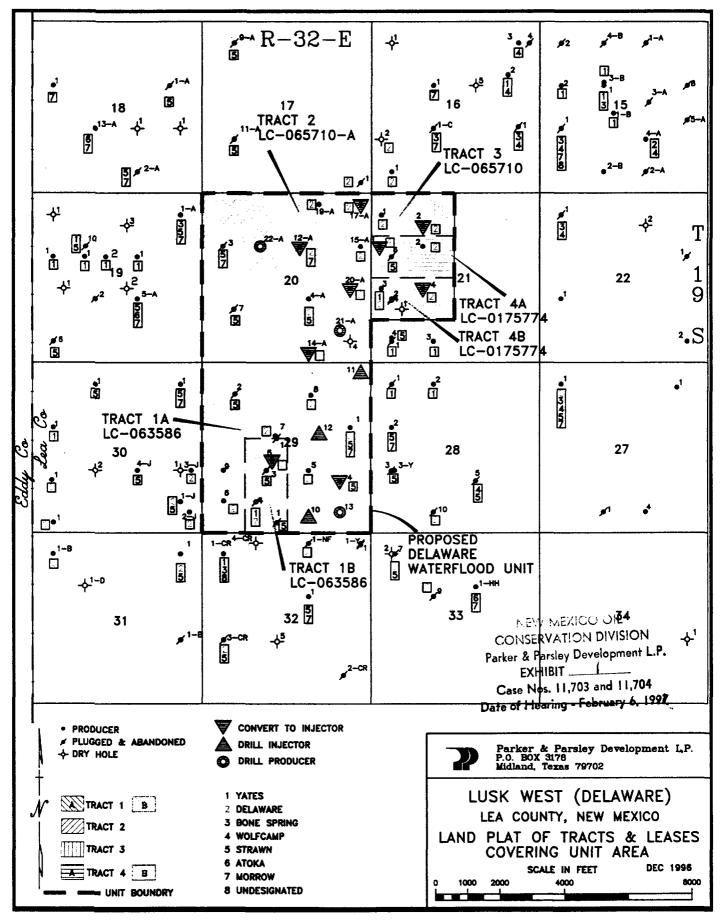
EXHIBIT "A"



.

FEDERAL WATERFLOOD UNIT

UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE LUSK WEST (DELAWARE) UNIT AREA LEA COUNTY, NEW MEXICO

NO.

<u>_</u>

• . •

;

NEW MEXICO OIL CONSERVATION DIVISION Parker & Parsley Development L.P. EXHIBIT ______A Case Nos. 11,703 and 11,704 Date of Hearing - February 6, 1997

.

FEDERAL WATERFLOOD UNITS

UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE LUSK WEST (DELAWARE) UNIT LEA COUNTY, NEW MEXICO

<u>~</u>

- ...

٠.

: 1

•

TABLE OF CONTENTS

Page

SECTION	1.	ENABLING ACT AND REGULATIONS
SECTION	2.	UNIT AREA AND DEFINITIONS
SECTION	з.	<u>EXHIBITS</u>
SECTION	4.	<u>EXPANSION</u>
SECTION	5.	<u>UNITIZED LAND</u>
SECTION	6.	<u>UNIT OPERATOR</u>
SECTION	7.	RESIGNATION OR REMOVAL OF UNIT OPERATOR 7
SECTION	8.	SUCCESSOR UNIT OPERATOR
SECTION	9.	ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT
SECTION	10.	RIGHTS AND OBLIGATIONS OF UNIT OPERATOR 8
SECTION	11.	PLAN OF OPERATIONS
SECTION	12	USE OF SURFACE AND USE OF WATER
SECTION	13.	TRACT PARTICIPATION
SECTION	14.	TRACTS QUALIFIED FOR PARTICIPATION 10
SECTION	15. A. B. C. D.	ALLOCATION OF UNITIZED SUBSTANCES
SECTION	16.	OUTSIDE SUBSTANCES
SECTION	17.	ROYALTY SETTLEMENT
SECTION	18.	RENTAL SETTLEMENT

SECTION	19.	CONSERVATION	.6
SECTION	20.	<u>DRAINAGE</u>	.6
SECTION	21.	LOSS OF TITLE	.6
SECTION	22.	LEASES AND CONTRACTS CONFORMED AND EXTENDED . 1	7
SECTION	23.	COVENANTS RUN WITH LAND	8
SECTION	24.	EFFECTIVE DATE AND TERM	19
SECTION	25.	RATE OF PROSPECTING, DEVELOPMENT & PRODUCTION	20
SECTION	26.	NONDISCRIMINATION	20
SECTION	27.	APPEARANCES	20
SECTION	28.	NOTICES	20
SECTION	29.	NO WAIVER OF CERTAIN RIGHT	21
SECTION	30.	EOUIPMENT AND FACILITIES NOT FIXTURES ATTACHED TO REALTY	21
SECTION	31.	UNAVOIDABLE DELAY	21
SECTION	32.	NONJOINDER AND SUBSEQUENT JOINDER	21
SECTION	33.	COUNTERPARTS	22
SECTION	34.	JOINDER IN DUAL CAPACITY	22
SECTION	35.	<u>TAXES</u>	22
SECTION	36.	NO PARTNERSHIP	23
SECTION	37. —	PRODUCTION AS OF THE EFFECTIVE DATE	23
SECTION	38.	NO SHARING OF MARKET	23
SECTION	39.	STATUTORY UNITIZATION	23

...

• • • •

.

-

3

ii

UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE LUSK WEST (DELAWARE) UNIT LEA COUNTY, NEW MEXICO

THIS AGREEMENT, entered into as of the <u>lst</u> day of <u>December</u>, 1996, by and between the parties subscribing, ratifying, or consenting hereto, and herein referred to as the "parties hereto,"

WITNESSETH:

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

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

WHEREAS, the Oil Conservation Division of the State of New Mexico (hereinafter referred to as the "Division") is authorized by an Act of the Legislature (Chapter 72, Laws of 1935 as amended) (Chapter 70, Article 2, Section 2 et seq., New Mexico Statutes 1978 Annotated) to approve this Agreement and the conservation provisions hereof; and

WHEREAS, the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico is authorized by law (Chapter 65, Article 3 and Article 14, N.M.S. 1953 Annotated) to approve this Agreement and the conservation provisions hereof; and

WHEREAS, the parties hereto hold sufficient interest in the Unit Area covering the land hereinafter described to give reasonably effective control of operations therein; and

WHEREAS, it is the purpose of the parties hereto to conserve natural resources, prevent waste, and secure other benefits obtainable through development and operation of the area subject to this Agreement under the terms, conditions, and limitations herein set forth;

4

NOW THEREFORE, in consideration of the premises and the promises herein contained, the parties hereto commit to this Agreement their respective interest in the below-defined Unit Area, and agree severally among themselves as follows:

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

SECTION 2. <u>UNIT AREA AND DEFINITIONS</u>. For the purpose of this Agreement, the following terms and expressions as used herein shall mean:

(a) "Unit Area" is defined as those lands described in Exhibit "B" and depicted on Exhibit "A" hereof, and such land is hereby designated and recognized as constituting the Unit Area, containing 1,520 acres, more or less, in Lea County, New Mexico.

(b) "Division" is defined as the Oil Conservation Division of the Department of Energy and Minerals of the State of New Mexico.

(c) "Authorized Officer" or "A.O." is any employee of the bureau of Land Management who has been delegated the required authority to act on behalf of the BLM.

(d) "Secretary" is defined as the Secretary of the Interior of the Untied States of America, or his duly authorized delegate.

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

(f) "Proper BLM Office" is defined as the Bureau of Land Management office having jurisdiction over the federal lands included in the Unit Area.

(g) "Unitized Formation" shall mean that interval underlying the Unit Area, known as the Delaware formation (Lusk West Delaware Pool) and the vertical limits of which extended from an upper limit described as are found in the interval between 6,474 feet and 6,508 feet as recorded on the Compensated Neutron Litho-density log dated 12/8/89, in the Lusk Deep Unit A Well Number 17 located at 330 feet from the north line and 330 feet from the east line of Section 20, Township 19 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

2

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

.

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

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

(k) "Unit Participation" is the sum of the percentages obtained by multiplying the Working Interest of a Working Interest Owner in each Tract by the Tract Participation of such Tract.

(1) "Working Interest" is the right to search for, produce and acquire Unitized Substances whether held as an incident of ownership of mineral fee simple title, under an oil and gas lease, operating agreement, or otherwise held, which interest is chargeable with and obligated to pay or bear, either in cash or out of production, or otherwise, all or a portion of the cost of drilling, developing and producing the Unitized Substances from the Unitized Formation and operations thereof hereunder. Provided that any royalty interest created out of a working interest subsequent to the execution of this Agreement by the owner of the working interest shall continue to be subject to such working interest burdens and obligations.

(m) "Working Interest Owner" is any party hereto owning a Working Interest, including a carried working interest owner, holding an interest in Unitized Substances by virtue of a lease, operating agreement, fee title or otherwise.

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

(o) "Royalty Owner" is the owner of a Royalty Interest.

(p) "Unit Operating Agreement" is the agreement entered into by and between the Unit Operator and the Working Interest Owners as provided in Section 9, infra, and shall be styled "Unit Operating Agreement, Lusk West Unit, Lea County, New Mexico".

(q) "Oil and Gas Rights" is the right to explore, develop and operate lands within the Unit Area for the production of Unitized Substances, or to share in the production so obtained or the proceeds thereof.

(r) "Outside Substances" is any substance obtained from any source other than the Unitized Formation and injected into the Unitized Formation.

(s) "Unit Manager" is any person or corporation appointed by Working Interest Owners to perform the duties of Unit Operator until the selection and qualification of a successor Unit Operator as provided for in Section 7 hereof.

(t) "Unit Operator" is the party designated by Working Interest Owners under the Unit Operating Agreement to conduct Unit Operations.

(u) "Unit Operations" is any operation conducted pursuant to this Agreement and the Unit Operating Agreement.

(v) "Unit Equipment" is all personal property, lease and well equipment, plants, and other facilities and equipment taken over or otherwise acquired for the joint account for use in Unit Operations.

(w) "Unit Expense" is all cost, expense, or indebtedness incurred by Working Interest Owners or Unit Operator pursuant to this Agreement and the Unit Operating Agreement for or on account of Unit Operations.

(x) "Effective Date" is the date determined in accordance with Section 24, or as redetermined in accordance with Section 39.

SECTION 3. EXHIBITS. The following exhibits are incorporated herein by reference: Exhibit "A" attached hereto is a map showing the Unit Area and the boundaries and identity of tracts and leases in said Unit Area to the extent known to the Unit Operator. Exhibit "B" attached hereto is a schedule showing, to the extent known to the Unit Operator, the acreage comprising each Tract, percentages and kind of ownership of oil and gas interests in all land in the Unit Area. Exhibit "C" attached hereto is a schedule showing the Tract Participation of each Tract. Exhibit "C-1" attached hereto is a schedule showing the number of acre-feet of net pay for the unitized formation in each Tract, as determined by planimeter. However, nothing herein or in said schedules or map shall be construed as a representation by any party hereto as to the ownership of any interest other than such interest or interests

as are shown in said map or schedule as owned by such party. The shapes and descriptions of the respective Tracts have been established by using the best information available. Each Working Interest Owner is responsible for supplying Unit Operator with accurate information relating to each Working Interest Owner's interest.

* . k .

If it subsequently appears that any Tract, because of diverse royalty or working interest ownership on the Effective Date hereof, should be divided into more than one Tract, or when any revision is requested by the A.O., or any correction of any error other than mechanical miscalculations or clerical is needed, then the Unit Operator, with the approval of the Working Interest Owners, may correct the mistake by revising the exhibits to conform to the The revision shall not include any reevaluation of facts. engineering or geological interpretations used in determining Tract Participation. Each such revision of an exhibit made prior to thirty (30) days after the Effective Date shall be effective as of the Effective Date. Each other such revision of an exhibit shall be effective at 7:00 a.m. on the first day of the calendar month next following the filing for record of the revised exhibit or on such other date as may be determined by Working Interest Owners and set forth in the revised exhibit. Not less than four copies of such revision shall be filed with the A.O. In any such revision, there shall be no retroactive allocation or adjustment of Unit Expense or of interests in the Unitized Substances produced, or proceeds thereof.

Exhibits "A", "B", "C" and "C-1" shall be revised by the Unit Operator whenever changes render such revision necessary, voluntarily, or when requested by the Supervisor, and not less than six copies of such revision shall be filed with the Supervisor.

SECTION 4. <u>EXPANSION</u>. The above described Unit Area may, with the approval of the A.O., when practicable be expanded to include therein any additional Tract or Tracts regarded as reasonably necessary or advisable for the purposes of this Agreement provided, however, in such expansion there shall be no retroactive allocation or adjustment of Unit Expense or of interests in the Unitized Substances produced, or proceeds thereof. Pursuant to Subsection (b), the Working Interest Owners may agree upon an adjustment of investment by reason of the expansion. Such expansion shall be effected in the following manner:

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

(b) Unit Operator shall circulate a notice of the proposed expansion to each Working Interest Owner in the Unit Area and in the Tract proposed to be included in the unit, setting out the basis for admission, the Tract Participation to be assigned to each Tract in the enlarged Unit Area and other pertinent data. After negotiation (at Working Interest Owner's meeting or otherwise) if at least two Working Interest Owners having in the aggregate <u>seventy-five percent (75%)</u> of the Unit Participation then in effect have agreed to inclusion of such Tract or Tracts in the Unit Area, then Unit Operator shall:

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

2. Deliver copies of said notice to the A.O. at the proper BLM Office, each Working Interest Owner and to the last known address of each lessee and lessor whose interests are affected, advising such parties that thirty (30) days will be allowed for submission to the Unit Operator of any objection to such proposed expansion; and

3. File, upon the expiration of said thirty (3) day period as set out in (2) immediately above with the A.O. the following: (a) evidence of mailing or delivering copies of said notice of expansion; (b) an application for approval of such expansion; (c) an instrument containing the appropriate joinders in compliance with the participation requirements of Section 14, and Section 34, infra; and (d) a copy of all objections received along with the Unit Operator's response thereto.

The expansion shall, after due consideration of all pertinent information and approval by the A.O., become effective as of the date prescribed in the notice thereof, preferably the first day of the month subsequent to the date of notice. The revised Tract Participation of the respective Tracts included within the Unit Area prior to such enlargement shall remain the same ratio one to another.

SECTION 5. <u>UNITIZED LAND</u>. All land committed to this Agreement as to the Unitized Formation shall constitute land referred to herein as "Unitized Land" or "Land subject to this Agreement". Nothing herein shall be construed to unitize, pool, or in any way affect the oil, gas and other minerals contained in or that may be produced from any formation other than the Unitized Formation as defined in Section 2(h) of this Agreement.

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

Unit Operator shall have a lien upon interests of Working Owners in the Unit Area to the extent provided in the Unit Operating Agreement.

SECTION 7. <u>RESIGNATION OR REMOVAL OF UNIT OPERATOR</u>. Unit Operator shall have the right to resign at any time, but such resignation shall not become effective so as to release Unit Operator from the duties and obligations of Unit Operator and terminate Unit Operator's rights as such for a period of six (6) months after written notice of intention to resign has been given by Unit Operator to all Working Interest Owners and the A.O. unless a new Unit Operator shall have taken over and assumed the duties and obligations of Unit Operator prior to the expiration of said period.

The Unit Operator shall, upon default or failure in the performance of its duties and obligations hereunder, be subject to removal by Working Interest Owners having in the aggregate eighty percent (80%) or more of the Unit Participation then in effect exclusive of the Working Interest Owner who is the Unit Operator. Such removal shall be effective upon notice thereof to the A.O.

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

The resignation or removal of Unit Operator under this Agreement shall not terminate its right, title or interest as the owner of a Working Interest or other interest in Unitized Substances, but upon the resignation or removal of Unit Operator becoming effective, such Unit Operator shall deliver possession of all wells, equipment, books and records, materials, appurtenances and any other assets used in connection with the Unit Operations to the new duly qualified successor Unit Operator or to the Unit Manager if no such new Unit Operator is elected. Nothing herein shall be construed as authorizing the removal of any material, equipment or appurtenances needed for the preservation of any wells. Nothing herein contained shall be construed to relieve or discharge any Unit Operator or Unit Manager who resigns or is removed hereunder from any liability or duties accruing or performable by it prior to the effective date of such resignation or removal.

SECTION 8. <u>SUCCESSOR UNIT OPERATOR</u>. Whenever the Unit Operator shall tender its resignation as Unit Operator or shall be removed as hereinabove provided, the Working Interest Owners shall select a successor Unit Operator as herein provided. Such selection shall not become effective until (a) a Unit Operator so selected shall accept in writing the duties and responsibilities of Unit Operator, and (b) the selection shall have been approved by the A.O. If no successor Unit Operator or Unit Manager is selected and qualified as herein provided, the A.O., at the A.O.'s election, may declare this Agreement terminated.

In selecting a successor Unit Operator, the affirmative vote of three or more Working Interest Owners having a total of sixtyfive percent (65%) or more of the total Unit Participation shall prevail; provided that if any one Working Interest Owner has a Unit Participation of more than thirty-five percent (35%), its negative vote or failure to vote shall not be regarded as sufficient unless supported by the vote of one or more other Working Interest Owners having a total Unit Participation of at least five percent(5%). If the Unit Operator who is removed votes only to succeed itself or fails to vote, the successor Unit Operator may be selected by the affirmative vote of the owners of at least eighty percent (80%) of the Unit Participation remaining after excluding the Unit Participation of Unit Operator so removed.

ACCOUNTING PROVISIONS AND UNIT OPERATING SECTION 9. AGREEMENT. Costs and expenses incurred by Unit Operator in conducting Unit Operations hereunder shall be paid, apportioned among and borne by the Working Interest Owners in accordance with the Unit Operating Agreement. Such Unit Operating Agreement shall also provide the manner in which the Working Interest Owners shall be entitled to receive their respective proportionate and allocated share of the benefits accruing hereto in conformity with their underlying operating agreements, leases or other contracts and such other rights and obligations as between Unit Operator and the Working Interest Owners as may be agreed upon by the Unit Operator and the Working Interest Owners; however, no such Unit Operating Agreement shall be deemed either to modify any of the terms and conditions of this Agreement or to relieve the Unit Operator of any right or obligation established under this Agreement, and in case of any inconsistency or conflict between this Agreement and the Unit Operating Agreement, this Agreement shall prevail. Copies of any Unit Operating Agreement executed pursuant to this Section shall be filed with the A.O. at the Proper BLM Office as required prior to approval of this Agreement.

SECTION 10. <u>RIGHTS AND OBLIGATIONS OF UNIT OPERATOR</u>. Except as otherwise specifically provided herein, the exclusive right, privilege and duty of exercising any and all rights of the

8

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

SECTION 11. PLAN OF OPERATIONS. It is recognized and agreed by the parties hereto that all of the land subject to this Agreement is reasonably proved to be productive of Unitized Substances and that the object and purpose of this Agreement is to formulate and to put into effect an improved recovery project in order to effect additional recovery of Unitized Substances, prevent waste and conserve natural resources. Unit Operator shall have the right to inject into the Unitized formation any substances for secondary recovery or enhanced recovery purposes in accordance with a plan of operation approved by the Working Interest Owners, the A.O. and the Division, including the right to drill and maintain injection wells on the Unitized Land and completed in the Unitized Formation, and to use abandoned well or wells producing from the Unitized Formation for said purpose. Subject to like approval, the Plan of Operation may be revised as conditions may warrant.

The initial Plan of Operation shall be filed with the A.O. and the Division concurrently with the filing of the Unit Agreement for final approval. Said initial plan of operations and all revisions thereof shall be as complete and adequate as the A.O. and the Division may determine to be necessary for timely operation consistent herewith. Upon approval of this Agreement and the initial plan by the A.O., said plan, and all subsequently approved plans, shall_constitute the operating obligations of the Unit Operator under this Agreement for the period specified therein. Thereafter, from time to time before the expiration of any existing plan or at the request of the A.O., the Unit Operator shall submit for like approval a plan for an additional specified period of operations. After such operations are commenced, reasonable diligence shall be exercised by the Unit Operator in complying with the obligations of the approved Plan of Operation.

Notwithstanding anything to the contrary herein contained, should the Unit Operator fail to commence Unit Operations for the secondary recovery of Unitized Substances from the Unit Area within eighteen (18) months after the effective date of this Agreement, or any extension thereof approved by the A.O., this Agreement shall terminate automatically as of the date of default.

9

SECTION 12. USE OF SURFACE AND USE OF WATER. The parties to the extent of their rights and interests, hereby grant to Unit Operator the right to use as much of the surface, including the water thereunder, of the Unitized Land as may reasonably be necessary for Unit Operations.

Unit Operator's free use of water or brine or both for Unit Operations, shall not include any water from any well, lake, pond or irrigation ditch of a surface owner, unless approval for such use is granted by the surface owner.

Unit Operator shall pay the surface owner for damages to growing crops, fences, improvements and structures on the Unitized Land that result from Unit Operations, and such payments shall be considered as items of unit expense to be borne by all the Working Interest Owners of lands subject hereto.

SECTION 13. TRACT PARTICIPATION. In Exhibit "C" attached hereto, there are listed and numbered the various Tracts within the Unit Area, and set forth opposite each Tract are figures which represent the Tract Participation, during Unit Operations if all Tracts in the Unit Area qualify as provided herein. The Tract Participation of each Tract as shown in Exhibit "C" was determined in accordance with the following example formula:

In the above formula, "TP" stands for Tract Participation; "TAF" stands for the number of acre-feet of net pay for the unitized formation underlying a Tract within the Unit Area as reflected on Exhibit "C-1" attached hereto (number of acre-feet in each Tract determined by planimeter); "UAF stands for the total number of acre-feet of net pay for the entire Unitized Formation underlying the Unit Area (number of acre-feet in entire Unit Area determined by planimeter).

In the event less than all Tracts are qualified on the Effective Date hereof, the Tract Participation shall be calculated on the basis of all such qualified Tracts rather than all Tracts in the Unit Area.

SECTION 14. TRACTS QUALIFIED FOR PARTICIPATION. On and after the Effective Date hereof, the Tracts within the Unit Area which shall be entitled to participation in the production of Unitized Substances shall be those Tracts more particularly described in Exhibit "B" that corner or have a common boundary (Tracts separated only by a public road or a railroad right-of-way shall be considered to have a common boundary), and that otherwise qualify as follows: (a) Each Tract as to which Working Interest Owners owning one hundred percent (100%) of the Working Interest have become parties to this Agreement and as to which Royalty Owners owning seventy-five percent (75%) or more of the Royalty Interest have become parties to this Agreement.

(b) Each Tract as to which Working Interest Owners owning one hundred percent (100%) of the Working Interest have become parties to this Agreement, and as to which Royalty Owners owning less than seventy-five percent (75%) of the Royalty Interest have become parties to this Agreement, and as to which (1) the Working Interest Owner who operates the Tract and Working Interest Owners owning at least seventy-five percent (75%) of the remaining Working Interest in such Tract have joined in a request for the inclusion of such Tract, and as to which (2) Working Interest Owners owning at least seventy-five percent (75%) of the combined Unit Participation in all Tracts that meet the requirements of Section 14 (a) above have voted in favor of the inclusion of such tract.

(c) Each Tract as to which Working Interest Owners owning less than one hundred percent (100%) of the Working Interest have become parties to this Agreement, regardless of the percentage of Royalty Interest therein that is committed hereto; and as to which (1) the Working Interest Owner who operates the Tract and Working Interest Owner owning at least seventy-five percent (75%) of the remaining Working Interest in such Tract who have become parties to this Agreement have joined in a request for inclusion of such Tract, and have executed and delivered, or obligated themselves to execute and deliver an indemnity agreement indemnifying and agreeing to hold harmless the other owners of committed Working Interests, their successors and assigns, against all claims and demands that may be made by the owners of Working Interest in such Tract who are not parties to this Agreement, and which arise out of the inclusion of the Tract; and as to which (2) Working Interest Owners owning at least seventy-five percent (75%) of the Unit Participation in all Tracts that meet the requirements of Section 14 (a) and 14 (b) have voted in favor of the inclusion of such Tract and to accept the indemnity agreement. Upon the inclusion of such a Tract, the Tract Participation which would have been attributed to the nonsubscribing owners of Working Interest in such Tract, had they become parties to this Agreement and the Unit Operating Agreement, shall be attributed to the Working Interest Owners in such Tract who have become parties to such agreements, and joined in the indemnity agreement, in proportion to their respective Working Interests in the Tract.

If on the Effective Date of this Agreement there is any Tract or Tracts which have not been effectively committed to or made subject to this Agreement by qualifying as above provided, then

such Tract or Tracts shall not be entitled to participate hereunder. Unit operator shall, when submitting this Agreement for final approval by the A.O., file therewith a schedule of those tracts which have been committed and made subject to this Agreement and are entitled to participate in Unitized Substances. Said schedule shall set forth opposite each such committed Tract the lease number or assignment number, the owner of record of the lease, and the percentage participation of such tract which shall be computed according to the participation formula set forth in (Tract Participation) above. Section 13 This schedule of participation shall be revised on Exhibit "C" and upon approval thereof by the A.O., shall become a part of this Agreement and shall govern the allocation of production of Unitized Substances until a new schedule is approved by the A.O.

SECTION 15.A. <u>ALLOCATION OF UNITIZED SUBSTANCES</u>. All Unitized Substances produced and saved (less, save and except any part of such Unitized Substances used in conformity with good operating practices on unitized land for drilling, operating, camp and other production or development purposes and for injection or unavoidable loss in accordance with a Plan of Operation approved by the A.O. shall be apportioned among and allocated to the qualified Tracts in accordance with the respective Tract Participations effective hereunder during the respective periods such Unitized Substances where produced, as set forth in the schedule of participation in Exhibit "C". The amount of Unitized Substances so allocated to each Tract, and only that amount (regardless of whether it be more or less than the amount of the actual production of Unitized Substances from the well or wells, if any, on such Tract) shall, for all intents, uses and purposes, be deemed to have been produced from such Tract.

The Unitized Substances allocated to each Tract shall be distributed among, or accounted for, to the parties entitled to share in the production from such Tract in the same manner, in the same proportions, and upon the same conditions, as they would have participated and shared in the production from such Tracts, or in the proceeds thereof, had this Agreement not been entered into; and with the same legal force and effect.

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

If the Working Interest and/or the Royalty Interest in any Tract are divided with respect to separate parcels or portions of such Tract and owned now or hereafter in severalty by different persons, the Tract Participation shall in the absence of a recordable instrument executed by all owners in such Tract and furnished to Unit Operator fixing the divisions of ownership, be

12

divided among such parcels or portions in proportion to the number of surface acres in each.

SECTION 15.B. EXCESS IMPUTED NEWLY DISCOVERED CRUDE OIL. Each Tract shall be allocated any excess imputed newly discovered crude oil in the proportion that its Tract Participation bears to the total of the Tract Participations of all Tracts no previously allocated to the total number of barrels of crude oil allocable to these Tracts out of unit production in accordance with the Tract Participations of such Tracts; provided, however, that excess imputed newly discovered crude oil allocated to each such Tract, when added to the total number of barrels of imputed newly discovered crude oil previously allocated to it, shall not exceed, in any month, the total number of barrels of oil allocable to it out of unit production in accordance with its Tract Participation.

SECTION 15.C. <u>EXCESS IMPUTED STRIPPER CRUDE OIL</u>. Each Tract shall be allocated any excess imputed stripper crude oil in the proportion that its Tract Participation bears to the total of the Tract Participations of all Tracts not previously allocated the total number of crude oil barrels allocable to these Tracts out of unit production in accordance with the Tract Participations of such Tracts; provided, however, that excess imputed stripper crude oil allocated to each such Tract, when added to the total number of barrels of imputed stripper crude oil previously allocated to it, shall not exceed, in any month, the total number of barrels of oil allocable to it out of unit production in accordance with its Tract Participation.

SECTION 15.D. TAKING UNITIZED SUBSTANCES IN KIND. The Unitized Substances allocated to each Tract shall be delivered in kind to the respective parties entitled thereto by virtue of the ownership of oil and gas rights therein. Each such party shall have the right to construct, maintain and operate all necessary facilities for that purpose within the Unitized Area, provided the same are so constructed, maintained and operated as not to interfere with Unit Operations. Subject to Section 17 hereof, any extra expenditure incurred by Unit Operator by reason of the delivery in kind of any portion of the Unitized Substances shall be borne by the party taking delivery. In the event any Working Interest Owner shall fail to take or otherwise adequately dispose of its proportionate share of the production from the Unitized Formation then so long as such condition continues, Unit Operator, for the account and at the expense fo the Working interest Owner of the Tract or Tracts concerned, and in order to avoid curtailing the operation of the Unit Area, may, but shall not be required to, sell or otherwise dispose of such production to itself or to others, provided that all contracts of sale by Unit Operator of any other party's share of Unitized Substances shall be only for such reasonable periods of time as are consistent with the minimum needs of the industry under the circumstances, but in no event shall any such contract be for a period in excess of one year, and at not less than the prevailing market price in the area for like production, and the account of such Working Interest Owner shall be charged therewith as having received such production. The net proceeds, if any, of the Unitized Substances so disposed of by Unit Operator shall be paid to the Working Interest Owner of the Tract or Tracts concerned. Notwithstanding the foregoing, Unit Operator shall not make a sale into interstate commerce of any Working Interest Owner's share of gas production without first giving such Working Interest Owner sixty (60) days' notice of such intended sale.

Any Working Interest Owner receiving in kind or separately disposing of all or any part of the Unitized Substances allocated to any Tract, or receiving the proceeds therefrom if the same is sold or purchased by Unit Operator, shall be responsible for the payment of all royalty, overriding royalty and production payments due thereon, and each such party shall hold each other Working Interest Owner harmless against all claims, demands and causes of action by owners of such royalty, overriding royalty and production payments.

If, after the Effective Date of this Agreement, there is any Tract or Tracts that are subsequently committed hereto, as provided in Section 4 (Expansion)hereof, or any Tract or Tracts within the Unit Area not committed hereto as of the Effective Date hereof but which are subsequently committed hereto under the provisions of Section 14 (Tracts Qualified for Participation) and Section 32 (Nonjoinder and Subsequent Joinder); or if any Tract is excluded from this Agreement as provided for in Section 21 (Loss of Title), the schedule of participation as shown in Exhibit "C" shall be revised by the Unit Operator; and the revised Exhibit "C", upon approval by the A.O., shall govern the allocation of product on and after the effective date thereof until a revised schedule is approved as hereinabove provided.

OUTSIDE SUBSTANCES. If gas obtained from SECTION 16. formations not subject to this Agreement is introduced into the Unitized Formation for use in repressuring, stimulating of production or increasing ultimate recovery which shall be in conformity with a Plan of Operation first approved by the A.O., a like amount of gas with appropriate deduction for loss or depletion from any cause may be withdrawn from unit wells completed in the Unitized Formation royalty free as to dry gas, but not royalty free as to the products extracted therefrom; provided that such withdrawal shall be at such time as may be provided in the approved Plan of Operation or as otherwise may be consented to or prescribed by the A.O. as conforming to good petroleum engineering practices and provided further that such right of withdrawal shall terminate on the termination date of this Agreement.

SECTION 17. <u>ROYALTY SETTLEMENT</u>. The United States of America and all Royalty Owners who, under an existing contract, are

entitled to take in kind a share of the substances produced from any Tract unitized hereunder, shall continue to be entitled to such right to take in kind their share of the Unitized Substances allocated to such Tract, and Unit Operator shall make deliveries of such Royalty share taken in kind in conformity with the applicable contracts, laws and regulations. Settlement of Royalty not taken in kind shall be made by Working Interest Owners responsible therefor under existing contracts, laws and regulations on or before the last day of each month for Unitized Substances produced during the preceding calendar month; provided, however, that nothing herein contained shall operate to relieve the lessees of any land from their respective lease obligations for the payment of any Royalty due under the leases, except that such Royalty shall be computed on Unitized Substances as allocated to each Tract in accordance with the terms of this Agreement. With respect to Federal leases committed hereto on which the royalty rate depends upon the daily average production per well, such average production shall be determined in accordance with the operating regulations pertaining to Federal leases as though the committed Tracts were included in a single consolidated lease.

-

ļ

If the amount of production or the proceeds thereof accruing to any Royalty Owner (except the United States of America) in a Tract depends upon the average production per well or the average pipeline runs per well from such Tract during any period of time, then such production shall be determined from and after the effective date hereof by dividing the quantity of Unitized Substances allocated hereunder to such Tract during such period of time by the number of wells located thereon capable of producing Unitized Substances as of the Effective Date hereof, provided that any Tract not having any well so capable of producing Unitized Substances on the Effective Date hereof shall be considered as having one such well for the purpose of this provision.

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

With the exception of Federal requirements to the contrary, Working Interest Owners may use or consume Unitized Substances for Unit Operations and no Royalty, overriding royalty, production or other payments shall be payable on account of Unitized Substances used, lost, or consumed in Unit Operations.

Each Royalty Owner (other than the United States of America) that executes this Agreement represents and warrants that it is the owner of a Royalty Interest in a Tract or Tracts within the Unit Area as its interest appears in Exhibit "B" attached hereto. If any Royalty Interest in a Tract or Tracts should be lost by title failure or otherwise in whole or in part, during the term of this Agreement, then the Royalty interest of the party representing himself to be the owner thereof shall be reduced proportionately and the interest of all parties shall be adjusted accordingly.

RENTAL SETTLEMENT. SECTION 18. Rentals or minimum Royalties due on the leases committed hereto shall be paid by Working Interest owners responsible therefore under existing contracts, laws and regulations provided that nothing herein contained shall operate to relieve the lessees of any land from their respective lease obligations for the payment of any rental or minimum Royalty in lieu thereof, due under their leases. Rental or minimum Royalty for lands of the United States of America subject to this Agreement shall be paid at the rate specified in the respective leases from the United States of America, unless such rental or minimum Royalty is waived, suspended or reduced by law or by approval of the Secretary or his duly authorized representative.

SECTION 19. <u>CONSERVATION</u>. Operations hereunder and production of Unitized Substances shall be conducted to provide for the most economical and efficient recovery of said substances without waste, as defined by or pursuant to Federal and State Laws and regulations.

SECTION 20. <u>DRAINAGE</u>. The Unit Operator shall take all reasonable and prudent measures to prevent drainage of Unitized Substances from unitized land by wells on land not subject to this Agreement.

The Unit Operator, upon approval by the Working Interest Owners and the A.O., is hereby empowered to enter into a borderline agreement or agreements with working interest owners of adjoining lands not subject to this Agreement with respect to operation in the border area for the maximum economic recovery, conservation purposes and proper protection of the parties and interest affected.

LOSS OF TITLE. In the event title to any Tract SECTION 21. of unitized land shall fail and the true owner cannot be induced to join in this Agreement, such Tract shall be automatically regarded as not committed hereto, and there shall be such readjustment of future costs and benefits as may be required on account of the loss of such title. In the event of a dispute as to title to any Royalty, Working Interest, or other interests subject thereto, payment or delivery on account thereof may be withheld without liability for interest until the dispute is finally settled; provided, that, as to Federal lands or leases, no payments of funds due the United States or the State of New Mexico shall be withheld, but such funds shall be deposited as directed by the A.O. to be held as unearned money pending final settlement of the title dispute, and then applied as earned or returned in accordance with such final settlement.

If the title or <u>right</u> of <u>any</u> party claiming the right to receive in kind all or any portion of the Unitized Substances allocated to a Tract is in dispute, Unit Operator at the direction of Working Interest Owners shall either:

(a) require that the party to whom such Unitized Substance are delivered or to whom the proceeds thereof are paid furnish security for the proper accounting therefor to the rightful owner if the title or right of such party fails in whole or in part, or

(b) withhold and market the portion of Unitized Substances with respect to which title or right is in dispute, and impound the proceeds thereof until such time as the title or right thereto is established by a final judgement of a court of competent jurisdiction or otherwise to the satisfaction of Working Interest Owners, whereupon the proceeds so impounded shall be paid to the party rightfully entitled thereto.

Each Working Interest Owner shall indemnify, hold harmless, and defend all other Working Interest Owners against any and all claims by any party against the interest attributed to such Working Interest Owner on Exhibit "B".

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

SECTION 22. LEASES AND CONTRACTS CONFORMED AND EXTENDED. The terms, conditions and provisions of all leases, subleases and other contracts relating to exploration, drilling, development or operation for oil or gas on lands committed to this Agreement are hereby expressly modified and amended to the extent necessary to make the same conform to the provisions hereof, but otherwise to remain in full force and effect, and the parties hereto hereby consent that the Secretary shall and by their approval hereof, or by the approval hereof by their duly authorized representatives, do hereby establish, alter, change or revoke the drilling, producing, rental, minimum Royalty and Royalty requirements of Federal leases committed hereto and the regulations in respect thereto to conform said requirements to the provisions of this Agreement.

Without limiting the generality of the foregoing, all leases, subleases and contracts are particularly modified in accordance with the following:

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

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

(c) Suspension of drilling or producing operations within the Unit Area pursuant to direction or consent of the A.O., or their duly authorized representatives, shall be deemed to constitute such suspension pursuant to such direction or consent as to each Tract within the Unitized Area.

(d) Each lease, sublease, or contract relating to the exploration, drilling, development, or operation for oil and gas which by its terms might expire prior to the termination of this Agreement, is hereby extended beyond any such term so provided therein, so that it shall be continued in full force and effect for and during the term of this Agreement.

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

i

COVENANTS RUN WITH LAND. The covenants herein SECTION 23. shall be construed to be covenants running with the land with respect to the interest of the parties hereto and their successors in interest until this Agreement terminates, and any grant, transfer or conveyance of interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferee or other successor in interest. No assignment or transfer of any Working Interest subject hereto shall be binding upon Unit Operator until the first day of the calendar month after Unit Operator is furnished with the original, or acceptable photostatic or certified copy, of the recorded instrument or transfer; and no assignment or transfer of any Royalty Interest subject hereto shall be binding upon the Working Interest Owner responsible therefor until the first day of the calendar month after said Working Interest Owner

is furnished with the original, or acceptable photostatic or certified copy, of the recorded instrument or transfer.

SECTION 24. EFFECTIVE DATE AND TERM. This Agreement shall become binding upon each party who executes or ratifies it as of the date of execution or ratification by such party and shall become effective on the first day of the calendar month next following the approval of this Agreement by the A.O.

If this Agreement does not become effective on or before July 1, 1997, it shall ipso facto expire on said date (hereinafter call "Expiration Date") and thereafter be of no further force or effect, unless prior thereto this Agreement has been executed or ratified by Working Interest Owners owning a combined Participation of at least seventy-five percent (75%); and at least seventy-five percent (75%) of such Working Interest Owners committed to this Agreement have decided to extend Expiration Date for a period not to exceed one (1) year (hereinafter called "Extended Expiration Date"). If Expiration Date is so extended and this Agreement does not become effective on or before the Extended Expiration Date, it shall ipso facto expire on Extended Expiration Date and thereafter be of no further force and effect.

Unit Operator shall file for record within thirty (30) days after the Effective Date of this Agreement, in the office of the County Clerk of Lea County, New Mexico, where a counterpart of this Agreement has become effective according to its terms and stating further the effective date.

The terms of this Agreement shall be for and during the time that Unitized Substances are produced from the Unitized land in paying quantities and so long thereafter as drilling, reworking or other operations (including improved recovery operations) are prosecuted thereon without cessation of more than ninety (90) consecutive days unless sooner terminated as herein provided.

This Agreement may be terminated with the approval of the A.O. by Working Interest Owners owning eighty percent (80%) of the Unit Participation then in effect whenever such Working Interest Owners determine that Unit Operations are no longer profitable, or in the interest of conservation. Upon approval, such termination shall be effective as of the first day of the month after said Working Interest Owners' determination. Notice of any such termination shall be filed by Unit Operator in the office of the County Clerk of Lea County, New Mexico, within thirty (30) days of the effective date of termination.

Upon termination of this Agreement, the parties hereto shall be governed by the terms and provisions of the leases and contracts affecting the separate Tracts just as if this Agreement had never been entered into. Notwithstanding any other provisions in the leases unitized under this Agreement, Royalty Owners hereby grant Working Interest Owners a period of six months after termination of this Agreement in which to salvage, sell, distribute or otherwise dispose of the personal property and facilities used in connection with Unit Operations.

SECTION 25. RATE OF PROSPECTING, DEVELOPMENT & PRODUCTION. All production and the disposal thereof shall be in conformity with allocations and quotas made or fixed by any duly authorized person or regulatory body under any Federal or State Statute. The A.O. is hereby vested with authority to alter or modify from time to time, in his discretion, the rate of prospecting and development and within the limits made or fixed by the Division to alter or modify the quantity and rate of production under this Agreement, such authority being hereby limited to alteration or modification in the public interest, the purpose thereof and the public interest to be served thereby to be stated in the order of alteration or modification.

Powers in this Section vested in the A.O. shall only be exercised after notice to Unit Operator and opportunity for hearing to be held not less than fifteen (15) days from notice, and thereafter subject to administrative appeal before becoming final.

SECTION 26. <u>NONDISCRIMINATION</u>. Unit Operator in connection with the performance of work under this Agreement relating to leases of the United States, agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive of Executive Order 11246, (30 F.R. 12319), which are hereby incorporated by reference in this Agreement.

SECTION 27. <u>APPEARANCES</u>. Unit Operator shall have the right to appear for or on behalf of any interests affected hereby before the Department and the Division, and to appeal from any order issued under the rules and regulations of the Department or the Division, or to apply for relief from any of said rules and regulations or in any proceedings relative to operations before the Department or the Division or any other legally constituted authority; provided, however, that any other interested party shall also have the right at his or its own expense to be heard in any such proceeding.

SECTION 28. NOTICES. All notices, demands, objections or statements required hereunder to be given or rendered to the parties hereto shall be deemed fully given if made in writing and personally delivered to the party or parties or sent by postpaid certified or registered mail, addressed to such party or parties at their last known address set forth in connection with the signatures hereto or to the ratification or consent hereof or to such other address as any such party or parties may have furnished in writing to the party sending the notice, demand or statement. SECTION 29. <u>NO WAIVER OF CERTAIN RIGHT</u>. Nothing in this Agreement contained shall be construed as a waiver by any party hereto of the right to assert any legal or constitutional right or defense as to the validity or invalidity of any law of the State wherein said Unitized Lands are located, or regulations issued thereunder in any way affecting such party, or as a waiver by any such party of any right beyond his or its authority to waive; provided, however, each party hereto covenants that it will not resort to any action to partition the unitized land or the Unit Equipment.

SECTION 30. EQUIPMENT AND FACILITIES NOT FIXTURES ATTACHED TO REALTY. Each Working Interest Owner has heretofore placed and used on its Tract or Tracts committed to this Agreement various well and lease equipment and other property, equipment and facilities. It is also recognized that additional equipment and facilities may hereafter be placed and used upon the Unitized Land as now or hereafter constituted. Therefore, for all purposes of this Agreement, any such equipment shall be considered to be personal property and not fixtures attached to realty. Accordingly, said well and lease equipment and personal property is hereby severed from the mineral estates affected by this Agreement, and it is agreed that any such equipment and personal property shall be and remain personal property of the Working Interest Owners for all purposes.

SECTION 31. <u>UNAVOIDABLE DELAY</u>. All obligations under this Agreement requiring the Unit Operator to commence or continue improved recovery operations or to operate on or produce Unitized Substances from any of the lands covered by this Agreement shall be suspended while, but only so long as, the Unit Operator, despite the exercise of due care and diligence, is prevented from complying with such obligations, in whole or in part, by strikes, acts of God, Federal, State or municipal law or agency, unavoidable accident, uncontrollable delays in transportation, inability to obtain necessary materials or equipment in open market, or other matters beyond the reasonable control of the Unit Operator whether similar to matters herein enumerated or not.

SECTION 32. <u>NONJOINDER AND SUBSEQUENT JOINDER</u>. Joinder by any Royalty Owner, at any time, must be accompanied by appropriate joinder of the corresponding Working Interest Owner in order for the interest of such Royalty Owner to be regarded as effectively committed. Joinder to this Agreement by a Working Interest Owner, at any time, must be accompanied by appropriate joinder to the Unit Operating Agreement in order for such interest to be regarded as effectively committed to this Agreement.

Any oil or gas interest in the Unitized Formations not committed hereto prior to submission of this Agreement to the A.O. for final approval may thereafter be committed hereto upon compliance with the applicable provisions of this Section and of Section 14 (Tracts Qualified for Participation) hereof, at any time up the Effective Date hereof on the same basis of Tract Participation as provided in Section 13, by the owner or owners thereof subscribing, ratifying, or consenting in writing to this Agreement and, if the interest is a Working Interest, by the owner of such interest subscribing also to the Unit Operating Agreement.

It is understood and agreed, however, that from and after the Effective Date hereof, the right of subsequent joinder as provided in this Section shall be subject to such requirements or approvals and on such basis as may be agreed upon by Working Interest Owners owning not less than sixty-five percent (65%) of the Unit Participation then in effect, and approved by the A.O. Such subsequent joinder by a proposed Working Interest Owner must be evidenced by his execution or ratification of this Agreement and the Unit Operating Agreement and, where State or Federal land is involved, such joinder must be approved by the A.O. Such joinder by a proposed Royalty Owner must be evidenced by his execution, ratification or consent of this Agreement and must be consented to in writing by the Working Interest Owner responsible for the payment of any benefits that may accrue hereunder in behalf of such proposed Royalty Owner. Except as may be otherwise herein provided, subsequent joinder to this Agreement shall be effective as of the first day of the month following the filing with A.O. of duly executed counterparts of any and all documents necessary to establish effective commitment of any Tract or interest to this Agreement, unless objection to such joinder by the Land Commissioner or the A.O., is duly made sixty (60) days after such filing.

SECTION 33. <u>COUNTERPARTS</u>. This Agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties and may be ratified or consented to by separate instrument in writing, specifically referring hereto, and shall be binding upon all those parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document, and regardless of whether or not it is executed by all other parties owning or claiming an interest in the land within the described Unit Area. Furthermore, this Agreement shall extend to and be binding on the parties hereto, their successors, heirs and assigns.

SECTION 34. JOINDER IN DUAL CAPACITY. Execution as herein provided by any party as either a Working Interest Owner or a Royalty Owner shall commit all interests owned or controlled by such party; provided, that if the party is the owner of a Working Interest, he must also execute the Unit Operating Agreement.

SECTION 35. TAXES. Each party hereto shall, for its own account, render and pay its share of any taxes levied against or measured by the amount or value of the Unitized Substances produced from the unitized land; provided, however, that if it is required or if it be determined that the Unit Operator or the several Working Interest Owners must pay or advance said taxes for the account of the parties hereto, it is hereby expressly agreed that the parties so paying or advancing said taxes shall be reimbursed therefor by the parties hereto, including Royalty Owners, who may be responsible for the taxes on their respective allocated share of said Unitized Substances. No taxes shall be charged to the United States nor to any lessor who has a contract with a lessee which requires his lessee to pay such taxes.

SECTION 36. <u>NO PARTNERSHIP</u>. The duties, obligations and liabilities of the parties hereto are intended to be several and not joint or collective. This Agreement is not intended to create, and shall not be construed to create, an association or trust, or to impose a partnership duty, obligation or liability with regard to any one or more of the parties hereto. Each party hereto shall be individually responsible for its own obligation as herein provided.

