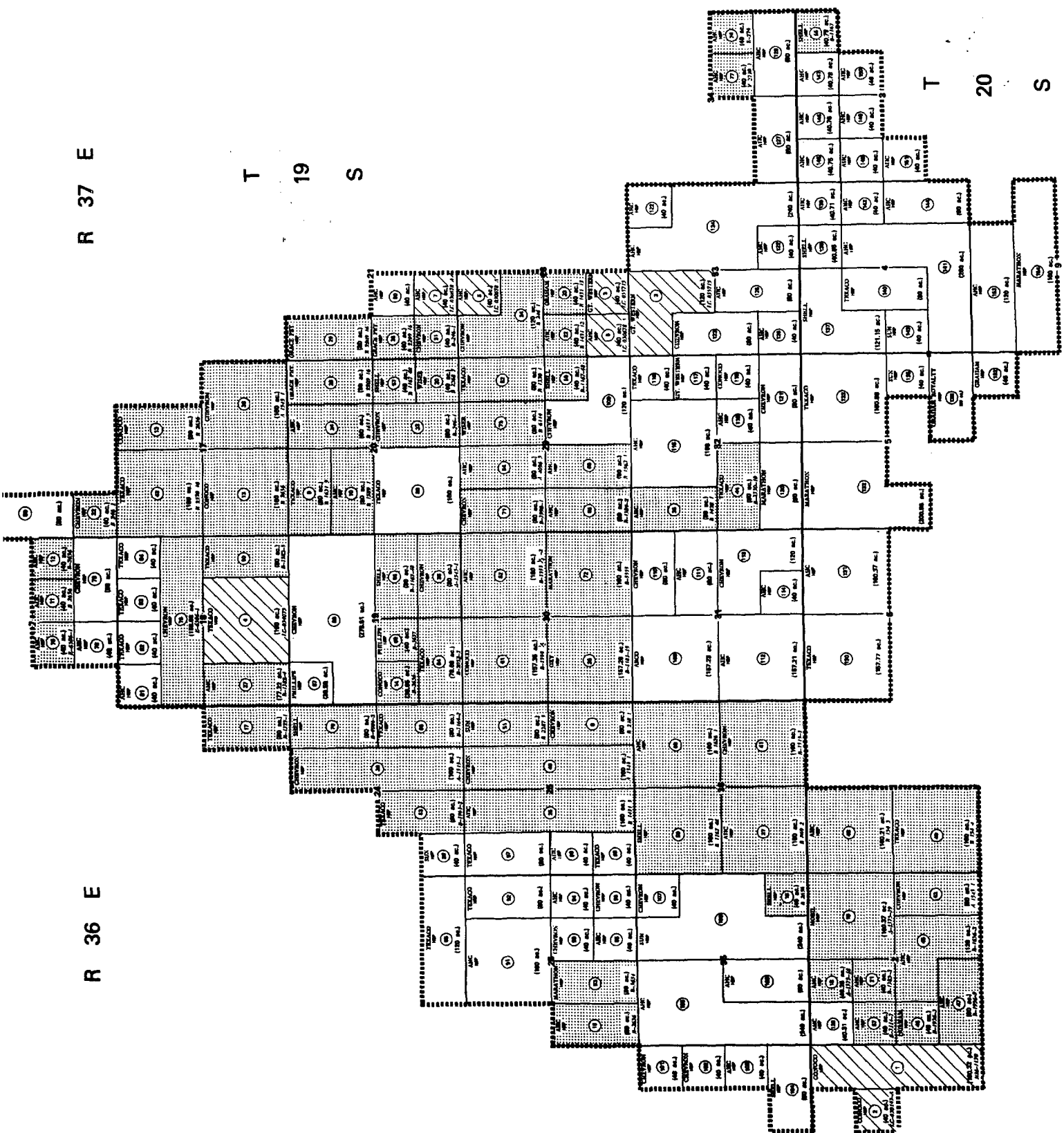
Section 3: N/2 N/2, S/2 NW/4, SW/4 NE/4, NW/4 SW/4
 Section 4: All
 Section 5: N/2, NE/4 SE/4, S/2 SE/4, NW/4 SW/4
 Section 6: N/2
 Section 8: NE/4 NE/4
 Section 9: NW/4, S/2 NE/4, NW/4 NE/4

