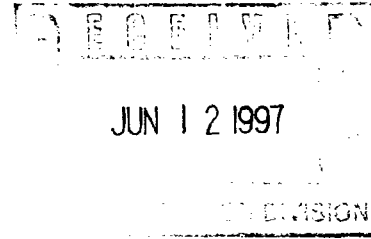


DOYLE HARTMAN
Oil Operator
3811 TURTLE CREEK BLVD., SUITE 200
DALLAS, TEXAS 75219

(214) 520-1800
(214) 520-0811 FAX



Via Certified Mail, Return Receipt Requested

June 12, 1997

OXY USA, Inc.
P.O. Box 50250
Midland, Texas 79710

Attn: Donald Romine, V.P. Western Region
Robert Hunt, Asset Team Leader
T. Kent Wooley, Senior Landman

Re: Follow-up Request that OXY Honor the 1980 Ratifications
of the Statutory Revisions to the MLMU Unit Agreement
and MLMU Unit Operating Agreement

Gentlemen:

Reference is made to OXY USA, Inc.'s blatantly improper position that NMOCD Order No. R-6447 statutorily unitized only those MLMU interest owners that had not, as of 1980, ratified the original 1973 voluntary MLMU Unit Agreement and voluntary MLMU Unit Operating Agreement.

As documentation that Getty Oil Company, in 1980, most certainly sought to statutorily unitize much more than a few holdout royalty owners, reference is made to the NMOCD's advertisement corresponding to Getty's 1980 MLMU statutory unitization hearing, which advertisement clearly stated that Getty, as unit operator, sought to unitize all mineral interest within the proposed MLMU unit area and proposed MLMU unitized interval. The NMOCD's advertisement, of Getty's 1980 MLMU statutory unitization hearing, in part, read as follows:

Application of Getty Oil Company for statutory unitization, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of continued secondary recovery operations, all mineral interests from a point 100 feet above the base of the Seven Rivers formation down to the base of the Queen formation

underlying the Myers Langlie Mattix Unit Area, which encompasses 9360 acres, more or less,...

...Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of a fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; (emphasis added)...

After the NMOCD issued Order No. R-6447, dated August 27, 1980, statutorily unitizing all mineral interests within the newly-approved 9326.56-acre MLMU unit area, ratification documents were issued by Getty to all MLMU interest owners to obtain their approval of (1) Order R-6447 and (2) the resulting statutorily-revised MLMU Unit Agreement and MLMU Unit Operating Agreement, which amendments and modifications included the addition of a statutorily-required non-consent provision to the MLMU Unit Operating Agreement pursuant to Section 70-7-7(F) of the New Mexico Statutory Unitization Act [70-7-1 to 70-7-21 NMSA 1978]. The ratification documents issued by Getty and approved by the MLMU interest owners, in part, read as follows:

...to obtain the benefits of unitized management, operation and further development of the oil and gas properties in the Myers Langlie-Mattix Unit pursuant to New Mexico Oil Conservation Commission Order No. R-6447 entered on August 27, 1980, approving statutory unitization of the Myers Langlie-Mattix Unit,...

...The undersigned hereby acknowledges receipt of copies of said New Mexico Oil Conservation Commission Order No. R-6447, Unit Agreement and Unit Operating Agreement and further acknowledges that the plan for unit operations prescribed in said documents has been ratified and approved and unconditionally delivered on the date set out hereinbelow...(emphasis added)

In the case of *Humphrey v. Southport Petroleum Company*, 131 S.W. 2d 396,

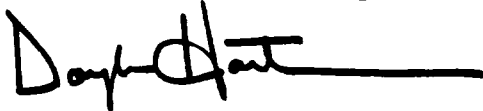
...Ratification "is variously defined as the act of giving sanction and validity to something done by another; the adoption by a person as binding upon himself of an act done in such relation that he may claim it as done for his benefit, although done under such circumstances as would not bind him but for his subsequent assent; the confirmation of a previous act done either by the party himself or by another; the confirmation of a voidable act."...

In summation, in 1980, Getty both sought and obtained statutory unitization Order R-6447. After the NMOCC's issuance of Order R-6447, Getty also sought written ratifications of Order R-6447, the MLMU Unit Agreement, as revised, and MLMU Unit Operating Agreement, as revised, from all MLMU mineral interest owners, and obtained written approvals from 98.68% of the MLMU working interest owners (tabulation of approvals enclosed) including both OXY's and Hartman's predecessors-in-interest. Order R-6447 approved statutory unitization of all MLMU mineral interests and also prescribed the addition of a statutory non-consent provision to the MLMU Unit Operating Agreement pursuant to the terms of Section 70-7-7(F) NMSA 1978. Consequently, as of the effective date of January 5, 1981 of Order R-6447, the original MLMU Unit Operating Agreement became amended and modified and, since that date, has contained a statutory non-consent provision that allows any non-consenting working interest owner, if he so elects, to be carried, as to unit investments, on a carried or net-profits basis payable out of production.

Therefore, in light of the foregoing, we again respectfully request that OXY immediately begin honoring the provisions of statutory unitization Order R-6447 and the resulting amendments to the MLMU Unit Agreement and MLMU Unit Operating Agreement including properly treating Doyle Hartman as a non-consent working interest owner as to OXY's highly-expensive and, to date, unsuccessful 20-acre spacing MLMU infill drilling program (production and financial performance enclosed).

Very truly yours,

DOYLE HARTMAN, Oil Operator



Doyle Hartman

enclosures

rcp/rjr
wpdocs\corresp.dh\mlmu.7

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

Rand Carroll, Division Attorney
New Mexico Oil Conservation Division
2040 S. Pacheco
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New Mexico Oil Conservation Division
2040 S. Pacheco
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Ray B. Powell
Commissioner of Public Lands
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OXY USA, Inc.