PRODUCTION AS OF THE EFFECTIVE DATE. SECTION 37. Unit Operator shall make a proper and timely gauge of all leases and other tanks within the Unit Area in order to ascertain the amount of merchantable oil above the pipeline connection, in such tanks as of 7:00 a.m. on the Effective Date hereof. All such oil which has been produced in accordance with established allowables shall be and remain the property of the Working Interest Owner entitled thereto, the same as if the unit and not been formed; and the responsible Working Interest Owner shall promptly remove said oil from the unitized land. Any such oil not so removed shall be sold by Unit Operator for the account of such Working Interest Owners, subject to the payment of all Royalty to Royalty Owners under the terms hereof. The oil that is in excess of the prior allowable fo the wells from which it was produced shall be regarded as Unitized Substances produced after Effective Date hereof.

. . .

If, as of the Effective Date hereof, any Tract is overproduced with respect to the allowable of the wells on that Tract and the amount of over-production has been sold or otherwise disposed of, such over-production shall be regarded as a part of the Unitized Substances produced after the Effective Date hereof and shall be charged to such Tract as having been delivered to the parties entitled to Unitized Substances allocated to such Tract.

SECTION 38. <u>NO SHARING OF MARKET</u>. This Agreement is not intended to provide and shall not be construed to provide, directly or indirectly, for any cooperative refining, joint sale or marketing of Unitized Substances.

SECTION 39. <u>STATUTORY UNITIZATION</u>. If and when Working Interest Owners owning at least seventy-five percent (75%) Unit Participation and Royalty Owners owning at least seventy-five percent (75%) Royalty Interest have become parties to this Agreement or have approved this Agreement in writing and such Working Interest Owners have also become parties to the Unit Operating Agreement, Unit Operator may make application to the Division for statutory unitization of the uncommitted interests pursuant to the Statutory Unitization Action (Chapter 65, Article 14, N.M.S. 1953 Annotated). If such application is made and statutory unitization is approved by the Division, then effective as of the date of the Division's order approving statutory unitization, this Agreement and/or the Unit Operation Agreement shall automatically be revised and/or amended in accordance with the following:

(1) Section 14 of this Agreement shall be revised by substituting for the entire said section the following:

"SECTION 14. TRACTS QUALIFIED FOR PARTICIPATION. On and after the Effective Date hereof, all Tracts within the Unit Area shall be entitled to participation in the production of Unitized Substances."

(2) Section 24 of this Agreement shall be revised by substituting for the first three paragraphs of said section the following:

"SECTION 24. EFFECTIVE DATE AND TERM. This Agreement shall become effective on the first day of the calendar month next following the effective date of the Division's order approving statutory unitization upon the terms and conditions of this Agreement, as amended (if any amendment is necessary) to conform to the Division's order; approval of this Agreement by the A.O. and the filing by Unit Operator of this Agreement or notice thereof for record in the office of the County Clerk of Lea County, New Mexico. Unit Operator shall not file this Agreement or notice thereof for record, and hence this Agreement shall not become effective, unless within ninety (90) days after the date all other prerequisites for effectiveness of this Agreement have been satisfied, such filing is approved by Working Interest Owners owning a combined Unit Participation of at least sixty-five percent (65%) as to all Tracts within the Unit Area."

"Unit Operator shall, within thirty (30) days after the Effective Date of this Agreement, file for record in the office of the County Clerk of Lea County, New Mexico, a certificate to the effect that this Agreement has become effective in accordance with its terms, therein identifying the Division's order approving statutory unitization and stating the Effective Date."

(3) This Agreement and/or the Unit Operating Agreement shall be amended in any and all respects necessary to conform to the Division's order approving statutory unitization. Any and all amendments of this Agreement and/or the Unit Operating Agreement that are necessary to conform said agreements to the Division's order approving statutory unitization shall be deemed to be hereby approved in writing by the parties hereto without any necessity for further approval by said parties, except as follows:

(a) If any amendments of this Agreement has the effect of reducing any Royalty Owner's participation in the production of Unitized Substances, such Royalty Owner shall not be deemed to have hereby approved the amended agreement without the necessity of further approval in writing by said Royalty Owner; and

(b) If any amendment of this Agreement and/or the Unit Operating Agreement has the effect of reducing any Working Interest Owner's participation in the production of Unitized Substances or increasing such Working Interest Owner's share of the Unit Expense, such Working Interest Owner shall not be deemed to have hereby approved the amended agreements without the necessity of further approval in writing by said Working Interest Owner.

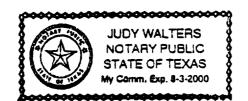
Executed as of the day and year first above written.

	PARKER & PARSLEY DEVELOPMENT L.P.
	By: Parker & Parsley Petroleum USA, Inc.,
	General Partner
	General railing
	By: X I I' the second Store
	Buddy J. Knight, Wicg President
	December 1 1006
	December 1, 1996
	Date of Execution
STATE OF	· · · · · · · · · · · · · · · · · · ·
)ss.	
COUNTY OF)	
This instrument was ac	knowledged before me this day of
, 1996, by	, for/of
, a	corporation, on behalf
of said corporation.	
-	
	Notary Dublic
	Notary Public
My commission expires:	
<u> </u>	

ACKNOWLEDGMENT

STATE OF TEXAS § § COUNTY OF MIDLAND §

This instrument was acknowledged before me this 11th day of December, 1996, by Buddy J. Knight, Vice President of Parker & Parsley Petroleum USA, Inc., a Delaware corporation, on behalf of said corporation and as General Partner of said limited partnership.



Notary Public, State of Texas

EXHIBIT "A"

. . . .

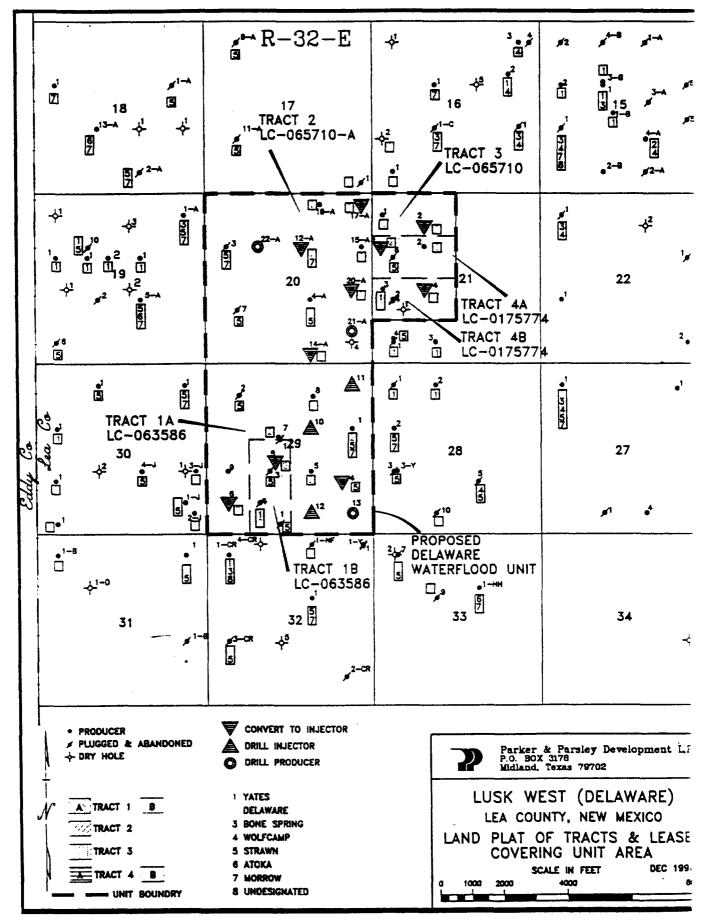


EXHIBIT "C"

.

•

.

.

1.1.1.1.1.1.1

...

1.1.1

.

FEDERAL WATERFLOOD UNIT

UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE LUSK WEST (DELAWARE) UNIT AREA LEA COUNTY, NEW MEXICO

NO._____

FEDERAL WATERFLOOD UNITS

UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE LUSK WEST (DELAWARE) UNIT LEA COUNTY, NEW MEXICO

. . . .

TABLE OF CONTENTS

Page

SECTION	1.	ENABLING ACT AND REGULATIONS
SECTION	2.	UNIT AREA AND DEFINITIONS
SECTION	3.	<u>EXHIBITS</u>
SECTION	4.	<u>EXPANSION</u>
SECTION	5.	<u>UNITIZED LAND</u> 6
SECTION	6.	<u>UNIT OPERATOR</u>
SECTION	7.	RESIGNATION OR REMOVAL OF UNIT OPERATOR 7
SECTION	8.	SUCCESSOR UNIT OPERATOR
SECTION	9.	ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT
SECTION	10.	RIGHTS AND OBLIGATIONS OF UNIT OPERATOR 8
SECTION	11.	PLAN OF OPERATIONS
SECTION	12.	USE OF SURFACE AND USE OF WATER
SECTION	13.	TRACT PARTICIPATION
SECTION	14.	TRACTS QUALIFIED FOR PARTICIPATION 10
SECTION	15. A. B. C. D.	ALLOCATION OF UNITIZED SUBSTANCES
SECTION	16.	OUTSIDE SUBSTANCES
SECTION	17.	ROYALTY SETTLEMENT
SECTION	18.	RENTAL SETTLEMENT

SECTION	19.	CONSERVATION	6
SECTION	20.	<u>DRAINAGE</u>	6
SECTION	21.	LOSS OF TITLE	6
SECTION	22.	LEASES AND CONTRACTS CONFORMED AND EXTENDED . 1	7
SECTION	23.	COVENANTS RUN WITH LAND	8
SECTION	24.	EFFECTIVE DATE AND TERM	9
SECTION	25.	RATE OF PROSPECTING, DEVELOPMENT & PRODUCTION	0
SECTION	26.	NONDISCRIMINATION	0
SECTION	27.	<u>APPEARANCES</u>	0
SECTION	28.	<u>NOTICES</u>	0
SECTION	29.	NO WAIVER OF CERTAIN RIGHT	1
SECTION	30.	EQUIPMENT AND FACILITIES NOT FIXTURES ATTACHED TO REALTY	1
SECTION	31.	UNAVOIDABLE DELAY	1
SECTION	32.	NONJOINDER AND SUBSEQUENT JOINDER 2	1
SECTION	33.	<u>COUNTERPARTS</u>	2
SECTION	34.	JOINDER IN DUAL CAPACITY	2
SECTION	35.	<u>TAXES</u>	2
SECTION	36.	NO PARTNERSHIP	3
SECTION	37.	PRODUCTION AS OF THE EFFECTIVE DATE 2	3
SECTION	38.	NO SHARING OF MARKET	3
SECTION	39.	STATUTORY UNITIZATION	23

•

..

• .

:

.

•

ii

UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE LUSK WEST (DELAWARE) UNIT LEA COUNTY, NEW MEXICO

THIS AGREEMENT, entered into as of the <u>lst</u> day of <u>December</u>, 1996, by and between the parties subscribing, ratifying, or consenting hereto, and herein referred to as the "parties hereto,"

WITNESSETH:

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

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

- 1

WHEREAS, the Oil Conservation Division of the State of New Mexico (hereinafter referred to as the "Division") is authorized by an Act of the Legislature (Chapter 72, Laws of 1935 as amended) (Chapter 70, Article 2, Section 2 et seq., New Mexico Statutes 1978 Annotated) to approve this Agreement and the conservation provisions hereof; and

WHEREAS, the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico is authorized by law (Chapter 65, Article 3 and Article 14, N.M.S. 1953 Annotated) to approve this Agreement and the conservation provisions hereof; and

WHEREAS, the parties hereto hold sufficient interest in the Unit Area covering the land hereinafter described to give reasonably effective control of operations therein; and

WHEREAS, it is the purpose of the parties hereto to conserve natural resources, prevent waste, and secure other benefits obtainable through development and operation of the area subject to this Agreement under the terms, conditions, and limitations herein set forth;

NOW THEREFORE, in consideration of the premises and the promises herein contained, the parties hereto commit to this Agreement their respective interest in the below-defined Unit Area, and agree severally among themselves as follows:

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

SECTION 2. <u>UNIT AREA AND DEFINITIONS</u>. For the purpose of this Agreement, the following terms and expressions as used herein shall mean:

(a) "Unit Area" is defined as those lands described in Exhibit "B" and depicted on Exhibit "A" hereof, and such land is hereby designated and recognized as constituting the Unit Area, containing 1.520 acres, more or less, in Lea County, New Mexico.

(b) "Division" is defined as the Oil Conservation Division of the Department of Energy and Minerals of the State of New Mexico.

(c) "Authorized Officer" or "A.O." is any employee of the bureau of Land Management who has been delegated the required authority to act on behalf of the BLM.

(d) "Secretary" is defined as the Secretary of the Interior of the Untied States of America, or his duly authorized delegate.

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

(f) "Proper BLM Office" is defined as the Bureau of Land Management office having jurisdiction over the federal lands included in the Unit Area.

(g) "Unitized Formation" shall mean that interval underlying the Unit Area, known as the Delaware formation (Lusk West Delaware Pool) and the vertical limits of which extended from an upper limit described as are found in the interval between 6,474 feet and 6,508 feet as recorded on the Compensated Neutron Litho-density log dated 12/8/89, in the Lusk Deep Unit A Well Number 17 located at 330 feet from the north line and 330 feet from the east line of Section 20, Township 19 South, Range 32 East, N.M.P.M., Lea County, New Mexico. (h) "Unitized Substances" are all oil, gas, gaseous substances, sulphur contained in gas, condensate, distillate and all associated and constituent liquid or liquefiable hydrocarbons, other than outside substances, within and produced from the Unitized Formation.

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

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

(k) "Unit Participation" is the sum of the percentages obtained by multiplying the Working Interest of a Working Interest Owner in each Tract by the Tract Participation of such Tract.

(1) "Working Interest" is the right to search for, produce and acquire Unitized Substances whether held as an incident of ownership of mineral fee simple title, under an oil and gas lease, operating agreement, or otherwise held, which interest is chargeable with and obligated to pay or bear, either in cash or out of production, or otherwise, all or a portion of the cost of drilling, developing and producing the Unitized Substances from the Unitized Formation and operations thereof hereunder. Provided that any royalty interest created out of a working interest subsequent to the execution of this Agreement by the owner of the working interest shall continue to be subject to such working interest burdens and obligations.

(m) "Working Interest Owner" is any party hereto owning a Working Interest, including a carried working interest owner, holding an interest in Unitized Substances by virtue of a lease, operating agreement, fee title or otherwise.

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

(o) "Royalty Owner" is the owner of a Royalty Interest.

(p) "Unit Operating Agreement" is the agreement entered into by and between the Unit Operator and the Working Interest Owners as provided in Section 9, infra, and shall be styled "Unit Operating Agreement, Lusk West Unit, Lea County, New Mexico".

(q) "Oil and Gas Rights" is the right to explore, develop and operate lands within the Unit Area for the production of Unitized Substances, or to share in the production so obtained or the proceeds thereof.

(r) "Outside Substances" is any substance obtained from any source other than the Unitized Formation and injected into the Unitized Formation.

(s) "Unit Manager" is any person or corporation appointed by Working Interest Owners to perform the duties of Unit Operator until the selection and qualification of a successor Unit Operator as provided for in Section 7 hereof.

(t) "Unit Operator" is the party designated by Working Interest Owners under the Unit Operating Agreement to conduct Unit Operations.

(u) "Unit Operations" is any operation conducted pursuant to this Agreement and the Unit Operating Agreement.

(v) "Unit Equipment" is all personal property, lease and well equipment, plants, and other facilities and equipment taken over or otherwise acquired for the joint account for use in Unit Operations.

(w) "Unit Expense" is all cost, expense, or indebtedness incurred by Working Interest Owners or Unit Operator pursuant to this Agreement and the Unit Operating Agreement for or on account of Unit Operations.

(x) "Effective Date" is the date determined in accordance with Section 24, or as redetermined in accordance with Section 39.

SECTION 3. The following exhibits EXHIBITS. are incorporated herein by reference: Exhibit "A" attached hereto is a map showing the Unit Area and the boundaries and identity of tracts and leases in said Unit Area to the extent known to the Unit Operator. Exhibit "B" attached hereto is a schedule showing, to the extent known to the Unit Operator, the acreage comprising each Tract, percentages and kind of ownership of oil and gas interests in all land in the Unit Area. Exhibit "C" attached hereto is a schedule showing the Tract Participation of each Tract. Exhibit "C-1" attached hereto is a schedule showing the number of acre-feet of net pay for the unitized formation in each Tract, as determined by planimeter. However, nothing herein or in said schedules or map shall be construed as a representation by any party hereto as to the ownership of any interest other than such interest or interests

as are shown in said map or schedule as owned by such party. The shapes and descriptions of the respective Tracts have been established by using the best information available. Each Working Interest Owner is responsible for supplying Unit Operator with accurate information relating to each Working Interest Owner's interest.

· . i .

If it subsequently appears that any Tract, because of diverse royalty or working interest ownership on the Effective Date hereof, should be divided into more than one Tract, or when any revision is requested by the A.O., or any correction of any error other than mechanical miscalculations or clerical is needed, then the Unit Operator, with the approval of the Working Interest Owners, may correct the mistake by revising the exhibits to conform to the The revision shall not include any reevaluation of facts. engineering or geological interpretations used in determining Tract Each such revision of an exhibit made prior to Participation. thirty (30) days after the Effective Date shall be effective as of the Effective Date. Each other such revision of an exhibit shall be effective at 7:00 a.m. on the first day of the calendar month next following the filing for record of the revised exhibit or on such other date as may be determined by Working Interest Owners and set forth in the revised exhibit. Not less than four copies of such revision shall be filed with the A.O. In any such revision, there shall be no retroactive allocation or adjustment of Unit Expense or of interests in the Unitized Substances produced, or proceeds thereof.

Exhibits "A", "B", "C" and "C-1" shall be revised by the Unit Operator whenever changes render such revision necessary, voluntarily, or when requested by the Supervisor, and not less than six copies of such revision shall be filed with the Supervisor.

SECTION 4. <u>EXPANSION</u>. The above described Unit Area may, with the approval of the A.O., when practicable be expanded to include therein any additional Tract or Tracts regarded as reasonably necessary or advisable for the purposes of this Agreement provided, however, in such expansion there shall be no retroactive allocation or adjustment of Unit Expense or of interests in the Unitized Substances produced, or proceeds thereof. Pursuant to Subsection (b), the Working Interest Owners may agree upon an adjustment of investment by reason of the expansion. Such expansion shall be effected in the following manner:

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

(b) Unit Operator shall circulate a notice of the proposed expansion to each Working Interest Owner in the Unit Area and in the Tract proposed to be included in the unit, setting out the basis for admission, the Tract Participation to be assigned to each Tract in the enlarged Unit Area and other pertinent data. After negotiation (at Working Interest Owner's meeting or otherwise) if at least two Working Interest Owners having in the aggregate <u>seventy-five percent (75%)</u> of the Unit Participation then in effect have agreed to inclusion of such Tract or Tracts in the Unit Area, then Unit Operator shall:

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

2. Deliver copies of said notice to the A.O. at the proper BLM Office, each Working Interest Owner and to the last known address of each lessee and lessor whose interests are affected, advising such parties that thirty (30) days will be allowed for submission to the Unit Operator of any objection to such proposed expansion; and

3. File, upon the expiration of said thirty (3) day period as set out in (2) immediately above with the A.O. the following: (a) evidence of mailing or delivering copies of said notice of expansion; (b) an application for approval of such expansion; (c) an instrument containing the appropriate joinders in compliance with the participation requirements of Section 14, and Section 34, infra; and (d) a copy of all objections received along with the Unit Operator's response thereto.

The expansion shall, after due consideration of all pertinent information and approval by the A.O., become effective as of the date prescribed in the notice thereof, preferably the first day of the month subsequent to the date of notice. The revised Tract Participation of the respective Tracts included within the Unit Area prior to such enlargement shall remain the same ratio one to another.

SECTION 5. <u>UNITIZED LAND</u>. All land committed to this Agreement as to the Unitized Formation shall constitute land referred to herein as "Unitized Land" or "Land subject to this Agreement". Nothing herein shall be construed to unitize, pool, or in any way affect the oil, gas and other minerals contained in or that may be produced from any formation other than the Unitized Formation as defined in Section 2(h) of this Agreement.

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

Unit Operator shall have a lien upon interests of Working Owners in the Unit Area to the extent provided in the Unit Operating Agreement.

SECTION 7. <u>RESIGNATION OR REMOVAL OF UNIT OPERATOR</u>. Unit Operator shall have the right to resign at any time, but such resignation shall not become effective so as to release Unit Operator from the duties and obligations of Unit Operator and terminate Unit Operator's rights as such for a period of six (6) months after written notice of intention to resign has been given by Unit Operator to all Working Interest Owners and the A.O. unless a new Unit Operator shall have taken over and assumed the duties and obligations of Unit Operator prior to the expiration of said period.

The Unit Operator shall, upon default or failure in the performance of its duties and obligations hereunder, be subject to removal by Working Interest Owners having in the aggregate eighty percent (80%) or more of the Unit Participation then in effect exclusive of the Working Interest Owner who is the Unit Operator. Such removal shall be effective upon notice thereof to the A.O.

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

The resignation or removal of Unit Operator under this Agreement shall not terminate its right, title or interest as the owner of a Working Interest or other interest in Unitized Substances, but upon the resignation or removal of Unit Operator becoming effective, such Unit Operator shall deliver possession of all wells, equipment, books and records, materials, appurtenances and any other assets used in connection with the Unit Operations to the new duly qualified successor Unit Operator or to the Unit Manager if no such new Unit Operator is elected. Nothing herein shall be construed as authorizing the removal of any material, equipment or appurtenances needed for the preservation of any wells. Nothing herein contained shall be construed to relieve or discharge any Unit Operator or Unit Manager who resigns or is removed hereunder from any liability or duties accruing or

7

performable by it prior to the effective date of such resignation or removal.

-

SECTION 8. <u>SUCCESSOR UNIT OPERATOR</u>. Whenever the Unit Operator shall tender its resignation as Unit Operator or shall be removed as hereinabove provided, the Working Interest Owners shall select a successor Unit Operator as herein provided. Such selection shall not become effective until (a) a Unit Operator so selected shall accept in writing the duties and responsibilities of Unit Operator, and (b) the selection shall have been approved by the A.O. If no successor Unit Operator or Unit Manager is selected and qualified as herein provided, the A.O., at the A.O.'s election, may declare this Agreement terminated.

In selecting a successor Unit Operator, the affirmative vote of three or more Working Interest Owners having a total of sixtyfive percent (65%) or more of the total Unit Participation shall prevail; provided that if any one Working Interest Owner has a Unit Participation of more than thirty-five percent (35%), its negative vote or failure to vote shall not be regarded as sufficient unless supported by the vote of one or more other Working Interest Owners having a total Unit Participation of at least five percent(5%). If the Unit Operator who is removed votes only to succeed itself or fails to vote, the successor Unit Operator may be selected by the affirmative vote of the owners of at least eighty percent (80%) of the Unit Participation remaining after excluding the Unit Participation of Unit Operator so removed.

ACCOUNTING PROVISIONS AND UNIT OPERATING SECTION 9. AGREEMENT. Costs and expenses incurred by Unit Operator in conducting Unit Operations hereunder shall be paid, apportioned among and borne by the Working Interest Owners in accordance with the Unit Operating Agreement. Such Unit Operating Agreement shall also provide the manner in which the Working Interest Owners shall be entitled to receive their respective proportionate and allocated share of the benefits accruing hereto in conformity with their underlying operating agreements, leases or other contracts and such other rights and obligations as between Unit Operator and the Working Interest Owners as may be agreed upon by the Unit Operator and the Working Interest Owners; however, no such Unit Operating Agreement shall be deemed either to modify any of the terms and conditions of this Agreement or to relieve the Unit Operator of any right or obligation established under this Agreement, and in case of any inconsistency or conflict between this Agreement and the Unit Operating Agreement, this Agreement shall prevail. Copies of any Unit Operating Agreement executed pursuant to this Section shall be filed with the A.O. at the Proper BLM Office as required prior to approval of this Agreement.

SECTION 10. <u>RIGHTS AND OBLIGATIONS OF UNIT OPERATOR</u>. Except as otherwise specifically provided herein, the exclusive right, privilege and duty of exercising any and all rights of the parties hereto including surface rights which are necessary or convenient for prospecting for, producing, storing, allocating and distributing the Unitized Substances are hereby delegated to and shall be exercised by the Unit Operator as herein provided. Upon request, acceptable evidence of title to said rights shall be deposited with said Unit Operator, and together with this Agreement, shall constitute and define the rights, privileges and obligations of Unit Operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this Agreement the Unit Operator, in its capacity as Unit Operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

SECTION 11. PLAN OF OPERATIONS. It is recognized and agreed by the parties hereto that all of the land subject to this Agreement is reasonably proved to be productive of Unitized Substances and that the object and purpose of this Agreement is to formulate and to put into effect an improved recovery project in order to effect additional recovery of Unitized Substances, prevent waste and conserve natural resources. Unit Operator shall have the right to inject into the Unitized formation any substances for secondary recovery or enhanced recovery purposes in accordance with a plan of operation approved by the Working Interest Owners, the A.O. and the Division, including the right to drill and maintain injection wells on the Unitized Land and completed in the Unitized Formation, and to use abandoned well or wells producing from the Unitized Formation for said purpose. Subject to like approval, the Plan of Operation may be revised as conditions may warrant.

The initial Plan of Operation shall be filed with the A.O. and the Division concurrently with the filing of the Unit Agreement for final approval. Said initial plan of operations and all revisions thereof shall be as complete and adequate as the A.O. and the Division may determine to be necessary for timely operation consistent herewith. Upon approval of this Agreement and the initial plan by the A.O., said plan, and all subsequently approved plans, shall constitute the operating obligations of the Unit Operator under this Agreement for the period specified therein. Thereafter, from time to time before the expiration of any existing plan or at the request of the A.O., the Unit Operator shall submit for like approval a plan for an additional specified period of operations. After such operations are commenced, reasonable diligence shall be exercised by the Unit Operator in complying with the obligations of the approved Plan of Operation.

Notwithstanding anything to the contrary herein contained, should the Unit Operator fail to commence Unit Operations for the secondary recovery of Unitized Substances from the Unit Area within eighteen (18) months after the effective date of this Agreement, or any extension thereof approved by the A.O., this Agreement shall terminate automatically as of the date of default. SECTION 12. <u>USE OF SURFACE AND USE OF WATER</u>. The parties to the extent of their rights and interests, hereby grant to Unit Operator the right to use as much of the surface, including the water thereunder, of the Unitized Land as may reasonably be necessary for Unit Operations.

Unit Operator's free use of water or brine or both for Unit Operations, shall not include any water from any well, lake, pond or irrigation ditch of a surface owner, unless approval for such use is granted by the surface owner.

Unit Operator shall pay the surface owner for damages to growing crops, fences, improvements and structures on the Unitized Land that result from Unit Operations, and such payments shall be considered as items of unit expense to be borne by all the Working Interest Owners of lands subject hereto.

SECTION 13. TRACT PARTICIPATION. In Exhibit "C" attached hereto, there are listed and numbered the various Tracts within the Unit Area, and set forth opposite each Tract are figures which represent the Tract Participation, during Unit Operations if all Tracts in the Unit Area qualify as provided herein. The Tract Participation of each Tract as shown in Exhibit "C" was determined in accordance with the following example formula:

$$\begin{array}{rcl} TP &=& \underline{TAF} \\ & UAF \end{array}$$

In the above formula, "TP" stands for Tract Participation; "TAF" stands for the number of acre-feet of net pay for the unitized formation underlying a Tract within the Unit Area as reflected on Exhibit "C-1" attached hereto (number of acre-feet in each Tract determined by planimeter); "UAF stands for the total number of acre-feet of net pay for the entire Unitized Formation underlying the Unit Area (number of acre-feet in entire Unit Area determined by planimeter).

In the event less than all Tracts are qualified on the Effective Date hereof, the Tract Participation shall be calculated on the basis of all such qualified Tracts rather than all Tracts in the Unit Area.

SECTION 14. TRACTS OUALIFIED FOR PARTICIPATION. On and after the Effective Date hereof, the Tracts within the Unit Area which shall be entitled to participation in the production of Unitized Substances shall be those Tracts more particularly described in Exhibit "B" that corner or have a common boundary (Tracts separated only by a public road or a railroad right-of-way shall be considered to have a common boundary), and that otherwise qualify as follows: (a) Each Tract as to which Working Interest Owners owning one hundred percent (100%) of the Working Interest have become parties to this Agreement and as to which Royalty Owners owning seventy-five percent (75%) or more of the Royalty Interest have become parties to this Agreement.

(b) Each Tract as to which Working Interest Owners owning one hundred percent (100%) of the Working Interest have become parties to this Agreement, and as to which Royalty Owners owning less than seventy-five percent (75%) of the Royalty Interest have become parties to this Agreement, and as to which (1) the Working Interest Owner who operates the Tract and Working Interest Owners owning at least seventy-five percent (75%) of the remaining Working Interest in such Tract have joined in a request for the inclusion of such Tract, and as to which (2) Working Interest Owners owning at least seventy-five percent (75%) of the combined Unit Participation in all Tracts that meet the requirements of Section 14 (a) above have voted in favor of the inclusion of such tract.

Each Tract as to which Working Interest Owners owning (C) less than one hundred percent (100%) of the Working Interest have become parties to this Agreement, regardless of the percentage of Royalty Interest therein that is committed hereto; and as to which (1) the Working Interest Owner who operates the Tract and Working Interest Owner owning at least seventy-five percent (75%) of the remaining Working Interest in such Tract who have become parties to this Agreement have joined in a request for inclusion of such Tract, and have executed and delivered, or obligated themselves to execute and deliver an indemnity agreement indemnifying and agreeing to hold harmless the other owners of committed Working Interests, their successors and assigns, against all claims and demands that may be made by the owners of Working Interest in such Tract who are not parties to this Agreement, and which arise out of the inclusion of the Tract; and as to which (2) Working Interest Owners owning at least seventy-five percent (75%) of the Unit Participation in all Tracts that meet the requirements of Section 14 (a) and 14 (b) have voted in favor of the inclusion of such Tract and to accept the indemnity agreement. Upon the inclusion of such a Tract, the Tract Participation which would have been attributed to the nonsubscribing owners of Working Interest in such Tract, had they become parties to this Agreement and the Unit Operating Agreement, shall be attributed to the Working Interest Owners in such Tract who have become parties to such agreements, and joined in the indemnity agreement, in proportion to their respective Working Interests in the Tract.

If on the Effective Date of this Agreement there is any Tract or Tracts which have not been effectively committed to or made subject to this Agreement by qualifying as above provided, then

such Tract or Tracts shall not be entitled to participate hereunder. Unit operator shall, when submitting this Agreement for final approval by the A.O., file therewith a schedule of those tracts which have been committed and made subject to this Agreement and are entitled to participate in Unitized Substances. Said schedule shall set forth opposite each such committed Tract the lease number or assignment number, the owner of record of the lease, and the percentage participation of such tract which shall be computed according to the participation formula set forth in (Tract Participation) above. Section 13 This schedule of participation shall be revised on Exhibit "C" and upon approval thereof by the A.O., shall become a part of this Agreement and shall govern the allocation of production of Unitized Substances until a new schedule is approved by the A.O.

SECTION 15.A. ALLOCATION OF UNITIZED SUBSTANCES. All Unitized Substances produced and saved (less, save and except any part of such Unitized Substances used in conformity with good operating practices on unitized land for drilling, operating, camp and other production or development purposes and for injection or unavoidable loss in accordance with a Plan of Operation approved by the A.O. shall be apportioned among and allocated to the qualified Tracts in accordance with the respective Tract Participations effective hereunder during the respective periods such Unitized Substances where produced, as set forth in the schedule of participation in Exhibit "C". The amount of Unitized Substances so allocated to each Tract, and only that amount (regardless of whether it be more or less than the amount of the actual production of Unitized Substances from the well or wells, if any, on such Tract) shall, for all intents, uses and purposes, be deemed to have been produced from such Tract.

The Unitized Substances allocated to each Tract shall be distributed among, or accounted for, to the parties entitled to share in the production from such Tract in the same manner, in the same proportions, and upon the same conditions, as they would have participated and shared in the production from such Tracts, or in the proceeds thereof, had this Agreement not been entered into; and with the same legal force and effect.

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

If the Working Interest and/or the Royalty Interest in any Tract are divided with respect to separate parcels or portions of such Tract and owned now or hereafter in severalty by different persons, the Tract Participation shall in the absence of a recordable instrument executed by all owners in such Tract and furnished to Unit Operator fixing the divisions of ownership, be divided among such parcels or portions in proportion to the number of surface acres in each.

SECTION 15.B. EXCESS IMPUTED NEWLY DISCOVERED CRUDE OIL. Each Tract shall be allocated any excess imputed newly discovered crude oil in the proportion that its Tract Participation bears to the total of the Tract Participations of all Tracts no previously allocated to the total number of barrels of crude oil allocable to these Tracts out of unit production in accordance with the Tract Participations of such Tracts; provided, however, that excess imputed newly discovered crude oil allocated to each such Tract, when added to the total number of barrels of imputed newly discovered crude oil previously allocated to it, shall not exceed, in any month, the total number of barrels of oil allocable to it out of unit production in accordance with its Tract Participation.

SECTION 15.C. EXCESS IMPUTED STRIPPER CRUDE OIL. Each Tract shall be allocated any excess imputed stripper crude oil in the proportion that its Tract Participation bears to the total of the Tract Participations of all Tracts not previously allocated the total number of crude oil barrels allocable to these Tracts out of unit production in accordance with the Tract Participations of such Tracts; provided, however, that excess imputed stripper crude oil allocated to each such Tract, when added to the total number of barrels of imputed stripper crude oil previously allocated to it, shall not exceed, in any month, the total number of barrels of oil allocable to it out of unit production in accordance with its Tract Participation.

SECTION 15.D. TAKING UNITIZED SUBSTANCES IN KIND. The Unitized Substances allocated to each Tract shall be delivered in kind to the respective parties entitled thereto by virtue of the ownership of oil and gas rights therein. Each such party shall have the right to construct, maintain and operate all necessary facilities for that purpose within the Unitized Area, provided the same are so constructed, maintained and operated as not to interfere with Unit Operations. Subject to Section 17 hereof, any extra expenditure incurred by Unit Operator by reason of the delivery in kind of any portion of the Unitized Substances shall be borne by the party taking delivery. In the event any Working Interest Owner shall fail to take or otherwise adequately dispose of its proportionate share of the production from the Unitized Formation then so long as such condition continues, Unit Operator, for the account and at the expense fo the Working interest Owner of the Tract or Tracts concerned, and in order to avoid curtailing the operation of the Unit Area, may, but shall not be required to, sell or otherwise dispose of such production to itself or to others, provided that all contracts of sale by Unit Operator of any other party's share of Unitized Substances shall be only for such reasonable periods of time as are consistent with the minimum needs of the industry under the circumstances, but in no event shall any such contract be for a period in excess of one year, and at not

less than the prevailing market price in the area for like production, and the account of such Working Interest Owner shall be charged therewith as having received such production. The net proceeds, if any, of the Unitized Substances so disposed of by Unit Operator shall be paid to the Working Interest Owner of the Tract or Tracts concerned. Notwithstanding the foregoing, Unit Operator shall not make a sale into interstate commerce of any Working Interest Owner's share of gas production without first giving such Working Interest Owner sixty (60) days' notice of such intended sale.

Any Working Interest Owner receiving in kind or separately disposing of all or any part of the Unitized Substances allocated to any Tract, or receiving the proceeds therefrom if the same is sold or purchased by Unit Operator, shall be responsible for the payment of all royalty, overriding royalty and production payments due thereon, and each such party shall hold each other Working Interest Owner harmless against all claims, demands and causes of action by owners of such royalty, overriding royalty and production payments.

If, after the Effective Date of this Agreement, there is any Tract or Tracts that are subsequently committed hereto, as provided in Section 4 (Expansion) hereof, or any Tract or Tracts within the Unit Area not committed hereto as of the Effective Date hereof but which are subsequently committed hereto under the provisions of Section 14 (Tracts Qualified for Participation) and Section 32 (Nonjoinder and Subsequent Joinder); or if any Tract is excluded from this Agreement as provided for in Section 21 (Loss of Title), the schedule of participation as shown in Exhibit "C" shall be revised by the Unit Operator; and the revised Exhibit "C", upon approval by the A.O., shall govern the allocation of product on and after the effective date thereof until a revised schedule is approved as hereinabove provided.

SECTION 16. <u>OUTSIDE SUBSTANCES</u>. If gas obtained from formations not subject to this Agreement is introduced into the Unitized Formation for use in repressuring, stimulating of production or increasing ultimate recovery which shall be in conformity with a Plan of Operation first approved by the A.O., a like amount of gas with appropriate deduction for loss or depletion from any cause may be withdrawn from unit wells completed in the Unitized Formation royalty free as to dry gas, but not royalty free as to the products extracted therefrom; provided that such withdrawal shall be at such time as may be provided in the approved Plan of Operation or as otherwise may be consented to or prescribed by the A.O. as conforming to good petroleum engineering practices and provided further that such right of withdrawal shall terminate on the termination date of this Agreement.

SECTION 17. <u>ROYALTY SETTLEMENT</u>. The United States of America and all Royalty Owners who, under an existing contract, are

entitled to take in kind a share of the substances produced from any Tract unitized hereunder, shall continue to be entitled to such right to take in kind their share of the Unitized Substances allocated to such Tract, and Unit Operator shall make deliveries of such Royalty share taken in kind in conformity with the applicable contracts, laws and regulations. Settlement of Royalty not taken in kind shall be made by Working Interest Owners responsible therefor under existing contracts, laws and regulations on or before the last day of each month for Unitized Substances produced during the preceding calendar month; provided, however, that nothing herein contained shall operate to relieve the lessees of any land from their respective lease obligations for the payment of any Royalty due under the leases, except that such Royalty shall be computed on Unitized Substances as allocated to each Tract in accordance with the terms of this Agreement. With respect to Federal leases committed hereto on which the royalty rate depends upon the daily average production per well, such average production shall be determined in accordance with the operating regulations pertaining to Federal leases as though the committed Tracts were included in a single consolidated lease.

If the amount of production or the proceeds thereof accruing to any Royalty Owner (except the United States of America) in a Tract depends upon the average production per well or the average pipeline runs per well from such Tract during any period of time, then such production shall be determined from and after the effective date hereof by dividing the quantity of Unitized Substances allocated hereunder to such Tract during such period of time by the number of wells located thereon capable of producing Unitized Substances as of the Effective Date hereof, provided that any Tract not having any well so capable of producing Unitized Substances on the Effective Date hereof shall be considered as having one such well for the purpose of this provision.

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

With the exception of Federal requirements to the contrary, Working Interest Owners may use or consume Unitized Substances for Unit Operations and no Royalty, overriding royalty, production or other payments shall be payable on account of Unitized Substances used, lost, or consumed in Unit Operations.

Each Royalty Owner (other than the United States of America) that executes this Agreement represents and warrants that it is the owner of a Royalty Interest in a Tract or Tracts within the Unit Area as its interest appears in Exhibit "B" attached hereto. If any Royalty Interest in a Tract or Tracts should be lost by title failure or otherwise in whole or in part, during the term of this Agreement, then the Royalty interest of the party representing himself to be the owner thereof shall be reduced proportionately and the interest of all parties shall be adjusted accordingly.

<u>RENTAL SETTLEMENT</u>. SECTION 18. Rentals or minimum Royalties due on the leases committed hereto shall be paid by Working Interest owners responsible therefore under existing contracts, laws and regulations provided that nothing herein contained shall operate to relieve the lessees of any land from their respective lease obligations for the payment of any rental or minimum Royalty in lieu thereof, due under their leases. Rental or minimum Royalty for lands of the United States of America subject to this Agreement shall be paid at the rate specified in the respective leases from the United States of America, unless such rental or minimum Royalty is waived, suspended or reduced by law or by approval of the Secretary or his duly authorized representative.

SECTION 19. <u>CONSERVATION</u>. Operations hereunder and production of Unitized Substances shall be conducted to provide for the most economical and efficient recovery of said substances without waste, as defined by or pursuant to Federal and State Laws and regulations.

SECTION 20. <u>DRAINAGE</u>. The Unit Operator shall take all reasonable and prudent measures to prevent drainage of Unitized Substances from unitized land by wells on land not subject to this Agreement.

The Unit Operator, upon approval by the Working Interest Owners and the A.O., is hereby empowered to enter into a borderline agreement or agreements with working interest owners of adjoining lands not subject to this Agreement with respect to operation in the border area for the maximum economic recovery, conservation purposes and proper protection of the parties and interest affected.

SECTION 21. LOSS OF TITLE. In the event title to any Tract of unitized land shall fail and the true owner cannot be induced to join in this Agreement, such Tract shall be automatically regarded as not committed hereto, and there shall be such readjustment of future costs and benefits as may be required on account of the loss of such title. In the event of a dispute as to title to any Royalty, Working Interest, or other interests subject thereto, payment or delivery on account thereof may be withheld without liability for interest until the dispute is finally settled; provided, that, as to Federal lands or leases, no payments of funds due the United States or the State of New Mexico shall be withheld, but such funds shall be deposited as directed by the A.O. to be held as unearned money pending final settlement of the title dispute, and then applied as earned or returned in accordance with such final settlement. If the title or <u>right</u> of any party claiming the right to receive in kind all or any portion of the Unitized Substances allocated to a Tract is in dispute, Unit Operator at the direction of Working Interest Owners shall either:

- . . .

(a) require that the party to whom such Unitized Substance are delivered or to whom the proceeds thereof are paid furnish security for the proper accounting therefor to the rightful owner if the title or right of such party fails in whole or in part, or

(b) withhold and market the portion of Unitized Substances with respect to which title or right is in dispute, and impound the proceeds thereof until such time as the title or right thereto is established by a final judgement of a court of competent jurisdiction or otherwise to the satisfaction of Working Interest Owners, whereupon the proceeds so impounded shall be paid to the party rightfully entitled thereto.

Each Working Interest Owner shall indemnify, hold harmless, and defend all other Working Interest Owners against any and all claims by any party against the interest attributed to such Working Interest Owner on Exhibit "B".

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

SECTION 22. LEASES AND CONTRACTS CONFORMED AND EXTENDED. The terms, conditions and provisions of all leases, subleases and other contracts relating to exploration, drilling, development or operation for oil or gas on lands committed to this Agreement are hereby expressly modified and amended to the extent necessary to make the same conform to the provisions hereof, but otherwise to remain in full force and effect, and the parties hereto hereby consent that the Secretary shall and by their approval hereof, or by the approval hereof by their duly authorized representatives, do hereby establish, alter, change or revoke the drilling, producing, rental, minimum Royalty and Royalty requirements of Federal leases committed hereto and the regulations in respect thereto to conform said requirements to the provisions of this Agreement.

Without limiting the generality of the foregoing, all leases, subleases and contracts are particularly modified in accordance with the following:

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

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

(c) Suspension of drilling or producing operations within the Unit Area pursuant to direction or consent of the A.O., or their duly authorized representatives, shall be deemed to constitute such suspension pursuant to such direction or consent as to each Tract within the Unitized Area.

(d) Each lease, sublease, or contract relating to the exploration, drilling, development, or operation for oil and gas which by its terms might expire prior to the termination of this Agreement, is hereby extended beyond any such term so provided therein, so that it shall be continued in full force and effect for and during the term of this Agreement.

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

COVENANTS RUN WITH LAND. The covenants herein SECTION_23. shall be construed to be covenants running with the land with respect to the interest of the parties hereto and their successors in interest until this Agreement terminates, and any grant, transfer or conveyance of interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferee or other successor in interest. No assignment or transfer of any Working Interest subject hereto shall be binding upon Unit Operator until the first day of the calendar month after Unit Operator is furnished with the original, or acceptable photostatic or certified. copy, of the recorded instrument or transfer; and no assignment or transfer of any Royalty Interest subject hereto shall be binding upon the Working Interest Owner responsible therefor until the first day of the calendar month after said Working Interest Owner

is furnished with the original, or acceptable photostatic or certified copy, of the recorded instrument or transfer.

SECTION 24. EFFECTIVE DATE AND TERM. This Agreement shall become binding upon each party who executes or ratifies it as of the date of execution or ratification by such party and shall become effective on the first day of the calendar month next following the approval of this Agreement by the A.O.

If this Agreement does not become effective on or before July 1, 1997, it shall ipso facto expire on said date (hereinafter call "Expiration Date") and thereafter be of no further force or effect, unless prior thereto this Agreement has been executed or ratified by Working Interest Owners owning a combined Participation of at least seventy-five percent (75%); and at least seventy-five percent (75%) of such Working Interest Owners committed to this Agreement have decided to extend Expiration Date for a period not to exceed one (1) year (hereinafter called "Extended Expiration Date"). If Expiration Date is so extended and this Agreement does not become effective on or before the Extended Expiration Date, it shall ipso facto expire on Extended Expiration Date and thereafter be of no further force and effect.

Unit Operator shall file for record within thirty (30) days after the Effective Date of this Agreement, in the office of the County Clerk of Lea County, New Mexico, where a counterpart of this Agreement has become effective according to its terms and stating further the effective date.

The terms of this Agreement shall be for and during the time that Unitized Substances are produced from the Unitized land in paying quantities and so long thereafter as drilling, reworking or other operations (including improved recovery operations) are prosecuted thereon without cessation of more than ninety (90) consecutive days unless sooner terminated as herein provided.

This Agreement may be terminated with the approval of the A.O. by Working Interest Owners owning eighty percent (80%) of the Unit Participation then in effect whenever such Working Interest Owners determine that Unit Operations are no longer profitable, or in the interest of conservation. Upon approval, such termination shall be effective as of the first day of the month after said Working Interest Owners' determination. Notice of any such termination shall be filed by Unit Operator in the office of the County Clerk of Lea County, New Mexico, within thirty (30) days of the effective date of termination.

Upon termination of this Agreement, the parties hereto shall be governed by the terms and provisions of the leases and contracts affecting the separate Tracts just as if this Agreement had never been entered into. Notwithstanding any other provisions in the leases unitized under this Agreement, Royalty Owners hereby grant Working Interest Owners a period of six months after termination of this Agreement in which to salvage, sell, distribute or otherwise dispose of the personal property and facilities used in connection with Unit Operations.

SECTION 25. RATE OF PROSPECTING, DEVELOPMENT & PRODUCTION. All production and the disposal thereof shall be in conformity with allocations and quotas made or fixed by any duly authorized person or regulatory body under any Federal or State Statute. The A.O. is hereby vested with authority to alter or modify from time to time, in his discretion, the rate of prospecting and development and within the limits made or fixed by the Division to alter or modify the quantity and rate of production under this Agreement, such authority being hereby limited to alteration or modification in the public interest, the purpose thereof and the public interest to be served thereby to be stated in the order of alteration or modification.

Powers in this Section vested in the A.O. shall only be exercised after notice to Unit Operator and opportunity for hearing to be held not less than fifteen (15) days from notice, and thereafter subject to administrative appeal before becoming final.

SECTION 26. <u>NONDISCRIMINATION</u>. Unit Operator in connection with the performance of work under this Agreement relating to leases of the United States, agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive of Executive Order 11246, (30 F.R. 12319), which are hereby incorporated by reference in this Agreement.