R 36 E

R 37 E

T 19 S

T 20 S



LEGEND			
	ACREAGE	PERCENTAGE	
	STATE	6,349.49	47.44
	FEDERAL	640.32	4.78
	FEE	6,395.07	47.78
	TOTAL	13,384.88	100.00
	TRACT NUMBER		
	UNIT OUTLINE		



AMERADA HESS CORPORATION
NORTH MONUMENT GRAYBURG,
SAN ANDRES UNIT
LEA COUNTY, NEW MEXICO
EXHIBIT "A"

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY
ANNIE-LAURIE COOGAN

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

February 15, 1991

HAND-DELIVERED

DAC

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

RECEIVED

FEB 15 1991
OIL CONSERVATION DIV.
SANTA FE

Re: Oil Conservation Division Case No. 10252
In the Matter of the Application of Amerada Hess Corporation for a
Waterflood Project, Lea County, New Mexico

Oil Conservation Division Case No. 10253
In the Matter of the Application of Amerada Hess Corporation for Statutory
Unitization, Lea County, New Mexico

Dear Mr. LeMay:

Amerada Hess Corporation hereby requests that the above-referenced cases which are currently set for hearing on February 21, 1991 be continued to the Examiner hearings on April 4, 1991.

Your attention to this request is appreciated.

Very truly yours,

William F. Carr

WILLIAM F. CARR

WFC:mlh

cc: W. Thomas Kellahin, Esq.
Ron Sponberg, Esq.
Mr. J. C. Hefley

Telecopied and Mailed
Telecopied and Mailed

E.M. GORENCE
Oil & Gas Properties
301 N. Colorado #340
Midland, Texas 79701
February 12, 1991

RECEIVED
DIVISION
FEB 19 1991
DUE
CASE FILE -

Oil Conservation Division
State of New Mexico
Energy, Minerals, and Natural Resources Department
P. O. Box 2088
Santa Fe, New Mexico 87504

Attention: Mr. David Catanach, Division Examiner

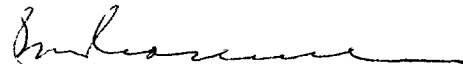
Re: Case No. 10253, Application of Amerada Hess Corporation for
Statutory Unitization, North Monument Grayburg/San Andres Unit,
Lea County, New Mexico - Hearing set for February 21, 1991

Gentlemen:

I have a small working interest in Tract 151 of subject proposed
unit. I have no objection to such proposed unitization; however,
I do not desire to have a working interest in such unitization.

Therefore, I intend to sell such working interest to one of the
other working interest owners; negotiations for such a sale are
now underway.

Yours very truly,



E. M. Gorence
Phone 915 686 9544

cc: Mr. Dan C. Foland
Amerada Hess Corporation
P. O. Box 2040
Tulsa, Oklahoma 74102



United States Department of the Interior
BUREAU OF LAND MANAGEMENT

Roswell District Office
P.O. Box 1397
Roswell, New Mexico 88202-1397



'91 JAN 7 1991 9 5

IN REPLY
REFER TO:

North Monument Grayburg/San Andres Unit
3180 (065)

Campbell & Black, P. A.
Attention: Mr. William F. Carr
P. O. Box 2208
Santa Fe, NM 87504-2208

JAN 09 1991

Gentlemen:

Your application of December 18, 1990, filed with the BLM on behalf of Amerada Hess Corporation requests the designation of the North Monument Grayburg/San Andres Unit area, embracing 13,464.88 acres, more or less, Lea County, New Mexico, as logically subject to secondary operations under the unitization provisions of the Mineral Leasing Act as amended.