SECTION 27. <u>APPEARANCES</u>. Unit Operator shall have the right to appear for or on behalf of any interests affected hereby before the Department and the Division, and to appeal from any order issued under the rules and regulations of the Department or the Division, or to apply for relief from any of said rules and regulations or in any proceedings relative to operations before the Department or the Division or any other legally constituted authority; provided, however, that any other interested party shall also have the right at his or its own expense to be heard in any such proceeding.

SECTION 28. <u>NOTICES</u>. All notices, demands, objections or statements required hereunder to be given or rendered to the parties hereto shall be deemed fully given if made in writing and personally delivered to the party or parties or sent by postpaid certified or registered mail, addressed to such party or parties at their last known address set forth in connection with the signatures hereto or to the ratification or consent hereof or to such other address as any such party or parties may have furnished in writing to the party sending the notice, demand or statement. SECTION 29. <u>NO WAIVER OF CERTAIN RIGHT</u>. Nothing in this Agreement contained shall be construed as a waiver by any party hereto of the right to assert any legal or constitutional right or defense as to the validity or invalidity of any law of the State wherein said Unitized Lands are located, or regulations issued thereunder in any way affecting such party, or as a waiver by any such party of any right beyond his or its authority to waive; provided, however, each party hereto covenants that it will not resort to any action to partition the unitized land or the Unit Equipment.

- . . .

SECTION 30. EQUIPMENT AND FACILITIES NOT FIXTURES ATTACHED TO REALTY. Each Working Interest Owner has heretofore placed and used on its Tract or Tracts committed to this Agreement various well and lease equipment and other property, equipment and facilities. It is also recognized that additional equipment and facilities may hereafter be placed and used upon the Unitized Land as now or hereafter constituted. Therefore, for all purposes of this Agreement, any such equipment shall be considered to be personal property and not fixtures attached to realty. Accordingly, said well and lease equipment and personal property is hereby severed from the mineral estates affected by this Agreement, and it is agreed that any such equipment and personal property shall be and remain personal property of the Working Interest Owners for all purposes.

SECTION 31. <u>UNAVOIDABLE DELAY</u>. All obligations under this Agreement requiring the Unit Operator to commence or continue improved recovery operations or to operate on or produce Unitized Substances from any of the lands covered by this Agreement shall be suspended while, but only so long as, the Unit Operator, despite the exercise of due care and diligence, is prevented from complying with such obligations, in whole or in part, by strikes, acts of God, Federal, State or municipal law or agency, unavoidable accident, uncontrollable delays in transportation, inability to obtain necessary materials or equipment in open market, or other matters beyond the reasonable control of the Unit Operator whether similar to matters herein enumerated or not.

SECTION 32. <u>NONJOINDER AND SUBSEQUENT JOINDER</u>. Joinder by any Royalty Owner, at any time, must be accompanied by appropriate joinder of the corresponding Working Interest Owner in order for the interest of such Royalty Owner to be regarded as effectively committed. Joinder to this Agreement by a Working Interest Owner, at any time, must be accompanied by appropriate joinder to the Unit Operating Agreement in order for such interest to be regarded as effectively committed to this Agreement.

Any oil or gas interest in the Unitized Formations not committed hereto prior to submission of this Agreement to the A.O. for final approval may thereafter be committed hereto upon compliance with the applicable provisions of this Section and of Section 14 (Tracts Qualified for Participation) hereof, at any time up the Effective Date hereof on the same basis of Tract Participation as provided in Section 13, by the owner or owners thereof subscribing, ratifying, or consenting in writing to this Agreement and, if the interest is a Working Interest, by the owner of such interest subscribing also to the Unit Operating Agreement.

It is understood and agreed, however, that from and after the Effective Date hereof, the right of subsequent joinder as provided in this Section shall be subject to such requirements or approvals and on such basis as may be agreed upon by Working Interest Owners owning not less than sixty-five percent (65%) of the Unit Participation then in effect, and approved by the A.O. Such subsequent joinder by a proposed Working Interest Owner must be evidenced by his execution or ratification of this Agreement and the Unit Operating Agreement and, where State or Federal land is involved, such joinder must be approved by the A.O. Such joinder by a proposed Royalty Owner must be evidenced by his execution, ratification or consent of this Agreement and must be consented to in writing by the Working Interest Owner responsible for the payment of any benefits that may accrue hereunder in behalf of such proposed Royalty Owner. Except as may be otherwise herein provided, subsequent joinder to this Agreement shall be effective as of the first day of the month following the filing with A.O. of duly executed counterparts of any and all documents necessary to establish effective commitment of any Tract or interest to this Agreement, unless objection to such joinder by the Land Commissioner or the A.O., is duly made sixty (60) days after such filing.

SECTION 33. <u>COUNTERPARTS</u>. This Agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties and may be ratified or consented to by separate instrument in writing, specifically referring hereto, and shall be binding upon all those parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document, and regardless of whether or not it is executed by all other parties owning or claiming an interest in the land within the described Unit Area. Furthermore, this Agreement shall extend to and be binding on the parties hereto, their successors, heirs and assigns.

SECTION 34. JOINDER IN DUAL CAPACITY. Execution as herein provided by any party as either a Working Interest Owner or a Royalty Owner shall commit all interests owned or controlled by such party; provided, that if the party is the owner of a Working Interest, he must also execute the Unit Operating Agreement.

SECTION 35. <u>TAXES</u>. Each party hereto shall, for its own account, render and pay its share of any taxes levied against or measured by the amount or value of the Unitized Substances produced from the unitized land; provided, however, that if it is required

or if it be determined that the Unit Operator or the several Working Interest Owners must pay or advance said taxes for the account of the parties hereto, it is hereby expressly agreed that the parties so paying or advancing said taxes shall be reimbursed therefor by the parties hereto, including Royalty Owners, who may be responsible for the taxes on their respective allocated share of said Unitized Substances. No taxes shall be charged to the United States nor to any lessor who has a contract with a lessee which requires his lessee to pay such taxes.

SECTION 36. <u>NO PARTNERSHIP</u>. The duties, obligations and liabilities of the parties hereto are intended to be several and not joint or collective. This Agreement is not intended to create, and shall not be construed to create, an association or trust, or to impose a partnership duty, obligation or liability with regard to any one or more of the parties hereto. Each party hereto shall be individually responsible for its own obligation as herein provided.

PRODUCTION AS OF THE EFFECTIVE DATE. SECTION 37. Unit Operator shall make a proper and timely gauge of all leases and other tanks within the Unit Area in order to ascertain the amount of merchantable oil above the pipeline connection, in such tanks as of 7:00 a.m. on the Effective Date hereof. All such oil which has been produced in accordance with established allowables shall be and remain the property of the Working Interest Owner entitled thereto, the same as if the unit and not been formed; and the responsible Working Interest Owner shall promptly remove said oil from the unitized land. Any such oil not so removed shall be sold by Unit Operator for the account of such Working Interest Owners, subject to the payment of all Royalty to Royalty Owners under the terms hereof. The oil that is in excess of the prior allowable fo the wells from which it was produced shall be regarded as Unitized Substances produced after Effective Date hereof.

If, as of the Effective Date hereof, any Tract is overproduced with respect to the allowable of the wells on that Tract and the amount of over-production has been sold or otherwise disposed of, such over-production shall be regarded as a part of the Unitized Substances produced after the Effective Date hereof and shall be charged to such Tract as having been delivered to the parties entitled to Unitized Substances allocated to such Tract.

SECTION 38. <u>NO SHARING OF MARKET</u>. This Agreement is not intended to provide and shall not be construed to provide, directly or indirectly, for any cooperative refining, joint sale or marketing of Unitized Substances.

SECTION 39. <u>STATUTORY UNITIZATION</u>. If and when Working Interest Owners owning at least seventy-five percent (75%) Unit Participation and Royalty Owners owning at least seventy-five percent (75%) Royalty Interest have become parties to this Agreement or have approved this Agreement in writing and such Working Interest Owners have also become parties to the Unit Operating Agreement, Unit Operator may make application to the Division for statutory unitization of the uncommitted interests pursuant to the Statutory Unitization Action (Chapter 65, Article 14, N.M.S. 1953 Annotated). If such application is made and statutory unitization is approved by the Division, then effective as of the date of the Division's order approving statutory unitization, this Agreement and/or the Unit Operation Agreement shall automatically be revised and/or amended in accordance with the following:

(1) Section 14 of this Agreement shall be revised by substituting for the entire said section the following:

"SECTION 14. TRACTS QUALIFIED FOR PARTICIPATION. On and after the Effective Date hereof, all Tracts within the Unit Area shall be entitled to participation in the production of Unitized Substances."

(2) Section 24 of this Agreement shall be revised by substituting for the first three paragraphs of said section the following:

"SECTION 24. EFFECTIVE DATE AND TERM. This Agreement shall become effective on the first day of the calendar month next following the effective date of the Division's order approving statutory unitization upon the terms and conditions of this Agreement, as amended (if any amendment is necessary) to conform to the Division's order; approval of this Agreement by the A.O. and the filing by Unit Operator of this Agreement or notice thereof for record in the office of the County Clerk of Lea County, New Mexico. Unit Operator shall not file this Agreement or notice thereof for record, and hence this Agreement shall not become effective, unless within ninety (90) days after the date all other prerequisites for effectiveness of this Agreement have been satisfied, such filing is approved by Working Interest Owners owning a combined Unit Participation of at least sixty-five percent (65%) as to all Tracts within the Unit Area."

"Unit Operator shall, within thirty (30) days after the Effective Date of this Agreement, file for record in the office of the County Clerk of Lea County, New Mexico, a certificate to the effect that this Agreement has become effective in accordance with its terms, therein identifying the Division's order approving statutory unitization and stating the Effective Date."

(3) This Agreement and/or the Unit Operating Agreement shall be amended in any and all respects necessary to conform to the Division's order approving statutory unitization. Any and all amendments of this Agreement and/or the Unit Operating Agreement that are necessary to conform said agreements to the Division's order approving statutory unitization shall be deemed to be hereby approved in writing by the parties hereto without any necessity for further approval by said parties, except as follows:

(a) If any amendments of this Agreement has the effect of reducing any Royalty Owner's participation in the production of Unitized Substances, such Royalty Owner shall not be deemed to have hereby approved the amended agreement without the necessity of further approval in writing by said Royalty Owner; and

(b) If any amendment of this Agreement and/or the Unit Operating Agreement has the effect of reducing any Working Interest Owner's participation in the production of Unitized Substances or increasing such Working Interest Owner's share of the Unit Expense, such Working Interest Owner shall not be deemed to have hereby approved the amended agreements without the necessity of further approval in writing by said Working Interest Owner.

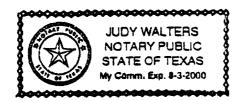
Executed as of the day and year first above written.

PARKER & PARSLEY DEVELOPMENT L.P. By: Parker & Parsley Petroleum USA, Inc., General Partner Bv: Buddy J. Knight, Wicg President December N, 1996 Date of Execution STATE)ss. COUNTY OF This instrument was acknowledged before methis day of , for/of , 1996, by corporation, on behalf , a of said corporation. Notary Public My commission expires:

ACKNOWLEDGMENT

STATE OF TEXAS § § COUNTY OF MIDLAND §

This instrument was acknowledged before me this 11th day of December, 1996, by Buddy J. Knight, Vice President of Parker & Parsley Petroleum USA, Inc., a Delaware corporation, on behalf of said corporation and as General Partner of said limited partnership.

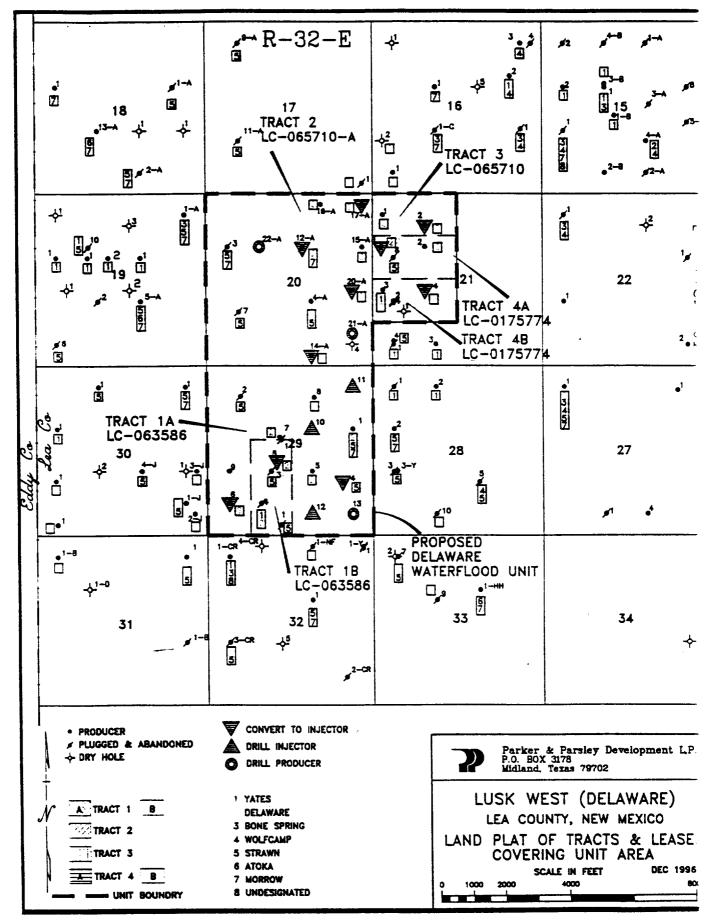


Notary Pupplic, State of Texas

- EXHIBIT "A"

......

. . . .



الا الرواحة المستعدم مريك

1A FEDEDAL TRACTO TOT		`₹														ЧВН		10/1/47	SW/4 Effective	except the E/2 of the	All of Sec 29, save &	1A T19S-R32E. N M P M 560 00 LC-0	NO OF LAND OF ACRES D	TRACT DESCRIPTION NUMBER AN		
																		147	ctive			LC-063586	DATE OF LEASE	SERIAL NUMBER AND EXPIRATION		
																					(sliding scale)	U.S.A. 12.50000%	AND PERCENTAGE	BASIC ROYALTY	Ownersh	
																				Scope Energy	Kathleen Irwin	Parker & Parsley Dev. L.P.		_	Ownership as to the 6400' Delaware zone	LEA CO., NEW MEXICO
75 7008				١															100.000%	75.000%	12.500%	12.500%	AND PERCENTAGE	LEASE OF RECORD	Iware zone	
R		Lena Willis	Robert S. Wildish	Gretchen Walter	Shirley Wallace	Charles Wallace Estate	TCW DR Royalty II	Jean B Reader	Parker & Parsley Dev. L.P.	Wallace Irwin Trust	Kathleen Invin	Audrey Hamrick	Wendell K. Freeman	Milton L. Freeman	John H. Freeman	Conrad Freeman	Bernard H. Freeman	O. M. Carey	Mildred Bowman	Lena Bowman	B. McGuffey Bowman	Amity Otl c/o R. D. Pulliam		ONERRIDING ROYALTY		
	2.585342%	0.044643%	0.062500%	0.062500%	0.265625%	0.265625%	0.570832%	0.031250%	0.039061%	0.265625%	0.265625%	0.044643%	0.014881%	0.014881%	0.044643%	0.044642%	0.014881%	0.044643%	0.156250%	0.156250%	0.031250%	0.145092%	AND PERCENTAGE	ROYALTY		
Αυπ				•										•			·	Amity Oil	Scope Energy	Wallace Irwin Trust	Kathleen Irwin	Parker & Parsley Dev. L.P		WORK		
																	100.00000%	4 464300%	21 428600%	1 785700%	1.785700%	70.535700%	AND PERCENTAGE	WORKING INTEREST		

2.

... eu

12/9/96

				an at	
te F				18]
FEDERAL		ſ		DESCRIPTION OF LAND T19S-R32E, N M P M E/2 of the SW/4 ul	
TRACTS				NUMBER OF ACRES 80 00	
TOTALING			Effective: 10/1/47 H8P	SERIAL NUMBER AND EXPIRATION DATE OF LEASE LC-063586	SCHEDULE SHOW
80 00 ACRES				BASIC ROYALTY AND PERCENTAGE U.S.A 12.50000% (silding scale)	VING THE PERCENT LUSK
Ş			Culbertson Mgmt Trust	LEAS Wallace Irwin Trust Scope Energy	EXHIBIT "B" ERCENTAGE AND KIND OF OWNERSHIP LUSK WEST (DELAWARE) UNIT AREA LEA CO., NEW MEXICO Ownership as to the 6400' Delaware zone
5.300%			12.500% 100.000%	LEASE OF RECORD AND PERCENTAGE Ist 12.500% 75.000%	OWNERSHIP) UNIT AREA XICO)elaware zone
ę	Robert E Waller	Charles Wallace Estate Gretchen Walter Robert S. Wildish Lena Willis Nancy Bartum Glenna J. Carey Harold E. Carey Darlene Henery	Mildred Bowman Bernard H. Freeman John H. Freeman Milton L. Freeman Wendeil K. Freeman Audrey Hamrick Kathleen Irwin Wallace Irwin Trust Jean B. Reader	B. McGuffey Lena Bowma	EXHIBIT "B" SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS LUSK WEST (DELAWARE) UNIT AREA LEA CO., NEW MEXICO Ownership as to the 6400' Delaware zone
UNIT	0.011170% 2.156250%	0.531250% 0.062500% 0.062500% 0.014640% 0.011160% 0.011160% 0.011160%	0.156250% 0.014880% 0.014880% 0.014880% 0.014880% 0.044640% 0.044640% 0.265630% 0.265630%	OVERRIDING ROYALTY AND PERCENTAGE Bowman 0.312500% n 0.156250%	TERESTS
AREA				WORKING INTEREST AND PERCENTAGE Parker & Parsley Dev L.P. 100.000000%	

•

12/9/96

•

N TRACT NO Sec 20 - All T19S-R32E, N M.P M 640.00 FEDERAL DESCRIPTION OF LAND FRACTS OF ACRES NUMBER HBP LC-065710-A EXHIBIT "8" SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS LUSK WEST (DELAWARE) UNIT AREA LEA CO., NEW MEXICO 10.1/51 Effective: TOTALING AND EXPIRATION DATE OF LEASE SERIAL NUMBER 640.00 ACRES BASIC ROYALTY U.S.A. 12.50000% AND PERCENTAGE (sliding scale) Marbob Energy Corp. Ownership as to the 6400' Delaware zone å Parker & Parsley Dev. L.P. 50.000% Marbob Energy Corp. 50.000% LEASE OF RECORD AND PERCENTAGE 42.100% 100.000% ļ Paul Slayton Olan F Featherstone ð OVERRIDING ROYALTY AND PERCENTAGE õ 0.500000% UNIT 2.500000% AREA Parker & Parsley Dev. L.P. WORKING INTEREST AND PERCENTAGE 100.000000%

12/9/96

12:55 PM

					\$` •		÷					4. 4.							
-					1 1 1								• 1.						
12/9/96	ω				•								Ĺ		NO				
	FEDERAL				,								Sec 21 - N/2 of NW/4		DESCRIPTION OF LAND				
	TRACTS												80.00		NUMBER				
1.	TOTALING	•							Ï	HRD	10/1/51	Effective:	LC-065710		AND EXPIRATION	SERIAL NUMBER			SCHEDULE SHOW
	80.00 ACRES												U.S.A. 12.50000% (sliding scale)	,	BASIC ROYALTY		Owners	LUSK	EXHIBIT "B" SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS
	P.									Thru Line, Inc.	Keystone, Inc.		Perry R. Bass, Inc. Lee M. Bass, Inc.		LEAS		Ownership as to the 6400' Delaware zone	LUSK WEST (DELAWARE) UNIT AREA LEA CO., NEW MEXICO	EXHIBIT "8" AGE AND KIND OF
	5.300%					\$				18.750%	18.750%	18.750%	25.000% 18.750%		LEASE OF RECORD)elaware zone) UNIT AREA XICO	OWNERSHIP
	P			Amoco Prod Co.	Bob Shackelford	Wilbur Shackelford	Don Shackelford	Douglas R Evans	Fweil H Muse Ir	Baul Stavton	Lee M. Bass	Keystone Inc.	Perry R. Bass Sid K. Bass		OVERRIDING				OF OIL AND GAS
	UNIT		r	9.500000% 28.850000%	1.000000%	1.000000%	0.450000%	0.900000%	0.500000%	2.343750%	2.343750%	2.343750%	3.125000% 2.343750%		AND PERCENTAGE	2			INTERESTS
	AREA											Bob Shackelford	Parker & Parsley Dev. L P. Wilbur Shackelford		WORKING				
											100.00000%	12.500000%	75.000000% 12.500000%		AND PERCENTAGE				

ω TRACT **Z**O FEDERAL Sec 21 - N/2 of NW/4 T19S-R32E, N.M.P.M 80 00 DESCRIPTION OF LAND TRACTS OF ACRES NUMBER HBP 10/1/51 LC-065710 Effective: TOTALING AND EXPIRATION DATE OF LEASE SERIAL NUMBER U.S.A. 12.50000% BASIC ROYALTY 80.00 ACRES AND PERCENTAGE (sliding scale) Ownership as to the 6400' Delaware zone LEA CO., NEW MEXICO Lee M. Bass, Inc Q R Perry R Bass, Inc. Thru Line, Inc Keystone, Inc. Sid R. Bass, Inc. LEASE OF RECORD AND PERCENTAGE 18.750% 25.000% 5.300% 18.750% 18.750% 100.000% 18.750% ရှ **Bob Shackelford** Wilbur Shackelford Don Shackelford Douglas R Evans Ewell H. Muse Jr. Paul Slayton Lee M. Bass Keystone Inc. Thru Line Inc. Sid K. Bass Perry R. Bass OVERRIDING ROYALTY AND PERCENTAGE Gas UNIT 31.850000% 1.000000% 0.450000% 0.900000% 3.0000009 1.000000% 0.500000% 4.687500"% 4.6875009 4.6875009 4.6875009 6.250000% AREA **Bob Shackelford** Wilbur Shackelford Parker & Parsley Dev. L.P WORKING INTEREST AND PERCENTAGE 100 000000% 12.500000% 12.500000% 75.000000%

EXHIBIT "B" SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS LUSK WEST (DELAWARE) UNIT AREA

t.T

12/9/96

12:54 PM

ŧ					\$∆	NO.				
FEDERAL				Sec. 21	T19S-R32E, N.M.P.M S/2 of the NW/4 of	DESCRIPTION OF LAND				
TRACTS					80.00	NUMBER OF ACRES				
TOTALING			НВР	Effective: 10/1/51	LC-0175774	AND EXPIRATION DATE OF LEASE	SERIAL NUMBER			SCHEDULE SHOW
80.00 ACRES					U.S.A. 12.50000% (sliding scale)	BASIC ROYALTY AND PERCENTAGE		Ownersh		EXHIBIT "B" SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS
Ş					Mobil Producing Texas & New Mexico Inc.	LEAS		Ownership as to the 6400' De	LUSK WEST (DELAWARE) UNIT AREA LEA CO., NEW MEXICO	EXHIBIT "B"
5.300%					100,000%	LEASE OF RECORD AND PERCENTAGE		0° Delaware zone	JNIT AREA	WNERSHIP
P			Mobil Oil Ca.	Wilbur Shackelford Bob Shackelford	Douglas R Evans Don Shackelford	OVERRI				OF OIL AND GAS IN
UNIT			19 500000% 22.850000%	1.000000%	0.900000% 0.450000%	DING ROYALTY AND PERCENTAGE	Q			TERESTS
AREA	,			Bob Shackelford	Parker & Parsley Dev. L.P. Wilbur Shackelford	WORKING				
				17 500000%	65.000000% 17.500000%	UNG INTEREST AND PERCENTAGE				

•...

e data

••••

المالا محادما

1 Mar. 14 14

12/9/96

.

6	4 8				48	TRACT		
TRACTS	FEDERAL	i		Sec. 21	TI9S-R32E, NMPM	OT DESCRIPTION		
TOTALING	TRACTS				M 80.00	NUMBER OF ACRES		
1,520.00	TOTALING		HBP	Effective:	LC-0175774	SERIAL NUMBER AND EXPIRATION DATE OF LEASE		SCHEDULE SHOW
ACRES IN	80.00 ACRES			(sinding scale)	U.S.A. 12.50000%	BASIC ROYALTY AND PERCENTAGE	Owners	JING THE PERCENT
UNIT	Q) I exas & New Mexico Inc.		LEAS	Ownership as to the 6400' D	EXHIBIT "B" RCENTAGE AND KIND OF OWNERSHIP LUSK WEST (DELAWARE) UNIT AREA LEA CO., NEW MEXICO
AREA	5.300%				100.000%	LEASE OF RECORD AND PERCENTAGE	Delaware zone	OWNERSHIP UNIT AREA (ICO
	OF		Bob Shackelford Mobil Oil Corp	Wilbur Shackelford	Douglas R Evans	OVERRI		EXHIBIT "B" SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS LUSK WEST (DELAWARE) UNIT AREA LEA CO., NEW MEXICO
	UNIT		1.000000% 19.500000% 22.550000%	%000000.1	0.700000%	Oi DING ROYALTY AND PERCENTAGE		JTERESTS
	AREA	;		Bob Shackelford	Parker & Parsley Dev. L.P.	WORKING		
				17.500000%	65,000000%	UNG INTEREST AND PERCENTAGE		

. .

...

.....

į

12/9/96

10:01 AM

EXHIBIT "C" TRACT PARTICIPATION OF EACH TRACT LUSK WEST (DELAWARE) UNIT AREA LEA CO. NEW MEXICO

,

Total	48	4A	د رع	2	18	1A	Tract No.
100.00000%	5.04614%	8.18435%	8.89081%	36.51480%	5.10861%	36.25529%	Tract Participation

١

12/6/96

EXHIBIT "C-1" EXHIBIT OF ACRE-FEET (ACRES MULTIPLIED BY NET PAY) BY TRACT

, •••<u>•</u> . .

n. 1. f. +

LEASE	\//eli#	SEC	l Init	AC-FT
LUSK DEEP UNIT A INJ	17	20		2280
LUSK DEEP UNIT A	19	20		• 704
LUSK DEEP UNIT A PUD	22			375
LUSK DEEP UNIT A INJ	12			759
LUSK DEEP UNIT A	15			750
LUSK DEEP UNIT A INJ	20			550
LUSK DEEP UNIT A	4			580
LUSK DEEP UNIT A INJ	14	20	ο	600
LUSK DEEP UNIT A PUD	21	20	Р	1000
Tract 2 Total/Sum/Avg				7598
AMOCO FEDERAL INJ	2	24	~	800
AMOCO FEDERAL INJ AMOCO FEDERAL	2			800
Tract 3 Total/Sum/Avg	1	21	U	1050
Haci S Total/Suni/Avg				1850
MOBIL FEDERAL	1	21	Е	1043
MOBIL FEDERAL	2	21	F	660
Tract 4A Total/Sum/Avg				1703
MOBIL FEDERAL INJ	4			390
MOBIL FEDERAL	3	21	L	660
Tract 4B Total/Sum/Avg				1050
SOUTHERN CAL FED INJ	11	29	A	580
SOUTHERN CALIFORNIA FED	8	29		609
SOUTHERN CALIFORNIA FED	7			300
SOUTHERN CAL FED INJ	12	29	G	1025
SOUTHERN CALIFORNIA FED	1	29	н	1260
SOUTHERN CAL FED INJ	4	29	1	448
SOUTHERN CALIFORNIA FED	5	29	J	1025
SOUTHERN CAL FED	9	29	L	300
SOUTHERN CAL FED INJ	6	29	М	480
<u><u><u></u>BOUTHERN CAL FED INJ</u></u>	10	29	0	1025
SOUTHERN CAL FED PUD	13	29	P	492
Tract 1A Total/Sum/Avg				7544
S. A. BOWMAN FEDERAL INJ	5	29	v	720
S. A. BOWMAN FEDERAL	4	29		738
Tract 1B Total/Sum/Avg	4	23	IN .	325
Grand Total				and the second se
Granu Total				20,808

UNIT OPERATING AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE LUSK WEST (DELAWARE) UNIT AREA LEA COUNTY, NEW MEXICO

· · · ·

,

1

•

a un recent al more -

÷

(~

NEW MEXICO OIL CONSERVATION DIVISION Parker & Parsley Development L.P. EXHIBIT 26 Case Nos. 11,703 and 11,704 Date of Hearing - February 6, 1997

UNIT OPERATING AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE LUSK WEST (DELAWARE) UNIT AREA LEA COUNTY, NEW MEXICO

TABLE OF CONTENTS

Section

÷

•

 γ^{4}

1

Ì

, . .

> . 1

1

1-

Page No.

Preliminary	Recitals	•	•	•	•	•	•	•	•	•	•	•	٠	•	•	•	٠	•	•	•	1
-------------	----------	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

ARTICLE 1 CONFIRMATION OF UNIT AGREEMENT

ARTICLE 2 EXHIBITS

2.1	Exhibits.					•	• •	•				•	•	-	2
	2.1.1	Exhibits	"A"	, "B'	', "C	" a	nd	"C-3	L";	Re	fe	re	nc	e	
		to Unit	t Ag:	reeme	ent .	•		•		•			•		2
	2.1.2	Exhibit													
	2.1.3	Exhibit													
	2.1.4	Exhibit													
	2.1.5	Exhibit													
	2.1.6	Exhibit	"H";	Gas	Bala	nci	ng i	Agre	eeme	ent	•	•	•	•	2
	Revision														
2.3	Reference	to Exhib:	its			•	• •	•		•	•				2

ARTICLE 3 SUPERVISION OF OPERATIONS BY WORKING INTEREST OWNERS

3.1	Overall S	Supervision	•	3
3.2	Particula	r Powers and Duties	•	3
		Method of Operation		
	3.2.2	Drilling of Wells		3
	3.2.3	Well Workovers and Conversion of Wells		
	3.2.4	Expenditures	•	4
	3.2.5	Amendment of Overhead Rates		4
	3.2.6	Disposition of Surplus Facilities	•	4
	3.2.7	Appearance Before a Court or Regulatory		
		Body		4
	3.2.8	Audit Exceptions	•	4
	3.2.9	Assignments to Committees	•	4
	3.2.10	Selection of Successor to Unit Operator .	•	4
	3.2.11	Enlargement of Unit Area		4

3.2.12	Investment A	۱djı	istmer	it.		•	•	•	•	•	•	•	4
3.2.13	Acquisition	of	Wells	s for	Unit	Op	er	at	:ic	ons	5.	•	5
3.2.14	Termination	of	Unit	Agree	ement	•	•	•	•	•	•	•	5

1 *

,

÷

:

.

р — Вла 1915 — П. П.

ARTICLE 4

MANNER OF EXERCISING SUPERVISION

4.1	Designat:	ion of	Rep	res	enta	ativ	ves	3.			•	•	•		•	•	•		•	5
4.2	Meetings				•		•	•	•	•		•			•	•		•	•	5
4.3	Voting Pr	rocedu	re.		•			•		•	•	•	•	•	•	•	•	•		5
	4.3.1	Voti	ng I	nte	rest	t.		•	•		•	•	•	•	•	•	•			5
	4.3.2																			5
	4.3.3	Vote	at	Mee	ting	g by	y ľ	NOI	<u>1-</u> 2	\tt	:er	ıdi	ng	ŢΫ	٩O)	cki	lng	J		
		Int	tere	st	Owne	ers	•			•			•	•	•		•	•	•	6
	4.3.4	Poll	Vot	es.	•	•••	•	•	•	•	•	•	•	•	•		•	•	•	6

ARTICLE 5

INDIVIDUAL RIGHTS AND PRIVILEGES OF WORKING INTEREST OWNERS

5.1	Reservat:	ion of Rights 6
5.2	Specific	Rights
		Access to Unit Area
	5.2.2	Reports by Request
	5.2.3	Audits

ARTICLE 6 UNIT OPERATOR

6.1	Unit Operator				•	•	•	7
	Resignation or Removal of Unit Operator							
6.3	Selection of Successor Unit Operator	•	•	•				8
6.4	Records and Information			•				8

ARTICLE 7

- POWERS AND DUTIES OF UNIT OPERATOR

7.1	Exclusive Rights to Operate Unit	•			•	•	•	•	8
7.2	Workmanlike Conduct	•	•	•	•	•	•	•	8
7.3	Liens and Encumbrances	•	•	•	•	•	•	•	9
7.4	Employees	•	•	•	•	•	•	•	9
7.5	Records	•	•	•	٠	•	•	•	9
	Reports to Working Interest Owners								
	Reports to Governmental Authorities								
	Engineering and Geological Information.								
	Expenditures								
	Wells Drilled by Unit Operator								
7.11	Border Agreements	•	•	•	•	•	•	•	10

ARTICLE 8 TAXES

. **. .**

4

ŝ,

•

ł

• • • • •

F. Destruction of the second se

.

÷

. . . .

:

8.1 8.2 8.3	Ad Valorem Taxes				. 11
	ARTICLE 9 INSURANCE				
9.1	Insurance	•	•	•	. 12
	ARTICLE 10				
	ADJUSTMENT OF INVESTMENTS				
	ADJUSIMENT OF INVESTMENTS				
10.1	Personal Property Taken Over	•	•		. 12
	10.1.1 Wells and Well Equipment			•	. 12
	10.1.2 Lease and Operating Equipment	•	•	•	. 12
	10.1.3 Records			•	. 13
10.2	Inventory and Evaluation of Personal Property	•	•	•	. 13
10.3	Inventory and Valuations				. 14
10.4	Investment Adjustments	•	•	•	. 14
10.5	Pre-Unitization Costs				. 14
10.6	General Facilities	•			. 15
	Ownership of Personal Property and Facilities				

ARTICLE 11

DEVELOPMENT AND OPERATING COSTS

11.1	Basis of Charge to Working Interest Owners		•	. 1	L5
11.2	Advance Billings	•	•	. 1	15
11.3	Commingling of Funds	•	•	. 1	15
11.4	Lien and Security Interest of Unit Operator and				
	Working Interest Owners	•	•	. 1	16
	Carved-Out Interest				
11.6	Carried Interest	•	•	. 1	L7
11.7	Rentals	•	•	. 1	L8
11.8	Budgets	•		. 1	18

ARTICLE 12

NON-UNITIZED FORMATIONS

12.1	Right to	Operate	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	19
12.2	Multiple	completions.	•	•	•	•	•	•	•	•	•	•		•	•	•	•	•	19

ARTICLE 13 TITLES

-

,

.

.

and the second se

÷

13.1 Warranty and Indemnity
14.1 Individual Liability
ARTICLE 15 NOTICES
15.1 Notices
ARTICLE 16 WITHDRAWAL OF WORKING INTEREST OWNERS
16.1 Withdrawal
ARTICLE 17 ABANDONMENT OF WELLS
17.1 Rights of Former Owners
ARTICLE 18 EFFECTIVE DATE AND TERM
18.1 Effective Date. .
ARTICLE 19 ABANDONMENT OF OPERATIONS
19.1 Termination
ARTICLE 20 LAWS, REGULATIONS, AND CERTIFICATE OF COMPLIANCE
20.1 Laws and Regulations2420.2 Certificate of Compliance24
(iv)

~

ARTICLE 21 GOVERNMENTAL REGULATIONS

 $\langle \uparrow \rangle$

21.1	Governmental	Regulations		•••	•	•••	• •	24
		ARTICLE 2 COUNTERPART EXP	-					
22.1	Counterpart	Execution			•			25

 \sim

2

.

...

UNIT OPERATING AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE LUSK WEST (DELAWARE) UNIT AREA LEA COUNTY, NEW MEXICO

THIS AGREEMENT is entered into as of the <u>lst</u> day of <u>December</u>, 1996, by the parties who have signed the original of this instrument, a counterpart thereof, or other instrument agreeing to be bound by the provisions hereof.

WITNESSETH:

WHEREAS, the parties hereto, as Working Interest Owners, have executed that certain agreement entitled "Unit Agreement for the Development and Operation of the Lusk West (Delaware) Unit Area, Lea County, New Mexico, " hereinafter referred to as the "Unit Agreement," which, among other things, provides for a separate agreement to be made and entered into by and between Working Interest Owners to provide for Unit Operations herein defined;

NOW, THEREFORE, in consideration of the mutual agreements herein set forth, it is agreed as follows:

ARTICLE 1

CONFIRMATION OF UNIT AGREEMENT

1.1 <u>Confirmation of Unit Agreement</u>. The Unit Agreement is hereby confirmed and incorporated herein by reference and made a part of this Agreement. The definitions in the Unit Agreement are adopted for all purposes of this Agreement. In the event of any conflict between the Unit Agreement and this Agreement, the Unit Agreement shall prevail.

- 1 -

ARTICLE 2

EXHIBITS

2.1 <u>Exhibits</u>. The following exhibits are incorporated herein by reference or by attachment hereto:

2.1.1 ' <u>Exhibits "A", "B", "C" and "C-1"</u> of the Unit Agreement.

2.1.2 <u>Exhibit "D"</u>, attached hereto, is a summary showing each Working Interest Owner's Working Interest in each Tract, the percentage of total Unit Participation attributable to each such interest, and the total Unit Participation of each Working Interest Owner.

2.1.3 <u>Exhibit "E"</u>, attached hereto, contains insurance provisions applicable to Unit Operations.

2.1.4 <u>Exhibit "F"</u>, attached hereto, is the Accounting Procedure applicable to Unit Operations. In the event of a conflict between this Agreement and Exhibit "F", this Agreement shall prevail.

į

2.1.5 <u>Exhibit "G"</u>, attached hereto, contains Certificate of Compliance provisions provided for in Article 20.

2.1.6 <u>Exhibit "H"</u>, attached hereto, is the Gas Balancing Agreement applicable to Unit Operations.

2.2 <u>Revision of Exhibits</u>. Whenever Exhibits "A", "B", "C" or "C-1" are revised, Exhibit "D" shall be revised accordingly and be effective as of the same date. Unit Operator shall also revise Exhibit "D" from time to time as required to conform to changes in ownership of which Unit Operator has been notified as provided for in the Unit Agreement.

2.3 <u>Reference to Exhibits</u>. When reference is made herein to an exhibit, it is to the exhibit as originally attached or, if revised, to the last revision thereof.

- 2 -

ARTICLE 3

SUPERVISION OF OPERATIONS BY WORKING INTEREST OWNERS

3.1 <u>Overall Supervision</u>. Subject to the other terms and provisions of this Agreement and of the Unit Agreement, Working Interest Owners shall exercise overall supervision and control of all matters pertaining to Unit Operations pursuant to this Agreement and the Unit Agreement. In the exercise of such power, each Working Interest Owner shall act solely in its own behalf in the capacity of an individual owner, and not on behalf of the owners as an entirety.

3.2 <u>Particular Powers and Duties</u>. The Working Interest Owners, using the voting procedure given in Section 4.3, unless otherwise specifically provided in this Agreement or in the Unit Agreement, shall decide matters pertaining to Unit Operations, which include, but are not limited to, the following:

3.2.1 <u>Method of Operation</u>. The kind, character, and method of operation, including any type of pressure maintenance, secondary recovery, or other enhanced recovery program to be employed.

3.2.2 <u>Drilling of Wells</u>. The drilling, deepening, or sidetracking of any well within the Unit Area for the production of Unitized Substances, and the drilling of any well for injection, salt water disposal, or for any other Unit purpose.

3.2.3 <u>Well Workovers and Conversion of Wells</u>. The reworking, recompleting, or repairing of any well for the purpose of production of Unitized Substances reasonably estimated to require an expenditure in excess of the expenditure limitation specified in Section 3.2.4 below, and the abandonment or conversion of the use of any well from one purpose to another, or the use of any such well for injection or any other purpose other than production. Unit Operator shall have the right to shut-in or temporarily abandon a well, or to reactivate a well which was shut-in or temporarily abandoned to its former use, with notification to the Working Interest Owners, if doing so is reasonably estimated to require an expenditure not in excess of the expenditure limitation specified in Section 3.2.4 below. 3.2.4 <u>Expenditures</u>. The making of any single expenditure in excess of fifty thousand dollars (\$50,000.00), except as provided in Section 7.9 below; provided that approval by Working Interest Owners for the drilling, sidetracking, reworking, drilling deeper, or plugging back of any well shall include approval of all necessary expenditures required therefor and for completing, testing, and equipping the same, including necessary flow lines, separators, and lease tankage, if the authority for expenditure ("AFE") for such work contains the estimated cost of all necessary expenditures.

3.2.5 <u>Amendment of Overhead Rates</u>. The overhead rates, as provided for in Section III of Exhibit "F" attached hereto, shall be amended from time to time by affirmative vote of the parties as set out in Section 4.3.2 below.

3.2.6 <u>Disposition of Surplus Facilities</u>. The sale or other disposal of any major item of surplus unit material or equipment, if the current list price of new equipment similar thereto is twenty-five thousand dollars (\$25,000.00) or more.

3.2.7 Appearance Before a Court or Regulatory Body. The designating of a representative to appear before any court or regulatory body in matters pertaining to Unit Operations; provided, however, that the authorization by Working Interest Owners of the designation of any such representatives shall not prevent any Working Interest Owner from appearing in person or from designating another representative to appear in his or its own behalf.

1.

3.2.8 <u>Audit Exceptions</u>. The resolution of audit exceptions, as provided for in accordance with COPAS Bulletin No. 3.

3.2.9 <u>Assignments to Committees</u>. The appointment or designation of committees or subcommittees necessary for the study of any problem in connection with Unit Operations.

3.2.10 <u>Selection of Successor to Unit Operator</u>. The selection of a successor to the Unit Operator.

3.2.11 <u>Enlargement of Unit Area</u>. The enlargement of the Unit Area.

3.2.12 <u>Investment Adjustment</u>. The adjustment and readjustment of investments.

3.2.13 <u>Acquisition of Wells for Unit Operations</u>. The acquisition of wells for Unit Operations.

. . . .

. . .

3.2.14 <u>Termination of Unit Agreement</u>. The termination of the Unit Agreement.

ARTICLE 4

MANNER OF EXERCISING SUPERVISION

4.1 <u>Designation of Representatives</u>. Each Working Interest Owner shall advise Unit Operator in writing of the names and addresses of its representative and alternate who are authorized to represent and bind it in respect to any matter pertaining to the development and operation of the Unit Area. Such representative or alternate may be changed from time to time by written notice to Unit Operator.

4.2 <u>Meetings</u>. All meetings of Working Interest Owners for the purpose of considering and acting upon any matter pertaining to the development and operation of the Unit Area shall be called by Unit Operator upon its own motion or at the request of two or more Working Interest Owners having a total Unit Participation of not less than ten percent (10%). The representative of Unit Operator shall be Chairman of each meeting. No meeting shall be called on less than fourteen (14) days' advance written notice, with an agenda for the meeting attached, unless notice is waived by Working Interest Owners owning ninety percent (90%) or more of the Unit Participation. The Working Interest Owners attending such meeting shall not be prevented from amending items included in the agenda, or from deciding such amended item or other items presented at such meeting. Any item proposed at a meeting that was not included on the agenda or any amended agenda cannot be brought to a vote at said meeting, but will require approval by a poll vote or a subsequent meeting.

4.3 <u>Voting Procedure</u>. Working Interest Owners shall act upon and determine all matters coming before them, as follows:

4.3.1 <u>Voting Interest</u>. Each Working Interest Owner shall have a voting interest equal to its Unit Participation, listed in Exhibit "D" attached hereto.

4.3.2 <u>Vote Required</u>. Unless otherwise provided herein or in the Unit Agreement, Working Interest Owners shall determine all matters by the affirmative vote of two (2) or more Working Interest Owners having a combined voting interest of at least seventy percent (70%); however, should any one Working Interest Owner have more than thirty percent (30%) voting interest, its negative vote or failure to vote shall not defeat a motion, and such motion shall pass if approved by Working Interest Owners having a majority voting interest, unless one (1) or more additional Working Interest Owners having a combined voting interest of at least five percent (5%) likewise votes against the motion or fails to vote.

Unless otherwise specified in an AFE, work approved by a vote must be commenced within one (1) year of the approval date. If not commenced during this period, the work must be reproposed.

4.3.3 <u>Vote at Meeting by Non-Attending Working</u> <u>Interest Owners</u>. Any Working Interest Owner not represented at a meeting may vote on any item included in the agenda of the meeting by letter, telegram, or facsimile transmission, followed by U. S. Mail, addressed to the Chairman of the meeting, provided such vote is received prior to the submission of such item to vote. Such vote shall not be counted with respect to any item on the agenda which is amended at the meeting.

4.3.4 <u>Poll Votes</u>. Working Interest Owners may decide any matter by vote taken (without a meeting) by letter, telegram, or facsimile transmission, followed by U. S. Mail, provided the matter is first submitted in writing to each Working Interest Owner and no meeting on the matter is called, as provided in Section 4.2, within fourteen (14) days after such proposal is dispatched to Working Interest Owners. If a meeting is called within the fourteen (14) days, then the poll vote is canceled and the vote shall be held at the meeting. Such vote will be final, and Unit Operator will give prompt notice of the results of such voting to all Working Interest Owners.

ARTICLE 5

INDIVIDUAL RIGHTS AND PRIVILEGES OF WORKING INTEREST OWNERS

5.1 <u>Reservation of Rights</u>. Working Interest Owners severally reserve to themselves all their rights, powers, authority, and privileges, except as expressly provided in this Agreement and in the Unit Agreement. 5.2 <u>Specific Rights</u>. Each Working Interest Owner shall have, among others, the following specific rights and privileges:

5.2.1 <u>Access to Unit Area</u>. Access to the Unit Area, at all reasonable times, to inspect the operations hereunder and all wells, records, and data pertaining thereto.

5.2.2 <u>Reports by Request</u>. The right to receive from Unit Operator, upon written request, copies of all reports to any governmental agency, reports of crude oil runs and stocks, inventory reports, and all other data pertaining to Unit Operations. The cost of gathering and furnishing data not ordinarily furnished by Unit Operator to all Working Interest Owners shall be charged solely to the Working Interest Owner(s) requesting same.

5.2.3 <u>Audits</u>. The right to audit the accounts of Unit Operator according to the provisions of Exhibit "F."

ARTICLE 6

UNIT OPERATOR

6.1 <u>Unit Operator</u>. PARKER & PARSLEY DEVELOPMENT, L.P. hereby designated as the initial Unit Operator.

6.2 <u>Resignation or Removal of Unit Operator</u>. Unit Operator may resign at any time. Resignation or removal of Unit Operator shall be pursuant to and handled in accordance with the provisions of Section 7 of the Unit Agreement.

.

ż

If Unit Operator becomes insolvent or bankrupt, or is placed in receivership, he shall be deemed to have resigned without any action required by non-operating Working Interest Owners. If a petition for relief under the federal bankruptcy laws is filed by or against Unit Operator, and the removal of Unit Operator is prevented by the federal bankruptcy court, all non-operating Working Interest Owners and Unit Operator shall comprise an interim operating committee to serve until Unit Operator has elected to reject or assume this Agreement pursuant to the federal Bankruptcy Code. An election to reject this Agreement by Unit Operator as a debtor in possession, or by a trustee in bankruptcy, shall be deemed a resignation as Unit Operator without any action required by non-operating Working Interest Owners, except the selection of a successor Unit Operator. During the period of time that the operating committee controls Unit Operations, all actions

- 7 -

shall require the approval of two (2) or more parties owning a majority of the Unit Participation.

If Unit Operator sells all of its interest in the Unit, it shall be deemed to have resigned without any action required by non-operating Working Interest Owners. However, a merger or consolidation, or the change of a corporate or partnership name, or the sale or transfer to a subsidiary, parent company, a subsidiary of a parent company, or an affiliate organization, shall not be construed as a sale of all of Unit Operator's interest in the Unit Area.

6.3 <u>Selection of Successor Unit Operator</u>. Upon the resignation or removal of Unit Operator, a successor Unit Operator shall be selected by Working Interest Owners as provided in Section 8 of the Unit Agreement.

In the event no Working Interest Owner obtains the percentage vote necessary to become successor Unit Operator under Section 8 of the Unit Agreement, a Unit Manager shall be selected by the Working Interest Owners owning a plurality of the Unit Participation, who shall perform the duties of Unit Operator until a successor Unit Operator is elected.

6.4 <u>Records and Information</u>. A Unit Operator resigning or being removed shall give complete cooperation to the successor Unit Operator or Unit Manager, and shall deliver thereto all records and information necessary to the discharge of the successor Unit Operator's or Unit Manager's duties and obligations.

ARTICLE 7

POWERS AND DUTIES OF UNIT OPERATOR

7.1—<u>Exclusive Rights to Operate Unit</u>. Subject to the other provisions of this Agreement, and to the orders, directions, and limitations rightfully given or imposed by Working Interest Owners, Unit Operator shall have the exclusive right and be obligated to conduct Unit Operations.

The parties, to the extent of their rights and interests, hereby grant to Unit Operator the right to use as much of the surface of the Unitized Land as may reasonably be necessary for Unit Operations.

7.2 <u>Workmanlike Conduct</u>. Unit Operator shall conduct all operations hereunder in a good and workmanlike manner and, in the absence of specific instructions from Working Interest Owners, shall have the right and duty to conduct such operations in the same manner as would a prudent operator under the same or in similar circumstances. Unit Operator shall freely consult with Working Interest Owners and keep them advised of all matters arising in connection with such operations which Unit Operator, in the exercise of its best judgment, considers important. Unit Operator shall not be liable to Working Interest Owners for damages unless such damages result from the gross negligence or willful misconduct of Unit Operator.

7.3 Liens and Encumbrances. Unit Operator shall reasonably endeavor to keep the lands and leases in the Unit Area and the Unit Equipment free from all liens and encumbrances occasioned by its operations hereunder, except the liens of Unit Operator and Working Interest Owners granted hereunder.

7.4 <u>Employees</u>. The number of employees used by Unit Operator in conducting operations hereunder, the selection of such employees, the hours of labor, and the compensation for services to be paid any and all such employees, shall be determined by Unit Operator. Such employees shall be employed by Unit Operator. Nothwithstanding the foregoing, Unit Operator shall have the right to contract with third persons for the performance of any labor or services, or for the provision of materials and equipment, required for operations hereunder, under such terms as are reasonable in the industry.

7.5 <u>Records</u>. Unit Operator shall keep true and correct books, accounts, and records of its operations hereunder.

7.6 <u>Reports to Working Interest Owners</u>. Unit Operator shall furnish to each Working Interest Owner periodic reports of the development and operation of the Unit Area.

7.7 <u>Reports to Governmental Authorities</u>. Unit Operator shall make all reports to governmental authorities that it has the duty to make as Unit Operator.

7.8 <u>Engineering and Geological Information</u>. Unit Operator shall furnish to each Working Interest Owner, upon written request, a copy of the logs of, and copies of engineering and geological data pertaining to, wells drilled for Unit Operations.

7.9 <u>Expenditures</u>. Unit Operator is authorized to make single expenditures not in excess of fifty thousand dollars (\$50,000.00) without prior approval of the Working Interest Owners. This expenditure limit may be revised from time to time by an affirmative vote of three (3) or more Working Interest Owners having a combined voting interest then in effect of at least eighty percent (80%). However, if an emergency occurs, Unit Operator may immediately incur such expenditures which in his or its opinion are necessary and reasonable to deal with the emergency. Unit Operator shall report to Working Interest Owners, as promptly as possible, on the nature of the emergency and of the action taken.

7.10 <u>Wells Drilled by Unit Operator</u>. All wells drilled by Unit Operator shall be at the usual rates prevailing in the area. Unit Operator may employ its own tools and equipment, but the charge therefor shall not exceed the prevailing rate in the area, and the work shall be performed by Unit Operator under the same terms and conditions as are usual in the area in contracts of independent contractors doing work of a similar nature.

7.11 <u>Border Agreements</u>. Unit Operator may, after approval by Working Interest Owners, enter into border agreements with owners of lands adjacent to the Unit Area for the purpose of coordinating operations.

Such agreements may provide for the cooperative development, operation, fluid injection, or similar programs with respect to the equivalent of the Unitized Formation outside the Unit Area. Any such agreement may make provision for the drilling or conversion, equipping, and operation of compensating fluid injection wells in the Unitized Formation and the adjoining equivalent of the Unitized Formation outside the Unit Area. Any such cooperative agreement shall in no way affect or alter the percentages of participation established hereunder as to the parties hereto, nor shall such agreement provide for the sharing or allocation of production between the Unit Area and any outside lands.

ARTICLE 8

<u>TAXES</u>

8.1 <u>Ad Valorem Taxes</u>. Beginning with the first calendar year after the Effective Date hereof, Unit Operator shall make and file all necessary property tax renditions, whether on real or personal property, and returns with the proper taxing authorities with respect to all property of each Working Interest Owner used or held by Unit Operator for Unit Operations. Unit Operator shall settle assessments arising therefrom. All such property taxes shall be paid by Unit Operator and charged to the joint account; however, if the interest of a Working Interest Owner is subject to a separately assessed overriding royalty interest, production payment, or other interest in excess of a one-eighth (1/8) royalty, such Working Interest Owner shall notify Unit Operator of such interest prior to the rendition date and shall be given credit for the reduction in taxes paid resulting therefrom. Any Working Interest Owner dissatisfied with any assessment of its interest in real or personal property shall have the right, at its own expense, and after due notice to Unit Operator, to protest and resist any such assessment.

If ad valorem taxes are based in whole or in part upon separate valuations of each party's Working Interest, then notwithstanding anything to the contrary herein, charges to the joint account for ad valorem taxes shall be made and paid by the parties hereto in accordance with the percentage of tax value generated by each party's Working Interest.

8.2 <u>Taxes and Assessments</u>. Each Working Interest Owner shall pay or cause to be paid all production, severance, gathering, and other taxes and assessments imposed upon or on account of the production or handling of its share of Unitized Substances.

8.3 Income Tax Election. Notwithstanding any provisions herein that the rights and liabilities hereunder are several and not joint or collective, or that this Agreement and operations hereunder shall not constitute a partnership, if for federal income tax purposes this Agreement and the operations hereunder are regarded as a partnership, then each of the Parties hereto elects to be excluded from the application of all of the provisions of Subchapter K, Chapter 1, Subtitle A, of the Internal Revenue Code of 1986, as permitted and authorized by Section 761 of the Internal Revenue Code and regulations promulgated thereunder. Unit Operator is authorized and directed to execute on behalf of each of the parties hereto such evidence of this election as may be required by the Secretary of the Treasury of the United States or by the federal Internal Revenue Service, including specifically, but not by way of limitation, all of the returns, statements, and data required by Treasury Regulation 1.761. Should there be any requirement that each party hereto give further evidence of this election, each such party shall execute such documents and furnish such other evidence as may be required by the federal Internal Revenue Service or as may be necessary to evidence this election. Each party hereto further agrees not to give any notices or take any other

action inconsistent with the election made hereby. If any present or future State of New Mexico income tax law, or any future income tax law of the United States, contain provisions similar to those in Subchapter K, Chapter 1, Subtitle A, of the Internal Revenue Code of 1986, under which an election similar to that provided by Section 761 of the Internal Revenue Code is permitted, each of the parties hereto agrees to make such election as may be permitted or required by such laws. In making the foregoing election, each of the parties hereto states that the income derived by such party from the operations under this Agreement can be adequately determined without the computation of partnership taxable income.

ARTICLE 9

INSURANCE

9.1 <u>Insurance</u>. Unit Operator, with respect to Unit Operations, shall:

- (a) comply with the workers' compensation laws of the State of New Mexico;
- (b) carry employer's liability and other insurance required by the laws of the State of New Mexico; and
- (c) provide insurance as set forth in Exhibit "E."

ARTICLE 10

ADJUSTMENT OF INVESTMENTS

10.1 <u>Personal Property Taken Over</u>. Upon the Effective Date hereof, Working Interest Owners shall deliver to Unit Operator possession of:

10.1.1 <u>Wells and Well Equipment</u>. All useable wells and nonuseable wells that are capable of producing Unitized Substances, together with the casing, tubing, and down-hole equipment up to and including all wellhead connections.

10.1.2 Lease and Operating Equipment. All surface, lease, and well operating equipment, injection or salt water disposal wells, and other facilities related to current production from the Unitized Formation which Working Interest Owners determine to be necessary or desirable for conducting Unit Operations. 10.1.3 <u>Records</u>. A copy of all production and well records pertaining to any well which has historically or is currently producing from the Unitized Formation.

.

10.2 Inventory and Evaluation of Personal Property. Unit Operator shall prepare a list of each Working Interest Owner's current major equipment within the Unit Area that is to be inventoried into the joint account. A Working Interest Owner may remove any item(s) from his list only on the condition that the Unit may use it as long as needed prior to This list shall include all of a Working Interest return. Owner's current equipment being utilized in producing oil or gas from the Unitized Formation, except that any item may be deleted from the list by Unit Operator, based upon a preliminary environmental assessment recommendation. Unit Operator shall have until the actual inventory is performed to recommend deletion of additional items based upon revised or additional environmental assessments. Working Interest Owners shall appoint an inventory committee which shall, as of the Effective Date hereof, or as soon thereafter as feasible, cause to be taken, under the supervision of Unit Operator and at Unit Expense, joint physical inventories of all lease and well equipment on the inventory list, which inventories shall be used as a basis for determining the controllable items of equipment to be taken over by Unit Operator hereunder. Unit Operator shall notify each Working Interest Owner within each separate Tract at least fifteen (15) days prior to the taking of the inventory with respect to said Tract, so that each of said Working Interest Owners may make arrangements to be represented at the taking of the inventory. Such inventories shall include and be limited to those items of equipment normally considered controllable as recommended in the material classification manual in Bulletin No. 6 dated May, 1971, or any amendments thereto, published by the Petroleum Accountants Society of North America, except that certain items normally considered noncontrollable, such as sucker rods and other items as agreed upon by the Working Interest Owners may be included in the inventories in order to insure a more equitable adjustment of investments. Immediately following completion, such inventories shall be priced in accordance with the provisions of Exhibit "F", Accounting Procedure, attached hereto and made a part hereof. Such pricing shall be performed under the supervision of, by the personnel of, and in the offices of Unit Operator, with Working Interest Owners furnishing such additional pricing help as may be available and necessary. With respect to each well taken over for Unit Operations, no value shall be assigned to intangible drilling costs of such well or to the down-hole casing therein.

10.3 <u>Inventory and Valuations</u>. After completion of the inventory and evaluation of property in accordance with the provisions of Section 10.2, Unit Operator shall submit to each Working Interest Owner a copy of the inventory and valuations thereon together with a letter ballot for approval of such inventory and valuations. Within sixty (60) days after receipt of such inventory and valuations, each Working Interest Owner shall return such letter ballot to Unit Operator indicating its approval or disapproval thereof. It is agreed that such inventory and valuations shall be binding upon all parties if approved by Working Interest Owners owning at least seventy percent (70%) of the Working Interest in the Unit Area.

10.4 <u>Investment Adjustments</u>. As soon as practicable after approval by Working Interest Owners of the inventory and valuations as provided in Section 10.3, each Working Interest Owner shall be credited with the value of its interest in all personal property taken over by Unit Operator under Sections 10.1.1 and 10.1.2, and charged with an amount equal to that obtained by multiplying the total value of all such personal property so taken over by Unit Operator under Sections 10.1.1 and 10.1.2 by such Working Interest Owner's Unit Participation, as shown on Exhibit "D." If the charge against any Working Interest Owner is greater than the amount credited to such Working Interest Owner, the resulting net charge shall be paid and in all other respects be treated as any other item of Unit Expense chargeable against such Working Interest Owner. If the credit to any Working Interest Owner is greater than the amount charged against such Working Interest Owner, the resulting net credit shall be paid to such Working Interest Owner by Unit Operator out of funds received by it in settlement of the net charges described above.

All wells completed in the unitized formation within the Unit Area shall be Unit wells. If a Unit well has not reached payout status as of the effective date of unitization, the Working Interest Owners in the Unit, in proportion to their working interest in the Unit, shall pay to the working owners of each such well the amount necessary to reach payout.

10.5 <u>Pre-Unitization Costs</u>. The Working Interest Owners shall pay Parker & Parsley Development, L.P. the necessary and reasonable pre-unitization costs and fees incurred by it or by Parker & Parsley Development, L.P. for engineering, geological, land, legal, and other professional services attendant to the formation of the Unit. 10.6 <u>General Facilities</u>. The acquisition of warehouses, warehouse stocks, lease houses, camps, facilities systems, and office buildings necessary for Unit Operations shall be by negotiation by and between the owners thereof and Unit Operator, subject to the approval of Working Interest Owners.

10.7 <u>Ownership of Personal Property and Facilities</u>. Each Working Interest Owner, individually, shall, by virtue hereof, own an undivided interest in all personal property and facilities taken over or otherwise acquired by Unit Operator pursuant to this Agreement equal to its then current Unit Participation, shown on Exhibit "D."

ARTICLE 11

DEVELOPMENT AND OPERATING COSTS

11.1 Basis of Charge to Working Interest Owners. Subject to the provisions of Section 11.2 hereof, Unit Operator initially shall pay all Unit Expenses. Each Working Interest Owner shall reimburse Unit Operator for its share of Unit Expenses. All charges, credits, and accounting for Unit Expenses shall be in accordance with Exhibit "F." All costs and expenses for equipment, drilling of wells, conversion of wells for injection purposes, and construction of enhanced oil recovery facilities shall be "Investment Costs." Each Working Interest Owner's share of Investment Costs and monthly operating expenses shall be the same as Unit its Participation.

11.2 Advance Billings. Unit Operator shall have the right, at its option, to require other Working Interest Owners to advance their respective proportionate share of estimated development and operating costs and expenses by submitting to such other Working Interest Owners, on or before the 15th day of any month, an itemized estimate of such costs and expenses for the succeeding month with a request for payment in advance. Within thirty (30) days thereafter, each Working Interest Owner shall pay to Unit Operator its proportionate part of such estimate. Adjustment between estimates and the actual costs shall be made by Unit Operator at the close of each calendar month, and the accounts of the Working Interest Owners shall be adjusted accordingly.

11.3 <u>Commingling of Funds</u>. Funds received by Unit Operator under this Agreement need not be segregated by Unit Operator or maintained by it as a separate fund, but may be commingled with its own funds.

- 15 -

11.4 Lien and Security Interest of Unit Operator and Working Interest Owners. Each Working Interest Owner grants to Unit Operator a lien upon its Oil and Gas Rights in each Tract, and a security interest in its share of Unitized Substances when extracted and its interest in all Unit Equipment, to secure payment of its share of Unit Expense, together with interest thereon at the prime rate set by Citibank N.A., New York, New York, for the same period plus one percent (1%) per annum, plus attorney's fees, court costs, and other costs in connection with the collection of unpaid To the extent that Unit Operator has a security amounts. interest under the Uniform Commercial Code of the State of New Mexico, Unit Operator shall be entitled to exercise the rights and remedies of a secured party under the Uniform Commercial Code. The bringing of a suit and the obtaining of judgment by Unit Operator for the secured indebtedness shall not be deemed an election of remedies or otherwise affect the lien rights or security interest as security for the payment thereof. In addition, upon default by any Working Interest owner in the payment of its share of Unit Expense, Unit Operator shall have the right, without prejudice to other rights or remedies, to collect from a purchaser of production the proceeds from the sale of such Working Interest Owner's share of Unitized Substances until the amount owed by such Working Interest Owner, plus interest, has been paid. Each purchaser of production shall be entitled to rely upon Unit Operator's written statement concerning the amount of any default. Unit Operator grants a like lien and security interest to the Working Interest Owners.

11.5 <u>Carved-Out Interest</u>. If any Working Interest Owner shall, after executing this Agreement, create an overriding royalty interest, production payment interest, net proceeds interest, carried interest, or any other interest out of its Working Interest, such carved-out interest shall be subject to the terms and provisions of this Agreement, specifically including, but without limitation, Section 11.4 hereof. If the Working Interest Owner creating such carved-out (a) fails to pay any Unit Expense chargeable to such Working Interest Owner under this Agreement, and the production of Unitized Substances accruing to the credit of such Working Interest Owner is insufficient for that purpose, or (b) withdraws from this Agreement under the terms and provisions of Article 16 hereof, the carved-out interest shall be chargeable with a pro rata portion of all Unit Expense incurred hereunder, the same as though the carved-out interest were a Working Interest, and Unit Operator shall have the right to enforce against such carved-out interest the lien and all other rights granted in

Section 11.4 for the purpose of collecting the Unit Expense chargeable to the carved-out interest.

+ _ i +

11.6 <u>Carried Interest</u>. Approved Investment Costs shall be billed to the individual Working Interest Owners. If any Working Interest Owner fails to pay its proportionate share of such Investment Costs within sixty (60) days of receipt of such bill, then such party shall be deemed a defaulting Working Interest Owner. Any such defaulting Working Interest Owner shall not be entitled to participate in, nor shall its account be credited with, any share of Unitized Substances or the proceeds thereof; instead, such defaulting Working Interest Owner shall be deemed to have relinquished its Working Interest in the Unit to Unit Operator or, at the option of Unit Operator, to all non-defaulting Working Interest Owners, who shall pay such defaulted Investment Costs and carry the defaulted Working Interest until such defaulted Investment Costs shall have been recovered from the Unitized Substances or proceeds thereof attributable to such defaulting Working Interest Owner, after first deducting monthly overhead charges therefrom, plus an amount equal to two hundred percent (200%) of such defaulted Investment Costs.

If Unit Operator elects to allow non-defaulting Working Interest Owners to carry such defaulted Investment Costs, Unit Operator shall give notice to all non-defaulting Working Interest Owners of such default. All Working Interest Owners receiving such notice shall carry their proportionate part of any such defaulting Working Interest Owner(s) interest by paying the unpaid amount as if it were a Unit Expense in the proportion that the Unit Participation of each such Working Interest Owner bears to the Unit Participation of all such Working Interest Owners. Any such additional amounts shall be due and payable to Unit Operator within fifteen (15) days following receipt of notice.

Upon failure by any defaulting Working Interest Owner to pay its share of any Investment Costs, Unit Operator (for itself and/or for the benefit of the non-defaulting Working Interest Owners) shall be entitled to collect and receive from a purchaser of production the proceeds that otherwise would accrue to such defaulting Working Interest Owner's share of Unitized Substances, in satisfaction of such debt. All Working Interest Owners covenant and agree to save all purchasers of production harmless from any and all liability by reason of paying such proceeds of Unitized Substances to Unit Operator. Each purchaser of production shall be entitled to rely on Unit Operator's written statement of the amounts in default. During the period of time Unit Operator and/or the nondefaulting Working Interest Owners are entitled to receive the defaulting Working Interest Owner's share of production of Unitized Substances, or the proceeds thereof, Unit Operator and/or the non-defaulting Working Interest Owners shall be responsible for the payment of all production, severance, excise, gathering, and other taxes, and all royalty, overriding royalty, and other burdens applicable to the Working Interest of said defaulting Working Interest Owner.

A defaulting Working Interest Owner shall lose its voting interest (as defined in Section 4.3.1 above) during its period of default. Its voting rights shall be shared proportionally and exercised by Unit Operator, or each of the non-defaulting Working Interest Owners, as provided for in Section 4.3 above. Each non-defaulting Working Interest Owner paying its share of the unpaid amount shall, to obtain reimbursement thereof, be subrogated to the security rights described in Section 11.4 of this Agreement.

If and when Unit Operator and/or the non-defaulting Working Interest Owners recover from a defaulting Working Interest Owner's relinquished interest the amounts provided for above, the relinquished interest of such defaulting Working Interest Owner shall automatically revert to it, and, from and after such reversion, such defaulting Working Interest Owner shall own the same interest in the Unit, the material and equipment in or pertaining thereto, and the production therefrom as such defaulting Working Interest Owner would have been entitled to had it timely paid its share of Investment Costs as provided hereinabove. Thereafter, such defaulting Working Interest Owner shall be charged with and shall pay its proportionate share of the further costs of Unit Operations in accordance with the terms of this Agreement and Exhibit "F."

The remedies included in this provision shall be in addition to the rights provided by law and by Section 11.4 above.

11.7 <u>Rentals</u>. The Working Interest Owners of each Tract shall pay all rentals, minimum royalty, advance rentals, or delay rentals due under the lease thereon, and shall concurrently submit to the Unit Operator, upon written request, evidence of payment.

11.8 <u>Budgets</u>. Before or as soon as practical after the Effective Date, Unit Operator shall prepare a budget of estimated Unit Expense for the remainder of the calendar year,

2

and, on or before the first day of each December thereafter, shall prepare a budget for the ensuing calendar year. A budget shall set forth the estimated Unit Expense by quarterly periods. Budgets shall be estimates only, and shall be adjusted or corrected by Working Interest Owners and Unit Operator whenever an adjustment or correction is proper. A copy of each budget and adjusted budget shall be furnished promptly to each Working Interest Owner.

ARTICLE 12

NON-UNITIZED FORMATIONS

12.1 <u>Right to Operate</u>. Any Working Interest owner that now has or hereafter acquires the right to drill for and produce oil, gas, or other minerals from a formation underlying the Unit Area other than the Unitized Formation shall have the right to do so notwithstanding this Agreement or the Unit Agreement. In exercising the right, however, the Working Interest Owner shall exercise care to prevent unreasonable interference with Unit Operations. No Working Interest Owner other than Unit Operator shall produce Unitized Substances through any well drilled or operated by it. If any Working Interest owner drills any well into or through the Unitized Formation, the Unitized Formation shall be protected in a manner satisfactory to Unit Operator and other Working Interest Owners so that production of Unitized Substances will not be adversely affected.

12.2 <u>Multiple Completions</u>. No well now or hereafter completed in the Unitized Formation shall ever be completed as a multiple completion, unless such multiple completion and subsequent handling of the multiple completion is approved by Working Interest Owners in accordance with the voting procedure described in Section 4.3 above.

ARTICLE 13

TITLES

13.1 <u>Warranty and Indemnity</u>. Each Working Interest Owner represents and warrants that it is the owner of the respective Working Interest as shown to be owned by it on appropriate Exhibits to this Agreement, and hereby indemnifies and holds the other Working Interest Owners harmless from any loss due to the failure, in whole or in part, of its title to any such interest, except failure of title arising out of operations hereunder; provided, however, that such indemnity and any liability for breach of warranty shall be limited to an amount equal to the net value that had been received from the sale of Unitized Substances attributed hereunder to the interest as to which title failed. Each failure of title will be effective, insofar as this Agreement is concerned, as of the first day of the calendar month in which such failure is finally determined, and there shall be no retroactive adjustment of Unit Expense or retroactive allocation of Unitized Substances or the proceeds therefrom as a result of title failure.

13.2 Failure of Title Because of Unit Operations. The failure of title to any Working Interest in any Tract because of Unit Operations, including nonproduction from such Tract, shall not change the Unit Participation of the Working Interest Owner whose title failed in relation to the Unit Participations of the other Working Interest Owners at the time of the title failure.

ARTICLE 14

LIABILITY, CLAIMS, AND SUITS

14.1 <u>Individual Liability</u>. The duties, obligations, and liabilities of Working Interest Owners shall be several and not joint or collective. Nothing contained herein shall ever be construed as creating a partnership, joint venture, or an association or trust between or among Working Interest Owners.

14.2 <u>Settlements</u>. Unit Operator may settle any single damage claim or suit involving Unit Operations if the expenditure does not exceed Twenty Thousand Dollars (\$20,000.00), provided that the payment is in complete settlement of such claim or suit. If the amount required for settlement exceeds the above amount, Working Interest Owners shall determine the further handling of the claim or suit, unless such authority is delegated to Unit Operator. All costs and expense of handling, settling, or otherwise discharging such claim or suit shall be an item of Unit Expense, subject to such limitation as is set forth in Exhibit "F." If a claim is made against any Working Interest Owner or if any Working Interest Owner is sued on account of any matter arising from Unit Operations over which such Working Interest Owner individually has no control because of the rights given Working Interest Owners and Unit Operator by this Agreement and by the Unit Agreement, the Working Interest Owner shall immediately notify Unit Operator, and the claim or suit shall be treated as any other claim or suit involving Unit Operations.

ARTICLE 15

- - 1 -

all reverse

NOTICES

15.1 <u>Notices</u>. All notices required hereunder shall be in writing and shall be deemed to have been properly served when sent by mail, telegram, or facsimile transmission followed by first class U. S. Mail, to the address of the representative of each Working Interest Owner as furnished to Unit Operator in accordance with Article 4 hereof.

ARTICLE 16

WITHDRAWAL OF WORKING INTEREST OWNER

16.1 <u>Withdrawal</u>. A Working Interest Owner may withdraw from this Agreement by transferring, without warranty of title, either express or implied, to the Working Interest Owners who do not desire to withdraw, all its Oil and Gas Rights, exclusive of Royalty Interests, together with its interests in all Unit Equipment and in all wells used in Unit Operations, provided that such transfer shall not relieve such Working Interest Owner from any obligation or liability incurred prior to the first day of the month following receipt by Unit Operator of such transfer. The delivery of the transfer shall be made to Unit Operator for the transferees. The transferred interest shall be owned by the transferees in proportion to their respective Unit Participations. The transferees, in proportion to the respective interests so acquired, shall pay the transferor for its interest in Unit Equipment, being the salvage value thereof less its share of the estimated cost of salvaging same and of plugging and abandoning and restoring the surface of all wells then being used or held for Unit Operations, as determined by Working In the event such withdrawing owner's Interest Owners. interest in the aforesaid salvage value is less than such owner's share of such estimated costs, the withdrawing owner, as a condition precedent to withdrawal, shall pay the Unit Operator, for the benefit of Working Interest Owners succeeding to its interest, a sum equal to the deficiency. Within sixty (60) days after receiving delivery of the transfer, Unit Operator shall render a final statement to the withdrawing owner for its share of Unit Expense, including any deficiency in salvage value, as determined by Working Interest Owners, incurred as of the first day of the month following the date of receipt of the transfer. Provided all Unit Expense, including any deficiency hereunder, due from the withdrawing owner has been paid in full within thirty (30) days after the rendering of such final statement by the Unit Operator, the transfer shall be effective the first day of the month following its receipt by Unit Operator, and, as of such effective date, the withdrawing owner shall be relieved from all further obligations and liabilities hereunder and under the Unit Agreement, and the rights of the withdrawing Working Interest Owner hereunder and under the Unit Agreement shall cease insofar as they existed by virtue of the interest transferred.

16.2 Limitation on Withdrawal. Notwithstanding anything set forth in Section 16.1, Working Interest Owners may refuse to permit the withdrawal of a Working Interest Owner if its Working Interest is burdened by any royalties, overriding royalties, production payment, net proceeds interest, carried interest, or any other interest created out of the Working Interest in excess of a one-eighth (1/8th) lessor's royalty, unless the other Working Interest Owners willing to accept the assignment agree to accept the Working Interest subject to such burdens.

ARTICLE 17

ABANDONMENT OF WELLS

17.1 Rights of Former Owners. If Working Interest Owners decide to permanently abandon any useable well completed in the Unitized Formation within the Unit Area prior to termination of the Unit Agreement, Unit Operator shall give written notice of such fact to the Working Interest Owners of the Tract on which such well is located, and said Working Interest Owners shall have the right and option for a period of sixty (60) days after receipt of such notice to notify Unit Operator of their election to take over and own said well and to deepen or plug back said well to a formation other than the Unitized Formation. Within sixty (60) days after said Working Interest-Owners have so notified Unit Operator of their desire to take over such well, they shall pay Unit Operator, for credit to the joint account of the Working Interest Owners, the amount as estimated and fixed by Working Interest Owners to be the net salvage value of the equipment in and on said well, except casing and other equipment originally contributed at no cost, plus costs to seal off the Unitized Formation and perform casing integrity and Bradenhead tests. The Working Interest Owners of the Tract, by taking over the well, agree to seal off the Unitized Formation in a manner satisfactory to Working Interest Owners in the entire Unit Area, and upon abandonment to plug the well in compliance with all applicable laws and regulations.

- 22 -

17.2 <u>Plugging</u>. In the event the Working Interest Owners of a Tract do not elect to take over a well located thereon which is proposed for abandonment, Unit Operator shall plug and abandon the well in accordance with applicable laws and regulations.

ARTICLE 18

EFFECTIVE DATE AND TERM

18.1 <u>Effective Date</u>. This Agreement shall become effective on the date and at the time the Unit Agreement becomes effective.

18.2 Term. This Agreement shall continue in full force and effect so long as the Unit Agreement remains in force and effect, and thereafter, until (a) all Unit wells have been abandoned and plugged or turned over to Working Interest Owners in accordance with Article 19 hereof, (b) all personal and real property acquired for the joint account of Working Interest Owners have been disposed of by Unit Operator in accordance with instructions of Working Interest Owners, (c) all required surface and subsurface restoration has been performed, and (d) there has been a final accounting.

ARTICLE 19

ABANDONMENT OF OPERATIONS

and the second of the second s

19.1 <u>Termination</u>. Upon termination of the Unit Agreement, the following will occur:

19.1.1 <u>Oil and Gas Rights</u>. Oil and Gas Rights in and to each separate Tract shall no longer be affected by this Agreement, and thereafter the parties hereto shall be governed by the terms and provisions of the leases, contracts, and other instruments affecting the separate Tracts.

19.1.2 <u>Right to Operate</u>. The Working Interest Owners of any Tract desiring to take over and continue to operate a well or wells located thereon may do so by paying Unit Operator, for the credit of the joint account, the net salvage value, as determined by the Working Interest Owners, of the equipment in and on the well, except casing and other equipment originally contributed at no cost, and by agreeing to properly plug the well(s) at such time as it is abandoned in compliance with applicable laws and regulations. 19.1.3 <u>Salvaging Wells</u>. Unit Operator shall salvage as much of the casing and equipment in or on wells not taken over by Working Interest Owners of separate Tracts as can economically and reasonably be salvaged, and shall cause the wells to be plugged and abandoned in compliance with applicable laws and regulations.

19.1.4 <u>Cost of Abandonment</u>. The cost of abandonment of Unit Operations shall be a Unit Expense.

19.1.5 <u>Distribution of Assets</u>. Working Interest Owners shall share in the distribution of Unit Equipment, or the proceeds thereof, in proportion to their then current Unit Participations.

ARTICLE 20

LAWS, REGULATIONS, AND CERTIFICATE OF COMPLIANCE

20.1 Laws and Regulations. This Agreement and all operations hereunder are subject to all valid laws and valid rules, regulations, and orders of all regulatory bodies having jurisdiction, and to all other applicable federal, state, and local laws, ordinances, rules, regulations, and orders, including those relating to environmental issues; and any provision of this Agreement found to be contrary to or inconsistent with any such law, ordinance, rule, regulation, or order shall be deemed modified accordingly.

20.2 <u>Certificate of Compliance</u>. In the performance of work under this Agreement, the parties hereto agree to comply and Unit Operator shall require each independent contractor to comply with the provisions of Exhibit "G."

ARTICLE 21

GOVERNMENTAL REGULATIONS

21.1 <u>Governmental Regulations</u>. The Working Interest Owners agree to release Unit Operator from any and all liability, losses, damages, injuries, claims, and causes of action arising out of, incident to, or resulting directly or indirectly from Unit Operator's interpretation or application of rules, rulings, regulations, or orders of any governmental agency to the extent Unit Operator's interpretation or application of such rules, rulings, regulations, or orders were made in good faith. Working Interest Owners further agree to reimburse Unit Operator for their proportionate share of any amounts Unit Operator may be required to refund, rebate, or pay as a result of an incorrect interpretation or application of such rules, rulings, regulations, or orders, together with their proportionate part of interest and penalties owing by Unit Operator as a result of such incorrect interpretation or application of such rules, rulings, regulations, or orders, to the extent that such incorrect interpretation or application was made in good faith.

ARTICLE 22

COUNTERPART EXECUTION

22.1 <u>Counterpart Execution</u>. This Agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, and may be ratified or consented to by separate instrument in writing specifically referring hereto, and shall be binding upon all those parties who have executed such a counterpart, ratification, or consent hereto with the same force and effect as if all parties had signed the same document, and regardless of whether or not it is executed by all other parties owning or claiming an interest in the land within the Unit Area. Furthermore, this Agreement will extend to and be binding on the parties hereto, their successors, devisees, heirs, personal representatives, and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement upon the respective dates indicated opposite their respective signatures.

UNIT OPERATOR:

PARKER & PARSLEY DEVELOPMENT L.P. By: Parker & Parsley Petroleum USA, Inc., General Partner

Date: December 1, 1996 By:

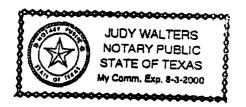
,

SD K1 Buddy J ' Knight Its: Viće <u>President</u>

ACKNOWLEDGMENT

STATE OF TEXAS § § COUNTY OF MIDLAND §

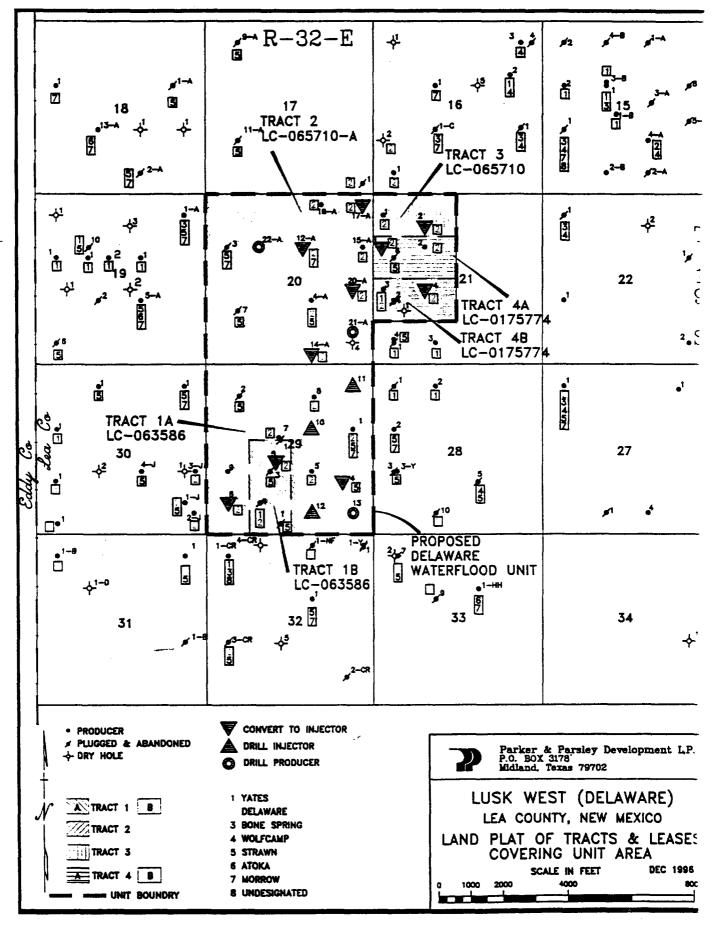
This instrument was acknowledged before me this 11th day of December, 1996, by Buddy J. Knight, Vice President of Parker & Parsley Petroleum USA, Inc., a Delaware corporation, on behalf of said corporation and as General Partner of said limited partnership.



1

Notary Public, State of Texas

EXHIBIT "A"



						-															. *			
																						1A	NO.	
FEDERAL																			SW/4	except the E/2 of the	All of Sec 29, save &	T19S-R32E, N.M.P.M	DESCRIPTION OF LAND	
TRACTS																						560.00	NUMBER OF ACRES	
TOTALING																HBP		10/1/47	Effective:			LC-063586	AND EXPIRATION DATE OF LEASE	SERIAL NUMBER
560 00 ACRES																					(sliding scale)	U.S.A. 12.50000%	BASIC ROYALTY AND PERCENTAGE	
8																				Scope Energy	Kathleen Irwin	Parker & Parsley Dev. L.P.	LEAS	
36.700%								•••											100.000%	75.000%	12.500%	"P. 12.500%	LEASE OF RECORD AND PERCENTAGE	
9		Lena Willis	Robert S. Wildish	Gretchen Walter	Shirley Wallace	Charles Wallace Estate	TCW DR Royalty II	Jean B. Reader	Parker & Parsley Dev. L.P.	Wallace Irwin Trust	Kathleen Invin	Audrey Hamrick	Wendell K. Freeman	Milton L. Freeman	John H. Freeman	Conrad Freeman	Bernard H. Freeman	O. M. Carey	Mildred Bowman	Lena Bowman	B. McGuffey Bowman	Amity Oil c/o R. D. Pulliam	OVERRI	!
UNIT	2.585342%	0.044643%	0.062500%	0.062500%	0.265625%	0.265625%	0.570832%	0.031250%	0.039061%	0.265625%	0.265625%	0.044643%	0.014881%	0.014881%	0.044643%	0.044642%	0.014881%	0.044643%	0.156250%	0.156250%	0.031250%	n 0.145092%	OVERRIDING ROYALTY AND PERCENTAGE	<u>Q</u>
AREA																		Amity Oil	Scope Energy	Wallace Irwin Trust	Kathleen Inwin	Parker & Parsley Dev. L.P.	WORK	
																	100.000000%	4,464300%	21,428600%	1.785700%	1.785700%	70.535700%	WORKING INTEREST AND PERCENTAGE	

.

EXHIBIT "8" SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS LUSK WEST (DELAWARE) UNIT AREA LEA CO., NEW MEXICO

12/9/96

. •

•

.. :

12:55 PM

12/9/96

.

.... ·

.

12:55 PM

•

1 N TRACT NO. Sec 20 - All T19S-R32E, N.M.P.M 640.00 FEDERAL DESCRIPTION OF LAND TRACTS OF ACRES NUMBER HBP 10/1/51 LC-065710-A Effective: TOTALING DATE OF LEASE AND EXPIRATION SERIAL NUMBER U.S.A. 12.50000% BASIC ROYALTY 640.00 ACRES AND PERCENTAGE (sliding scale) Marbob Energy Corp. Ownership as to the 6400' Delaware zone LEA CO., NEW MEXICO Parker & Parsley Dev. L.P. 50.000% QR LEASE OF RECORD AND PERCENTAGE 50.000% 100.000% 42.100% : Paul Slayton ę Olan F Featherstone OVERRIDING ROYALTY AND PERCENTAGE <u>0</u> 0.500000% 3.000000% UNIT 2.500000% Į AREA Parker & Parsley Dev. L.P. WORKING INTEREST AND PERCENTAGE 100.000000% · · · · · · · · · ·

EXHIBIT "B" SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS LUSK WEST (DELAWARE) UNIT AREA

12/9/96

••••

12:55 PM

۵	ω	TRACT	
FEDERAL	T195- Sec 21		
RAL	T19S-R32E, N.M.P.M Sec 21 - N/2 of NW/4	DESCRIPTION OF LAND	
TRACTS	80.00		
		NUMBER OF ACRES	
TOTALING	LC-065710 Effective: 10/1/51 HBP	SERIAL NUMBER AND EXPIRATION DATE OF LEASE	SCHEDU
		IUMBER RATION LEASE	LE SHO
80.0	L S A	BASI AN	EXHIBIT "B" SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS LUSK WEST (DELAWARE) UNIT AREA LEA CO., NEW MEXICO Ownership as to the 6400' Delaware zone
80.00 ACRES	(sliding scale)	BASIC ROYALTY AND PERCENTAGE	E PERCE
OR		Y YTAGE	ENTAGE SK WES LE
על	Perry R. Bass, Inc. Sid R. Bass, Inc. Keystone, Inc. Thru Line, Inc.	1	EXHIBIT "8" AGE AND KIND OF OWN VEST (DELAWARE) UNI' LEA CO., NEW MEXICO Ip as to the 6400' Delaw
		LEASE	317 "8" IND OF (AWARE) EW MEX 6400' D
5.300%	25.000% 18.750% 18.750% 100.000%	ASE OF RECORD AND PERCENTAGE	EXHIBIT "8" ERCENTAGE AND KIND OF OWNERSHIP LUSK WEST (DELAWARE) UNIT AREA LEA CO., NEW MEXICO Ownership as to the 6400' Delaware zone
	:	RD INTAGE	SHIP OF
ę	Perry R. Bass Sid K. Bass Thru Line Inc. Paul Slayton Ewell H. Muse Jr. Douglas R Evans Don Shackelford Bob Shackelford Amoco Prod Co.		OIL AN
	ass rc. Evans efford efford Co.	OVERR	ID GAS I
UNIT	3.12 2.34 2.34 2.34 2.34 2.34 2.34 2.34 2.3	OII OVERRIDING ROYALTY AND PERCENT	NTERES
	3.125000% 2.343750% 2.343750% 2.343750% 3.000000% 1.000000% 9.500000% 28.850000% 28.850000%	OII DING ROYALTY AND PERCENTAGE	STS
AREA	Parker Bob St	m	
	Parker & Parsley Dev. L.P. Wilbur Shackelford Bob Shackelford		
		WORKING	
	75.0 12.5 100.0	UNG INTEREST AND PERCENTAGE	
	75.000000% 12.500000% 100.000000%	EST NTAGE	• 1 - •

·

12/9/96

1

.

12:55 PM

ω TRACT NO. FEDERAL Sec 21 - N/2 of NW/4 T19S-R32E, N.M.P.M 80.00 DESCRIPTION OF LAND TRACTS OF ACRES NUMBER HBP LC-065710 10/1/51 Effective: TOTALING AND EXPIRATION DATE OF LEASE SERIAL NUMBER U.S.A. 12.50000% BASIC ROYALTY 80.00 ACRES AND PERCENTAGE (sliding scale) Ownership as to the 6400' Delaware zone 9 R Lee M. Bass, Inc. Perry R. Bass, Inc. Keystone, Inc. Sid R. Bass, Inc. Thru Line, Inc. LEASE OF RECORD AND PERCENTAGE 5.300% 18.750% 18.750% 25.000% 18.750% 100.000% 18.750% ; ę **Bob Shackelford** Wilbur Shackelford Douglas R Evans **Don Shackelford** Ewell H. Muse Jr. Paul Slayton Thru Line Inc. Lee M. Bass Sid K. Bass Perry R. Bass Keystone Inc. OVERRIDING ROYALTY AND PERCENTAGE Gas UNIT 31.850000% 1.000000% 1.000000% 0.450000% 0.9000009 0.500000% 3.0000009 4.687500% 4.6875009 4.6875009 4.6875009 6.2500009 AREA Wilbur Shackelford **Bob Shackelford** Parker & Parsley Dev. L.P. WORKING INTEREST AND PERCENTAGE 100.000000% 12,500000% 75.000000% 12.500000%

EXHIBIT "B" SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS

LUSK WEST (DELAWARE) UNIT AREA LEA CO., NEW MEXICO

12/9/96

.

12:54 PM

\$ **₽** TRACT ĕ FEDERAL S/2 of the NW/4 of Sec. 21 T19S-R32E, N.M.P.M 80.00 DESCRIPTION OF LAND TRACTS OF ACRES NUMBER TOTALING HBP Effective: LC-0175774 10/1/51 AND EXPIRATION DATE OF LEASE SERIAL NUMBER U.S.A, 12.50000% BASIC ROYALTY 80.00 ACRES AND PERCENTAGE (sliding scale) New Mexico Inc. Ownership as to the 6400' Delaware zone QR R Mobil Producing Texas & 100.000% LEASE OF RECORD AND PERCENTAGE 5.300% ; ð Mobil Oil Co. **Bob Shackelford** Wilbur Shackelford Don Shackelford Douglas R Evans OVERRIDING ROYALTY AND PERCENTAGE <u>0</u> 19.500000% 22.850000% UNIT 1.000000% 0.4500009 0.900000% 1.000000% ` AREA Wilbur Shackelford **Bob Shackelford** Parker & Parsley Dev. L.P. WORKING INTEREST AND PERCENTAGE 100.000000% 17.500000% 65.000000% 17.500000%

SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS LUSK WEST (DELAWARE) UNIT AREA

EXHIBIT "B"

•

LEA CO., NEW MEXICO

12/9/96

.

•

:

12:55 PM

8 8 TRACT NO Sec. 21 TRACTS FEDERAL N/2 of the SW/4 of T19S-R32E, N.M.P.M 80.00 DESCRIPTION OF LAND TOTALING 1,520.00 TRACTS OF ACRES NUMBER HBP TOTALING Effective: LC-0175774 10/1/51 DATE OF LEASE AND EXPIRATION SERIAL NUMBER ACRES IN U.S.A. 12.50000% BASIC ROYALTY 80.00 ACRES AND PERCENTAGE (sliding scale) Texas & New Mexico Inc. Ownership as to the 6400' Delaware zone о Я Mobil Producing UNIT LEASE OF RECORD AND PERCENTAGE 5.300% AREA 100.000% i ١ ð Wilbur Shackelford **Bob Shackelford** Don Shackelford Mobil Oil Corp Douglas R Evans OVERRIDING ROYALTY AND PERCENTAGE <u>0</u> UNIT 0.350000% 22.550000% 1.000000% 0.700000% 19.500000% 1.000000% AREA **Bob Shackelford** Wilbur Shackelford Parker & Parsley Dev. L.P. WORKING INTEREST AND PERCENTAGE 100.000000% 17.500000% 65.000000% 17.500000%

ι.

(. /

> EXHIBIT "B" SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS LUSK WEST (DELAWARE) UNIT AREA

LEA CO., NEW MEXICO

Ę

.

12/9/96

.

,

· ;

· ... /

12:55 PM

EXHIBIT "C" TRACT PARTICIPATION OF EACH TRACT LUSK WEST (DELAWARE) UNIT AREA LEA CO. NEW MEXICO

• • •

 Tract No.
 Tract Participation

 1A
 36.25529%

 1B
 5.10861%

 2
 36.51480%

 3
 8.89081%

 4A
 8.18435%

 4B
 5.04614%

 Total
 100.00000%

;

٠.