Pursuant to unit plan regulations 43 CFR 3180, the land requested as outlined on your plat marked Amerada Hess Corporation, North Monument Grayburg/San Andres Unit, Lea County, New Mexico, is hereby designated as a logical unit area for the purpose of conducting secondary recovery operations. Waterflooding will be limited to the following interval: From the top of the Grayburg to the base of the San Andres consisting of five major subdivisions which are identifiable and correlatable across the unit area. This designation is valid for a period of one year from the date of this letter.

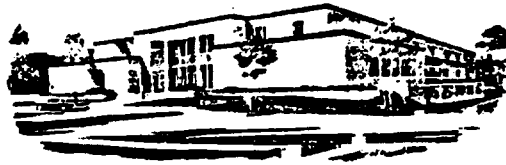
Your basis for allocation of unitized substances and your proposed form of unit agreement are acceptable. Corrections requested by the Bureau of Land Management are shown in red on the Form of Agreement and on Exhibits A and B.

If conditions are such that further modification of said standard form is deemed necessary, three copies of the proposed modifications with appropriate justification must be submitted to this office for preliminary approval.

In the absence of any type of land requiring special provisions or any objections not now apparent, a duly executed agreement identical with said form, modified as outlined above, will be approved if submitted in approvable status within a reasonable period of time. However, notice is hereby given that the right is reserved to deny approval of any executed agreement submitted which, in our opinion, does not have the full commitment of sufficient lands to afford effective control of operations in the unit area.

When the executed agreement is transmitted to the BLM for approval, include the latest status of all acreage. In preparation of Exhibits "A" and "B", follow closely the format of the sample exhibits attached to the reprint of the aforementioned form.

State of New Mexico



JIM BACA
COMMISSIONER

Commissioner of Public Lands

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

January 14, 1991

Campbell & Black, P.A.
P.O. Box 2208
Santa Fe, NM 87504-2208

Attn: Mr. William F. Carr

Re: North Monument Grayburg/San Andres Unit
Operator: Amerada Hess Corporation
Preliminary Unit Approval

Dear Mr. Carr:

This office has reviewed the proposed agreement and accompanying data and we find that the general requirements of the Commissioner of Public Lands have been met. However, we do require the following data for reference purposes.

1. A cross-reference of the old well numbers to the new well numbers with legal descriptions, including TA, and P & A Wells.
2. A cross-reference of the old tract numbers to the new tract numbers.

We concur with the changes required by the Bureau of Land Management in their letter designation.

When submitting your agreement for final approval, please include the following items.

1. Application for final approval by the Commissioner of Public Lands setting forth the tracts that have been committed and those that are not committed.
2. All ratifications from the Lessee of Record and Working Interest Owners, all signatures should be acknowledged by a Notary Public and one set must contain original signatures.
3. Order of the New Mexico Oil Conservation Division. Our approval will be contingent upon subsequent favorable approval by the New Mexico Oil Conservation Division.
4. An original and one copy of both the Unit Agreement and the Unit Operating Agreement for our files. Again, the original set must contain original signatures.

KELLAHIN, KELLAHIN AND AUBREY

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

OIL CONSERVATION DIVISION
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'91 FEB 19 AM 9:23
TELEPHONE (505) 982-2285
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W. THOMAS KELLAHIN
KAREN AUBREY

CANDACE HAMANN CALLAHAN

JASON KELLAHIN
OF COUNSEL

February 18, 1991

Mr. William J. LeMay
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504

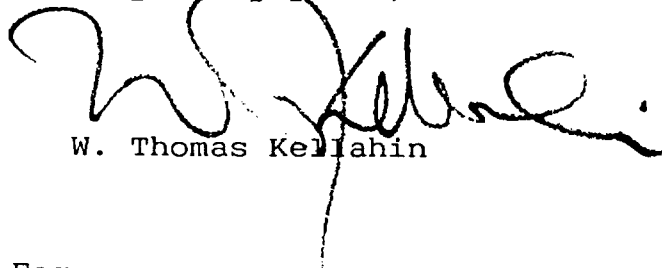
Re: OCD Case No. 10252
Application of Amerada Hess Corporation
for Approval of the North Monument
Grayburg-San Andres Unit Waterflood,
Lea County, New Mexico

OCD Case No. 10253
Application of Amerada Hess Corporation
for Statutory Unitization of the North
Monument Grayburg-San Andres Unit,
Lea County, New Mexico

Dear Mr. LeMay:

On behalf of ARCO Oil & Gas Company, please enter
my appearance and that of Mr. Ron Sponberg, Esq. in the
referenced cases.