10:01 AM

12/6/96

EXHIBIT "C-1" EXHIBIT OF ACRE-FEET (ACRES MULTIPLIED BY NET PAY) BY TRACT

			•	
LEASE	Well #	SEC	Unit	AC-FT
LUSK DEEP UNIT A INJ	17	20	Α	2280
LUSK DEEP UNIT A	19	20	-	704
LUSK DEEP UNIT A PUD	22	•		375
LUSK DEEP UNIT A INJ	12			759
LUSK DEEP UNIT A	15			750
LUSK DEEP UNIT A INJ	20			550
LUSK DEEP UNIT A	4			580
LUSK DEEP UNIT A INJ	14			600
LUSK DEEP UNIT A PUD	21	20	Р	1000
Tract 2 Total/Sum/Avg				7598
AMOCO FEDERAL INJ	2	21	С	800
AMOCO FEDERAL	1	21	D	1050
Tract 3 Total/Sum/Avg				1850
MOBIL FEDERAL	1	21	E	1043
MOBIL FEDERAL	2	21	F	660
Tract 4A Total/Sum/Avg				1703
MOBIL FEDERAL INJ	4	21	ĸ	390
MOBIL FEDERAL	3	21	L	660
Tract 4B Total/Sum/Avg			:	1050
SOUTHERN CAL FED INJ	11	29	Α	580
SOUTHERN CALIFORNIA FED	8	29	В	609
SOUTHERN CALIFORNIA FED	7	29	F	300
SOUTHERN CAL FED INJ	12	29	G	1025
SOUTHERN CALIFORNIA FED	1	29	н	1260
SOUTHERN CAL FED INJ	4	29	1	448
SOUTHERN CALIFORNIA FED	5	29	J	1025
SOUTHERN CAL FED	9	29	L	300
SOUTHERN CAL FED INJ	6	29	Μ	480
SOUTHERN CAL FED INJ	10	29	0	1025
SOUTHERN CAL FED PUD	13	29	Ρ	492
Tract 1A Total/Sum/Avg	1			7544
-				
S. A. BOWMAN FEDERAL INJ	5	29	κ	738
S. A. BOWMAN FEDERAL	4	29	N	325
Tract 1B Total/Sum/Avg				1063
Grand Total				20,808
•				,

١,

-

.

EXHIBIT "D" SUMMARY OF WORKING INTEREST BY TRACT LUSK WEST (DELAWARE) UNIT AREA LEA CO. NEW MEXICO

-•-

Page 1

WORKING INTEREST	TRACT 1A	TRACT 1B	TRACT 1A TRACT 1B TRACT 2 TRACT 3 TRACT	TRACT 3	TRACT 4A	4A TRACT 4B
PARKER & PARSLEY DEV. L.P.	70.53571%	100.0000%	70.53571% 100.0000% 100.0000% 75.00000% 65.00000% 65.00000%	75.00000%	65.00000%	65.00000%
SHACKELFORD, WILBUR				12.50000% 17.5000	17.50000%	17.50000%
SHACKELFORD, BOB				12.50000% 17.5000	17.50000%	17.50000%
IRWIN, KATHLEEN	1.78571%					
IRWIN, WALLACE TRUST	1.78571%					
SCOPE ENERGY	21.42857%					
AMITY OIL	4.46429%					
TOTAL WORKING INTEREST 100.00000% 100.00000% 100.00000% 100.00000% 100.0000	100.00000%	100.00000%	100.00000%	100.00000%	100.00000%	00% 100.00000%

١

. **4** - 5.

12/5/96

.

.

~

EXHIBIT "D" SUMMARY OF WORKING INTEREST BY TRACT LUSK WEST (DELAWARE) UNIT AREA LEA CO. NEW MEXICO

•

Page 2

100.00000%	5.04614%	8.18435%	8.89081%	36.51480%	5 10861%	36.25529% 5.10861% 36.51480% 8.89081% 8.18435% 5.04614% 100.00000%	TOTAL TRACT PARTICIPATION
1.61854%						1.61854%	AMITY OIL
7.76899%						7.76899%	SCOPE ENERGY
0.64742%						0.64742%	IRWIN, WALLACE TRUST
0.64742%						0.64742%	IRWIN, KATHLEEN
3.42669%	0.88307%	1.43226%	1.11135%				SHACKELFORD, BOB
3.42669%	0.88307%	1.43226%	1.11135%				SHACKELFORD, WILBUR
82.46427%	3.27999%	5.31983%	6.66811% 5.31983%	36.51480%	5.10861%	25.57293%	PARKER & PARSLEY DEV. L.P.
TOTAL	TRACT 48	T4A	TRACT 3	TRACT 2	TRACT 1B	TRACT 1A TRACT 1B TRACT 2 TRACT 3 TRAC	UNIT PARTICIPATION

ļ

12/6/96

EXHIBIT "E"

Attached to and made a part of that certain Unit Operating Agreement dated ______, 1996, by and between Parker & Parsley Development, L.P. as Unit Operator, and Non-Operators named therein, Lea County, New Mexico:

> Lusk West (Delaware) Unit Area Lea County, New Mexico

. . . .

INSURANCE PROVISIONS

- 1. Unit Operator shall carry insurance as follows for the benefit and protection of the parties to this Agreement:
 - a. Worker's Compensation Insurance in accordance with the laws of governmental bodies having jurisdiction including, if applicable, United States Longshore and Harbor Worker's Compensation Act with Outer Continental Shelf Extension, and Employers' Liability Insurance. Employers' Liability Insurance shall provide coverage of not less than \$500,000.00.
 - b. Unit Operator may include the aforesaid risks under its qualified self-insurance program, if any, provided Unit Operator complies with applicable laws, and in such event Unit Operator shall charge to the joint account a premium determined by applying manual insurance rates to the payroll.
- 2. Unit Operator shall not be obligated or authorized to obtain or carry on behalf of the joint account any additional insurance covering the parties or the operations to be conducted hereunder without the consent and agreement of all parties. Each party individually may acquire at its own expense such insurance as it deems proper to protect itself against claims, losses, or damages arising out of the joint operations, provided that such insurance shall include a waiver of subrogation against the other parties in respect of their interests hereunder. All uninsured losses and all damages to jointly owned property shall be borne by the parties in proportion to their respective interests.
- 3. Unit Operator shall promptly notify non-operators in writing of any losses involving damage to a jointly owned property in excess of \$100,000.
- 4. Unit Operator shall require all contractors engaged in operations under this Agreement to comply with applicable worker's compensation laws and to maintain such other insurance and in such amounts as Unit Operator deems necessary.
- 5. In the event less than all parties participate in an operation conducted under the terms of this Agreement, then the insurance requirements and costs, as well as all losses, liabilities, and expenses incurred as the result of such operations, shall be the burden of the party or parties participating therein.

NEEDER 601, BOX 800

69 70 COAS = 1984 = ONSHORE Recommended by the Council of Patroleum Accountants Societies



EXHIBIT " F "

Attached to and made a part of that certain Unit Operating Agreement dated 1 Lusk West (Delaware) Unit Area, Parker & Parsley Development L.P. 2 (Unit Operator). Lea County, New Mexico 3 4 5 6 7 ACCOUNTING PROCEDURE 8 q JOINT OPERATIONS 10 11 I. GENERAL PROVISIONS 12 13 14 Definitions 1 15 16 "Joint Property" shall mean the real and personal property subject to the agreement to which this Accounting Procedure 17 is attached. "Joint Operations" shall mean all operations necessary or proper for the development, operation, protection and 18 19 maintenance of the Joint Property. 20 "Joint Account" shall mean the account showing the charges paid and credits received in the conduct of the Joint 21 Operations and which are to be shared by the Parties. "Operator" shall mean the party designated to conduct the Joint Operations. 22 23 "Non-Operators" shall mean the Parties to this agreement other than the Operator. 24 "Parties" shall mean Operator and Non-Operators. 25 "First Level Supervisors" shall mean those employees whose primary function in Joint Operations is the direct 26 supervision of other employees and/or contract labor directly employed on the Joint Property in a field operating 27 capacity. "Technical Employees" shall mean those employees having special and specific engineering, geological or other 28 29 professional skills, and whose primary function in Joint Operations is the handling of specific operating conditions and 30 problems for the benefit of the Joint Property. 31 "Personal Expenses" shall mean travel and other reasonable reimbursable expenses of Operator's employees. 32 "Material" shall mean personal property, equipment or supplies acquired or held for use on the Joint Property. 33 "Controllable Material" shall mean Material which at the time is so classified in the Material Classification Manual as 34 most recently recommended by the Council of Petroleum Accountants Societies. 35 36 Statement and Billings 2. 37 38 Operator shall bill Non-Operators on or before the last day of each month for their proportionate share of the Joint Account for the preceding month. Such bills will be accompanied by statements which identify the authority for 39 40 expenditure, lease or facility, and all charges and credits summarized by appropriate classifications of investment and expense except that items of Controllable Material and unusual charges and credits shall be separately identified and 41 fully described in detail. 42 43 44 3. Advances and Payments by Non-Operators 45 Unless otherwise provided for in the agreement, the Operator may require the Non-Operators to advance their 46 Α. 47 share of estimated cash outlay for the succeeding month's operation within fifteen (15) days after receipt of the billing or by the first day of the month for which the advance is required, whichever is later. Operator shall adjust 48 49 each monthly billing to reflect advances received from the Non-Operators. 50 Each Non-Operator shall pay its proportion of all bills within fifteen (15) days after receipt. If payment is not made 51 B. within such time, the unpaid balance shall bear interest monthly at the prime rate in effect at NationsBank 52 Dallas, Texas on the first day of the month in which delinquency occurs plus 1% or the 53 maximum contract rate permitted by the applicable usury laws in the state in which the Joint Property is located. 54 55 whichever is the lesser, plus attorney's fees, court costs, and other costs in connection with the collection of unpaid 56 amounts. 57 58 Adjustments 4. 59 60 Payment of any such bills shall not prejudice the right of any Non-Operator to protest or question the correctness thereof; 61 provided, however, all bills and statements rendered to Non-Operators by Operator during any calendar year shall conclusively be presumed to be true and correct after twenty-four (24) months following the end of any such calendar 62 63 year, unless within the said twenty-four (24) month period a Non-Operator takes written exception thereto and makes 64 claim on Operator for adjustment. No adjustment favorable to Operator shall be made unless it is made within the same 65 prescribed period. The provisions of this paragraph shall not prevent adjustments resulting from a physical inventory of 66 Controllable Material as provided for in Section V. 67 68

COPYRIGHT® 1985 by the Council of Petroleum Accountants Societies.

COPAS - 1984 - ONSHORE Recommended by the Council of Petroleum Accountants Societies

5. Audita

1

2 3.i.

4

5

6

7 8

9 10

11

12 13

14

15 16

17 18

19

20

25 26

27 28

29 30

31

32

33 34

35 36

37 38

39 40

41

42 43

44

45 46

47

48

49

50

51

52

53 54

55 56 57

58

59 60

61

62 63

64 65

66 67

68

A. A Non-Operator, upon notice in writing to Operator and all other Non-Operators, shall have the right to audit Operator's accounts and records relating to the Joint Account for any calendar year within the twenty-four (24) month period following the end of such calendar year; provided, however, the making of an audit shall not extend the time for the taking of written exception to and the adjustments of accounts as provided for in Paragraph 4 of this Section I. Where there are two or more Non-Operators, the Non-Operators shall make every reasonable effort to conduct a joint audit in a manner which will result in a minimum of inconvenience to the Operator. Operator shall bear no portion of the Non-Operators' audit cost incurred under this paragraph unless agreed to by the Operator. The audits shall not be conducted more than once each year without prior approval of Operator, except upon the resignation or removal of the Operator, and shall be made at the expense of those Non-Operators approving such audit.

B. The Operator shall reply in writing to an audit report within 180 days after receipt of such report.

and Kantakana

6. Approval By Non-Operators

Where an approval or other agreement of the Parties or Non-Operators is expressly required under other sections of this Accounting Procedure and if the agreement to which this Accounting Procedure is attached contains no contrary provisions in regard thereto, Operator shall notify all Non-Operators of the Operator's proposal, and the agreement or approval of a majority in interest of the Non-Operators shall be controlling on all Non-Operators.

II. DIRECT CHARGES

Operator shall charge the Joint Account with the following items:

1. Ecological and Environmental

Costs incurred for the benefit of the Joint Property as a result of governmental or regulatory requirements to satisfy environmental considerations applicable to the Joint Operations. Such costs may include surveys of an ecological or archaeological nature and pollution control procedures as required by applicable laws and regulations.

2. Rentals and Royalties

Lease rentals and royalties paid by Operator for the Joint Operations.

3. Labor

- A. (1) Salaries and wages of Operator's field employees directly employed on the Joint Property in the conduct of Joint Operations.
 - (2) Salaries of First Level Supervisors in the field.
 - (3) Salaries and wages of Technical Employees directly employed on the Joint Property if such charges are excluded from the overhead rates.
 - (4) Salaries and wages of Technical Employees either temporarily or permanently assigned to and directly employed in the operation of the Joint Property if such charges are excluded from the overhead rates.
- B. Operator's cost of holiday, vacation, sickness and disability benefits and other customary allowances paid to employees whose salaries and wages are chargeable to the Joint Account under Paragraph 3A of this Section II. Such costs under this Paragraph 3B may be charged on a "when and as paid basis" or by "percentage assessment" on the amount of salaries and wages chargeable to the Joint Account under Paragraph 3A of this Section II. If percentage assessment is used, the rate shall be based on the Operator's cost experience.
- C. Expenditures or contributions made pursuant to assessments imposed by governmental authority which are applicable to Operator's costs chargeable to the Joint Account under Paragraphs 3A and 3B of this Section II.
- D. Personal Expenses of those employees whose salaries and wages are chargeable to the Joint Account under Paragraph 3A of this Section II.

4. Employee Benefits

Operator's current costs of established plans for employees' group life insurance, hospitalization, pension, retirement, stock purchase, thrift, bonus, and other benefit plans of a like nature, applicable to Operator's labor cost chargeable to the Joint Account under Paragraphs 3A and 3B of this Section II shall be Operator's actual cost not to exceed the percent most recently recommended by the Council of Petroleum Accountants Societies.

69 70

COPAS - 1984 - ONSHORE Recommended by the Council of Petroleum Accountants Societies



5. Material

 Material purchased or furnished by Operator for use on the Joint Property as provided under Section IV. Only such Material shall be purchased for or transferred to the Joint Property as may be required for immediate use and is reasonably practical and consistent with efficient and economical operations. The accumulation of surplus stocks shall be avoided.

8 6. Transportation

Transportation of employees and Material necessary for the Joint Operations but subject to the following limitations:

- A. If Material is moved to the Joint Property from the Operator's warehouse or other properties, no charge shall be made to the Joint Account for a distance greater than the distance from the nearest reliable supply store where like material is normally available or railway receiving point nearest the Joint Property unless agreed to by the Parties.
- B. If surplus Material is moved to Operator's warehouse or other storage point, no charge shall be made to the Joint Account for a distance greater than the distance to the nearest reliable supply store where like material is normally available, or railway receiving point nearest the Joint Property unless agreed to by the Parties. No charge shall be made to the Joint Account for moving Material to other properties belonging to Operator, unless agreed to by the Parties.
- C. In the application of subparagraphs A and B above, the option to equalize or charge actual trucking cost is available when the actual charge is \$400 or less excluding accessorial charges. The \$400 will be adjusted to the amount most recently recommended by the Council of Petroleum Accountants Societies.

26 7. Services

The cost of contract services, equipment and utilities provided by outside sources, except services excluded by Paragraph 10 of Section II and Paragraph i, ii, and iii, of Section III. The cost of professional consultant services and contract services of technical personnel directly engaged on the Joint Property if such charges are excluded from the overhead rates. The cost of professional consultant services or contract services of technical personnel not directly engaged on the Joint Property shall not be charged to the Joint Account unless previously agreed to by the Parties.

34 8. Equipment and Facilities Furnished By Operator

- A. Operator shall charge the Joint Account for use of Operator owned equipment and facilities at rates commensurate with costs of ownership and operation. Such rates shall include costs of maintenance, repairs, other operating expense, insurance, taxes, depreciation, and interest on gross investment less accumulated depreciation not to exceed <u>twelve</u> percent (<u>12</u>%) per annum. Such rates shall not exceed average commercial rates currently prevailing in the immediate area of the Joint Property.
- B. In lieu of charges in paragraph 8A above, Operator may elect to use average commercial rates prevailing in the immediate area of the Joint Property less 20%. For automotive equipment, Operator may elect to use rates published by the Petroleum Motor Transport Association.

9. Damages and Losses to Joint Property

All costs or expenses necessary for the repair or replacement of Joint Property made necessary because of damages or losses incurred by fire, flood, storm, theft, accident, or other cause, except those resulting from Operator's gross negligence or willful misconduct. Operator shall furnish Non-Operator written notice of damages or losses incurred as soon as practicable after a report thereof has been received by Operator.

10. Legal Expense

Expense of handling, investigating and settling litigation or claims, discharging of liens, payment of judgements and amounts paid for settlement of claims incurred in or resulting from operations under the agreement or necessary to protect or recover the Joint Property, except that no charge for services of Operator's legal staff or fees or expense of outside attorneys shall be made unless previously agreed to by the Parties. All other legal expense is considered to be covered by the overhead provisions of Section III unless otherwise agreed to by the Parties, except as provided in Section I, Paragraph 3.

11. Taxes

All taxes of every kind and nature assessed or levied upon or in connection with the Joint Property, the operation thereof, or the production therefrom, and which taxes have been paid by the Operator for the benefit of the Parties. If the ad valorem taxes are based in whole or in part upon separate valuations of each party's working interest, then notwithstanding anything to the contrary herein, charges to the Joint Account shall be made and paid by the Parties hereto in accordance with the tax value generated by each party's working interest.

CCPAS - 1984 - ONSHORE Recommended by the Council of Petroleum Accountants Societies



12. Insurance

Net premiums paid for insurance required to be carried for the Joint Operations for the protection of the Parties. In the event Joint Operations are conducted in a state in which Operator may act as self-insurer for Worker's Compensation and/or Employers Liability under the respective state's laws, Operator may, at its election, include the risk under its selfinsurance program and in that event, Operator shall include a charge at Operator's cost not to exceed manual rates.

8 13. Abandonment and Reclamation

Costs incurred for abandonment of the Joint Property, including costs required by governmental or other regulatory authority.

13 14. Communications

Cost of acquiring, leasing, installing, operating, repairing and maintaining communication systems, including radio and microwave facilities directly serving the Joint Property. In the event communication facilities/systems serving the Joint Property are Operator owned, charges to the Joint Account shall be made as provided in Paragraph 8 of this Section II.

19 15. Other Expenditures

Any other expenditure not covered or dealt with in the foregoing provisions of this Section II, or in Section III and which is of direct benefit to the Joint Property and is incurred by the Operator in the necessary and proper conduct of the Joint Operations.

III. OVERHEAD

28 1. Overhead - Drilling and Producing Operations

- i. As compensation for administrative, supervision, office services and warehousing costs, Operator shall charge drilling and producing operations on either:
 - (X) Fixed Rate Basis, Paragraph 1A, or
 - () Percentage Basis, Paragraph 1B

Unless otherwise agreed to by the Parties, such charge shall be in lieu of costs and expenses of all offices and salaries or wages plus applicable burdens and expenses of all personnel, except those directly chargeable under Paragraph 3A, Section II. The cost and expense of services from outside sources in connection with matters of taxation, traffic, accounting or matters before or involving governmental agencies shall be considered as included in the overhead rates provided for in the above selected Paragraph of this Section III unless such cost and expense are agreed to by the Parties as a direct charge to the Joint Account.

- ii. The salaries, wages and Personal Expenses of Technical Employees and/or the cost of professional consultant services and contract services of technical personnel directly employed on the Joint Property:
 - () shall be covered by the overhead rates, or
 - (X) shall not be covered by the overhead rates.
- iii. The salaries, wages and Personal Expenses of Technical Employees and/or costs of professional consultant services and contract services of technical personnel either temporarily or permanently assigned to and directly employed in the operation of the Joint Property:
 - (X) shall be covered by the overhead rates, or
 - () shall not be covered by the overhead rates.
- A. Overhead Fixed Rate Basis
 - (1) Operator shall charge the Joint Account at the following rates per well per month:

Drilling Well Rate \$ _4.349.03 (Prorated for less than a full month)

Producing Well Rate \$ 458.04

- (2) Application of Overhead Fixed Rate Basis shall be as follows:
 - (a) Drilling Well Rate
 - (1) Charges for drilling wells shall begin on the date the well is spudded and terminate on the date the drilling rig, completion rig, or other units used in completion of the well is released, whichever

is later, except that no charge shall be made during suspension of drilling or completion operations for fifteen (15) or more consecutive calendar days.

- (2) Charges for wells undergoing any type of workover or recompletion for a period of five (5) consecutive work days or more shall be made at the drilling well rate. Such charges shall be applied for the period from date workover operations, with rig or other units used in workover, commence through date of rig or other unit release, except that no charge shall be made during suspension of operations for fifteen (15) or more consecutive calendar days.
- (b) Producing Well Rates

- (1) An active well either produced or injected into for any portion of the month shall be considered as a one-well charge for the entire month.
- (2) Each active completion in a multi-completed well in which production is not commingled down hole shall be considered as a one-well charge providing each completion is considered a separate well by the governing regulatory authority.
- (3) An inactive gas well shut in because of overproduction or failure of purchaser to take the production shall be considered as a one-well charge providing the gas well is directly connected to a permanent sales outlet.
- (4) A one-well charge shall be made for the month in which plugging and abandonment operations are completed on any well. This one-well charge shall be made whether or not the well has produced except when drilling well rate applies.
- (5) All other inactive wells (including but not limited to inactive wells covered by unit allowable, lease allowable, transferred allowable, etc.) shall not qualify for an overhead charge.
- (3) The well rates shall be adjusted as of the first day of April each year following the effective date of the agreement to which this Accounting Procedure is attached. The adjustment shall be computed by multiplying the rate currently in use by the percentage increase or decrease in the average weekly earnings of Crude Petroleum and Gas Production Workers for the last calendar year compared to the calendar year preceding as shown by the index of average weekly earnings of Crude Petroleum and Gas Production Workers as published by the United States Department of Labor, Bureau of Labor Statistics, or the equivalent Canadian index as published by Statistics Canada, as applicable. The adjusted rates shall be the rates currently in use, plus or minus the computed adjustment.
- B. Overhead Percentage Basis
 - (1)- Operator shall charge the Joint Account at the following rates?
 - (a) Development

_____ Percent (_____ %) of the cost of development of the Joint Property exclusive of costs provided under Paragraph 10 of Section II and all salvage credits.

(b) Operating

Percent (______%) of the cost of operating the Joint Property exclusive of costs provided under Paragraphs 2 and 10 of Section II, all salvage credits, the value of injected substances purchased for secondary recovery and all taxes and assessments which are levied, assessed and paid upon the mineral interest in and to the Joint Property.

(2) Application of Overhead - Percentage Basis shall be as follows:

For the purpose of determining charges on a percentage basis under Paragraph 1B of this Section III, development shall include all costs in connection with drilling, redrilling, deepening, or any remedial operations on any or all wells involving the use of drilling rig and crew capable of drilling to the producing interval on the Joint Property; also, preliminary expenditures necessary in preparation for drilling and expenditures incurred in abandoning when the well is not completed as a producer, and original cost of construction or installation of fixed assets, the expansion of fixed assets and any other project clearly discernible as a fixed asset, except Major Construction as defined in Paragraph 2 of this Section III. All other costs shall be considered as operating:

2. Overhead - Major Construction

To compensate Operator for overhead costs incurred in the construction and installation of fixed assets, the expansion of fixed assets, and any other project clearly discernible as a fixed asset required for the development and operation of the Joint Property, Operator shall either negotiate a rate prior to the beginning of construction, or shall charge the Joint

- 5 -

COPAS - 1984 - ONSHORE Recommended by the Council of Petroleum Accountants Societies

Account for overhead based on the following rates for any Major Construction project in excess of \$ _____*

A. _____% of first \$100,000 or total cost if less, plus

B. _____% of costs in excess of \$100,000 but less than \$1,000,000, plus

C. _____% of costs in excess of \$1,000,000.

Total cost shall mean the gross cost of any one project. For the purpose of this paragraph, the component parts of a single project shall not be treated separately and the cost of drilling and workover wells and artificial lift equipment shall be excluded.

3. Catastrophe Overhead

To compensate Operator for overhead costs incurred in the event of expenditures resulting from a single occurrence due to oil spill, blowout, explosion, fire, storm, hurricane, or other catastrophes as agreed to by the Parties, which are necessary to restore the Joint Property to the equivalent condition that existed prior to the event causing the expenditures, Operator shall either negotiate a rate prior to charging the Joint Account or shall charge the Joint Account for overhead based on the following rates:

A. _____* % of total costs through \$100,000; plus

B. _____% of total costs in excess of \$100,000 but less than \$1,000,000; plus

C. _____% of total costs in excess of \$1,000,000.

Expenditures subject to the overheads above will not be reduced by insurance recoveries, and no other overhead provisions of this Section III shall apply.

4. Amendment of Rates

The overhead rates provided for in this Section III may be amended from time to time only by mutual agreement between the Parties hereto if, in practice, the rates are found to be insufficient or excessive.

•

IV. PRICING OF JOINT ACCOUNT MATERIAL PURCHASES, TRANSFERS AND DISPOSITIONS

Operator is responsible for Joint Account Material and shall make proper and timely charges and credits for all Material movements affecting the Joint Property. Operator shall provide all Material for use on the Joint Property; however, at Operator's option, such Material may be supplied by the Non-Operator. Operator shall make timely disposition of idle and/or surplus Material, such disposal being made either through sale to Operator or Non-Operator, division in kind, or sale to outsiders. Operator may purchase, but shall be under no obligation to purchase, interest of Non-Operators in surplus condition A or B Material. The disposal of surplus Controllable Material not purchased by the Operator shall be agreed to by the Parties.

1. Purchases

Material purchased shall be charged at the price paid by Operator after deduction of all discounts received. In case of Material found to be defective or returned to vendor for any other reasons, credit shall be passed to the Joint Account when adjustment has been received by the Operator.

2. Transfers and Dispositions

Material furnished to the Joint Property and Material transferred from the Joint Property or disposed of by the Operator. unless otherwise agreed to by the Parties, shall be priced on the following basis exclusive of cash discounts:

- A. New Material (Condition A)
 - (1) Tubular Goods Other than Line Pipe
 - (a) Tubular goods, sized 2% inches OD and larger, except line pipe, shall be priced at Eastern mill published carload base prices effective as of date of movement plus transportation cost using the 80,000 pound carload weight basis to the railway receiving point nearest the Joint Property for which published rail rates for tubular goods exist. If the 80,000 pound rail rate is not offered, the 70,000 pound or 90,000 pound rail rate may be used. Freight charges for tubing will be calculated from Lorain, Ohio and casing from Youngstown, Ohio.
 - (b) For grades which are special to one mill only, prices shall be computed at the mill base of that mill plus transportation cost from that mill to the railway receiving point nearest the Joint Property as provided above in Paragraph 2.A.(1)(a). For transportation cost from points other than Eastern mills, the 30,000

pound Oil Field Haulers Association interstate truck rate shall be used. Special end finish tubular goods shall be priced at the lowest published out-of-stock price, f.o.b. Houston. (c) Texas, plus transportation cost, using Oil Field Haulers Association interstate 30,000 pound truck rate, to the railway receiving point nearest the Joint Property. (d) Macaroni tubing (size less than 2% inch OD) shall be priced at the lowest published out-of-stock prices f.o.b. the supplier plus transportation costs, using the Oil Field Haulers Association interstate truck rate per weight of tubing transferred, to the railway receiving point nearest the Joint Property. (2) Line Pipe Line pipe movements (except size 24 inch OD and larger with walls % inch and over) 30,000 pounds or **(a)** more shall be priced under provisions of tubular goods pricing in Paragraph A.(1)(a) as provided above. Freight charges shall be calculated from Lorain, Ohio. Line pipe movements (except size 24 inch OD and larger with walls 34 inch and over) less than 30,000 (b)pounds shall be priced at Eastern mill published carload base prices effective as of date of shipment, plus 20 percent, plus transportation costs based on freight rates as set forth under provisions of tubular goods pricing in Paragraph A.(1)(a) as provided above. Freight charges shall be calculated from Lorain. Ohio. (c) Line pipe 24 inch OD and over and ¾ inch wall and larger shall be priced f.o.b. the point of manufacture at current new published prices plus transportation cost to the railway receiving point nearest the Joint Property. (d) Line pipe, including fabricated line pipe, drive pipe and conduit not listed on published price lists shall be priced at quoted prices plus freight to the railway receiving point nearest the Joint Property or at prices agreed to by the Parties. Other Material shall be priced at the current new price, in effect at date of movement, as listed by a reliable (3)supply store nearest the Joint Property, or point of manufacture, plus transportation costs, if applicable, to the railway receiving point nearest the Joint Property. (4) Unused new Material, except tubular goods, moved from the Joint Property shall be priced at the current new price, in effect on date of movement, as listed by a reliable supply store nearest the Joint Property, or point of manufacture, plus transportation costs, if applicable, to the railway receiving point nearest the Joint Property. Unused new tubulars will be priced as provided above in Paragraph 2.A.(1) and (2). B. Good Used Material (Condition B) Material in sound and serviceable condition and suitable for reuse without reconditioning: (1)Material moved to the Joint Property At seventy-five percent (75%) of current new price, as determined by Paragraph A. (2)Material used on and moved from the Joint Property (a) At seventy-five percent (75%) of current new price, as determined by Paragraph A, if Material was originally charged to the Joint Account as new Material or (b) At sixty-five percent (65%) of current new price, as determined by Paragraph A, if Material was originally charged to the Joint Account as used Material. (3) Material not used on and moved from the Joint Property At seventy-five percent (75%) of current new price as determined by Paragraph A. The cost of reconditioning, if any, shall be absorbed by the transferring property. С. Other Used Material (1) Condition C Material which is not in sound and serviceable condition and not suitable for its original function until after reconditioning shall be priced at fifty percent (50%) of current new price as determined by Paragraph A. The cost of reconditioning shall be charged to the receiving property, provided Condition C value plus cost of reconditioning does not exceed Condition B value.

12

31.

4 5

6

7

8 9

10 11

12

13

14

15 16

17

18

19 20

21

22

23 24

25

26 27

28

29

30 31

32

33

34 35

36

37

38

39 40

41 42

43 44

45

46 47 48

> 49 50

51

52 53

54

55 56

57 58

59 60

61 62

63 64

65

66 67

68

69

70

(2) Condition D

12

3

4

5 6

7

8. 9

10

11

12

13 14

15 16

17

18 19 20

21

22 23

24

25

26 27

28 29

30

31

32

33 34

35

36

37

38

39

41

42

43

44 45

46 47

48

49

51 52

53

54 55 56

57

59

61 62

63

64

65 66 Material, excluding junk, no longer suitable for its original purpose, but usable for some other purpose shall be priced on a basis commensurate with its use. Operator may dispose of Condition D Material under procedures normally used by Operator without prior approval of Non-Operators.

- (a) Casing, tubing, or drill pipe used as line pipe shall be priced as Grade A and B seamless line pipe of comparable size and weight. Used casing, tubing or drill pipe utilized as line pipe shall be priced at used line pipe prices.
- (b) Casing, tubing or drill pipe used as higher pressure service lines than standard line pipe, e.g. power oil lines, shall be priced under normal pricing procedures for casing, tubing, or drill pipe. Upset tubular goods shall be priced on a non upset basis.
- (3) Condition E

Junk shall be priced at prevailing prices. Operator may dispose of Condition E Material under procedures normally utilized by Operator without prior approval of Non-Operators.

D. Obsolete Material

Material which is serviceable and usable for its original function but condition and/or value of such Material is not equivalent to that which would justify a price as provided above may be specially priced as agreed to by the Parties. Such price should result in the Joint Account being charged with the value of the service rendered by such Material.

- E. Pricing Conditions
 - (1) Loading or unloading costs may be charged to the Joint Account at the rate of twenty-five cents (25¢) per hundred weight on all tubular goods movements, in lieu of actual loading or unloading costs sustained at the stocking point. The above rate shall be adjusted as of the first day of April each year following January 1, 1985 by the same percentage increase or decrease used to adjust overhead rates in Section III, Paragraph 1.A.(3). Each year, the rate calculated shall be rounded to the nearest cent and shall be the rate in effect until the first day of April next year. Such rate shall be published each year by the Council of Petroleum Accountants Societies.
 - (2) Material involving erection costs shall be charged at applicable percentage of the current knocked-down price of new Material.

40 3. Premium Prices

Whenever Material is not readily obtainable at published or listed prices because of national emergencies, strikes or other unusual causes over which the Operator has no control, the Operator may charge the Joint Account for the required Material at the Operator's actual cost incurred in providing such Material, in making it suitable for use, and in moving it to the Joint Property; provided notice in writing is furnished to Non-Operators of the proposed charge prior to billing Non-Operators for such Material. Each Non-Operator shall have the right, by so electing and notifying Operator within ten days after receiving notice from Operator, to furnish in kind all or part of his share of such Material suitable for use and acceptable to Operator.

50 4. Warranty of Material Furnished By Operator

Operator does not warrant the Material furnished. In case of defective Material, credit shall not be passed to the Joint Account until adjustment has been received by Operator from the manufacturers or their agents.

V. INVENTORIES

58 The Operator shall maintain detailed records of Controllable Material.

60 1. Periodic Inventories, Notice and Representation

At reasonable intervals, inventories shall be taken by Operator of the Joint Account Controllable Material. Written notice of intention to take inventory shall be given by Operator at least thirty (30) days before any inventory is to begin so that Non-Operators may be represented when any inventory is taken. Failure of Non-Operators to be represented at an inventory shall bind Non-Operators to accept the inventory taken by Operator.

67 2. Reconciliation and Adjustment of Inventories 68

Adjustments to the Joint Account resulting from the reconciliation of a physical inventory shall be made within six months following the taking of the inventory. Inventory adjustments shall be made by Operator to the Joint Account for

. . . .

overages and shortages, but, Operator shall be held accountable only for shortages due to lack of reasonable diligence.

3. Special Inventories

Special inventories may be taken whenever there is any sale, change of interest, or change of Operator in the Joint Property. It shall be the duty of the party selling to notify all other Parties as quickly as possible after the transfer of interest takes place. In such cases, both the seller and the purchaser shall be governed by such inventory. In cases involving a change of Operator, all Parties shall be governed by such inventory.

4. Expense of Conducting Inventories

- A. The expense of conducting periodic inventories shall not be charged to the Joint Account unless agreed to by the Parties.
- B. The expense of conducting special inventories shall be charged to the Parties requesting such inventories, except inventories required due to change of Operator shall be charged to the Joint Account.

EXHIBIT "G"

Unit Attached to and made a part of / Operating Agreement dated _____, Lusk West (Delaware) Unit Area, Parker & Parsley Development L.P. (Unit Operator), Lea County, New Mexico

EQUAL EMPLOYMENT OPPORTUNITY PROVISION

During the performance of this contract, the Operator agrees as follows:

فالاستقام فالعقيقة وحدقت

1. The Operator will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Operator will take affirmative action to ensure that applicants are employed and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operator agrees to post in conspicuous places, available to employees and applicants for employment notices to be provided for the contracting officer setting forth the provisions of this non-discrimination clause.

2. The Operator will, in all solicitations or advertisements for employees placed by or on behalf of the Operator, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

3. The Operator will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the Operator's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

4. The Operator will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

5. The Operator will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

6. In the event of Operator's non-compliance with the non-discrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the Operator may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rules, regulations, or order of the Secretary of Labor, or as otherwise provided by law.

7. The Operator will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Operator will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for non-compliance: <u>Provided</u>, <u>however</u>, that in the event the Operator becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the Operator may request the United States to enter into such litigation to protect the interests of the United States.

Operator acknowledges that it may be required to file Standard Form 100 (EEO-1) promulgated jointly by the Office of Federal Contract Compliance, the Equal Employment Opportunity Commission and Plans for Progress with the appropriate agency within thirty (30) days of the date of contract award if such report has not been filed for the current year and otherwise comply with or file such other compliance reports as may be required under Executive Order 11246, as amended and Rules and Regulations adopted thereunder.

Operator further acknowledges that it may be required to develop a written affirmative action compliance program as required by the Rules and Regulations approved by the Secretary of Labor under authority of Executive Order 11246 and supply Non-Operators with a copy of such program if they so request.

CERTIFICATION OF NON-SEGREGATED FACILITIES

Operator assures Non-Operators that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. For this purpose, it is understood that the phrase "segregated facilities" includes facilities which are in fact segregated on a basis of race, color, religion, or national origin, because of habit, local custom or otherwise. It is further understood and agreed that maintaining or providing segregated facilities for its employees or permitting its employees to perform their services at any location under its control where segregated facilities are maintained is a violation of the equal opportunity clause required by Executive Order 11246 of September 24, 1965.

Operator further understands and agrees that a breach of the assurance herein contained subjects it to the provisions of the Order at 41 CFR Chapter 60 of the Secretary of Labor dated May 21, 1968, and the provisions of the equal opportunity clause enumerated contracts between the United States of America and Non-Operators.

Whoever knowingly and willfully makes any false, fictitious or fraudulent representation may be liable to criminal prosecution under 18 U.S.C. §1001.

OA.EXF/C-DRIVE

EXHIBIT "#"

Attached to and made a part of that certain Unit Operating Agreement dated , Lusk West (Delaware) Unit Area, Parker & Parsley Development L.P. (Unit Operator), Lea County, New Mexico

GAS BALANCING AGREEMENT

. . . .

Subject to and under the terms of the Operating Agreement to which this Agreement is attached as Exhibit "E" (the "Operating Agreement"), the parties hereto own and are entitled to share in the oil and gas production from the Contract Area (as defined in the Operating Agreement) in accordance with their respective interests as set forth in the Operating Agreement. Each party has made or will make arrangements to sell or utilize its share of the gas production; however, it is recognized that one or more of the parties may be unable from time to time to take in kind or otherwise dispose of its interest in the gas production. In order to permit each party to produce and utilize or dispose of its interest in the gas production with as much flexibility as possible, the parties hereto have agreed as follows:

1. The term "Percentage Interest" means the percentage ownership interest of each party as determined in the Operating Agreement. The term "Accumulated Underproduction" means the amount by which the cumulative volume for gas taken by a party is less than the cumulative volume that party was entitled to take according to its Percentage Interest; the term "Accumulated Overproduction" means the amount by which the cumulative volume of gas taken by a party exceeds the cumulative volume that party was entitled to take according to its Percentage Interest; the term "Underproduced Party" means a party credited with Accumulated Underproduction; the term "Overproduced Party" means a party charged with Accumulated Overproduction; the term "Make-up Gas" means the volume of gas taken by an Underproduced Party to make up Accumulated Underproduction pursuant to paragraph 4 below.

2. From and after the date of initial delivery of gas from the Contract Area, during any period when any party is taking less than its full Percentage Interest share of the gas production, the other party or parties shall produce from the Contract Area and take or deliver to a purchaser their pro rata share of all or any part of that portion of the allowable gas production which is not then being produced as a result of a party taking less than its full share; provided, however, that no party shall be entitled to take or deliver to a purchaser gas production in excess of 200% of its share of the allowable gas production assigned thereto by the regulatory body having jurisdiction unless that party is an Underproduced Party. The parties hereto shall share in and own the liquid hydrocarbons recovered from such gas by lease equipment in accordance with their respective interest in the Contract Area as set forth in said Operating Agreement, but the party or parties taking gas shall own all of such gas delivered to its or their purchaser(s).

3. The Operator shall maintain an account of the gas balance as between the parties hereto and will furnish each party monthly statements showing the total quantity of gas produced, the portion thereof used in operations on the Contract Area, vented or lost, the total quantity of gas taken by each party or delivered to its purchaser, and the Accumulated Overproduction and Underproduction of each party.

4. After ten (10) days' written notice to the Operator and commencing on the first day of any month, any party may at any time begin taking or delivering to a purchaser its full share of the gas produced (less such party's share of gas used in operations in the Contract Area, vented or lost). In addition to such share, each Underproduced Party, including the Operator, until it has brought its gas account into balance, shall be entitled to take or deliver to its purchaser an additional share of the gas produced determined by multiplying the applicable Make-up Percent (hereinafter defined) of the Percentage Interest of the Overproduced Parties in the current gas production by a fraction, the numerator of which is the total Accumulated Underproduction of such party and the denominator of which is the total Accumulated Underproduction of all Underproduced Parties then undertaking to make up production. "Make-up Percent" shall mean twenty-five percent (25%) for gas made up in the months of October, November, December, January, February, and March; and fifty percent (50%) for the months of April, May,

June, July, August, and September. Make-up Gas shall offset Accumulated Underproduction in the order of accrual.

5. In the event any party enters into an agreement subsequent to this Agreement for the disposition of its gas, including but not limited to a gas sales agreement(s), the subsequent agreement shall be subordinated to the rights of the parties under this Agreement.

6. Nothing herein shall be construed to deny any party the right, from time to time, to produce and take or deliver to its purchaser its full share of the allowable gas production to meet the deliverability tests required by its purchaser. Each party shall, at all times, use its best efforts to regulate its takes and deliveries from the Contract Area so that the well(s) will not be shut in for overproducing the allowable, if any, assigned thereto by the regulatory body having jurisdiction.

7. During the term of this Agreement, each party shall pay or cause to be paid its own royalty owners (the term "royalty owners" shall include owners of royalty interests, overriding royalty interests, production payments, and similar interests) as they may be entitled, respectively, to be paid, and shall hold the other parties harmless from any liability therefor.

8. Each party producing and taking or delivering gas to its purchaser shall pay or cause to be paid any and all production taxes due on such gas.

9. Should production of gas from the Contract Area be permanently discontinued before the gas account is balanced, a final settlement will be made between the Underproduced and Overproduced Parties. In making such settlement, the Underproduced Party or Parties will be paid a sum of money by the Overproduced Party or Parties equal to the value of the total Accumulated Overproduction less applicable taxes and royalties theretofore paid by the Overproduced Party on such overproduction. The value of the total Accumulated Overproduction shall be based on the price the Overproduced Party actually received for the gas during the month(s) in which the Accumulated Overproduction accrued. Operator shall furnish to all parties a statement showing the final Accumulated Overproduction and Accumulated Underproduction of each party and the month and year in which it accrued. Within sixty (60) days after receipt of Operator's statement, each Overproduced Party shall furnish to all other parties a statement showing the value of its Accumulated Overproduction based on the price the Overproduced Party actually received for the gas during the month(s) in which the Accumulated Overproduction accrued, less applicable taxes and royalties theretofore paid by the Overproduced Party on such Accumulated Overproduction. Based upon the statements furnished by the Overproduced Parties, the net amount owed by or to each party shall be calculated by Operator and furnished to all parties in a final cash balancing statement. Within sixty (60) days after receipt of Operator's final cash balancing statement, each Overproduced Party shall pay each Underproduced Party in accordance with the statement and without interest. Any party may challenge any volumes or values or amounts specified in any of the statements furnished under paragraph 3 above or this paragraph 9 in the same manner and subject to the same limitations that an invoice from Operator may be challenged under the Operating Agreement or the accounting procedure attached thereto. If any portion of the proceeds collected by an Overproduced Party is subject to a contingent refund obligation under law, regulation, or court order, such amount shall be withheld until such time as a final determination is made with respect thereto, or the Underproduced Party agrees in writing to indemnify, defend, and hold harmless from any refund obligation the party paying such amount.

10. This Gas Balancing Agreement shall be and remain in full force and effect for a term concurrent with the term of the Operating Agreement.

11. This Gas Balancing Agreement shall be deemed to be a separate agreement for each well on the Contract Area and as to each separate reservoir from which gas is produced from each well. 12. Nothing herein shall change or affect each party's obligation to pay its proportionate share of all costs and liabilities incurred in operations on the Contract Area, as set forth in the Operating Agreement. All costs and expenses of administering this Gas Balancing Agreement shall be borne in accordance with the provisions of the Operating Agreement.

13. Any party transferring its interest, or any part thereof, which is covered by the Operating Agreement, shall give notice of this Gas Balancing Agreement to any transferee, and such transfer shall not be binding upon the parties until such transferee has agreed in writing to be bound by the terms of the Operating Agreement, including this Gas Balancing Agreement. At the option of any Underproduced Party, cash settlement as between such Underproduced Party and the Overproduced Party transferring the interest shall occur whenever any Overproduced Party transfers any of its interest in the Contract Area to an unaffiliated third party.

14. The Operator under the Operating Agreement is authorized to carry out the provisions of this agreement but shall not be liable for its failure to do so as long as it acts without gross negligence or willful misconduct. The Operator has no duty or authority to maintain or restore balanced production, except as specifically provided herein.

ļ

c:oa.exe

1

ASSIGNMENT AND CONVEYANCE

THIS ASSIGNMENT AND CONVEYANCE (hereinafter referred to as "this Assignment") is entered into effective this 1st day of February, 1997, by and between Shackelford Oil Company, a Texas corporation, W. L. Shackelford, also known as Wilbur L. Shackelford, a widower, Don G. Shackelford, a single man and Bob L. Shackelford, and his wife, Nanette P. Shackelford, whose address for purposes of this Assignment is P.O. Box 10665, Midland, Texas 79702 (hereinafter collectively referred to as "the Assignors", and if referred to individually then specifically by name) and Parker & Parsley Development, L.P., a Texas limited partnership, whose address is P.O. Box 3178, Midland, Texas 79702-3178 (hereinafter referred to as "the Assignee"), the Assignors and Assignee sometimes being hereinafter collectively referred to as "the Parties Hereto" or "Party Hereto", and

WHEREAS, the subject matter of this Assignment is certain rights (for the depths stated, working interests, operating rights, overriding royalty interests excepting from the Assigned Property those overriding royalty interests set out on Exhibit "A" as being attributable to the Assignors named as well as any interest which Assignors may be entitled to whether overriding royalty interests or operating rights by virtue of production levels as provided for in the below described Farmout Agreements and associated assignments to Assignors, and rights in oil and gas wells, associated equipment, all contractual rights of various nature, rights of way, easements and all other and associated rights necessary to the enjoyment of the rights and interest herein assigned) all as may be more particularly described and limited on Exhibit "A" attached hereto and incorporated herein for all purposes (hereinafter referred to as "the Assigned Property"), the Assigned Property arising from oil and gas leases from the United States of America, as lessor, referred to by serial number hereinbelow, and the Assigned Property being limited to the interests reflected on Exhibit "A" including the depth limitations set out therein, all other interests and depths being excepted from this Assignment, and

WHEREAS, Assignors initially acquired interests in the Assigned Property by way of the following farmout agreements:

From Amoco Production Company, as farmoutor to Wilbur L. Shackelford, as farmoutee, dated June 14, 1988 insofar as the same relates to the following described lease and lands out of which a portion of the Assigned Property arises:

United States of America Oil and Gas Lease LC 065710 issued effective October 1, 1951 to Wayne C. Davison insofar as the same covers the following described lands located in Lea County, New Mexico, to wit:

Township 19 South, Range 32 East, NMPM

Section 21: N¹/₂NW¹/₄

containing 80 acres, more or less, and

From Mobil Producing Texas & New Mexico Inc., as farmoutor to Wilbur L. Shackelford, as farmoutee, dated February 18, 1988 insofar as the same relates to the following described lease and lands out of which a portion of the Assigned Property arises:

United States of America Oil and Gas Lease NM 0175774 issued effective July 1, 1961 to Socony Mobil Oil Company, Inc. Insofar as the same covers the following described lands located in Lea County, New Mexico, to wit:

Township 19 South, Range 32 East, NMPM

Section 21: S¹/₂NW¹/₄, N¹/₂SW¹/₄

NEW MEXICO OIL CONSERVATION DIVISION Parker & Parsley Development L.P. EXHIBIT Case Nos. 11,703 and 11,704 Date of Hearing - February 6, 1997

1

containing 160 acres, more or less.

4

WHEREAS, it is understood by the Parties Hereto that as a result of the immediately above described Farmout Agreements, and the terms and conditions of assignments made to Assignors pursuant to said Farmout Agreements, Assignors may be entitled to additional interests (whether overriding royalty interests or operating rights) by virtue of production levels, it is the desire of Assignee to disclaim any interest in any such interests, but in no way are the interests conveyed to Assignee in the Assigned Property herein to be diminished, and

WHEREAS, Assignors have received and given assignments of interests arising out of the above described leases and lands, and by mense conveyances certain portions of the interests initially owned by Assignors are now owned by Assignee with other portions of such initially owned interests remaining in the ownership of Assignors and various third parties, and

WHEREAS, it is the intent of this Assignment to convey only the Assigned Property, it being understood between the Parties Hereto that the Assignors own interests in wells, equipment and contractual rights which are located on the same lands as the Assigned Property, but which are not a portion of the Assigned Property, and thus are not intended to be assigned and conveyed in this Assignment, and

WHEREAS, the reflection of the ownership of the Assigned Property is believed by the Parties Hereto to be incomplete and/or inaccurate as to the records in the office of the Bureau of Land Management in Santa Fe and in the office of the County Clerk of Lea County, New Mexico, either by virtue of incorrectly prepared conveyances, unfiled or unrecorded instruments and agreements between Assignors and third parties, and

WHEREAS, it is understood by the Parties Hereto that it may be necessary in the future to execute other documents and instruments in order to clarify the quantum and nature of ownership of the Assigned Property as between themselves to effectuate the intent of the Parties Hereto, and in order to more accurately reflect such ownership of record in the office of the Bureau of Land Management in Santa Fe and the office of the County Clerk of Lea County, New Mexico, and the Parties Hereto hereby agree to do so.

NOW, THEREFORE, for and in consideration of Ten Dollars (\$10.00) in hand paid, the receipt of which is hereby acknowledged by Assignors, and further in consideration of the premises and mutual agreements contained herein the Parties Hereto hereby agree as follows:

Assignors hereby assign and convey to Assignee, subject to any exceptions and conditions herein contained, the Assigned Property as more particularly described on Exhibit "A" which shall include the following:

All of Assignors' right, title and interest in and to the Assigned Property including oil and gas or oil, gas and mineral leases and any amendments thereto or ratifications thereof, including any overriding royalty interests, except for those overriding royalty interests specifically set out beside the names of the Assignors which are excepted by the Assignors, and, further except for any interest which Assignors may be entitled to (whether overriding royalty interests or operating rights) by virtue of production levels as provided for in the above described Farmout Agreements and associated assignments to Assignors, it being the desire of Assignee to disclaim any interest in any such interests, but in no way are the interests conveyed to Assignee in the Assigned Property herein to be diminished as a result of this disclaimer, the Assignee being entitled to the Assigned Property herein assigned and described on Exhibit "A" attached hereto and made a part hereof;

All of Assignor's right, title and interest in and to the Assigned Property in and to all wells or wells of every kind whatsoever relating to the Assigned Property, including but not limited to any oil or gas well, saltwater disposal wells, unplugged, shut-in or abandoned wells, water wells or injection wells and any production therefrom, located on the Assigned Property or lands or leases with which the Assigned Property may be pooled or unitized, together with all of Assignor's right, title and interest in and to any equipment or other real, personal or mixed property of any kind whatsoever, located on the Assigned Property, appurtenant thereto or used or obtained in connection with the said Assigned Property, including but not limited to, all platforms, casing, tubing, compressors, meters, separators, pumps, buildings, fixtures, tanks, tank batteries, gas plants and disposal systems, whether or not specifically described on Exhibit "A", herein, insofar as the same relate and are used in connection with the Assigned Property;

All rights, privileges, benefits, powers and obligations extended to or conferred upon Assignor, as to the Assigned Property, by, through or under contracts of any kind whatsoever, including without limitation the leases hereby assigned, easements, rights-of-way, surface use agreements, licenses, servitudes, valid pooling or unitization agreements, operating agreements, letter agreements and farmout or participation agreement existing as of the Effective Date of this Assignment, insofar and only insofar as they affect the herein Assigned Property, and Assignee is hereby subrogated to all of the rights, privileges, benefits, powers and obligations of Assignor under any such contracts insofar and only insofar as such contracts cover the Assigned Property.

ASSIGNOR HEREBY WARRANTS THAT TITLE TO THE ASSIGNED PROPERTY. INSOFAR AS CLAIMS OF ANY KIND WHATSOEVER ASSERTED, ARISING OR TO ARISE BY, THROUGH OR UNDER ASSIGNOR, IS GOOD AND MARKETABLE, AND ASSIGNOR AGREES THAT ASSIGNOR SHALL BE RESPONSIBLE FOR TITLE **DEFECTS ARISING OUT OF OCCURRENCES OR OMISSIONS OF, BY, THROUGH OR UNDER ASSIGNOR. IN ADDITION, ASSIGNOR REPRESENTS AND COVENANTS THAT THE ASSIGNED PROPERTY IS FREE AND CLEAR OF ALL** LIENS, ENCUMBRANCES OR CLAIMS OF THIRD PARTIES, AND FURTHER, THAT ASSIGNOR HAS NO ACTUAL NOTICE OF AND THERE IS NO PENDING LITIGATION OR CLAIMS OF ANY KIND, INCLUDING CLAIMS BY THE OWNERS OF THE LEASEHOLDS UNDERLYING THE ASSIGNED PROPERTY, SURFACE OR MINERAL ESTATES, WHICH WOULD OR COULD. IF SUCCESSFULLY PROSECUTED, IMPAIR IN ANY MANNER THE ASSIGNED PROPERTY AND **INTEREST IN THE ASSIGNED PROPERTY ASSIGNED TO ASSIGNEE BY THIS** ASSIGNMENT. THIS ASSIGNMENT IS MADE WITHOUT ANY EXPRESS OR **IMPLIED WARRANTY OR REPRESENTATION AS TO THE MERCHANTABILITY** OF ANY EOUIPMENT OR OTHER PERSONAL PROPERTY INCLUDED IN THIS TRANSACTION OR ITS FITNESS FOR ANY PARTICULAR PURPOSE.

Assignors, only as to the extent of the Assigned Property hereby conveyed, hereby indemnify and agree to keep, save and hold harmless Assignee and its affiliates and their respective officers, directors, employees, partners and agents, from any and all costs, liabilities, liens, demands, judgments, suits, actions, causes of action and claims of any kind or character arising out of, in connection with, or relating to the Assigned Property, resulting from statutes, rules or regulations presently in effect, claims for injury or death of any persons, or damage, loss, or destruction of any property, real or personal, under any theory of tort, contract or strict liability for all persons any portion of the basis thereof having occurred prior to the Effective Date. Assignors further covenant and agree to defend any suits brought against Assignee and its affiliates, officers, directors, employees, partners and agents on account of said claims and to pay any judgments against Assignee and its affiliates, officers, directors, employees, partners and agents resulting from any such suit or suits along with all costs and expenses relative to any such claims, including attorney's fees; provided, Assignee shall, nevertheless, have the right, if it so elects, to participate (with counsel of its choosing) in the defense of any such suit or suits in which it may be a party without relieving Assignors of the obligation to defend the same.

Assignee, only as to the extent of the Assigned Property hereby conveyed, hereby indemnifies and agrees to keep, save and hold harmless Assignors, its directors, officers, employees and agents from any and all liability, liens, demands, judgments, suits and claims of

any kind or character arising out of, in connection with, or relating to the Assigned Property the basis for which result solely from events which occur in their entirety after the Effective Date; including, but not limited to, claims for injury or death of any persons, or damage, loss or destruction of any property, real or personal, under any theory of tort, contract or strict liability. Assignee further covenants and agrees to defend any suits brought against Assignors, its directors, officers, employees and agents on account of any such claims and to pay any judgment against Assignors, its directors, officers, employees and agents resulting from any such suit or suits along with all costs and expenses relative to any such claims, including attorney's fees; provided, Assignors shall, nevertheless, have the right, if it so elects, to participate in the defense of any such suit or suits in which it may be a party without relieving Assignee of the obligation to defend the same.

Assignee shall use reasonable efforts to comply with all Federal, State or local law, order rule, regulation or requirements governing the operation of or the production from the Assigned Property.

Exhibit "A" sets forth the ownership of both Assignors and Assignee, in the Assigned Property only, upon the delivery of this Assignment, said total ownership on Exhibit "A" reflecting the ownership as between the Parties Hereto of the interests of Assignors (whether contractual or of record) before the delivery of this Assignment, and to the extent necessary to accomplish this ownership the Parties Hereto hereby grant and cross-convey each unto the other interests in the Assigned Property so that the ownership of the Assigned Property shall be as reflected on Exhibit "A". It is the intent and this Assignment does convey to each of the Parties Hereto, subject to any express excepted interests and conditions herein contained, all of each Party Hereto's right, title and interest in and to the Assigned Property, including any overriding royalty interest unless specifically excepted and reflected on Exhibit "A" to be owned by Assignors as well as any interest which Assignors may be entitled to whether overriding royalty interests or operating rights by virtue of production levels as provided for in the hereinabove described Farmout Agreements and associated assignments to Assignors, regardless, as to the description of the Assigned Property, of the omission of any lease or leases, the omission or misstatement of any interest, errors in description, any incorrect or misspelled names or any transcribed or incorrect recording references so that each Party Hereto owns the interests set forth on Exhibit "A". The Assigned Property does not include any property interests in the leases and lands described on Exhibit "A" which Assignee owns as a result of previous acquisitions and conveyances.

Each Party Hereto hereby agrees and covenants to execute such further and other documents, forms, instruments, assignments and conveyances necessary to accomplish the intent of the Parties Hereto and to specifically cause the title to the Assigned Property to be owned and vested of record in accordance with the ownership of the Parties Hereto as intended herein and as reflected on Exhibit "A", it being understood that to accomplish this it may be necessary to execute further and additional instruments for recording in Lea County, New Mexico and in the office of the Bureau of Land Management in Santa Fe, New Mexico on forms requested and required by the Bureau of Land Management. All agreements contained herein which relate to time periods following the Effective Date shall survive the closing and Effective Date.

Except as to paragraphs 6 and 7 of that certain Letter Agreement dated January 22, 1997 by and between the Parties Hereto, to the extent that the terms and conditions of this Assignment may conflict with other documents, whether of record or not, the terms and conditions of this Assignment shall be deemed controlling as to the Parties Hereto.

As between the Parties Hereto, they agree that the wells included in the Assigned Property are in an "after payout" status under any agreements affecting such wells so that the interests in the Assigned Property on Exhibit "A" are accurate.

This Assignment is effective for all purposes February 1, 1997, at 7:00 a.m. in the time zone in which the Assigned Property is located, "Effective Date". All production or proceeds attributable to production produced and sold prior to the said Effective Date belong to Assignor and thereafter to Assignee. All taxes, including but not limited to state excise taxes, state

1

severance taxes and Ad valorem taxes or other taxes based on gross production and levied by a governmental body having jurisdiction for the current tax year will be borne by Assignor through the effective date and Assignee thereafter. To the extent it is necessary to do so, the parties shall have a post closing accounting to be finally effected no greater than thirty (30) days from and after closing whereupon settlement will be made for any revenue, expenses, taxes or other items that might not have been finally reconciled at closing. Assignor and Assignee mutually agree to cooperate in the preparation of a final accounting statement and to remit any sums due the other party within thirty (30) days from the Effective Date.

Subject to the warranties and indemnities hereinabove, Assignee hereby assumes and agrees to be bound by and to perform all duties and obligations of Assignors as to the Assigned Property from and after the Effective Date and to promptly notify all appropriate tax assessor-collectors of the rights and interests hereby transferred.

This Assignment is not intended to create, nor shall it be construed as creating, a joint venture, partnership, or any type of association between Assignor and Assignee. The parties hereto are not authorized to act as agent or principal for each other with respect to any matter related hereto.

This Assignment shall be governed by and construed under the laws of the State of New Mexico. Should the whole or any portion of a paragraph or provision conclusively be judicially found to be void or invalid it shall not affect the applicability or validity of the other paragraphs or provisions herein contained.

TO HAVE AND TO HOLD THE ASSIGNED PROPERTY unto the Parties Hereto as set forth on Exhibit "A" forever. The provisions hereof shall be covenants running with the land and shall inure to the benefit of and be binding upon the Assignors and Assignee, their respective heirs, personal representatives, successors and assigns.

This Assignment may be executed in multi-counterparts, in quadruplicate, and Assignee is authorized to reassemble four completely executed counterpart for purposes of filing and recording, with copies of the complete instrument being delivered to Assignors. This Assignment is executed by all of the Parties Hereto as of the dates set forth on their respective acknowledgments attached hereto, but effective as of the date set out hereinabove.

ASSIGNORS:

Shackelford Oil Company

By: LA Maderty Don G. Shackelford, Pre rade

Wilbur L. Shackelford, a widower

Of while 4-

Don G. Shackelford, a single man

Bol Z. Sache Bob L. Shackelford Nanette P. Shackelford

ASSIGNEE:

PARKER & PARSLEY DEVELOPMENT L.P. By: Parker & Parsley Petroleum USA, Inc.,

Geperal Pariner, AD By: Buddy J. Knight, Vice President

STATE OF TEXAS

COUNTY OF MIDLAND)

))

)

)

This foregoing instrument was acknowledged before me on this the 3 day of February, 1997, by Don G. Shackelford, President of Shackelford Oil Company, a Texas corporation, on behalf of said corporation.

eone Dod ry Public

STATE OF TEXAS

The foregoing instrument was acknowledged before me this then day of February, 1997, by W. L. Shackelford, also known as Wilbur L. Shackelford, a widower.

STATE OF TEXAS)	Jeanie Dodd
COUNTY OF MIDLAND)	Notary Public

The foregoing instrument was acknowledged before me this the day of February, 1997, by Don G. Shackelford, a single man.

STATE OF TEXAS)	Jeanie Dodd
)	Notary Public
COUNTY OF MIDLAND)	7

The foregoing instrument was acknowledged before me this the 3 day of February, 1997, by Bob L. Shackelford and Nanette P. Shackelford, husband and wife.

STATE OF TEXAS) COUNTY OF MIDLAND) Notary Public

This foregoing instrument was acknowledged before me on this the day of February, 1997, by Buddy J. Knight, Vice President of Parker & Parsley Petroleum USA, Inc., a Delaware corporation, on behalf of said corporation and as General Partner of Parker & Parsley Development L.P.

Jeani Dod Notary Public

EXHIBIT "A" TO THAT CERTAIN ASSIGNMENT AND CONVEYANCE BY AND BETWEEN WILBUR L. SHACKELFORD, ET AL, AS ASSIGNORS AND PARKER & PARSLEY DEVELOPMENT, L.P., AS ASSIGNEE DATED EFFECTIVE FEBRUARY 1, 1997

DEPTHS			
ASSIGNED TO		OPERATING RIGHTS	<u>NET REVENUE</u>
WELLS	OWNERS	WORKING INTEREST	INTEREST
PPDLP			
*Amoco Federal #1	PPDLP	25%	15 000/ 11/1 0:1
3,500'-6,750'	FFDLF	23%	15.00% WI-Oil
0,000 0,700			14.25% WI-Gas
	Wilbur L. Shackelford	- 0 -	1.00% ORRI
	Don G. Shackelford	- 0 -	.45% ORRI
	Bob L./Nanette P. Shacke		1.00% ORRI
	Shackelford Oil Company	- 0 -	- 0 -
*Amoco Federal #2 3,500'-6,747'	PPDLP	25%	15.00% WI-Oil
			14.25% WI-Gas
	Wilbur L. Shackelford	- 0 -	1.00% ORRI
	Don G. Shackelford	- 0 -	.45% ORRI
	Bob L./Nanette P. Shacke		1.00% ORRI
	Shackelford Oil Company	- 0 -	- 0 -
*Mobil Federal #1 5,070'-6,800'	PPDLP	35%	23.10% WI-Oil
			23.10% WI-Gas
	Wilbur L. Shackelford	- 0 -	1.00% ORRJ
	Don G. Shackelford	- 0 -	.45% ORRI
	Bob L./Nanette P. Shacke		1.00% ORRI
	Shackelford Oil Company	- 0 -	- 0 -
*Mobil Federal #2 3,500'-6,790'	PPDLP	35%	23.10% WI-Oil
			23.10% WI-Gas
	Wilbur L. Shackelford	- 0 -	1.00% ORRI
	Don G. Shackelford	-0-	.45% ORRI
	Bob L./Nanette P. Shacke		1.00% ORRI
	Shackelford Oil Company	- 0 -	- 0 -
*Mobil Federal #3 5,070'-7,340'	PPDLP	35%	23.10% WI-Oil
			23.10% WI-Gas
	Wilbur L. Shackelford	- 0 -	1.00% ORRI
	Don G. Shackelford	- 0 -	.35% ORRI
	Bob L./Nanette P. Shacke		1.00% ORRI
	Shackelford Oil Company	- 0 -	- 0 -
*Mobil Federal #4 3,500'-7,330'	PPDLP	35%	23.10% WI-Oil
			23.10% WI-Gas
	Wilbur L. Shackelford	- 0 -	1.00% ORRI
	Don G. Shackelford	-0-	.35% ORRI
	Bob L./Nanette P. Shacke		1.00% ORRI
	Shackelford Oil Company	-0-	- 0 -

OIL AND GAS LEASES:

,

~

•

•_____

Lease No. 1

Lease No.:	USA NM 0175774
Date:	July 1, 1961
Lessor:	USA
Lessee:	Socony-Mobil Oil Company, Inc.

Lease No. 2:

Lease No.: Date: Lessor: Lessee:

Legal Description

• •

ł

USA LC 065710 October 1, 1951 USA Wayne C. Davison

Insofar as the above Oil and Gas Leases cover all of the NW¼ and the N½SW¼ of Section 21, T-19-S, R-32-E, N.M.P.M., Lea County, New Mexico, and limited to the above depths.

1

OVERRIDING ROYALTY INTERESTS UNCOMMITTED TO THE LUSK WEST (DELAWARE) PROPOSED UNIT AS OF FEBRUARY 6, 1997

	Name	Tract	<u>Interest</u>
1.	Gretchen Walter	Tracts 1A & 1B	.00062500 ORI
2.	Mildred Bowman	Tracts 1A & 1B	.00156250 ORI
3.	Lena Bowman	Tracts 1A & 1B	.00156250 ORI
(4)	Conrad Freeman	Tract 1A	.00044642 ORI
5.	John Freeman	Tract 1A Tract 1B	.00044643 ORI .00089280 ORI
6.	Milton Freeman	Tracts 1A & 1B	.00014880 ORI
7.	Wendell Freeman	Tracts 1A & 1B	.00014880 ORI
8.	Audrey Hamrick	Tracts 1A & 1B Tracts 1A & 1B	.00044640 ORI
Ø.	Darlene Henry	Iract 1B	.00044640 ORI
10.	Robert Waller	Tract 1B	.00011170 ORI
11.	Don Shackelford	Tracts 3 & 4A Tract 4B	.00450000 ORI .00350000 ORI
12.	Wilbur Shackelford	Tracts 3, 4A & 4B	.01000000 ORI
13.	Bob and Nanette Shackelford	Tracts 3, 4A & 4B	.01000000 ORI
14.	Ewell & Mary Muse	Tract 3	.00500000 ORI
15.	Douglas Evans	Tracts 3 & 4A Tract 4B	.00900000 ORI .00700000 ORI

0 duel

NEW MEXICO OIL CONSERVATION DIVISION Parker & Parsley Development L.P. EXHIBIT __________ Case Nos. 11,703 and 11,704 Date of Hearing - February 6, 1997. United States Department of the Interior



BUREAU OF LAND MANAGEMENT **ROSWELL DISTRICT OFFICE** 2909 West Second Street Roswell, New Mexico 88202



IN REPLY REFER TO: NMNM94514X 3180 (06200)

JAN 28 1997

Parker & Parsley Development L.P. Attention: Mr. Steve Owen P. O. Box 3178 Midland, TX 79702-3178

Gentlemen:

1

Your application of December 18, 1996, filed with the BLM requests the designation of the Lusk West (Delaware) Unit area, embracing 1520.00 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 Exhibit A, Parker & Parsley Development L.P., Lusk West (Delaware) Unit, Lea County, New Mexico, is hereby designated as a logical unit area and has been assigned No. NMNM94514X. This designation is valid for a period from one year from the date of this letter.

Waterflooding will be limited to the following interval: That interval underlying the Unit Area, known as the Delaware formation (Lusk West Delaware Pool) and the vertical limits of which extended from an upper limit described as are found in the interval between 6,474 feet and 6,508 feet as recorded on the Compensated Neutron Litho-density log dated 12/8/89, in the Lusk Deep Unit A Well Number 17 located at 330 feet from the north line and 330 from the east line of Section 20, T. 19 S., R. 32 E., N.M.P.M., Lea county, New Mexico.

Your basis for allocation of unitized substances and your proposed form of unit agreement are acceptable. Corrections that need to be made to the enclosed Exhibit B are shown in red.

If conditions are such that modification of said standard form is deemed necessary, two 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 outline 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 final 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.

Sincerely,

Hony L. Flynson NEW MEXICU OIL CONSERVATION DIVISION Parker & Parsley Development L

Assistant District Manager, Minerals Support Team

Parker & Parsley Development L.P. EXHIBIT _____ Case Nos. 11,703 and 11,704 Date of Hearing - February 6, 1997.

Enclosure

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

Case No. 11,703

FOR STATUTORY UNITIZATION, LEA COUNTY, NEW MEXICO

IN THE MATTER OF THE APPLICATION OF

PARKER & PARSLEY DEVELOPMENT, L.P.

and

· · ·

THE APPLICATION FOR AUTHORITY TO INSTITUTE A WATER INJECTION PROJECT FOR SECONDARY RECOVERY OF HYDROCARBONS AND FOR QUALIFICATION FOR THE RECOVERED OIL TAX RATE, LEA COUNTY, NEW MEXICO

Case No. 11,704

AFFIDAVIT REGARDING NOTICE

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

STEVEN K. OWEN, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18 and have personal knowledge of the matters stated herein.

2. I am a Landman for Applicant.

3. Applicant has conducted a good faith, diligent effort to find the correct addresses of interest owners entitled to receive notice of the Applications herein.

4. Notice of the Applications were provided to the interest owners at their correct addresses by mailing each of them, by certified mail, a copy of the Applications. A copy of the notice letters to all parties and certified return receipts are attached hereto for all parties who have not executed the Ratification and Joinders for the Unit documents. Copies of the Ratifications and Joinders for consenting parties are attached hereto.

5. Applicant has complied with the notice provisions of Form C-108 and Division Rule 1207.

STATE OF NEW MEXICO

COUNTY OF SANTA FE

SUBSCRIBED AND SWORN TO BEFORE ME on this 6th day of February, 1997, by Steven K. Owen.

))

)

1. Crus Sur L

Brenda S. Crawford

My Commission Expires:

10/29/99

NOTICE OF APPLICATION

Parker & Parsley Development L.P P. O. Box 3178 Midland, TX 79702 (915) 571-1266 J. Britt Hirth, Sr. Operations Engineer

. .

A reaction and a reaction of the second s

Parker & Parsley Development L.P. is applying to the Oil Conservation Division for a permit to initiate a waterflood.

The applicant proposes to inject fluid into the	Delaware ,	6400'				
	Formation	Depth				
in the Lusk West (Delaware)	. The proposed is located in	20, 21, 29				
Field		Section				
<u>19-S</u> , <u>32-E</u> , Lea Township Range County	, Tew Mexico. Third will be injected with					
6000 BWIPD maximum injection rate and	1800 psig maximum pre	ssure.				

Requests for a public hearing from persons who can show they are adversely affected, or requests for further information concerning any aspect of the application should be submitted in writing, within fifteen days of publication, to the Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87501.

amity

.

2

.

.

٩,

`.

ADDRESS LINE 1	ADDRESS LINE 2	ADDRESS LINE 3	CITY	ST	ZIP
Amity Oil Co., Inc.	% Robert D Pulliam	8214 Westchester #8	Dallas	TX	75225-
	Kathleen Irwin	1911 W. Missouri	Midland	тх	79701-
Wallace Irwin Testamentary Trust	% Kathleen Irwin	1911 W. Missouri	Midland	TX	79701-
	Scope Energy Resources, Inc.	233 Wilshire Blvd S	Santa Monica	CA	90401-
	Wilbur L. Shackelford	512 New Mexico Dr	Roswell	NM	88201-
	Bob L & Nanette P Shackelford	203 W Wall	Midland	ТХ	79701-
ena Bowman	% Mildred Bowman	P O Box 625	Logan	WV	25601-
	Mildred Bowman	P O Box 625	Logan	WV	25601-
D M Carey	% Harold Carey	Rt 5 Box 613	South Point	ОН	45680-
	Bernard H Freeman	P O Box 505	South Point	ОН	45680-
	Conrad Freeman	P O Box 634	South Point	ОН	45680-
	John N Freeman	P O Box 634	South Point	ОН	45680-
	Milton L Freeman	304 Chateau Point	South Point	ОН	45680-
	Wendell K Freeman	P O Box 83	South Point	ОН	45680-
	Audrey Hamrick	Rt 2 Box 387	Bidwell	ОН	45614-
	Jean B Reeder	6017 S Joplin	Tulsa	ОК	74135-
TCW Dr II Royalty Partnership	Attn: TCW Energy Group	865 S Figueroa St St	Los Angeles	СА	90017-
Charles Wallace Estate	% Shirley Wallace & Charles Wallace J	P O Box 2918	Midland	TX	79702-
	Shirley Wallace	P O Box 2918	Midland	тх	79702-
	Gretchen Walter	RR 3 Box 290	Rochester	IN	46975-
	Robert S Wildish	7878 Hollywood Dr	Jackson	MI	49201-
	Lena Willis	P O Box 256	South Point	ОН	45680-
	Nancy Bartum	Rt 7 Box 395	South Point	ОН	45680-
	Glenna J Carey	P O Box 312	South Point	ОН	45680-
	Harold E Carey	Rt 5 Box 613	South Point	ОН	45680-
	Darlene Henry	2334 S 4th St	Ironton	ОН	45638-
· · · · · · · · · · · · · · · · · · ·	Robert E Waller	7208 Sterling	Center Line	MI	48015-
	Olen F Featherstone II	1801 W 2nd St	Roswell	NM	88201-
	Paul Slayton	P O Box 2035	Roswell	NM	88201-
Perry R. Bass, Inc.	% Bass Enterprises Production Compan	201 Main St-Ste 310	Fort Worth	ТХ	76102-3195
Sid R. Bass, Inc.	% Bass Enterprises Production Compan	201 Main St-Ste 310	Fort Worth	TX	76102-3195
Lee M. Bass, Inc.	% Bass Enterprises Production Compan			тх	76102-3195
Thru Line, Inc.	First City Bank Tower	201 Main St	Fort Worth	тх	76102-3199
	Keystone, Inc.	P O Box 916107	Fort Worth	TX	76191-6107
Eweil H & Mary T Muse	% R. A. Moore & Company	Fort Worth Natl Ban	Fort Worth	TX	76101-
Douglas R Evans	% Nakaua, Inc.	3415 Lindenwood	Dailas	тх	75205-
	Don G. Shackelford	203 W. Wall	Midland	TX	79701-
	Amoco Production Company	P O Box 3092	Houston	тх	77001-
	Mobil Producing Texas & New Mexico		Midland	тх	79702-
	B. McGuffey Bowman		Kettering	ОН	45440-

~



P. O. Box 3178 • Midland, Texas 79702-3178 303 West Wall • Suite 101 • Midland, Texas 79701 915/683-4768

December 18, 1996

Ray Westall Operating, Inc. P. O. Box 4 Loco Hills, NM 88255

RE: Notice of Unitization and Water Flood Project To Interest Owners Lusk West (Delaware) Unit Area Lea County, New Mexico

Gentlemen:

Parker & Parsley Development, L. P. ("P & P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of the applications are enclosed, without the exhibits, inasmuch as P & P has previously furnished you with copies of the relevant materials found in the exhibits.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico on Thursday, January 9, 1997 at 8:15 A.M. This notice is being sent to you as a potentially affected party, and to advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later that 4:00 PM on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P & P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Sincerely,

PARKER & PARSLEY DEVELOPMENT L.P.

eanie Wodd

Jeanie Dodd Proration Analyst

C - 108 lettus



P.O. Box 3178 • Midland, Texas 79702-3178 303 West Wall • Suite 101 • Midland, Texas 79701 915/683-4768

December 18, 1996

Marbob Energy Corporation 324 W. Main Artesia, NM 88210

RE: Notice of Unitization and Water Flood Project To Interest Owners Lusk West (Delaware) Unit Area Lea County, New Mexico

Gentlemen:

Parker & Parsley Development, L. P. ("P & P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of the applications are enclosed, without the exhibits, inasmuch as P & P has previously furnished you with copies of the relevant materials found in the exhibits.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico on Thursday, January 9, 1997 at 8:15 A.M. This notice is being sent to you as a potentially affected party, and to advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later that 4:00 PM on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P & P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Sincerely,

PARKER & PARSLEY DEVELOPMENT L.P.

eanie Wodd

Jeania Dodd Proration Analyst



P.O. Box 3178 • Midland, Texos 79702-3178 303 West Wall • Suite 101 • Midland, Texos 79701 915/683-4768

December 18, 1996

Shackelford Oil Company 203 W. Wall Midland, Texas 79701

RE: Notice of Unitization and Water Flood Project To Interest Owners Lusk West (Delaware) Unit Area Lea County, New Mexico

Gentlemen:

ì

. .

Parker & Parsley Development, L. P. ("P & P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of the applications are enclosed, without the exhibits, inasmuch as P & P has previously furnished you with copies of the relevant materials found in the exhibits.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico on Thursday, January 9, 1997 at 8:15 A.M. This notice is being sent to you as a potentially affected party, and to advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later that 4:00 PM on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P & P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Sincerely,

PARKER & PARSLEY DEVELOPMENT L.P.

vanie Liodd

Jeanlie Dodd Proration Analyst



P.O. Box 3178 • Midland, Jexas 79702-3178 303 West Wall • Suite 101 • Midland, Texas 79701 915/683-4768

December 18, 1996

Texaco Exploration and Production, Inc. P. O. Box 3109 Midland, Texas 79702

RE: Notice of Unitization and Water Flood Project **To Interest Owners** Lusk West (Delaware) Unit Area Lea County, New Mexico

Gentlemen:

Parker & Parsley Development, L. P. ("P & P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of the applications are enclosed, without the exhibits, inasmuch as P & P has previously furnished you with copies of the relevant materials found in the exhibits.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico on Thursday, January 9, 1997 at 8:15 A.M. This notice is being sent to you as a potentially affected party, and to advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later that 4:00 PM on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P & P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Sincerely,

PARKER & PARSLEY DEVELOPMENT L.P.

Jeanie Dodd **Proration Analyst**



P.O. Box 3178 • Midland, Texas 79702-3178 303 West Wall • Suite 101 • Midland, Texas 79701 915/683-4768

December 18, 1996

Bureau of Land Management 1474 Rodeo Dr. Santa Fe, NM 87505

RE: Notice of Unitization and Water Flood Project To Interest Owners Lusk West (Delaware) Unit Area Lea County, New Mexico

Gentlemen:

Parker & Parsley Development, L. P. ("P & P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of the applications are enclosed, without the exhibits, inasmuch as P & P has previously furnished you with copies of the relevant materials found in the exhibits.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico on Thursday, January 9, 1997 at 8:15 A.M. This notice is being sent to you as a potentially affected party, and to advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later that 4:00 PM on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P & P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Sincerely,

PARKER & PARSLEY DEVELOPMENT L.P.

came Wodd

Jeame Dodd Proration Analyst



P.O. Box 3178 • Midland, Texas 79702-3178 303 West Wall • Suite 101 • Midland, Texas 79701 915/683-4768

December 18, 1996

Matador Operating Company 8340 Meadow Road, Ste. 158 Pecan Creek Dallas, Texas 75231

RE: Notice of Unitization and Water Flood Project To Interest Owners Lusk West (Delaware) Unit Area Lea County, New Mexico

Gentlemen:

Parker & Parsley Development, L. P. ("P & P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of the applications are enclosed, without the exhibits, inasmuch as P & P has previously furnished you with copies of the relevant materials found in the exhibits.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico on Thursday, January 9, 1997 at 8:15 A.M. This notice is being sent to you as a potentially affected party, and to advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later that 4:00 PM on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P & P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Sincerely,

PARKER & PARSLEY DEVELOPMENT L.P.

Woodd came

Jeanje Dodd Proration Analyst



P. O. Box 3178 • Midland, Texas 79702-3178 303 West Wall • Suite 101 • Midland, Texas 79701 915/683-4768

December 18, 1996

Bureau of Land Management 2909 West Second Street Roswell, New Mexico 88201

RE: Notice of Unitization and Water Flood Project To Interest Owners Lusk West (Delaware) Unit Area Lea County, New Mexico

Gentlemen:

Parker & Parsley Development, L. P. ("P & P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of the applications are enclosed, without the exhibits, inasmuch as P & P has previously furnished you with copies of the relevant materials found in the exhibits.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico on Thursday, January 9, 1997 at 8:15 A.M. This notice is being sent to you as a potentially affected party, and to advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later that 4:00 PM on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P & P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Sincerely,

PARKER & PARSLEY DEVELOPMENT L.P.

bbold i

Jeanie Dodd Proration Analyst

 Complete items 3, and 4a & b. Print your name and address on the reverse of this form so t return this card to you. Attach this form to the front of the mailpiece, or on the back does not permit. Write "Return Receipt Requested" on the mailpiece below the a 	if space		Receipt Service
 The Return Receipt will show to whom the article was delivered delivered. 		Consult postmaster for fee.	
3. Article Addressed to:		ticle Number 085 637 566	- <u>E</u> !
Ray Westall Operating P. O. Box 4		rvice Type	Return
Loco Hills, NM 88255			
	Cert	ified 🗌 COD	using
	Expi	ress Mail 🔲 Return Receipt for Merchandise	
	7. Date	e of Delivery	you for
5. Signature (Addressee)	8. Add and	ressee's Address (Only if requeste fee is paid)	Thank y
3. Stgnature (Agens)			; ا
PS Form 3811, December 1991 *U.S. GPO: 1993-38	2-714 D	OMESTIC RETURN RECEIP	Ŧ ¹
ENDER:			-
ENDER: Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b.		I also wish to receive the following services (for an extra	
Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so th	ât we can	I also wish to receive the following services (for an extra fee):	rvice.
Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so th turn this card to you. Attach this form to the front of the mailpiecs, or on the back		following services (for an extra	: Service.
Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so th trurn this card to you. Attach this form to the front of the mailpiece, or on the back bes not permit. Write "Return Receipt Requested" on the mailpiece below the an	if space icle number.	following services (for an extra fee):	
Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so th turn this card to you. Attach this form to the front of the mailpiecs, or on the back ses not permit. Write "Return Receipt Requested" on the mailpiece below the art The Return Receipt will show to whom the article was delivered a elivered.	if space icle number. and the date	following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee.	
Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so th turn this card to you. Attach this form to the front of the mailpiece, or on the back ses not permit. Write "Return Receipt Requested" on the mailpiece below the art The Return Receipt will show to whom the article was delivered a elivered. 3. Article Addressed to:	if space icle number. and the date 4a. Arti	following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery <u>Consult postmaster for fee.</u> cle Number	Receipt
Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so th turn this card to you. Attach this form to the front of the mailpiece, or on the back bes not permit. Write "Return Receipt Requested" on the mailpiece below the art The Return Receipt will show to whom the stricle was delivered a plivered. 3. Article Addressed to: Shackelford Oil Company	if space icle number. Ind the date 4a. Arti P	following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee. cle Number 085 637 565	turn Receipt
Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so th turn this card to you. Attach this form to the front of the mailpiece, or on the back bes not permit. Write "Return Receipt Requested" on the mailpiece below the art The Return Receipt will show to whom the article was delivered slivered. 3. Article Addressed to: Shackelford Oil Company 203 W. Wall	if space icle number. and the date 4a. Arti P 4b. Ser Regis	following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee. cle Number 085 637 565 vice Type stered Insured	Return Receipt
Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so th turn this card to you. Attach this form to the front of the mailpiece, or on the back bes not permit. Write "Return Receipt Requested" on the mailpiece below the art The Return Receipt will show to whom the stricle was delivered a plivered. 3. Article Addressed to: Shackelford Oil Company	if space icle number, and the date 4a. Arti 4b. Ser Regis	following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery <u>Consult postmaster for fee.</u> cle Number 085 637 565 vice Type stered Insured fied COD	Return Receipt
Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so th turn this card to you. Attach this form to the front of the mailpiece, or on the back bes not permit. Write "Return Receipt Requested" on the mailpiece below the art The Return Receipt will show to whom the article was delivered slivered. 3. Article Addressed to: Shackelford Oil Company 203 W. Wall	if space icle number, and the date 4a. Arti P 4b. Ser Regis Certi Expre	following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery <u>Consult postmaster for fee.</u> cle Number 085 637 565 vice Type stered Insured fied COD ess Mail Return Receipt for <u>Merchandise</u>	using Return Receipt
Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so the thum this card to you. Attach this form to the front of the mailpiece, or on the back bes not permit. Write "Return Receipt Requested" on the mailpiece below the art The Return Receipt will show to whom the article was delivered silvered. 3. Article Addressed to: Shackelford Oil Company 203 W. Wall	if space icle number, and the date 4a. Arti P 4b. Ser Regis Certi Expre	following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee. cle Number 085 637 565 vice Type stered Insured fied COD ess Mail Return Receipt for	for using Return Receipt
Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so thi turn this card to you. Attach this form to the front of the mailpiece, or on the back bes not permit. Write "Return Receipt Requested" on the mailpiece below the art The Return Receipt Requested" on the mailpiece below the art The Return Receipt will show to whom the article was delivered a elivered. 3. Article Addressed to: Shackelford Oil Company 203 W. Wall Midland, TX 79701	if space icle number, and the date 4a. Arti 4b. Ser 4b. Ser Regis Certi Expro 7. Date	following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee. Cle Number 085 637 565 vice Type stered Insured fied COD ess Mail Return Receipt for Merchandise of Delivery 23 - 94	you for using Return Receipt
Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so th turn this card to you. Attach this form to the front of the mailpiece, or on the back bes not permit. Write "Return Receipt Requested" on the mailpiece below the art The Return Receipt will show to whom the article was delivered slivered. 3. Article Addressed to: Shackelford Oil Company 203 W. Wall	if space icle number, and the date 4a. Arti 9 4b. Ser 8. Acti 7. Date 8. Addr	following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery <u>Consult postmaster for fee.</u> cle Number 085 637 565 vice Type stered Insured fied COD ess Mail Return Receipt for <u>Merchandise</u>	you for using Return Receipt

Receipt for Certified Mail No Insurance Coverage Provide Do not use for International Ma UNITED STATES (See Reverse) Sent Ray Westall Operating Street and No P. O. Box 4 P.O., State and ZIP Code Loco Hill NM 882 Postage 7: \$, Certified Fee Special Delivery Fee Restricted Delivery Fee Return Receipt Showing to Whom & Date Delivered 1.13 Return Receipt Showing to Whom Date, and Addresses Address Date, and Address TOTAL Postage & Fees Ś 20 c à, Postmark or Date đ.

P 085 637 566

P 085 637 565

	Sent Shackelford Oi	1 Company
	203 W. Wall	
	P.O., State and ZIP Code Midland, TX 7	9701
	Postage	\$.72
	Certified Fee	1.12
	Special Delivery Fee	
	Restricted Delivery Fee	
1991	Return Receipt-Showing to Whom & Date Delivered.	1.12
aun	Return Receipt Showing to Whom, Date, and Addressee's Address	
r '0	TOTAL Postage	\$ 2.5%
PS Form 3800, June 1991	Postmark or Date	