Very truly yours,



W. Thomas Kellahin

WTK/tic

cc: William F. Carr, Esq.
Ron Sponberg, Esq.

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

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

Case No. 10253
Order No. R-_____

APPLICATION OF AMERADA HESS CORPORATION
FOR STATUTORY UNITIZATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on April 4, 1991, at Farmington, New Mexico, before Examiner David R. Catanach.

NOW, on this _____ day of April, 1991, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

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

(2) The applicant, Amerada Hess Corporation ("Amerada Hess"), seeks the statutory unitization, pursuant to the "Statutory Unitization Act", Sections 70-7-1 through 70-7-21, NMSA, (1978), of 13,385 acres, more or less, within the Eunice Monument Grayburg-San Andres Pool comprised of the following described acreage in Lea County, New Mexico:

Case No. 10253

Order No. R-_____

Page 2

TOWNSHIP 19 SOUTH, RANGE 36 EAST, N.M.P.M.

Section 13: E/2 SE/4
Section 23: S/2 SE/4; SE/4 SW/4
Section 24: E/2; E/2 SW/4; SW/4 SW/4
Section 25: All
Section 26: E/2; SW/4; E/2 NW/4
Section 34: E/2 E/2; SW/4 SE/4
Sections 35 and 36: All

TOWNSHIP 19 SOUTH, RANGE 37 EAST, N.M.P.M.

Section 7: SE/4; E/2 SW/4
Section 8: W/2 SW/4; SW/4 NW/4
Section 17: W/2 NE/4; SE/4; W/2
Section 18: E/2; E/2 W/2; W/2 W/2 (Lots 1, 2, 3 & 4)
Section 19: E/2; E/2 W/2; W/2 W/2 (Lots 1, 2, 3 & 4)
Section 20: All
Section 21: W/2 NW/4; SW/4
Section 28: W/2
Section 29: All
Section 30: E/2; E/2 W/2; W/2 W/2 (Lots 1, 2, 3 & 4)
Section 31: E/2; E/2 W/2; W/2 W/2 (Lots 1, 2, 3 & 4)
Section 32: All
Section 33: All
Section 34: SE/4; S/2 SW/4

TOWNSHIP 20 SOUTH, RANGE 36 EAST, N.M.P.M.

Section 1: SW/4; S/2 NW/4; N/2 NW/4 (Lots 3 & 4)
Section 2: S/2; S/2 N/2; N/2 N/2 (Lots 1, 2, 3 & 4)
Section 3: E/2 SE/4; S/2 NE/4; NE/4 NE/4 (Lot 1)

TOWNSHIP 20 SOUTH, RANGE 37 EAST, N.M.P.M.

Section 3: SW/4 NE/4; S/2 NW/4; NW/4 SW/4; N/2 N/2 (Lots 1, 2, 3 & 4)

Section 4: S/2; S/2 N/2; N/2 N/2 (Lots 1, 2, 3 & 4)

Section 5: NE/4 SE/4; S/2 SE/4; NW/4 SW/4; S/2 N/2; N/2 N/2
(Lots 1, 2, 3 & 4)

Section 6: S/2 N/2; N/2 N/2 (Lots 1, 2, 3 & 4)

Section 8: NE/4 NE/4

Section 9: S/2 NE/4; NW/4 NE/4; NW/4

Applicant further seeks approval of the Unit Agreement and the Unit Operating Agreement for the North Monument Grayburg-San Andres Unit.