Latter Notice

. 98 80 81	 Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. 		I also wish to receive the following services (for an extra			185 637 Receipt fo	
j.	 Print your name and address on the reverse of this form so tha return this card to you. 	at we can	following services (for an extra g fee):	i 🖌		Certified I	
20	• Attach this form to the front of the mailpiece, or on the back is	f space	1. 🗆 Addressee's Address	1			Vicin Coverage Provided
. 2	 does not permit. Write "Return Receipt Requested" on the mailpiece below the arti 	icle number		· ·			International Mail
5 1	 The Return Receipt will show to whom the article was delivered as 	nd the date	2. Restricted Delivery Consult postmaster for fee.		DSTAL SERVICE	(See Reverse)	
ē	delivered. 3. Article Addressed to:		Consult postmaster for fee.	S	ant to	Energy C	orporation
- 91	Marbob Energy Corporation						orporación
3	324 W. Main	-	85 637 564		324 W.	Main	
5	Artesia, NM 88210	40. Serv	vice Type	P	0 . State and		210
Č	Allesia, Mi 66210	Certif		յ՝ յ․․․․	Artesia	1, NM 00.	
ES							\$ 72
27			Merchandise		ertified Fee		1.10
۲. ۲					pecial Deriver	w Fee	1.10
N	E. Cincentra (Address)		2-20-16		Decial Deliver	V 1 6E	
- HA	5. Signature (Addressee)	8. Addro and f	essee's Address (Only if requested	R	estricted Deli	very Fee	500
์ ม	MISTI MCLURG						
Ĩ	6. Signature (Agent)			5 10	eturn Receipt Whoin & Da		$\langle \mathbf{p} \mathbf{V} \mathbf{V} \rangle = 1$
. 3		-				towing to Whom	
2	PS Form 3811, December 1991 #U.S. GP9: 1993-352-	⁷¹⁴ DC	MESTIC RETURN RECEIPT			retse a Address	1.5/
, -	· · · · · · · · · · · · · · · · · · ·			1 11	OTAL Postage Fees	° Q _R	\$ 5 31
				- 008	ostmark or [A	
				m			
				Form			
				~ !			
				PS Fc			
							-
2							
sirie 2	SENDER:		I also wish to receive the			P. 085 6	.37 568
sa sida?	 Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. 		following services (for an extra				
area sida?	 Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so the 	at we can	following services (for an extra fee):	B2		Receipt	for
ravarea sida?	 Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so the return this card to you. Attach this form to the front of the mailpiece, or on the back 		following services (for an extra fee): 1.	Sa	3	Receipt	for d Mail
ha ravarea sida?	 Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so the return this card to you. 	if space	following services (for an extra fee): 1.	Sa		Receipt	for d Mail ce Coverage Provid
n the reverse side?	 Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so the return this card to you. Attach this form to the front of the mailpiece, or on the back does not permit. Write "Return Receipt Requested" on the mailpiece below the art of the Return Receipt will show to whom the article was delivered a service of the service of the	if space ticle number.	following services (for an extra fee): 1.			Receipt	for d Mail ce Coverage Provid for International N
on the rev	 Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so the return this card to you. Attach this form to the front of the mailpiece, or on the back does not permit. Write "Return Receipt Requested" on the mailpiece below the art The Return Receipt will show to whom the article was delivered a delivered. Article Addressed to 	if space ticle number, and the date	following services (for an extra fee): 1.	Sa	Sent to	Receipt Certified No Insurance Do not use (See Revers	for d Mail ce Coverage Provid for International M se)
ad on the rev	 Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so the return this card to you. Attach this form to the front of the mailpiece, or on the back does not permit. Writs "Return Receipt Requested" on the mailpiece below the art of the Return Receipt will show to whom the article was delivered a delivered. Article Addressed to: 	if space ticle number and the date 4a. Art	following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee. icle Number		Sent to Tex	Receipt Certified No Insurance Do not use (See Revers taco Explo	for d Mail ce Coverage Provid for International M se) pration and
ad on the rev	 Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so the return this card to you. Attach this form to the front of the mailpiece, or on the back does not permit. Writs "Return Receipt Requested" on the mailpiece below the art of the Return Receipt will show to whom the article was delivered a delivered. Article Addressed to: 	if space ticle number, and the date 4a. Art LON	following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee. icle Number P 085 637 568 price Type		Sent to Tex	Receipt Certified No Insurance Do not use (See Revers	for d Mail ce Coverage Provid for International M se) pration and
ad on the rev	 Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so the return this card to you. Attach this form to the front of the mailpiece, or on the back does not permit. Writs "Return Receipt Requested" on the mailpiece below the art of the Return Receipt will show to whom the article was delivered a delivered. Article Addressed to: 	if space ticle number, and the date 4a. Art 1011 4b. Ser	following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee. icle Number <u>P 085 637 568</u> vice Type		Sent to Tex Street and P.	Receipt Certified No Insurance Do not use (See Revers acco Explo	for d Mail ce Coverage Provid for International M se) Dration and .09
completed on the rav	 Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so the return this card to you. Attach this form to the front of the mailpiece, or on the back does not permit. Write "Return Receipt Requested" on the mailpiece below the art The Return Receipt will show to whom the article was delivered a delivered. Article Addressed to: Texaco Exploration and Product P. O. Box 3109 Midland, TX 79702 	if space ticle number, and the date 4a. Art On 4b. Ser D Regi	following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee. icle Number P 085 637 568 vice Type stered Insured		Sent to Tex Street and P 0, Stat Mid	Receipt Certified No Insurance Do not use (See Revers taco Explo	for d Mail ce Coverage Provid for International M se) Dration and .09 79702
completed on the rav	 Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so the return this card to you. Attach this form to the front of the mailpiece, or on the back does not permit. Write "Return Receipt Requested" on the mailpiece below the art The Return Receipt will show to whom the article was delivered a delivered. Article Addressed to: Texaco Exploration and Product P. O. Box 3109 Midland, TX 79702 	if space ticle number, and the date 4a. Art 50n 4b. Ser 6 Regi 6 Cert	following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee. icle Number P 085 637 568 vice Type stered Insured ified COD ess Mail Return Receipt for		Sent to Tex Street and P.	Receipt Certified No Insurance Do not use (See Revers acco Explo	for d Mail ce Coverage Provid for International M se) Dration and .09
completed on the rav	 Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so the return this card to you. Attach this form to the front of the mailpiece, or on the back does not permit. Write "Return Receipt Requested" on the mailpiece below the art The Return Receipt will show to whom the article was delivered a delivered. Article Addressed to: Texaco Exploration and Product P. O. Box 3109 Midland, TX 79702 	if space ticle number. and the date 4a. Art ion 4b. Ser Regi Cert Expr	following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee. icle Number P 085 P 085 rvice Type stered Insured ified COD ess Mail Return Receipt for		Sent to Tex Street and P 0, Stat Mid	Receipt Certified Do not use (See Revers (See Revers (See Revers (See Revers) (See	for d Mail ce Coverage Provid for International M se) Dration and .09 79702
completed on the rav	 Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so the return this card to you. Attach this form to the front of the mailpiece, or on the back does not permit. Write "Return Receipt Requested" on the mailpiece below the art The Return Receipt will show to whom the article was delivered a delivered. Article Addressed to: Texaco Exploration and Product P. O. Box 3109 Midland, TX 79702 	if space ticle number. and the date 4a. Art ion 4b. Ser Regi Cert Expr	following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee. icle Number P 085 637 568 rvice Type stered Insured ified COD ress Mail Return Receipt for Merchandise		Sent to Tex Street and P 0 , Stat MIC Postage Cartified F	Receipt Certified Do not use (See Revers (See Revers (See Revers (See Revers (See Revers (See Revers) (See Re	for d Mail ce Coverage Provid for International M se) Dration and .09 79702
ADDRESS commisted on the rev	 Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so the return this card to you. Attach this form to the front of the mailpiece, or on the back does not permit. Write "Return Receipt Requested" on the mailpiece below the art of the Return Receipt will show to whom the article was delivered a delivered. 3. Article Addressed to: Texaco Exploration and Product P. O. Box 3109 Midland, TX 79702 	if space ticle number, and the date 4a. Art 10n 4b. Ser 10 Regi 10 Cent 10 Expr 7. Date	following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee. icle Number P 085 637 568 rvice Type stered Insured ified COD ress Mail Return Receipt for Merchandise of Delivery DEC 20 1985		Sent :0 Tex Street in P 0 _ Stat Mid Postage	Receipt Certified Do not use (See Revers (See Revers (See Revers (See Revers (See Revers (See Revers) (See Re	for d Mail ce Coverage Provid for International M se) Dration and .09 79702
ADDRESS commisted on the rev	 Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so the return this card to you. Attach this form to the front of the mailpiece, or on the back does not permit. Write "Return Receipt Requested" on the mailpiece below the art of the Return Receipt will show to whom the article was delivered a delivered. 3. Article Addressed to: Texaco Exploration and Product P. O. Box 3109 Midland, TX 79702 	if space ticle number, and the date 4a. Art 10n 4b. Ser 10 Regi 10 Cert 10 Expr 7. Date 8. Adda	following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee. icle Number P 085 637 568 vice Type stered Insured ified COD ress Mail Return Receipt for Merchandise of Delivery DEC 20 1955 ressee's Address (Only if requested		Sent to Tex Street and P 0, Stat Mid Postage Certified F Special De	Receipt Certified Do not use (See Revers (See Revers (See Revers (See Revers (See Revers (See Revers) (See Re	for d Mail ce Coverage Provid for International M se) Dration and .09 79702
ADDRESS commisted on the rev	 Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so the return this card to you. Attach this form to the front of the mailpiece, or on the back does not permit. Write "Return Receipt Requested" on the mailpiece below the art of the Return Receipt will show to whom the article was delivered a delivered. 3. Article Addressed to: Texaco Exploration and Product P. O. Box 3109 Midland, TX 79702 	if space ticle number, and the date 4a. Art 10n 4b. Ser 10 Regi 10 Cert 10 Expr 7. Date 8. Adda	following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee. icle Number P 085 637 568 rvice Type stered Insured ified COD ress Mail Return Receipt for Merchandise of Delivery DEC 20 1985		Sent to Tex Street and P O Stat Mid Postage Certified F Special De Restricted	ee Pelivery Fee	for d Mail ce Coverage Provid for International M se) Dration and .09 79702
BETIIRN ADDRESS commeted on the rav	 Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so the return this card to you. Attach this form to the front of the mailpiece, or on the back does not permit. Write "Return Receipt Requested" on the mailpiece below the art of the Return Receipt will show to whom the article was delivered a delivered. Article Addressed to: Texaco Exploration and Product P. 0. Box 3109 Midland, TX 79702 5. Signature (Addresse) 6. Signature (Agent) 	if space ticle number. and the date 4a. Art On 4b. Ser Regi Cert Expr 7. Date 8Adda and	following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee. icle Number P 085 637 568 vice Type stered Insured ified COD ress Mail Return Receipt for Merchandise of Delivery DEC 20 1955 ressee's Address (Only if requested		Sent to Tex Street and P 0, Stat Mid Postage Certified F Special De Restricted	Receipt Certified Do not use (See Revers aco Explo 0. Box 31 P and ZIP Code [land, TX	for d Mail ce Coverage Provid for International M se) Dration and .09 79702
BETIIRN ADDRESS commeted on the rav	 Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so the return this card to you. Attach this form to the front of the mailpiece, or on the back does not permit. Write "Return Receipt Requested" on the mailpiece below the art of the Return Receipt will show to whom the article was delivered a delivered. 3. Article Addressed to: Texaco Exploration and Product P. O. Box 3109 Midland, TX 79702 5. Signature (Addressee) 6. Signature (Agent) 	if space ticle number. and the date 4a. Art On 4b. Ser Regi Cert Expr 7. Date 8Adda and	following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee. icle Number P 085 637 568 vice Type stered Insured ified COD ress Mail Return Receipt for Merchandise of Delivery DEC 20 1955 ressee's Address (Only if requested		Sent to Tex Street and P O Stat Mid Postage Certified F Special De Restricted Restricted	Receipt Certified No Insurance Do not use (See Reverse acco Explo No. Box 31 Pand ZIP Code Iland, TX ee elivery Fee Delivery Fee So Date Delivered Sept Showing to We	for d Mail ce Coverage Provid for International Mail oration and .09 79702 \$.7? 1.112
voir BETIIBN AD/BESS commeted on the rav	 Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so the return this card to you. Attach this form to the front of the mailpiece, or on the back does not permit. Write "Return Receipt Requested" on the mailpiece below the art of the Return Receipt will show to whom the article was delivered a delivered. Article Addressed to: Texaco Exploration and Product P. 0. Box 3109 Midland, TX 79702 5. Signature (Addresse) G. Signature (Addresse) Signature (Agent) Signature (Agent) Statistic Statistic Statis	if space ticle number, and the date 4a. Art 10n 4b. Ser 2 Regi 2 Cert 2 Expr 7. Date 8. Adda and	following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee. icle Number P 085 637 568 vice Type stered Insured ified COD ress Mail Return Receipt for Merchandise of Delivery DEC 20 1965 ressee's Address (Only if requested fee is paid)		Sent to Tex Street and P O, Stat Mid Postage Cartified F Special De Restricted Restricted Restricted Return Rec Date, and	Receipt Certified No Insurance Do not use (See Reverse acco Explo No. Box 31 Pland JIP Code Iland, TX ee Delivery Fee Delivery Fee Sept Showing to WA Addresses Address	for d Mail ce Coverage Provid for International Mail oration and .09 79702 \$.7? 1.112
BETIIRN ADDRESS commeted on the rav	 Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so the return this card to you. Attach this form to the front of the mailpiece, or on the back does not permit. Write "Return Receipt Requested" on the mailpiece below the art of the Return Receipt will show to whom the article was delivered a delivered. Article Addressed to: Texaco Exploration and Product P. 0. Box 3109 Midland, TX 79702 5. Signature (Addresse) G. Signature (Addresse) Signature (Agent) Signature (Agent) Statistic Statistic Statis	if space ticle number, and the date 4a. Art 10n 4b. Ser 2 Regi 2 Cert 2 Expr 7. Date 8. Adda and	following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee. icle Number P 085 637 568 rvice Type stered Insured ified COD ress Mail Return Receipt for Merchandise of Delivery DEC 20 1985 ressee's Address (Only if requested fee is paid)		Sent to Tex Street and P O _ Stat Mid Postage Certified F Special De Restricted Restricted Restricted Return Rec Date, and TOTAL Post	Receipt Certified No Insurance Do not use (See Reverse acco Explo No. Box 31 Pland JIP Code Iland, TX ee Delivery Fee Delivery Fee Sept Showing to WA Addresses Address	for d Mail ce Coverage Provid for International Mail oration and .09 79702 \$.77 1.112
voir BETIIBN AD/BESS commeted on the rav	 Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so the return this card to you. Attach this form to the front of the mailpiece, or on the back does not permit. Write "Return Receipt Requested" on the mailpiece below the art of the Return Receipt will show to whom the article was delivered a delivered. Article Addressed to: Texaco Exploration and Product P. 0. Box 3109 Midland, TX 79702 5. Signature (Addresse) G. Signature (Addresse) Signature (Agent) Signature (Agent) Statistic Statistic Statis	if space ticle number, and the date 4a. Art 10n 4b. Ser 2 Regi 2 Cert 2 Expr 7. Date 8. Adda and	following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee. icle Number P 085 637 568 rvice Type stered Insured ified COD ess Mail Return Receipt for Merchandise of Delivery DEC 2. Miss ressee's Address (Only if requested fee is paid)		Sent to Tex Street and P O, Stat Mid Postage Cartified F Special De Restricted Restricted Restricted Return Rec Date, and	Receipt Certified No Insurance See Revers Caco Explo See Revers Caco Explo No O. Box 31 P and ZIP Code I and JIP Code Code I and JIP Code I and JIP Code Code Code Code Code Code Code Code	for d Mail ce Coverage Provid for International Mail oration and .09 79702 \$.7? 1.112

PS Form 38(

Complete items 1 and/or 2 for additional services. Complete items 3, and 4s & b. Print your name and address on the reverse of this form so um this card to you. Attach this form to the front of the mailpiece, or on the bac as not permit. Write "Return Receipt Requested" on the mailpiece below the a The Return Receipt will show to whom the article was delivered.	k if space article number.	i also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee.
3. Article Addressed to:	4a. Art	icle Number
Matador Operating Company		2 085 637 569
8340 Meado Rd., Ste. 158	4b. Ser	vice Type
Pecan Creek	🗌 🗌 Regi	stered 🗌 Insured
Dallas, TX 75231	Cert	
•	Expr	ess Mail Return Receipt for Merchandise
	7. Date	of Delivery
Signature (Addressee)	B Add	ressee's Address (Only if requested
a.g. atoro muureaser		fee is paid)
Signature (Agent) At	-	
Mar. P. MORC		
Form 3811, December 1991 +U.S. GPO: 1993-3	52-714 D	DMESTIC RETURN RECEIPT
NDER:		I also wish to receive the
Complete items 1 and/or 2 for additional services.		following services (for an extra
Frint your name and address on the reverse of this form so t	hat we can	fee):
In this card to you. Attach this form to the front of the mailpiece, or on the back is not permit.	if space	1. 🗌 Addressee's Address
Nrite "Return Receipt Requested" on the mailpiece below the a The Return Receipt will show to whom the article was delivered		2. Restricted Delivery Consult postmaster for fee.
vered. Article Addressed to:	4a. Arti	cle Number
4		35 637 571
Bureau of Land Management		vice Type
2909 West Second St.	4D. Ser	
	Regis	stered Insured
Roswell, NM 88201	Certi	stered Insured

 $\hat{\boldsymbol{y}}_{i}$

Form

Koswell, NM 88201		Express Mail	COD Return Receipt for Merchandise	
gen for en an an an an an ar star a star		Date of Delivery 12-20-96	()** :	vou fo
Signature (Addressee)		Addressee's Addre and fee is paid)	ss (Only if requeste	hank
Signature (Agent)	- Aumin		• • • • • • • • • • • • • • • • • • •	F
Form 3811 December 1991 *	J.S. GPO: 1993-352-714	DOMESTIC R	ETURN RECEIP	T i
an an ann an	مرمد العادرية المتعادي إنهامها الهوادي	n i konden viller villet i i i		

	Receipt for Certified M No Insurance Co Do not use for I (See Reverse)	lail overage Provided
	Sent to Matador Operatin	ng Company
	Street and No 8340 Meadow Rd.	
	P.O. State and ZIP Code Pec Dallas, TX 752	an Creek 31
	Postage	\$. 74
	Certified Fee	1 12
	Special Delivery Fee	
	Restricted Delivery Fee	
991	Return Receipt Showing to Whom & Date Delivered	1.15
anu	Return Receipt Showing to Whom, Date, and Addressee's Address	
3800, June 199	TOTAL Postage & Pees SJSA	\$ 2.99
PS Form 380	Romark or Date 1996	

P 085 637 571

	Receipt for Certified M No Insurance Co Do not use for In (See Reverse)	l ail overage Provided
	Sent to Bureau of Lan	nd Managemen
	Street and No. 2909 West Sec	cond St.
	P.O., State and ZIP Code Roswell, NM	
	Postage	\$. 78
	Certified Fee	1.10
	Special Delivery Fee	
	Restricted Delivery Fee	
991	Return Receipt Showing to Whom & Date Delivered	1.10
1 and	Return Receipt Showing to When, Date, and Address Sta Address	
יר '0	TOTAL Portage	\$ 2.98
PS Form 3800, June 1991	Postmar Date 999	

ENDER: Complete items 1. and/or 2 for additional services. Complete items 3, and 4e & b. Print your name and address on the reverse of this form so the turn this card to you. Attach this form to the front of the mailpiece, or on the back i res not permit. Write "Return Receipt Requested" on the mailpiece below the arti The Return Receipt will show to whom the article was delivered a livered.	if space icle number.	I also wish to receive the following services (for an extra fee): 1.	eceipt Service.
3. Article Addressed to:	4a. Art	icle Number	2
Bureau of Land Management 1474 Rodeo Dr. Santa Fe, NM 87505	4b. Ser Regis Certi	85 637 570 vice Type stered Insured ified COD ess Mail Return Receipt for Merchandise	you for using Retur
Signature (Addressee) JO2G Signature (Agent) S Form 3811, December 1991 #U.S. GPO: 1993-352	and	DMESTIC RETURN RECEIPT	Than

P 085 637 570 Receipt for Certified Mail No Insurance Coverage Provided UNITED STATES (See Reverse) Bureau of Land Management Street and No. 1474 Rodeo Dr. P.O., State and ZIP Code Santa Fe, NM 87505 Postage \$ 7名 Certified Fee 1.10 Special Delivery Fee Restricted Delivery Fee 1.10 Re PS Form **3800**, June 1991 to Vho De **De** \$ 2.93 **O** Pos

 Complete items 3, and 4a & b. Print your name and address on the reverse of this form so return this card to you. Attach this form to the front of the mailpiece, or on the bac does not permit. Write "Return Receipt Requested" on the mailpiece below the a the second will show to whom the article was delivered. 	k if space Inticle number	
delivered.		Consult postmaster for fee.
3. Article Addressed to:		ticle Number
Marbob Energy Corporation		085 637 703
324 W. Main	40. Se	rvice Type istered 🔲 Insured
Artesia, NM 88210	K Cert	tified COD
	Exp	ress Mail Return Receipt for Merchandise
	7. Date	e of Delivery
	1/2	16-46
5. Signature (Addressee)	8. Add and	ressee's Address (Only if requested fee is paid)
a Signature (Agent)		\$ ≠ \$ = 1 = 5 + \$ + \$ = 1 = 1 = 1 = 1
S Form 3811, December 1991 #U.S. GPO/1993-3	52-714 D	OMESTIC RETURN RECEIPT
S'Form 3811, December 1991 *U.S. GPO/1993-3		
S Porm Sq 1, December (331 xU.S. Gronward		
ENDER: Complete items 1 and/or 2 for additional services.		I also wish to receive the
ENDER: Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so t iturn this card to you.	hat we can	I also wish to receive the following services (for an extra fee):
ENDER: Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so to trurn this card to you. Attach this form to the front of the mailpiece, or on the back bes not permit.	hat we can if space	I also wish to receive the following services (for an extra fee): 1.
ENDER: Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so t turn this card to you. Attach this form to the front of the mailpiece, or on the back bes not permit. Write "Return Receipt Requested" on the mailpiece below the a The Return Receipt will show to whom the article was delivered	hat we can if space rticle number.	I also wish to receive the following services (for an extra fee): 1.
ENDER: Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so t turn this card to you. Attach this form to the front of the mailpiece, or on the back bes not permit. Write "Return Receipt Requested" on the mailpiece below the a The Return Receipt will show to whom the article was delivered alivered.	hat we can if space ticle number, and the date	I also wish to receive the following services (for an extra fee): 1.
ENDER: Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so t turn this card to you. Attach this form to the front of the mailpiece, or on the back bes not permit. Write "Return Receipt Requested" on the mailpiece below the a The Return Receipt will show to whom the article was delivered alivered.	hat we can if space ticle number, and the date 4a. Arti	I also wish to receive the following services (for an extra fee): 1.
ENDER: Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so t turn this card to you. Attach this form to the front of the mailpiece, or on the back osen not permit. Write "Return Receipt Requested" on the mailpiece below the a The Return Receipt will show to whom the article was delivered alivered. 3. Article Addressed to: Matador Operating Company 8340 Meadow Road, Ste. 158,	nat we can if space ticle number and the date 4a. Arti P 4b. Sen	I also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee. cle Number 085 637 562 vice Type
ENDER: Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so t trum this card to you. Attach this form to the front of the mailpiece, or on the back bes not permit. Write "Return Receipt Requested" on the mailpiece below the a The Return Receipt will show to whom the article was delivered alivered. 3. Article Addressed to: Matador Operating Company 8340 Meadow Road, Ste. 158, Pecan Creek	hat we can if space rticle number, and the date 4a. Arti P 4b. Ser Regis	I also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee. cle Number 085 637 vice Type stered Insured
ENDER: Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so t turn this card to you. Attach this form to the front of the mailpiece, or on the back ses not permit. Write "Return Receipt Requested" on the mailpiece below the a The Return Receipt will show to whom the article was delivered alivered. 3. Article Addressed to: Matador Operating Company 8340 Meadow Road, Ste. 158,	hat we can if space ticle number, and the date 4a. Arti P 4b. Ser Regis X Certi	I also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee. cle Number 085 637 vice Type stered Insured fied COD ass Mail Return Receipt for
ENDER: Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so t trum this card to you. Attach this form to the front of the mailpiece, or on the back bes not permit. Write "Return Receipt Requested" on the mailpiece below the a The Return Receipt will show to whom the article was delivered alivered. 3. Article Addressed to: Matador Operating Company 8340 Meadow Road, Ste. 158, Pecan Creek	hat we can if space tticle number, and the date 4a. Arti P 4b. Ser Regis X Certi Expre	I also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee. cle Number 085 637 vice Type stered Insured fied COD
ENDER: Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so to turn this card to you. Attach this form to the front of the mailpiece, or on the back oes not permit. Write "Return Receipt Requested" on the mailpiece below the at The Return Receipt will show to whom the article was delivered alivered. 3. Article Addressed to: Matador Operating Company 8340 Meadow Road, Ste. 158, Pecan Creek	hat we can if space tticle number, and the date 4a. Arti P 4b. Ser Regis X Certi Expre	I also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee. cle Number 085 637 vice Type stered Insured fied COD ess Mail Return Receipt for Merchandise
ENDER: Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so to turn this card to you. Attach this form to the front of the mailpiece, or on the back oes not permit. Write "Return Receipt Requested" on the mailpiece below the at The Return Receipt will show to whom the article was delivered alivered. 3. Article Addressed to: Matador Operating Company 8340 Meadow Road, Ste. 158, Pecan Creek	hat we can if space tticle number, and the date 4a. Arti P 4b. Seri Regis X Certi Expro 7. Date 8. Addr	I also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee. cle Number 085 637 vice Type stered Insured fied COD ess Mail Return Receipt for Merchandise
ENDER: Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so t turn this card to you. Attach this form to the front of the mailpiece, or on the back oses not permit. Write "Return Receipt Requested" on the mailpiece below the at The Return Receipt will show to whom the article was delivered alivered. 3. Article Addressed to: Matador Operating Company 8340 Meadow Road, Ste. 158, Pecan Creek Dallas, TX 75231	hat we can if space tticle number, and the date 4a. Arti P 4b. Seri Regis X Certi Expro 7. Date 8. Addr	I also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee. Cle Number 085 637 562 Vice Type stered Insured fied COD ess Mail Return Receipt for Merchandise of Delivery Merchandise of Delivery Merchandise
ENDER: Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so t iturn this card to you. Attach this form to the front of the mailpiece, or on the back bes not permit. Write "Return Receipt Requested" on the mailpiece below the a The Return Receipt will show to whom the article was delivered alivered. 3. Article Addressed to: Matador Operating Company 8340 Meadow Road, Ste. 158, Pecan Creek Dallas, TX 75231	hat we can if space tticle number, and the date 4a. Arti P 4b. Ser Ab. Ser Regis Certi Expro 7. Date 8. Addr and	I also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee. Cle Number 085 637 562 vice Type stered Insured fied COD ess Mail Return Receipt for Merchandise of Delivery Merchandise of Delivery Merchandise of Delivery Merchandise

P 085 637 703

Receipt for Certified Mail No Insurance Coverage Provided Do not use for International Mai UNITED STATES (See Reverse)

Sent to Marbob Energy Corporat Street and No 324 W. Main P O., State and ZIP Code Artesia, 88210 NM Postage 500 \$ <u>D</u> Certified Fee Ħ Special Delivery Fee Restricted Delivery Fee 10 **Return Re** PS Form **3800,** June 1991 11 to Whom Retu Date 20 TOT \$ 7 R) Post

P 085 637 562



Certified Mail No Insurance Coverage Provide Do not use for International M (See Reverse)

	-	
	Matador Operat	ing $Comp_{\epsilon}$
[Street 8340 Meadow Rd	, Ste. 15
ľ	PU State and Zin Code	n Creek
	Postage	\$ 5.00
	Certified Fee	\$ 5,00
	Special Delivery Fee	
	Restricted Delivery For	
991	Return Receipt Showing to Whom ? Ste Delivered	1
l, ani	Return Teorer Schering to Whon Date, and Attin Creating to Whon	1.10
PS Form 3800, June 1991	TOTAL Hastage	\$ 7.20
1800	Postmark or the MMO	
E		
S Fo		
ā.		•

who signation Appl. + 6-108

			_
 Complete items 1 and/or 2 for additional services 		I also wish to receive the	~
 Complete items 3, and 4a & b. 		fellessi	
 Print your name and address on the reverse of this form so return this card to you. 	that we can	fee):	3
Attach this form to the front of the mailpiece, or on the he	ck if space	1. 🗌 Addressee's Address	
does not permit. • Write "Return Receipt Requested" on the mailpiece below the		•	
The neturn neceipt will show to whom the article was delivera	article numbe	2. Restricted Delivery	
		Consult postmaster for fee.	
3. Article Addressed to:	4a. Ar	rticle Number	
Ray Westall Operating, Inc.	Р	085 637 706	3
P. O. Box 4		ervice Type	
Loco Hills, NM 88255		istered Insured	1
	K Cer		
		ress Mail	
		Merchandise	
	7. Dat	e of Delivery	-,
0	1/	12-1 5-16	
. Signature (Addressee)	8. Add	ressee's Address (Only if requested	đ
	and	fee is paid)	
Signature (Agent)	-		1
Sous halling	1 11 11		•
S Form 3811, December 1991 +U.S. GPO: 1993-3			_
		OMESTIC RETURN RECEIPT	Г
Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so th	hat we can	I also wish to receive the following services (for an extra fee):	ice.
um this card to you. Attach this form to the front of the mailpiece, or on the back		1. Addressee's Address	Service
ss not permit. Write "Return Receipt Requested" on the mailpiece below the ar The Return Receipt will show to whom the article was delivered.		2. C Restricted Delivery	ă
ivered.		Consult postmaster for fee.	ecei
Article Addressed to:			Œ
exaco Exploration & Producing	P 0	85 637 561	En
2. 0. Box 3109		vice Type	Retui
idland, TX 79702			2
Huldhu, in 19702	K Certi	fied COD	2
	Expre	ess Mail Return Receipt for	R,
·	7. Date	of Delivery	đ
\sim		DEC man	ž
		020 16 1556	2
Signature (Addressee)		essee's Address (Only if requested ee is paid)	놑
1 Man 4		an in haint	hai
Signature (Agent)	1 :		F
Form 3811, December 1991 +U.S. GPO: 1993-35		MESTIC RETURN RECEIPT	
-		The strong neuronal neuronal neuronal neuronal sector	
· · · · · · · · · · · · · · · · · · ·			

P 085 637 706 **Receipt for Certified Mail** No Insurance Coverage Provided UNITED STATES Do not use for International Mail (See Reverse) Sent to Ray Westall Operating Street and No P. O. Box 4 PO. State and ZIP Code LOCO Hills, NM 88255 Postage 00 \$ 5 Certified Fee 10 \$1 Special Delivery Fee **Restricted Delivery Fee** Return Receipt Showing to Whom & Date Delivered 10 b Return Receipt Showing Date, and Addresse chus TOTAL Postage λŬ & Fees Postmark or Da P 085 637 561 **Receipt for Certified Mail** No Insurance Coverage Provided Do not use for International Mail UNITED STATES (See Reverse) Sent to Texaco Exploration Street and No. Box 3109 State and ZIP Gode Midland, TX P.O., 79702 Postage 500 \$ Cartified Fee Special Delivery Fee 4 14

1991

June 1

PS Form 3800,

1991

. anul

PS

Restricted Delivery Fee 10 Return Receipt Snowing to Whom & Date Delivered 41 Return Receipt Sho Date, and Addres SISA TOTAL Posta & Fees 20 7 Form 3800, 4 Postmark 0 5 Í NMOD

SENDER: • Complete items 1 and/or 2 for additional services. • Complete items 3, and 4a & b. • Print your name and address on the reverse of this form so th eturn this card to you. • Attach this form to the front of the mailpiece, or on the back loss not permit. • Write "Return Receipt Requested" on the mailpiece below there The Return Receipt will show to whom the article was delivered telivered.	k if space 1. Addressee's Address rticle number 2. Restricted Delivery	eceipt Service.
3. Article Addressed to: Bureau of Land Management 1474 Rodeo Dr. Santa Fe, NM 87505	4a. Article Number P 085 637 563 4b. Service Type Registered Insured Insured Cod Image: Service Type Registered Image: Service Type Insured Image: Service Type Image: Service Type Image: Service Type Service Type Image: Service Type	ou for using Return R
3. Signature (Addressee) 3. Signature (Agent) 	8. Addressee's Address (Only if requested and fee is paid)	Thank y

۰,

P 085 637 563

Receipt for Certified Mail No Insurance Coverage Provided 7.00 Do not use for International Mai UNITED STATES (See Reverse) Sent to Bureau of Land Manageme Street and No 1474 Rodeo Dr. P.O., State and ZIP Code Santa Fe, NM 87505 Postage \mathcal{D} \$ 5 Certified Fee 10 Special Derivery Fee 4 Restricted Delivery Fee تق Return Receipt Showing to Whom & Date Dejuge PS Form 3800, June 1991 11 Return Receipt Date, and Add TOTAL Posta & Fees e ん Postmark or Dat S K

P 085 637 560

No Ir

Receipt for Certified Mail No Insurance Coverage Providec

Do not use for International Mai (See Reverse)

	Sent to	
	Shackelford	<u>Oil Co.</u>
	Street and No. 203 W. Wall	
	P.O., State and ZIP Code Midland, TX	79701
	Postage	\$ 5 00
	Certified Fee	
	Special Delivery Fee	110
	Restricted Delivery Fee	
1991	Return Receipt Showing to Whom & Date Delivered	\$1 10
, aun	Return Receipt Store with the Date, and Address Stores Ladress	
0, J	TOTAL Posta & Fees	2720
PS Form 3800 , June 1991	Postmark o Dan U	Ta
era B	¥15	× V
PS F		

des.				
PETROLEUM USA: NO.				

December 18, 1996

Certified Article Number P 979 987 065

SENDERS RECORD

CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: WORKING INTEREST OWNERS

Re:

2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement and the Unit Operating Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

JE-10m

Steven K. Owen Landman Specialist Permian Division

Amity Oil Co., Inc. % Robert D Pulliam 8214 Westchester #830 Dallas, TX 75225

SKO:jw



		1.1	:	17		·	
: 1	·,	 ••••					
•		•	١.				

CERTIFIED MAIL RETURN RECEIPT REOUESTED Certified Article Number P 979 987 066 SENDERS RECORD

TO: WORKING INTEREST OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement and the Unit Operating Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

SKO:jw

Kathleen Irwin 1911 W. Missouri Midland, TX 79701



March 1997, A. 19

December 18, 1996

CERTIFIED MAIL RETURN RECEIPT REOUESTED

SENDERS RECORD

Certified Article Number

P 979 987 D67

TO: WORKING INTEREST OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement and the Unit Operating Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

Wallace Irwin Testamentary Trust % Kathleen Irwin 1911 W. Missouri Midland, TX 79701

SKO:jw



CERTIFIED MAIL RETURN RECEIPT REOUESTED December 10, 1990

Certi	fied Arl	licle Nu	mber_
 Ρ	979	987	068
	FNDER	S RECOR	D

TO: WORKING INTEREST OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement and the Unit Operating Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

Scope Energy Resources, Inc. 233 Wilshire Blvd Ste 310 Santa Monica, CA 90401

SKO:jw



CERTIFIED MAIL RETURN RECEIPT REOUESTED

P 979 987 D69

Certified Article Number

SENDERS RECORD

TO: WORKING INTEREST OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement and the Unit Operating Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

Wilbur L. Shackelford 512 New Mexico Dr Roswell, NM 88201

SKO:jw



CERTIFIED MAIL RETURN RECEIPT REOUESTED

SENDERS RECORD

Certified Article Number

P 979 987 070

TO: WORKING INTEREST OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement and the Unit Operating Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

Bob L & Nanette P Shackelford 203 W Wall Midland, TX 79701

SKO:jw



 Jerosana (New York) (2012) (2014)
 Statistical Statistical Statistical Activity (2014) (2014) (2014) (2014)

December 18, 1996

<u>CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED		Certified Article Nul P 979 987	
		SENDERS RECOR	
TO:	ROYALTY OWNERS		
		Re:	2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield,

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

B. McGuffey Bowman 3061 Santa Rosa Dr Kettering, OH 45440

SKO:jw



e e constante de la constante Production

December 18, 1996

<u>CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

SENDERS RECORD

Certified Article Number

P 979 987 072

TO: ROYALTY OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Saloum

Steven K. Owen Landman Specialist Permian Division

304-752.7793 Dist not know Mildred Bowman of there was any thing to sign & return. will sig P O Box 625 Logan, WV 25601 as soon or poss

SKO:jw



CERTIFIED MAIL **Certified Article Number RETURN RECEIPT REQUESTED**

P 979 987 071 SENDERS RECORD

TO: **ROYALTY OWNERS**

> Re: 2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

Nunsing Home Mussing Home I Mildred ani I sign as Guardian Lena Bowman % Mildred Bowman P O Box 625 Logan, WV 25601

SKO:iw



CERTIFIED MAIL RETURN RECEIPT REOUESTED Certified Article Number P 979 987 073 SENDERS RECORD

TO: ROYALTY OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

O M Carey <u>Harold Carey</u> Rt 5 Box 613 South Point, OH 45680

SKO:jw



CERTIFIED MAIL Certified Article Number RETURN RECEIPT REOUESTED P 979 987 074 SENDERS RECORD TO: **ROYALTY OWNERS** Re: 2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

614-894-

Bernard H Freeman P O Box 505 South Point, OH 45680

4505

SKO:jw



 CERTIFIED MAIL RETURN RECEIPT REQUESTED
 Certified Article Number

 P 979 937 075

 SENDERS RECORD

 TO:
 ROYALTY OWNERS

 Re:
 2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

No Jistaine 614-

Conrad Freeman P O Box 634 South Point, OH 45680

SKO:jw



CERTIFIED MAIL **RETURN RECEIPT REOUESTED** **Certified Article Number** P 979 987 076

SENDERS RECORD

TO: **ROYALTY OWNERS**

> 2050 - Proposed Lusk West (Delaware) Unit Re: Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

to Pou

Steven K. Owen Landman Specialist Permian Division

laft message

614-

John N Freeman P O Box 634 South Point, OH 45680

377. 4247

SKO:jw



<u>CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED Certified Article Number P 979 987 077 SENDERS RECORD

TO: ROYALTY OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

left messa

Milton L Freeman 304 Chateau Point South Point, OH 45680

894_ 743]

SKO:jw



<u>CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED	Certified Article Number P 979 987 078	
	SENDERS RECORD	
TO: ROYALTY OWNERS		roposed Lusk West (Delaware) Unit of Unitization

Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

No listing 6141-

P O Box 83 South Point, OH 45680

SKO:jw



<u>CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

SENDERS RECORD

P 979 987 079

Certified Article Number

TO: ROYALTY OWNERS

Re:

2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

12 in a Fred Road & Fred 6/4-245-55 44

Audrey Hamrick Rt 2 Box 387 Bidwell, OH 45614

SKO:jw



CERTIFIED MAIL	Certified Article Numb	er
RETURN RECEIPT REQUESTED	P 979 987 0	50
Į	SENDERS RECORD	
TO: ROYALTY OWNERS		
		2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Xa/O.

Steven K. Owen Landman Specialist Permian Division

> Jean B Reeder 6017 S Joplin Tulsa, OK 74135

SKO:jw



CERTIFIED MAIL RETURN RECEIPT REQUESTED Certified Article Number P 979 987 081 SENDERS RECORD

TO: ROYALTY OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

TCW Dr II Royalty Partnership Attn: TCW Energy Group 865 S Figueroa St Ste 1800 Los Angeles, CA 90017

SKO:jw



CERTIFIED MAIL RETURN RECEIPT REOUESTED

P 979 987 D82 SENDERS RECORD

Certified Article Number

TO: ROYALTY OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

Charles Wallace Estate % Shirley Wallace & Charles Wallace Jr P O Box 2918 Midland, TX 79702

SKO:jw



CERTIFIED MAIL
RETURN RECEIPT REQUESTEDCertified Article NumberP 979 987 083SENDERS RECORDTO:ROYALTY OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

Shirley Wallace P O Box 2918 Midland, TX 79702

SKO:jw



CERTIFIED MAIL RETURN RECEIPT REOUESTED

Certified Article Number P 979 987 084

SENDERS RECORD

TO: ROYALTY OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

223-8766 Gretchen Walter 5233 Beaman Lone RR 3 Box 290 Rochester, IN 46975

SKO:jw



<u>CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED Certified Article Number P 979 987 085 SENDERS RECORD

TO: ROYALTY OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

Robert S Wildish 7878 Hollywood Dr Jackson, MI 49201

SKO:jw



Marganetic sectors and All
 All<

December 18, 1996

CERTIFIED MAIL RETURN RECEIPT REOUESTED

P 979 987 123

Certified Article Number

TO: ROYALTY OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

ŝ

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

Lena Willis P O Box 256 South Point, OH 45680

SKO:jw



11 part 1 le karol 2013 28
 12 construir 2014 1 part 1 (2013) 28
 13 construir 2014 1 part 1 (2013)
 14 construir 2014 1 (2013)

December 18, 1996

CERTIFIED MAIL RETURN RECEIPT REOUESTED

P 979 987 124 SENDERS RECORD

Certified Article Number

TO: ROYALTY OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

Nancy Bartum Rt 7 Box 395 South Point, OH 45680

SKO:jw



December 18, 1996

	FIED MAIL RN RECEIPT REQUESTED	Certified Article Num P 979 987 1	
TO:	ROYALTY OWNERS	SENDERS RECORD	
		Re:	2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Jo Pour

Steven K. Owen Landman Specialist Permian Division

Glenna J Carey P O Box 312 South Point, OH 45680

SKO:jw



All B S C (A) C (a reserve the thermal state of the state of the

December 18, 1996

CERTIFIED MAIL RETURN RECEIPT REOUESTED

Certified Article Number	
P 979 987 126	
SENDERS RECORD	

TO: ROYALTY OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

Harold E Carey Rt 5 Box 613 South Point, OH 45680

SKO:jw



•	:	п.				
		٠.	:			

December 18, 1996

	FIED MAIL RN RECEIPT REOUESTED	Certified Article Num	
<u>NGLO</u>		SENDERS RECORD	
TO:	ROYALTY OWNERS		
		Re:	2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield. 800-252-8014

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P

Steven K. Owen Landman Specialist

Permian Division 10 1'ser Podnay Hurs Darlene Henry -2334 S 4th St Ironton, OH 45638

SKO:jw



·. ·

December 18, 1996

CERTIFIED MAIL RETURN RECEIPT REOUESTED

Certi	ified Ar	ticle N	umber	
 Ρ	979	967	128	
5	SENDER	S RECO	RD	

TO: ROYALTY OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

died Emergenice or Will sign. O- as soon 5- possible

7208 Sterling 755 Center Line, MI 48015 //5

Robert E Waller

SKO:jw



(1) A state of the state o

December 18, 1996

CERTIFIED MAIL RETURN RECEIPT REQUESTED Certified Article Number P 979 987 129 SENDERS RECORD

TO: ROYALTY OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

Olen F Featherstone II 1801 W 2nd St Roswell, NM 88201

SKO:jw



Reconcernences in the concernence of the data for the SAVA
 Reconcernences in the concernence of the data during the concernence of the concernence of the data during the concernence of the concernence of the data during the concernence of the concernenc

December 18, 1996

CERTIFIED MAIL RETURN RECEIPT REOUESTED Certified Article Number P 979 987 130

SENDERS RECORD

TO: ROYALTY OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

Paul Slayton P O Box 2035 Roswell, NM 88201

SKO:jw



A set of a set of the set of t

December 18, 1996

CERTIFIED MAIL RETURN RECEIPT REQUESTED Certified Article Number P 979 987 131 SENDERS RECORD

TO: ROYALTY OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

Perry R. Bass, Inc. % Bass Enterprises Production Company 201 Main St-Ste 3100 Fort Worth, TX 761023195

SKO:jw



December 18, 1996

<u>CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED		Certified Article Nu P 979 987	
TO:	ROYALTY OWNERS	SENDERS RECOR	
		Re:	2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

Sid R. Bass, Inc. % Bass Enterprises Production Company 201 Main St-Ste 3100 Fort Worth, TX 761023195

SKO:jw



jinara diserta sina. Secondari Ariangan diserta Secondari Ariangan (Secondari Secondari)

December 18, 1996

CERTIFIED MAIL RETURN RECEIPT REQUESTED

SENDERS RECORD

Certified Article Number

P 979 987 133

TO: ROYALTY OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

Lee M. Bass, Inc. % Bass Enterprises Production Company 201 Main St-Ste 3100 Fort Worth, TX 761023195

SKO:jw



M. S. M. S.

December 18, 1996

CERTIFIED MAIL RETURN RECEIPT REQUESTED P 979 987 053

Certified Article Number

TO: ROYALTY OWNERS

Re:

2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

Thru Line, Inc. First City Bank Tower 201 Main St Fort Worth, TX 761023199

SKO:jw



ana ann an Arrainneach 11 Anns an Arrainneach

December 18, 1996

CERTIFIED MAIL RETURN RECEIPT REQUESTED Certified Article Number P 979 987 054 SENDERS RECORD

TO: ROYALTY OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

Keystone, Inc. P O Box 916107 Fort Worth, TX 761916107

SKO:jw



1997 - Alexandre Marine, 1997 - Alexandre Alexandre († 1997) 1997 - Alexandre Alexandre († 1997) 1997 - Alexandre Alexandre († 1997)

December 18, 1996

Certified Article Number CERTIFIED MAIL P 979 987 055 **RETURN RECEIPT REOUESTED SENDERS RECORD** TO: **ROYALTY OWNERS** Re: 2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization

Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen

Landman Specialist Permian Division

Ewell H & Mary T Muse % R. A. Moore & Company Fort Worth Natl Bank Bldg Fort Worth, TX 76101

Lucy Muse Fetured Fetured Sender NO Forwordin NO Forwordin NO Forwordin NO Forwordin NO Forwordin NO Forwordin NO Forwordin

SKO:jw

580's tucker Fondustur Hustur



en an Mañazake en Estal 1990 - Estal Mañazake en Santa 1991 - Estal Estal en estal en estal en estal

December 18, 1996

CERTIFIED MAIL	Certified Article Number	
RETURN RECEIPT REQUESTED	P 979 987 056	
TO: ROYALTY OWNERS	SENDERS RECORD	
	Re: 2050 - Proposed Lusk We	st (Delaware) Unit

e: 2050 - Proposed Lusk West (Delaware) Of Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

Douglas R Evans % Nakaua, Inc. 3415 Lindenwood Dallas, TX 75205

SKO:jw



 Mark C. C. Mark and S. Mark and S Mark and S. Markandand and S. Mark and S. Mark and S. Mark and S. Mark and S. M

December 18, 1996

CERTIFIED MAIL RETURN RECEIPT REOUESTED Certified Article Number P 979 987 057

SENDERS RECORD

TO: ROYALTY OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

Don G. Shackelford 203 W. Wall Midland, TX 79701

SKO:jw



An example of the second seco

December 18, 1996

CERTIFIED MAIL RETURN RECEIPT REQUESTED
P 979 987 058
SENDERS RECORD
TO: ROYALTY OWNERS
Re: 2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

Amoco Production Company P O Box 3092 Houston, TX 77001

SKO:jw



· · · ·	5	1	1		<u>/ •</u> ,
1992 - 1					•7
1.54	· [• .	•			

December 18, 1996

CERTIFIED MAIL RETURN RECEIPT REOUESTED Certified Article Number P 979 987 059 SENDERS RECORD

TO: ROYALTY OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Notice of Unitization Lea County, New Mexico

Gentlemen:

Parker & Parsley Development L.P. ("P&P") has filed its application for authority to institute a water injection project for secondary recovery of hydrocarbons and its application for statutory unitization in the Lusk West Delaware Pool, Lea County, New Mexico with the New Mexico Oil Conservation Division. Copies of these applications are enclosed, without the exhibits, inasmuch as P&P has previously furnished you with copies of the relevant materials found in the exhibits. In particular, your attention is directed to the Unit Agreement in which you have previously been requested to join.

These cases have been set for hearing before the Division at its offices at 2040 South Pacheco Street, Santa Fe, New Mexico, on Thursday, January 9, 1997 at 8:15 a.m. This notice is being sent to you inasmuch as P&P's records indicate each of you own an interest within the proposed Unit Area. Certain of you have not agreed to voluntarily commit your interests to the Unit. This will advise you that you have the right to appear at the hearing, to make a statement to the Division, to present evidence and to cross-examine witnesses either in support of or in opposition to the Applications. Should you fail to appear, you would be precluded in contesting the matters at a later date.

If you appear in the cases, then you are requested to file a prehearing statement with the Division no later than 4:00 p.m. on the Friday before the scheduled hearing, with a copy delivered to the undersigned or to counsel for P&P, Hinkle, Cox, Eaton, Coffield & Hensley, P. O. Box 2068, Santa Fe, New Mexico 87504, Attn: Conrad E. Coffield.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

SKO:jw

Mobil Producing Texas & New Mexico Inc. P O Box 633 Midland, TX 79702

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution or ratification of the Unit Agreement for the Development and Operation of the Lusk West (Delaware) Unit Area, County of Lea, State of New Mexico, in form approved on behalf of the Secretary of the Interior, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned hereby expressly ratifies, approves, and adopts said Unit Agreement and Unit Operating Agreement as fully as though the undersigned had executed the original agreements.

This Ratification and Joinder shall be effective as to all of undersigned's interests in any lands and leases within the Unit Area, including Royalty Interests, 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 Oil and Gas Rights.

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

EXECUTED this 27 day of _____, 199<u>7</u>.

AMITY OIL CO., INC.

Bv: Name: Title:

STATE OF TEXAS § § COUNTY OF DALLAS §

This instrument was acknowledged before me this <u>27</u> day of <u>January</u>, 199<u>97</u> by <u>Pobert D. Pullian</u>, <u>President</u> of Amity Oil Co., Inc., a _____

Notary Public. State of

My Commission Expires: <u>10 - 0 4 - 0 0</u>

BEVERLY F. GALLAGHER Notary Public, State of Texas fy Commission Expires 10-04-00

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution or ratification of the Unit Agreement for the Development and Operation of the Luck West (Delaware) Unit Area, County of Lea, State of New Mexico, in form approved on behalf of the Socretary of the Interior, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned hereby expressly ratifies, approve, and adopts said Unit Agreement and Unit Operating Agreement as fully as though the undersigned had executed the original agreements.

This Ratification and Joinder shall be effective as to all of undersigned's interests in any lands and leases within the Unit Area, including Royalty Interests, presently hold 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 Oil and Gas Rights.

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

EXECUTED this 3rd day of Fabruary _199<u>7</u>_

WALLACE IRWIN TESTAMENTARY TRUST

IAWIN) Name Title: 🖉 æ • Q witte

State of Illinois			
County of Dupage	•		
This instrument was acknowledged	before me this <u>Grac</u>	iny of theman	of Wallace Invin
Testamentary Truet.			
	/	10	-

My Commission Expires: 1-30-2000

Leverly Sa

Notary Public, State of Allinois

"OFFIL.AL SEAL" BEVERLY PASCUAL Notary Public, State of Illinois My Commission Expires 1-30-2000

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND LINIT OPERATING AGREEMENT

in sonsideration of the execution or mification of the Unit Agreement for the Development and Operation of the Luck West (Delaware) Unit Area, County of Lea, State of New Mexico, in form approved on behalf of the Secretary of the Interior, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned hereby expressly ratifies, approves, and adopts said Unit Agreement and Unit Operating Agreement as fully as though the undersigned had executed the original agreements.

This Ratification and Joinder shall be effective as to all of undersigned's interests in any lands and leases within the Unit Area, including Royalty Interests, presently hold 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 Oil and Gas Rights.

This Ratification and Joinder shall be binding upon the undersigned, and his, her, or its hairs, devianes, executors, personal representatives, assigns, or successors in interest.

EXECUTED this 3th day of Februar . 1997__

Kathlan In KK Estate $l \omega_{ln}$ sendent 6. Ereente

State of Illinois County of Dupage This instrument was acknowledged before me this day of DAN W. IRWIN KOGARN DENT -00 -SYECUTOR the Kathleen Irwin Estate.

My Commission Expires:

Notary Public. State of Illinois

"OFFIC A SEAL" BEVERLY PASCUAL Notary Public, State of Illinois My Commission Expires 1-90-2000

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution or ratification of the Unit Agreement for the Development and Operation of the Lusk West (Delaware) Unit Area, County of Lea, State of New Mexico, in form approved on behalf of the Secretary of the Interior, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned hereby expressly ratifies, approves, and adopts said Unit Agreement and Unit Operating Agreement as fully as though the undersigned had executed the original agreements.

This Ratification and Joinder shall be effective as to all of undersigned's interests in any lands and leases within the Unit Area, including Royalty Interests, 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 Oil and Gas Rights.

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

EXECUTED this 22 nd day of January 1997.

ş ş ş SCOPE ENERGY RESOURCES, INC.

Bv:

LGY Name Title: RESIDENT ICF

STATE OF <u>California</u> COUNTY OF <u>Jos Angeles</u>

Aundo Hilturen Loffin Notary Public, State of Caufornia

My Commission Expires: 5 1998



Harold & Pat Carey 80 Township Rd. 1187 South:Point Ohio 45680

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Lusk West (Delaware) Unit Area, County of Lea, State of New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands of the State of New Mexico, the undersigned owner of lands or leases, or Royalty Interests therein, presently held or which may arise under existing option agreements, or other interests in production, consents to the inclusion of said lands and interests within the unit and expressly ratifies, approves, and adopts said Unit Agreement, and agrees that the terms of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the terms of said Unit Agreement, and further agrees that the drilling, development, and producing requirements of all leases and other contracts under which is, her, or its several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement.

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

EXECUTED this 12th day of _____ Cong

STATE OF COUNTY OF Lawrence Ş

My Commission Expires: 7 - 21 - 00

This instrument was acknowledged before me this 12th day of <u>Cancerny</u> 99, by Harold E. Carey.

Notary Public, State of

son of Oscar Carey **RATIFICATION AND JOINDER OF UNIT AGREEMENT**

0802 + 0140 mot yims 2811 py diysumol, 08

Kanold & Part Cart

In consideration of the execution of the Unit Agreement for the Development and Operation of the Lusk West (Delaware) Unit Area, County of Lea, State of New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands of the State of New Mexico, the undersigned owner of lands or leases, or Royalty Interests therein, presently held or which may arise under existing option agreements, or other interests in production, consents to the inclusion of said lands and interests within the unit and expressly ratifies, approves, and adopts said Unit Agreement, and agrees that the terms of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the terms of said Unit Agreement, and further agrees that the drilling, development, and producing requirements of all leases and other contracts under which is, her, or its several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement.