(3) The proposed unit shall be known as the North Monument Grayburg-San Andres Unit and the Unit Area should be designated the North Monument Grayburg-San Andres Unit Area ("the Unit Area").

(4) The vertical limits of the Unit Area should comprise the interval containing the Grayburg and San Andres formations as found from a depth of 3,642 feet to a depth of 5,050 feet on the Gamma Ray Formation Compensated Density log of the AHC-Monument Abo Unit No. 1 Well located in the NE/4 NW/4 of Section 2, Township 20 South, Range 36 East, N.M.P.M., Lea County, New Mexico in the Eunice Monument Grayburg-San Andres Pool.

(5) No interested party appeared in opposition to the unitization nor to the vertical limits of the proposed Unit Area.

(6) The Unit Area contains 153 separate tracts owned by 48 different working interest owners.

(7) As of the date of hearing, the owners of over 78.8% of the working interest (and over 52% of the royalty interest) were effectively committed to the unit or have balloted to join the unit.

(8) Amerada Hess will seek authority to institute an enhanced recovery project, for the recovery of oil and associated gas, condensate, and all associated liquefiable hydrocarbons, within and to be produced from the proposed Unit Area in Case No. 10252.

(9) Enhanced recovery operations by waterflood should result in additional recovery from the Unit Area of approximately 44 Million barrels of oil.

(10) The unitized management, operation and further development of the Unit Area, as proposed, is reasonable and necessary to effectively and efficiently carry on enhanced recovery operations and will substantially increase the ultimate recovery of oil and gas from the unitized formation.

(11) The proposed unitized method of operation as applied to the 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.

(12) The estimated additional cost of the proposed unitized operations within the Unit Area will not exceed the estimated value of the additional oil and gas plus a reasonable profit.

(13) The applicant, designated operator of the Unit Area pursuant to the Unit Agreement and Unit Operating Agreement, has made a good faith effort to secure voluntary unitization within the Unit Area.

(14) The Phase I and Phase II participation formulas contained in the Unitization Agreement, allocate the produced and saved unitized substances to the separately owned tracts in the Unit Area, on a fair, reasonable and equitable basis.

(15) A wellbore usable for production or injection in the unitized interval must be made available for proration units within the Unit Area which are to participate in the proposed waterflood operations.

(16) It is not unreasonable to penalize the owners of certain proration units on which there is no such wellbore, and upon which the unit operator must drill a well.

(17) The proposed method of wellbore assessment is fair and reasonable.

(18) Unitization and the adoption of the proposed unitized methods of operation will benefit the working interest owners and the royalty interest owners of the oil and gas rights within the Unit Area.

(19) The North Monument Grayburg-San Andres Unit Agreement and Unit Operating Agreement, as applied to the Unit Area, provide for unitization and unit operation of the 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 and 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 owners, of the interest of such owners, 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 Division 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 non-consenting 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 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 his unit participation; and
- (g) The time when the unit operations shall commence and the manner in which, and the circumstances under which, the unit operations shall terminate and for the settlement of accounts upon such termination.

(20) The statutory unitization of the North Monument Grayburg-San Andres Unit Area is in conformity with the above findings, and will prevent waste and will protect the correlative rights of all owners of interest within the proposed Unit Area, and should be approved.

IT IS THEREFORE ORDERED THAT:

(1) The North Monument Grayburg-San Andres Unit Area comprising 13,385 acres, more or less, in the Eunice Monument Grayburg-San Andres 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) The lands included within the North Monument Grayburg-San Andres Unit Area shall comprise:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, N.M.P.M.

Section 13: E/2 SE/4
Section 23: S/2 SE/4; SE/4 SW/4
Section 24: E/2; E/2 SW/4; SW/4 SW/4
Section 25: All
Section 26: E/2; SW/4; E/2 NW/4
Section 34: E/2 E/2; SW/4 SE/4
Sections 35 and 36: All

TOWNSHIP 19 SOUTH, RANGE 37 EAST, N.M.P.M.

Section 7: SE/4; E/2 SW/4
Section 8: W/2 SW/4; SW/4 NW/4
Section 17: W/2 NE/4; SE/4; W/2
Section 18: E/2; E/2 W/2; W/2 W/2 (Lots 1, 2, 3 & 4)
Section 19: E/2; E/2 W/2; W/2 W/2 (Lots 1, 2, 3 & 4)
Section 20: All
Section 21: W/2 NW/4; SW/4
Section 28: W/2
Section 29: All
Section 30: E/2; E/2 W/2; W/2 W/2 (Lots 1, 2, 3 & 4)
Section 31: E/2; E/2 W/2; W/2 W/2 (Lots 1, 2, 3 & 4)
Section 32: All
Section 33: All
Section 34: SE/4; S/2 SW/4

TOWNSHIP 20 SOUTH, RANGE 36 EAST, N.M.P.M.

Section 1: SW/4; S/2 NW/4; N/2 NW/4 (Lots 3 & 4)

Section 2: S/2; S/2 N/2; N/2 N/2 (Lots 1, 2, 3 & 4)

Section 3: E/2 SE/4; S/2 NE/4; NE/4 NE/4 (Lot 1)

TOWNSHIP 20 SOUTH, RANGE 37 EAST, N.M.P.M.

Section 3: SW/4 NE/4; S/2 NW/4; NW/4 SW/4; N/2 N/2 (Lots 1, 2, 3 & 4)

Section 4: S/2; S/2 N/2; N/2 N/2 (Lots 1, 2, 3 & 4)

Section 5: NE/4 SE/4; S/2 SE/4; NW/4 SW/4; S/2 N/2; N/2 N/2
(Lots 1, 2, 3 & 4)

Section 6: S/2 N/2; N/2 N/2 (Lots 1, 2, 3 & 4)

Section 8: NE/4 NE/4

Section 9: S/2 NE/4; NW/4 NE/4; NW/4

(3) The vertical limits of the North Monument Grayburg-San Andres Unit Area shall comprise the interval containing the Grayburg and San Andres formations as found from a depth of 3,642 feet to a depth of 5,050 feet on the Gamma Ray Formation Compensated Density log of the AHC-Monument Abo Unit No. 1 Well located in the NE/4 NW/4 of Section 2, Township 20 South, Range 36 East, N.M.P.M., Lea County, New Mexico in the Eunice Monument Grayburg-San Andres Pool.

(4) The applicant shall not institute a waterflood project for the secondary recovery of oil, gas and all associated liquefiable hydrocarbons within and produced from the Unit Area, until the enhanced recovery project, which is currently the subject of Case No. 10252, has been approved by the Division.

(5) The Unit Agreement and the Unit Operating Agreement for the North Monument Grayburg-San Andres Unit, presented as evidence in this case, are hereby incorporated by reference into this Order.

(6) The Unit Agreement and the Unit Operating Agreement for the North Monument Grayburg-San Andres Unit provide for unitization and unit operation of the Unit Area upon terms and conditions that are fair, reasonable and equitable and 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 and 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 owners, of the interest of such owners, 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 Division 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 non-consenting 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 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 his unit participation; and
- (g) The time when the unit operations shall commence and the manner in which, and the circumstances under which, the unit operations shall terminate and for the settlement of accounts upon such termination.

(7) This Order shall not become effective unless and until seventy-five (75) percent of the working interest owners and seventy-five (75) percent of the royalty interest owners in the Unit Area have approved the plan for unit operations as required by Section 70-7-8 NMSA, (1978) Comp.

(8) If the persons owning the required percentage of interest in the Unit Area as set out in Section 70-7-8 NMSA, (1978) Comp., do not approve the plan for unit operations within a period of six (6) months from the date of entry of this Order, this 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.

(9) 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 Area are unitized whether or not such persons have approved the plan of unitization in writing.

Case No. 10253

Order No. R-_____

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(10) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LeMAY
Director

S E A L