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

EXECUTED this day o	f	<u> </u>	, 199	
		O. M. CARE	eased	
STATE OF	§ §			
COUNTY OF	ş			
This instrument was acknowledg Carey.	ed before	me this	day of	 , by O. M.
My Commission Expires:	•	Notary Publ	ic, State of	

In consideration of the execution of the Unit Agreement for the Development and Operation of the Lusk West (Delaware) Unit Area, County of Lea, State of New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands of the State of New Mexico, the undersigned owner of lands or leases, or Royalty Interests therein, presently held or which may arise under existing option agreements, or other interests in production, consents to the inclusion of said lands and interests within the unit and expressly ratifies, approves, and adopts said Unit Agreement, and agrees that the terms of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the terms of said Unit Agreement, and further agrees that the drilling, development, and producing requirements of all leases and other contracts under which is, her, or its several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement.

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

EXECUTED this 18th day of Decem Ber

STATE OF __ New Mexico § Ş COUNTY OF ______

This instrument was acknowledged before me this <u>18th</u> day of <u>Dec.</u>, 1995, by Paul Slayton.

Notary Public, State of <u>New mexico</u>

My Commission Expires: 10-27-98

In consideration of the execution of the Unit Agreement for the Development and Operation of the Lusk West (Delaware) Unit Area, County of Lea, State of New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands of the State of New Mexico, the undersigned owner of lands or leases, or Royalty Interests therein, presently held or which may arise under existing option agreements, or other interests in production, consents to the inclusion of said lands and interests within the unit and expressly ratifies, approves, and adopts said Unit Agreement, and agrees that the terms of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the terms of said Unit Agreement, and further agrees that the drilling, development, and producing requirements of all leases and other contracts under which is, her, or its several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement.

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

EXECUTED this 2 day of JANUAR, 1997 Robert & Wiedish

ROBERT S. WILDISH

STATE OF ARIZONA § COUNTY OF §

This instrument was acknowledged before me this _____ day of <u>ANUMEN</u>, 199_, by Robert S. Wildish.

OFFICIAL SEAL ALICE F. NOYES Notary Public - State of Artzone PIMA COUNTY My Certrin, Explines May 19, 1908

Notary Publić, State of

My Commission Expires: 5-19-18

In consideration of the execution of the Unit Agreement for the Development and Operation of the Lusk West (Delaware) Unit Area, County of Lea, State of New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands of the State of New Mexico, the undersigned owner of lands or leases, or Royalty Interests therein, presently held or which may arise under existing option agreements, or other interests in production, consents to the inclusion of said lands and interests within the unit and expressly ratifies, approves, and adopts said Unit Agreement, and agrees that the terms of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the terms of said Unit Agreement, and further agrees that the drilling, development, and producing requirements of all leases and other contracts under which is, her, or its several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement.

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

EXECUTED this 19 day of December, 199 le. B. McGUFFEY BOWMAN X

STATE OF DIO § COUNTY OF Mointenery Ş

This instrument was acknowledged before me this <u>19</u> day of <u>December</u>, 199 <u>6</u>, by B. McGuffey Bowman.

Notary Public, State of Ohis

My Commission Expires: <u>HAROLD A. DELANEY, Notary</u> Public In and for the State of Ohio Much comission Expires Feb. 28, 1999

In consideration of the execution of the Unit Agreement for the Development and Operation of the Lusk West (Delaware) Unit Area, County of Lea, State of New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands of the State of New Mexico, the undersigned owner of lands or leases, or Royalty Interests therein, presently held or which may arise under existing option agreements, or other interests in production, consents to the inclusion of said lands and interests within the unit and expressly ratifies, approves, and adopts said Unit Agreement, and agrees that the terms of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the terms of said Unit Agreement, and further agrees that the drilling, development, and producing requirements of all leases and other contracts under which is, her, or its several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement.

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

EXECUTED this <u>16</u> day of <u>December</u>, 1996.

CHARLES WALLACE ESTATE

Bγ Name: Title:

STATE OF	Texas	ş
COUNTY O	F Midland	ş

This instrument was acknowledged before me this <u>16</u> day of <u>vecember</u>, 199<u>6</u>, by <u>Shirley Wallace</u> <u>Executrix</u> of the Charles Wallace Estate.

My Commission Expires:

Notary Public, State of ____



In consideration of the execution of the Unit Agreement for the Development and Operation of the Lusk West (Delaware) Unit Area, County of Lea, State of New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands of the State of New Mexico, the undersigned owner of lands or leases, or Royalty Interests therein, presently held or which may arise under existing option agreements, or other interests in production, consents to the inclusion of said lands and interests within the unit and expressly ratifies, approves, and adopts said Unit Agreement, and agrees that the terms of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the terms of said Unit Agreement, and further agrees that the drilling, development, and producing requirements of all leases and other contracts under which is, her, or its several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement.

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

EXECUTED this <u>16</u> day of <u>December</u> 199 6

Texas STATE OF ______ § COUNTY OF ______ §

This instrument was acknowledged before me this <u>16</u> day of <u>December</u>, 199<u>6</u>, by Shirley Wallace.

My Commission Expires:

Notary Public, State of _

LORI VANHOOZER Notary Public, State of Texas My Commission Expires 4-24-97

In consideration of the execution of the Unit Agreement for the Development and Operation of the Lusk West (Delaware) Unit Area, County of Lea, State of New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands of the State of New Mexico, the undersigned owner of lands or leases, or Royalty Interests therein, presently held or which may arise under existing option agreements, or other interests in production, consents to the inclusion of said lands and interests within the unit and expressly ratifies, approves, and adopts said Unit Agreement, and agrees that the terms of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the terms of said Unit Agreement, and further agrees that the drilling, development, and producing requirements of all leases and other contracts under which is, her, or its several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement.

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

EXECUTED this <u>16</u> day of <u>December</u>, 199<u>6</u>.

Lena Willis

LENA WILLIS

STATE OF <u>Ohio</u> § COUNTY OF <u>Lawrence</u> §

This instrument was acknowledged before me this <u>16</u> day of <u>December</u>, 199<u>6</u>, by Lena Willis.

Dale R. Sullivan

My Commission Expires: March 10.2001 Notary Public, State of ______

In consideration of the execution of the Unit Agreement for the Development and Operation of the Lusk West (Delaware) Unit Area, County of Lea, State of New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands of the State of New Mexico, the undersigned owner of lands or leases, or Royalty Interests therein, presently held or which may arise under existing option agreements, or other interests in production, consents to the inclusion of said lands and interests within the unit and expressly ratifies, approves, and adopts said Unit Agreement, and agrees that the terms of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the terms of said Unit Agreement, and further agrees that the drilling, development, and producing requirements of all leases and other contracts under which is, her, or its several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement.

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

EXECUTED this 23rd day of December 1996 AN B. REEDER

STATE OF OKIAhoma ş ş COUNTY OF TULSA

This instrument was acknowledged before me this _23rd day of _______ December, 199<u>96</u>, by Jean B. Reeder.

My Commission Expires: 10-28-99 Notary Public, State of OKlahoma

In consideration of the execution of the Unit Agreement for the Development and Operation of the Lusk West (Delaware) Unit Area, County of Lea, State of New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands of the State of New Mexico, the undersigned owner of lands or leases, or Royalty Interests therein, presently held or which may arise under existing option agreements, or other interests in production, consents to the inclusion of said lands and interests within the unit and expressly ratifies, approves, and adopts said Unit Agreement, and agrees that the terms of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the terms of said Unit Agreement, and further agrees that the drilling, development, and producing requirements of all leases and other contracts under which is, her, or its several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement.

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

Glenni J. Carey

STATE OF <u>Ohio</u> § §

COUNTY OF <u>Lawrence</u> §

This instrument was acknowledged before me this <u>30</u> day of <u>December</u>, 199<u>6</u>, by Glenna J. Carey.

Dale R.ullivan

Notary Public, State of Ohio

My Commission Expires: March 10.2001

In consideration of the execution of the Unit Agreement for the Development and Operation of the Lusk West (Delaware) Unit Area, County of Lea, State of New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands of the State of New Mexico, the undersigned owner of lands or leases, or Royalty Interests therein, presently held or which may arise under existing option agreements, or other interests in production, consents to the inclusion of said lands and interests within the unit and expressly ratifies, approves, and adopts said Unit Agreement, and agrees that the terms of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the terms of said Unit Agreement, and further agrees that the drilling, development, and producing requirements of all leases and other contracts under which is, her, or its several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement.

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

EXECUTED this 3rd day of February 1997.

STATE OF TEXAS COUNTY OF <u>MIDLAND</u>

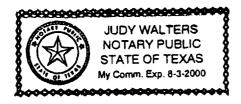
This instrument was acknowledged before me this 3^{10} day of <u>FEBRUAR</u>, 1997, by Bernard H. Freeman.

§

ş

Notary Hublic, State of

My Commission Expires:



In consideration of the execution of the Unit Agreement for the Development and Operation of the Lusk West (Delaware) Unit Area, County of Lea, State of New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands of the State of New Mexico, the undersigned owner of lands or leases, or Royalty Interests therein, presently held or which may arise under existing option agreements, or other interests in production, consents to the inclusion of said lands and interests within the unit and expressly ratifies, approves, and adopts said Unit Agreement, and agrees that the terms of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the terms of said Unit Agreement, and further agrees that the drilling, development, and producing requirements of all leases and other contracts under which is, her, or its several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement.

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

EXECUTED this <u>44</u> day of <u>JANUAR</u> OLEN F. FEATHERSTONE

STATE OF NEW MERIC COUNTY OF

This instrument was acknowledged before me this 4 day of 4 day of 4 Juary 199 2, by Olen F. Featherstone II.

9 §

Notary Public, State of NE

My Commission Expires: 5.3/98

In consideration of the execution of the Unit Agreement for the Development and Operation of the Lusk West (Delaware) Unit Area, County of Lea, State of New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands of the State of New Mexico, the undersigned owner of lands or leases, or Royalty Interests therein, presently held or which may arise under existing option agreements, or other interests in production, consents to the inclusion of said lands and interests within the unit and expressly ratifies, approves, and adopts said Unit Agreement, and agrees that the terms of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the terms of said Unit Agreement, and further agrees that the drilling, development, and producing requirements of all leases and other contracts under which is, her, or its several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement.

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

EXECUTED this 6th day of ______ Jan, ____, 1997. Dancy Bartrum

BARtRUM

STATE OF ______ § COUNTY OF <u>LAWRENCE</u>

This instrument was acknowledged before me this 64 day of $3an_1$, 1997, by Nancy Bartlim.

<u>Shelma M. Malone</u> Notary Public, State of 0410

My Commission Expires: 10-26-99

Ē

In consideration of the execution of the Unit Agreement for the Development and Operation of the Lusk West (Delaware) Unit Area, County of Lea, State of New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands of the State of New Mexico, the undersigned owner of lands or leases, or Royalty Interests therein, presently held or which may arise under existing option agreements, or other interests in production, consents to the inclusion of said lands and interests within the unit and expressly ratifies, approves, and adopts said Unit Agreement, and agrees that the terms of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the terms of said Unit Agreement, and further agrees that the drilling, development, and producing requirements of all leases and other contracts under which is, her, or its several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement.

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

EXECUTED this 3 rd day of February 1997

AMOCO PRODUCTION COMPANY

By: Name Title:

More

Notary Public, State of Texas

My Commission Expires:).9



In consideration of the execution of the Unit Agreement for the Development and Operation of the Lusk West (Delaware) Unit Area, County of Lea, State of New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands of the State of New Mexico, the undersigned owner(s) of lands or leases, or Royalty Interests therein, presently held or which may arise under existing option agreements, or other interests in production, consents to the inclusion of said lands and interests within the unit and expressly ratifies approves, and adopts said Unit Agreement, and agrees that the terms of any leases given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the terms of said Unit Agreement, and further agrees that the drilling, development, and producing requirements of all leases and other contracts under which its or its several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement.

This Ratification and Joinder shall be binding upon the undersigned, and its heirs, devisees, executors, personal representatives, assigns, or successors in interest.

____ day of <u>lanuary</u>, 1997. EXECUTED this Orth

Perry R. Bass, Inc. Lee M. Bass, Inc. Sid R. Bass, Inc. Thru Line Inc. Keystone, Inc. W. Frank McCreight Vice President for all above corporations

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me this <u>Ath</u> day of <u>Ankan</u> 1997, by W. Frank McCreight, Vice President of Perty R. Bass, Inc., Lee M. Bass, Inc., Sid R. Bass, Inc., Thru Line Inc. and Keystone, Inc., all Texas corporations, on behalf of said corporations.

By:

Soubs Notary Public, State of Texas

My Commission Expires:

ヽ*みぃ-�*

00000000000000000 CORNELL ADDINGTON NOTARY PUBLIC STATE OF TEXAS

In consideration of the execution of the Unit Agreement for the Development and Operation of the Lusk West (Delaware) Unit Area, County of Lea, State of New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands of the State of New Mexico, the undersigned owner of lands or leases, or Royalty Interests therein, presently held or which may arise under existing option agreements, or other interests in production, consents to the inclusion of said lands and interests within the unit and expressly ratifies, approves, and adopts said Unit Agreement, and agrees that the terms of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the terms of said Unit Agreement, and further agrees that the drilling, development, and producing requirements of all leases and other contracts under which is, her, or its several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement.

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

EXECUTED this 3 and day of Februar _ 199_7_

Attest:

MOBIL PRODUCING TEXAS & NEW MEXICO INC.

KCB

STATE OF TEXAS COUNTY OF Hereis

This instrument was acknowledged before me	this 3 / day of	February	
by E.B. Janhan . K.P. Geohogen Attorn	ws-in- Fort	of Mobil Producing	Texas & New
Mexico Inc., a Deloughe	corporation, on behalf	of said corporation.	

Notary Public, State of Texas

DAVID B. COLLINS MY COMMISSION EXPIRES April 19, 1997

My Commission Expires:

RATIFICATION AND JOINDER OF LINIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Luck West (Delaware) Unit Area, County of Lea, State of New Mexico, in form approved on bahalf of the Secretary of the Interior and the Commissioner of Public Lands of the State of New Mexico, the undersigned owner of lands or leases, or Royalty Interests therein, presently held or which may arise under existing option agreements, or other interests in production, consents to the inclusion of said lands and interests within the unit and expressly ratifies, approves, and edopts said Unit Agreement, and agrees that the terms of any lease given by the undersigned or under which the undersigned elaims as interest horein is extended and modified to the extent necessary to make the same conform to the terms of said Unit Agreement, and further agrees that the drilling, development, and producing requirements of all leases and other contracts under which is, her, or its several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement.

This Ratification and Joindor shall be binding upon the undersigned, and his, her, or its heirs, deviseou. executors, personal representatives, assigns, or successors in interest.

_ day of teburary EXECUTED this ____ _ 199 🛨

By: Name: mome Title STATE OF CONFORME COUNTY OF LOS ANALL day of _ epknowledged before me this Dr II Royalty Partnership. by II fortie Notary Fublic, State of My Con YNTHIA LOS ANGRIES COU ··

TOW DR II ROYALTY PARTNERSHIP

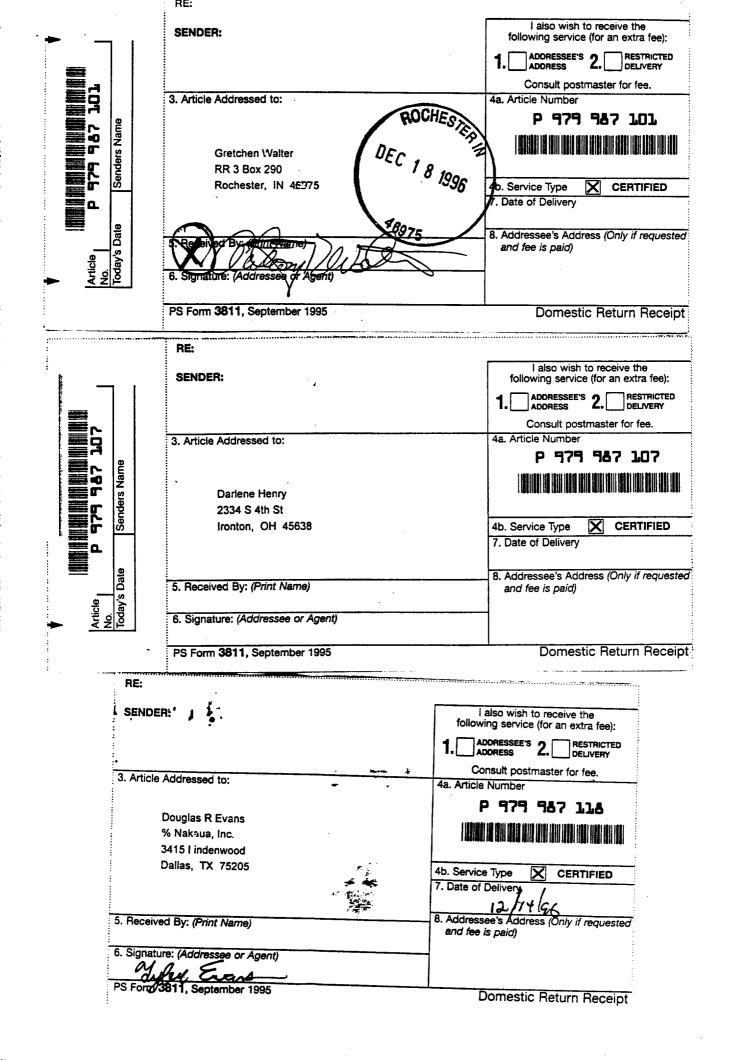
SENDER:	I also wish to receive the following service (for an extra fee):	
· · ·		
	Consult postmaster for fee.	
Article Addressed to:	4a. Article Number	
	P 979 987 096	
Audrey Hamrick	L MANTAAN NA 1911 WANTA WANA YANA KANA KANA KANA KANA KANA KANA K	
Rt 2 Box 387		
Bidwell, OH 45614	614 b. Service Type CERTIFIED 7. Date of Delivery	
5.	7. Date of Delivery	
I-1/8	Se Suddressee's Address (Only if requested	
. Received By: (Print Name)	and fee is paid)	
Signaluren (Addressee or Agent)	\checkmark	
Signaturen (Addressee or Agent)		
PS Form 3811 , September 1995	Domestic Return Receipt	
RE:		
	I also wish to receive the	
SENDER:	following service (for an extra fee):	
	1. ADDRESSEE'S 2. RESTRICTED ADDRESS 2. DELIVERY	
	Consult postmaster for fee.	
3. Article Addressed to:	4a. Article Number	
	P 979 987 088	
Lena Bowman		1
% Mildred Bowman	, AND A THE ANALY AND	
P O Box 625	Y Y	5
Logan, WV 25601	4b Service The X CERTIFIED	, î
	7 Date of Deliver 6	
_	B And Basers Address (Only if requested	
5. Received By: (Print Name)	ancee is paid	
Chaling Keed		
6. Signature: (Addressee or Agent)		
PS Form 3811 , September 1995	Domestic Return Receipt	
RE:		
	l also wish to receive the following service (for an extra fee):	
SENDER:		
	1. ADDRESS Z. DELIVERY	
a	Consult postmaster for fee.	
Article Addressed to:	4a. Article Number	
	p 979 987 089	
Mildred Bowman	· · · · · · · · · · · · · · · · · · ·	
P O Box 625	D Strice The ANX CERTIFIED	
Logan, WV 2560	7. Date of Detter	
	19 6 18	
۸	Chinassee's to siss (Only if requested	
5. Received By: (Print Name)	And the is staid)	
chainer A		
	· · · · · · · · · · · · · · · · · · ·	
6. Signature: (Addressee or Agent)	•	

	RE:	
	SENDER:	l also wish to receive the following service (for an extra fee):
	· · · · · ·	
		Consult postmaster for fee. 4a. Article Number
	3. Article Addressed to:	P 979 987 111
	Wilbur L. Shackelford 512 New Mexico Dr	
	Roswell, NM 88201	4b. Service Type X CERTIFIED
		7. Date of Delivery
		8. Addressee's Address (Only if requested
	5. Received Bg: (Print Name)	and fee is paid)
	B. Signature: (Addressee or Agent)	-
	PS Form 3811 , September 1995	Domestic Return Receipt
1	RE:	10
	SENDER:	I also wish to receive the following service (for an extra fee):
		1. ADDRESSEE'S 2. RESTRICTED DELIVERY
1		Consult postmaster for fee.
	3. Article Addressed to:	4a. Article Number P 979 987 122
	Bob L & Nanette P S! ackelford	F EBOTTBOL HA TØHT I DER LØHST KANT HREEF MAN HEFE HAN HEFE
	203 W Wall Midland, TX 79701	4b. Service Type X CERTIFIED
		7. Date of Delivery
		8. Addressee's Address (Only if requested
	5. Received By: (Print Name)	and fee is paid)
	6. Signatore: (Addressee or Agent) Balis Xilliand	
	PS Form 3811, September 1995	Domestic Return Receipt
	RE:	היה היה איני היה איני איני איני איני אינ
	SENDER:	I also wish to receive the following service (for an extra fee):
	:	
		1. ADDRESSEE'S 2. DELIVERY
		Consult postmaster for fee.
	3. Article Addressed to:	ADDRESS L. DELIVERY
	3. Article Addressed to:	I. ADDRESS I. DELIVERY Consult postmaster for fee. 4a. Article Number P 979 987 Delivery
		IADDRESS ZDELIVERY Consult postmaster for fee. 4a. Article Number
	3. Article Addressed to: John N Freeman	I. ADDRESS I. DELIVERY Consult postmaster for fee. 4a. Article Number P 979 987 Delivery
	3. Article Addressed to: John N Freeman P O Box 634	I. ADDRESS Z. DELIVERY Consult postmaster for fee. 4a. Article Number P 979 987 093 I. ADDRESS I. DELIVERY Ocnsult postmaster for fee. 4a. Article Number P 979 987 093 I. ADDRESS I. I
	3. Article Addressed to: John N Freeman P O Box 634 South Point, OH 45680	I. ADDRESS Z. DELIVERY Consult postmaster for fee. 4a. Article Number P 979 987 093 Image: State of Delivery 4b. Service Type X CERTIFIED 7. Date of Delivery 12 - 16 - 96 8. Addfessee's Address (Only if requested)
	3. Article Addressed to: John N Freeman P O Box 634 South Point, OH 45680	4a. Article Number P 979 987 093 4b. Service Type X CERTIFIED 7. Date of Delivery 12 116 - 96
	 3. Article Addressed to: John N Freeman P O Box 634 South Point, OH 45680 5. Received By: (Print Name) 	I. ADDRESS Z. DELIVERY Consult postmaster for fee. 4a. Article Number P 979 987 093 Image: State of Delivery 4b. Service Type X CERTIFIED 7. Date of Delivery 12 - 16 - 96 8. Addfessee's Address (Only if requested)

ł

		I also wish to receive the
SENDER:		following service (for an extra fee):
E		1. ADORESSEE'S 2. RESTRICTED DELIVERY
		Consult postmaster for fee.
3. Article Addressed to:		4a. Article Number
•	-	P 979 987 092
Conrad Freeman		
P O Box 634		
South Point, OH 45680		4b. Service Type X CERTIFIED
		7. Date of Delivery
		12-16-96
eived By: (Print Name)	······································	 8. Addressee's Address (Only if requested and fee is paid)
		ිට
Heture: (Addressee or Agent)		
P3 Form 3811, September 1995		Domestic Return Receipt
RE:		
SENDER:		l also wish to receive the following service (for an extra fee):
		1. ADDRESSEE'S 2. RESTRICTED DELIVERY
		Consult postmaster for fee.
3. Article Addressed to:		4a. Article Number
		P 979 987 095
Wendell K Freeman P O Box 83		
South Point, OH 45080		4b. Service Type X CERTIFIED
		7. Date of Delivery
		12 - 17 - 96
5. Received By: (Print Name)		8. Addréssee's Address (Only if requested and fee is paid)
LUR Trem	\sim	
6. Signature: (Addressee or Agent)	· · · · · · · · · · · · · · · · · · ·	
	·	Demostic Poturn Possint
PS Form 3811, September 1995		Domestic Return Receipt
RE:		and and the former international destruction of the first sector of the
SENDER:		l also wish to receive the
		following service (for an extra fee):
		Consult postmaster for fee.
3. Article Addressed to:		4a. Article Number
Milton L Freeman		
304 Chateau Poin		
South Point, OH 25080	<u>.</u>	4b. Service Type CERTIFIED
		7. Date of Delivery
5. Received By: (Print Name)		8. Addressee's Address (Only if requested
la I TAN F.1	een 2	and fee is paid)
6. Signature: (Addressee or Agent)	een z	4
	Vreene	
PS Form 3811, September 1995		Domestic Return Receipt

; ; ;



SENDER:	I also wish to receive the following service (for an extra fee):
	1. ADDRESSEE'S 2. RESTRICTED DELIVERY
	Consult postmaster for fee.
B. Article Addressed to:	4a. Article Number
	P 979 987 108
Robert E Waller	
7208 Sterling	
Conter Line, MI 48015	4b. Service Type X CERTIFIED
	7. Date of Delivery
	12/17/56
5. Received By: (Print Name)	8. Addréssee's/Address (Only if requeste and fee is paid)
Signat	
PS Form	n Receip
RE:	
SENDER:	l also wish to receive the following service (for an extra fee):
	1. ADDRESSEE'S 2. RESTRICTED ADDRESS 2. DELIVERY
	Consult postmaster for fee.
3. Article Addressed to:	4a. Article Number
	P 979 987 117
Ewell H & Mary T Muse	
% R. A. Moore & Company	A HARTINGE (19 JUL) 19019 TOTO (1911) 1901 1011 1901 11901 11901 11901 1190
Fort Worth Natl Bank Bldg	
Fort Worth, TX 76101	4b. Service Type X CERTIFIED
	7. Date of Delivery DEC 1 9 1996
5. Received By: (Print Name)	8. Addressee's Address (Only if request and fee is paid)
JAMES Stevens	
6. Signature: (Addressee or Agent)	
Jumes Selevens	
PS Form 3811 , September 1995	Domestic Return Recei
RE:	
SENDER:	following service (for an extra fee):
	1. ADDRESSEE'S 2. RESTRICTED ADDRESS 2. DELIVERY
	Consult postmaster for fee.
3. Article Addressed to:	4a. Article Number
	P 979 987 119
Don G. Shackelford 203 W. Wall	a saarraasi ina marini maara yanna takka takka takka takaa shaak shaak shaka takka taka
203 W. Wall Midland, TX 79701	4b. Service Type 🔀 CERTIFIED
initiation of the second s	7. Date of Delivery
	dd1112-10-
E Dessived But (Drint Mana)	8. Addressee's Address (Only if requeste
5. Received By: (Print Name)	and fee is paid)
6. Signature: (Agdressee or Agent)	
Balle Villerd	

·

· ·

. .

a succession of the succession of the second s



P. O. Box 3178 Midland, Texas 79702-3178 303 West Wall Ave., Suite 101 Midland, Texas 79701 (915) 683-4768 • FAX (915) 571-5063

December 10, 1996

CERTIFIED MAIL RETURN RECEIPT REQUESTED



TO: ROYALTY OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Lea County, New Mexico

Gentlemen:

Enclosed is a Ratification and Joinder of Unit Agreement ("Ratification") regarding the captioned proposed unit for your execution and a copy of the Unit Agreement for your files. The proposed unit will be established as a Federal Waterflood Unit in order to recover secondary oil reserves from the Delaware formation found at approximately 6,500'.

It is anticipated that the applications to establish the unit and to conduct water injection operations will be heard at the Oil Conservation Division's regular hearing on January 9, 1996.

Parker & Parsley Development L.P. respectfully requests that you execute the enclosed Ratification in the presence of a notary public and return to the undersigned at your earliest convenience. Your expedient response would be greatly appreciated.

Should you have any questions or concerns, please contact any of the following Parker & Parsley employees:

Steve Owen - Land and Legal Larry Brooks - Geology Greg Pace - Reservoir Engineering Britt Hirth - Operations Engineering

Thank you for your cooperation.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

Ewell H & Mary T Muse % R. A. Moore & Company Fort Worth Nati Bank Bidg Fort Worth, TX 76101

SKO:jw



P. C. Box 3178 Midland, Texas 79702-3178 303 West Walt Ave., Suite 101 Midland, Texas 79701 (915) 683-4768 • FAX (915) 571-5063

December 10, 1996

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Certified Article Number P 979 987 108 SENDERS RECORD

TO: ROYALTY OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Lea County, New Mexico

Gentlemen:

Enclosed is a Ratification and Joinder of Unit Agreement ("Ratification") regarding the captioned proposed unit for your execution and a copy of the Unit Agreement for your files. The proposed unit will be established as a Federal Waterflood Unit in order to recover secondary oil reserves from the Delaware formation found at approximately 6,500'.

It is anticipated that the applications to establish the unit and to conduct water injection operations will be heard at the Oil Conservation Division's regular hearing on January 9, 1996.

Parker & Parsley Development L.P. respectfully requests that you execute the enclosed Ratification in the presence of a notary public and return to the undersigned at your earliest convenience. Your expedient response would be greatly appreciated.

Should you have any questions or concerns, please contact any of the following Parker & Parsley employees:

Steve Owen - Land and Legal Larry Brooks - Geology Greg Pace - Reservoir Engineering Britt Hirth - Operations Engineering

Thank you for your cooperation.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

SKO:jw

Encl.

Robert E Waller 7208 Sterling Center Line, MI 48015



 P. O. Box 3178
 Midland, Texas 79702-3178

 303 West Wall Ave , Suite 101 Midland, Texas 79701
 (915) 683-4768

 (915) 683-4768
 FAX (915) 571-5063

December 10, 1996

Certified Article Number

P 979 987 111

CERTIFIED MAIL RETURN RECEIPT REOUESTED

SENDERS RECORD

TO: WORKING INTEREST OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Lea County, New Mexico

Gentlemen:

Enclosed is a Ratification and Joinder of Unit Agreement and Unit Operating Agreement ("Ratification") regarding the captioned proposed unit for your execution and a copy of the Unit Agreement and Operating Agreement for your files. The proposed unit will be established as a Federal Waterflood Unit in order to recover secondary oil reserves from the Delaware formation found at approximately 6,500'.

It is anticipated that the applications to establish the unit and to conduct water injection operations will be heard at the Oil Conservation Division's regular hearing on January 9, 1996.

Parker & Parsley Development L.P. respectfully requests that you execute the enclosed Ratification in the presence of a notary public and return to the undersigned at your earliest convenience. Your expedient response would be greatly appreciated.

Should you have any questions or concerns, please contact any of the following Parker & Parsley employees:

Steve Owen - Land and Legal Larry Brooks - Geology Greg Pace - Reservoir Engineering Britt Hirth - Operations Engineering

Thank you for your cooperation.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

SKO:jw

Encl.

Wilbur L. Shackelford 512 New Mexico Dr Roswell, NM 88201



P. O. Box 3178 Midland, Texas 79702-3178 303 West Wall Ave., Suite 101 Midland, Texas 79701 (915) 683-4768 • FAX (915) 571-5063

December 10, 1996

Certified Article Number

P 979 987 122

CERTIFIED MAIL RETURN RECEIPT REOUESTED

SENDERS RECORD

TO: WORKING INTEREST OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Lea County, New Mexico

Gentlemen:

Enclosed is a Ratification and Joinder of Unit Agreement and Unit Operating Agreement ("Ratification") regarding the captioned proposed unit for your execution and a copy of the Unit Agreement and Operating Agreement for your files. The proposed unit will be established as a Federal Waterflood Unit in order to recover secondary oil reserves from the Delaware formation found at approximately 6,500'.

It is anticipated that the applications to establish the unit and to conduct water injection operations will be heard at the Oil Conservation Division's regular hearing on January 9, 1996.

Parker & Parsley Development L.P. respectfully requests that you execute the enclosed Ratification in the presence of a notary public and return to the undersigned at your earliest convenience. Your expedient response would be greatly appreciated.

Should you have any questions or concerns, please contact any of the following Parker & Parsley employees:

Steve Owen - Land and Legal Larry Brooks - Geology Greg Pace - Reservoir Engineering Britt Hirth - Operations Engineering

Thank you for your cooperation.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

SKO:jw

Encl.

Bob L & Nanette P Shackelford 203 W Wall Midland, TX 79701



P. O. Box 3178 Mickapid Texus 19702-3178 303 West Wall Ave - Saito 101 Mickapid, Texas 79701 (915) 683-4768 • FAN (915) 571-5063

December 10, 1996

CERTIFIED MAIL RETURN RECEIPT REOUESTED Certified Article Number P 979 987 089 SENDERS RECORD

TO: ROYALTY OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Lea County, New Mexico

Gentlemen:

Enclosed is a Ratification and Joinder of Unit Agreement ("Ratification") regarding the captioned proposed unit for your execution and a copy of the Unit Agreement for your files. The proposed unit will be established as a Federal Waterflood Unit in order to recover secondary oil reserves from the Delaware formation found at approximately 6,500'.

It is anticipated that the applications to establish the unit and to conduct water injection operations will be heard at the Oil Conservation Division's regular hearing on January 9, 1996.

Parker & Parsley Development L.P. respectfully requests that you execute the enclosed Ratification in the presence of a notary public and return to the undersigned at your earliest convenience. Your expedient response would be greatly appreciated.

Should you have any questions or concerns, please contact any of the following Parker & Parsley employees:

Steve Owen - Land and Legal Larry Brooks - Geology Greg Pace - Reservoir Engineering Britt Hirth - Operations Engineering

Thank you for your cooperation.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

SKO:jw

Encl.

Mildred Bowman P O Box 625 Logan, WV 25601



 P. O. Box 3178
 Midland, Texas 79702-3178
 303 West Wall Ave. Suite 101 Midland, Texas 79701 (915) 683-4768
 FAX (915) 571-5063

December 10, 1996

CERTIFIED MAIL RETURN RECEIPT REOUESTED Certified Article Number P 979 967 D66 SENDERS RECORD

TO: ROYALTY OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Lea County, New Mexico

Gentlemen:

Enclosed is a Ratification and Joinder of Unit Agreement ("Ratification") regarding the captioned proposed unit for your execution and a copy of the Unit Agreement for your files. The proposed unit will be established as a Federal Waterflood Unit in order to recover secondary oil reserves from the Delaware formation found at approximately 6,500'.

It is anticipated that the applications to establish the unit and to conduct water injection operations will be heard at the Oil Conservation Division's regular hearing on January 9, 1996.

Parker & Parsley Development L.P. respectfully requests that you execute the enclosed Ratification in the presence of a notary public and return to the undersigned at your earliest convenience. Your expedient response would be greatly appreciated.

Should you have any questions or concerns, please contact any of the following Parker & Parsley employees:

Steve Owen - Land and Legal Larry Brooks - Geology Greg Pace - Reservoir Engineering Britt Hirth - Operations Engineering

Thank you for your cooperation.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

> Lena Bowman % Mildred Bowman P O Box 625 Logan, WV 25601

SKO:jw



P. O. Box 3178 Midlandi Tex is 79702-3178 303 West Wall Ave., Saite 103 Midland, Texas 79701 (915) 683-4768 • FAX (915) 571-5063

December 10, 1996

CERTIFIED MAIL RETURN RECEIPT REQUESTED Certified Article Number P 979 987 092 SENDERS RECORD

TO: ROYALTY OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Lea County, New Mexico

Gentlemen:

Enclosed is a Ratification and Joinder of Unit Agreement ("Ratification") regarding the captioned proposed unit for your execution and a copy of the Unit Agreement for your files. The proposed unit will be established as a Federal Waterflood Unit in order to recover secondary oil reserves from the Delaware formation found at approximately 6,500'.

It is anticipated that the applications to establish the unit and to conduct water injection operations will be heard at the Oil Conservation Division's regular hearing on January 9, 1996.

Parker & Parsley Development L.P. respectfully requests that you execute the enclosed Ratification in the presence of a notary public and return to the undersigned at your earliest convenience. Your expedient response would be greatly appreciated.

Should you have any questions or concerns, please contact any of the following Parker & Parsley employees:

Steve Owen - Land and Legal Larry Brooks - Geology Greg Pace - Reservoir Engineering Britt Hirth - Operations Engineering

Thank you for your cooperation.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

> Conrad Freeman P O Box 634 South Point, OH 45680

SKO:jw

Encl.

. 7



P. O. Box 3178 Midland, Texas 79702-3178 303 West Wall Ave. 12: 50-101 Midland, Texas 79701 (915) 583 4245 • FAX (915) 571-5063

December 10, 1996

CERTIFIED MAIL RETURN RECEIPT REOUESTED Certified Article Number P 979 987 095 SENDERS RECORD

TO: ROYALTY OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Lea County, New Mexico

Gentlemen:

Enclosed is a Ratification and Joinder of Unit Agreement ("Ratification") regarding the captioned proposed unit for your execution and a copy of the Unit Agreement for your files. The proposed unit will be established as a Federal Waterflood Unit in order to recover secondary oil reserves from the Delaware formation found at approximately 6,500'.

It is anticipated that the applications to establish the unit and to conduct water injection operations will be heard at the Oil Conservation Division's regular hearing on January 9, 1996.

Parker & Parsley Development L.P. respectfully requests that you execute the enclosed Ratification in the presence of a notary public and return to the undersigned at your earliest convenience. Your expedient response would be greatly appreciated.

Should you have any questions or concerns, please contact any of the following Parker & Parsley employees:

Steve Owen - Land and Legal Larry Brooks - Geology Greg Pace - Reservoir Engineering Britt Hirth - Operations Engineering

Thank you for your cooperation.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

SKO:jw

Encl.

Wendell K Freeman P O Box 83 South Point, OH 45680



 Plant Box 3178
 Midland
 Feast 8702-3178

 Box 3178
 Midland
 Feast 8702-3178

 Box 3178
 Midland
 Feast 8702-3178

 Box 3178
 Softe 101 Midland
 Feast 8702-3178

 Box 3178
 Softe 101 Midland
 Feast 8702-3178

 Box 3178
 Fast 800 Midland
 Feast 8702-3178

 Box 3178
 FAST 800 Midland
 Feast 8702-3178

December 10, 1996

CERTIFIED MAIL RETURN RECEIPT REOUESTED Certified Article Number P 979 987 094 SENDERS RECORD

TO: ROYALTY OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Lea County, New Mexico

Gentlemen:

Enclosed is a Ratification and Joinder of Unit Agreement ("Ratification") regarding the captioned proposed unit for your execution and a copy of the Unit Agreement for your files. The proposed unit will be established as a Federal Waterflood Unit in order to recover secondary oil reserves from the Delaware formation found at approximately 6,500'.

It is anticipated that the applications to establish the unit and to conduct water injection operations will be heard at the Oil Conservation Division's regular hearing on January 9, 1996.

Parker & Parsley Development L.P. respectfully requests that you execute the enclosed Ratification in the presence of a notary public and return to the undersigned at your earliest convenience. Your expedient response would be greatly appreciated.

Should you have any questions or concerns, please contact any of the following Parker & Parsley employees:

Steve Owen - Land and Legal Larry Brooks - Geology Greg Pace - Reservoir Engineering Britt Hirth - Operations Engineering

Thank you for your cooperation.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

> Milton L Freeman 304 Chateau Point South Point, OH 45680

SKO:jw



P. 2, 86x 3178 Midland, 14kus 79/02-3178
 H. Vest Wall Avel, Suite 101 Midland, 16kus 79/01 (215) 683-4768.
 FAX (215) 571 563

December 10, 1996

CERTIFIED MAIL RETURN RECEIPT REOUESTED

Certified Article Number P 979 987 096

SENDERS RECORD

TO: ROYALTY OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Lea County, New Mexico

Gentlemen:

Enclosed is a Ratification and Joinder of Unit Agreement ("Ratification") regarding the captioned proposed unit for your execution and a copy of the Unit Agreement for your files. The proposed unit will be established as a Federal Waterflood Unit in order to recover secondary oil reserves from the Delaware formation found at approximately 6,500'.

It is anticipated that the applications to establish the unit and to conduct water injection operations will be heard at the Oil Conservation Division's regular hearing on January 9, 1996.

Parker & Parsley Development L.P. respectfully requests that you execute the enclosed Ratification in the presence of a notary public and return to the undersigned at your earliest convenience. Your expedient response would be greatly appreciated.

Should you have any questions or concerns, please contact any of the following Parker & Parsley employees:

Steve Owen - Land and Legal Larry Brooks - Geology Greg Pace - Reservoir Engineering Britt Hirth - Operations Engineering

Thank you for your cooperation.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

Audrey Hamrick Rt 2 Box 387 Bidwell, OH 45614

SKO:jw



P. O. Box 3178 Midland, Texas 79702-3178 303 West Wall Avia , Guite 101 Midland, Texas 79701 (915) 583-4768 • FAX (915) 571-5063

December 10, 1996

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Certified Article Number P 979 987 093 SENDERS RECORD

TO: ROYALTY OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Lea County, New Mexico

Gentlemen:

Enclosed is a Ratification and Joinder of Unit Agreement ("Ratification") regarding the captioned proposed unit for your execution and a copy of the Unit Agreement for your files. The proposed unit will be established as a Federal Waterflood Unit in order to recover secondary oil reserves from the Delaware formation found at approximately 6,500'.

It is anticipated that the applications to establish the unit and to conduct water injection operations will be heard at the Oil Conservation Division's regular hearing on January 9, 1996.

Parker & Parsley Development L.P. respectfully requests that you execute the enclosed Ratification in the presence of a notary public and return to the undersigned at your earliest convenience. Your expedient response would be greatly appreciated.

Should you have any questions or concerns, please contact any of the following Parker & Parsley employees:

Steve Owen - Land and Legal Larry Brooks - Geology Greg Pace - Reservoir Engineering Britt Hirth - Operations Engineering

Thank you for your cooperation.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

John N Freeman P O Box 634 South Point, OH 45680

SKO:jw



 P. O. Box 3178
 Miniliand: Texas 79702-3178

 363 West Wall Avec
 0.000 - 0.000 - 0.0000

 (915) 683 4754
 - AX (215) 571 5063

December 10, 1996

CERTIFIED MAIL RETURN RECEIPT REOUESTED Certified Article Number P 979 987 101 SENDERS RECORD

TO: ROYALTY OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Lea County, New Mexico

Gentlemen:

Enclosed is a Ratification and Joinder of Unit Agreement ("Ratification") regarding the captioned proposed unit for your execution and a copy of the Unit Agreement for your files. The proposed unit will be established as a Federal Waterflood Unit in order to recover secondary oil reserves from the Delaware formation found at approximately 6,500'.

It is anticipated that the applications to establish the unit and to conduct water injection operations will be heard at the Oil Conservation Division's regular hearing on January 9, 1996.

Parker & Parsley Development L.P. respectfully requests that you execute the enclosed Ratification in the presence of a notary public and return to the undersigned at your earliest convenience. Your expedient response would be greatly appreciated.

Should you have any questions or concerns, please contact any of the following Parker & Parsley employees:

Steve Owen - Land and Legal Larry Brooks - Geology Greg Pace - Reservoir Engineering Britt Hirth - Operations Engineering

Thank you for your cooperation.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

> Gretchen Walter RR 3 Box 290 Rochester, IN 46975

SKO:jw

Encl.

-7



P. O. Box 3178 Midland, Texas 79702-3178 303 West Wall Ave Suite 101 Midland, Texas 79701 (915) 683-4768 • FAX (915) 571-5063

December 10, 1996

CERTIFIED MAIL RETURN RECEIPT REOUESTED Certified Article Number P 979 987 107 SENDERS RECORD

TO: ROYALTY OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Lea County, New Mexico

Gentlemen:

Enclosed is a Ratification and Joinder of Unit Agreement ("Ratification") regarding the captioned proposed unit for your execution and a copy of the Unit Agreement for your files. The proposed unit will be established as a Federal Waterflood Unit in order to recover secondary oil reserves from the Delaware formation found at approximately 6,500'.

It is anticipated that the applications to establish the unit and to conduct water injection operations will be heard at the Oil Conservation Division's regular hearing on January 9, 1996.

Parker & Parsley Development L.P. respectfully requests that you execute the enclosed Ratification in the presence of a notary public and return to the undersigned at your earliest convenience. Your expedient response would be greatly appreciated.

Should you have any questions or concerns, please contact any of the following Parker & Parsley employees:

Steve Owen - Land and Legal Larry Brooks - Geology Greg Pace - Reservoir Engineering Britt Hirth - Operations Engineering

Thank you for your cooperation.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

SKO:jw

Encl.

Darlene Honry 2334 S 4th St Ironton, O'1 45533



 P. O. Box 3178
 Midland, Texas 79702-3178

 303 West Wall Ave., Sate 101 Midland, Texas 79701
 (915) 683-4768

 (915) 683-4768
 FAX (915) 571-5063

December 10, 1996

CERTIFIED MAIL RETURN RECEIPT REOUESTED Certified Article Number P 979 987 118 SENDERS RECORD

TO: ROYALTY OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Lea County, New Mexico

Gentlemen:

Enclosed is a Ratification and Joinder of Unit Agreement ("Ratification") regarding the captioned proposed unit for your execution and a copy of the Unit Agreement for your files. The proposed unit will be established as a Federal Waterflood Unit in order to recover secondary oil reserves from the Delaware formation found at approximately 6,500'.

It is anticipated that the applications to establish the unit and to conduct water injection operations will be heard at the Oil Conservation Division's regular hearing on January 9, 1996.

Parker & Parsley Development L.P. respectfully requests that you execute the enclosed Ratification in the presence of a notary public and return to the undersigned at your earliest convenience. Your expedient response would be greatly appreciated.

Should you have any questions or concerns, please contact any of the following Parker & Parsley employees:

Steve Owen - Land and Legal Larry Brooks - Geology Greg Pace - Reservoir Engineering Britt Hirth - Operations Engineering

Thank you for your cooperation.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

Douglas R Evans % Nakaua, Inc. 3415 Lindenwood Dallas, TX 75205

SKO:jw

Encl.

٢.



 P. O. Box 3178
 Midland, Texas 19702-3178

 303 West Wall Ave., Suite 101 Midland, Texas 19701 (915) 683-4768
 • FAX (915) 571-5063

December 10, 1996

CERTIFIED MAIL RETURN RECEIPT REOUESTED Certified Article Number P 979 987 119

SENDERS RECORD

TO: ROYALTY OWNERS

Re: 2050 - Proposed Lusk West (Delaware) Unit Lea County, New Mexico

Gentlemen:

Enclosed is a Ratification and Joinder of Unit Agreement ("Ratification") regarding the captioned proposed unit for your execution and a copy of the Unit Agreement for your files. The proposed unit will be established as a Federal Waterflood Unit in order to recover secondary oil reserves from the Delaware formation found at approximately 6,500'.

It is anticipated that the applications to establish the unit and to conduct water injection operations will be heard at the Oil Conservation Division's regular hearing on January 9, 1996.

Parker & Parsley Development L.P. respectfully requests that you execute the enclosed Ratification in the presence of a notary public and return to the undersigned at your earliest convenience. Your expedient response would be greatly appreciated.

Should you have any questions or concerns, please contact any of the following Parker & Parsley employees:

Steve Owen - Land and Legal Larry Brooks - Geology Greg Pace - Reservoir Engineering Britt Hirth - Operations Engineering

Thank you for your cooperation.

Yours very truly,

PARKER & PARSLEY DEVELOPMENT L.P.

Steven K. Owen Landman Specialist Permian Division

> Don G. Shackelford 203 W. Wall Midland, TX 79701

SKO:jw