June 12, 1997

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OXY USA, Inc.
June 12, 1997
Page 5

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Carol Glass, Landman
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Vice President Land
Collins & Ware
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Charles Pollard
Operations Engineering Supervisor
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OXY USA, Inc.
June 12, 1997
Page 6

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Ft. Worth, TX 76112

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Margaret Couch Trust
James C. Brown, Trustee
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Midland, TX 79702

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

Ron Crosby
Brooks Purnell, Vice President
Headington Minerals Inc.
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Dallas, TX 75231

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Solana Beach, CA 92075

Larry A. Nermeyr
HC-57
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Sidney, MT 59270

Margie P. Bentley Estate
Paul Midkiff, Trustee, TX1-1263
Bank One Texas
P.O. Box 2605
Ft. Worth, TX 76113

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

Jennifer Ann Cather
6343 Edloe
Houston, TX 77005

Rufus Clay, Jr. Trust
James C. Brown, Trustee
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Midland, TX 79702

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7717 Meadowhaven Drive
Dallas, TX 75240-8105

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Midland, TX 79701

Nancy Lee Harrison
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Waco, TX 76707

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

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

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5608 Westcreek Dr.
Fort Worth, TX 76133-2245

OXY USA, Inc.
June 12, 1997
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Arlington, TX 76016

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L. Summers Oil Company
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Ruth Sutton
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Bovina Ltd. Liability Co.
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Ft. Worth, TX 76102-6298

Jerry Brannon
Davoil, Inc.
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Ft. Worth, TX 76121-2269

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

Joint Interest Manager
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1331 Lamar, Suite 900
Houston, TX 77010

LTV Energy Productions Company
c/o Continental-EMSCO
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Kilgore, TX 75662

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Katherine E. Rugen, Trustee
Sunwest Bank of Albuquerque
P.O. Box 26900
Albuquerque, NM 87125-6900

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

Primary Fuels, Inc.
P.O. Box 201682
Houston, TX 77216-1682

Dimitri Mataragas
14114 Dallas Parkway, Suite 435
Dallas, TX 75240

OXY USA, Inc.
June 12, 1997
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Continental-EMSCO Company
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Kilgore, TX 75662

Management Trust Company 8057-06
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Midland, TX 79702

Crown Central Petroleum Corporation
One North Charles
Box 1168
Baltimore, MD 21203

Samedan Oil Corporation
P.O. Box 909
Ardmore, OK 73402

DOYLE HARTMAN, Oil Operator (Midland)

Don Mashburn
Steve Hartman
Linda Land
Cindy Brooks
Sheila Potts

Summary of the 1980 Working Interest Owner Ratifications of Myers Langlie Mattix Unit Statutory Unitization Order R-6447, Amended Unit Agreement, and Amended Unit Operating Agreement

Ratifying Interest Owner	Agent Or Party	Current Successor In Interest	W.I. Ownership (%)	Ratified	Ratification Date	Recording Data				
						Recording Date	Time	Doc. No.	Misc. Book	Page No.
Allied Chemical	J.S. Emple	OXY	1.03974	Yes	10/31/80	1/6/81	11:05 A.M.	158	382	570
Amerada Hess Corp.	P.A. Dysert	Collins & Ware	6.38753	Yes	10/31/80	1/6/81	11:05 A.M.	159	382	572
Amoco Production Co.	Earl C. Morris	OXY	5.49708	Yes	9/24/80	1/6/81	11:05 A.M.	160	382	574
Anthony, Arlene S.	Arlene S. Anthony		0.08528	Yes	9/29/80	1/6/81	11:05 A.M.	161	382	576
Atlantic Richfield Co.	C.E. Cardwell, Jr.	OXY	9.80180	Yes	10/22/80	1/6/81	11:05 A.M.	162	382	578
Bentley, George R.			0.01512	No						
Bundy, Gloria	Gloria Bundy	Hartman	0.20468	Yes	9/30/80	1/6/81	11:05 A.M.	163	382	580
Chevron Oil Company	J.T. Rowland	OXY	0.66680	Yes	10/3/80	1/6/81	11:05 A.M.	164	382	582
Cities Service Oil Company	L.H. Stayton	OXY	1.69279	Yes	11/26/80	1/6/81	11:05 A.M.	165	382	584
Clay, Ellen H.	D. Miller			Yes	9/22/80	1/6/81	11:05 A.M.	166	382	586
Clay, Margaret B.			0.77206	No						
Clay Trust No. 618 - 1, 2, 3	Thomas B. Hightower		0.75696	Yes	10/20/80	1/6/81	11:05 A.M.	167	382	588
Clay, W.J. Estate	D. Miller		0.01859	Yes	9/19/80	1/6/81	11:05 A.M.	168	382	590
Clough, Adele Combs	Adele Clough		0.00065	Yes	9/30/80	1/6/81	11:05 A.M.	169	382	592
Clough, Michael	Michael Clough		0.00022	Yes	9/19/80	1/6/81	11:05 A.M.	170	382	594

Ratifying Interest Owner	Agent Or Party	Successor In Interest	W.I. Ownership (%)	Ratified	Ratification Date	Recording Data		
						Recording Date	Time	Misc. Book No.
Continental Emsco Co.	J. Morganhausen	OXY	0.60541	Yes	9/22/80	1/6/81	11:05 A.M.	382
Conoco	J.C. Curry	OXY	2.14914	Yes	9/24/80	1/6/81	11:05 A.M.	382
Crown Central Petroleum Corp.	R.M. Kobdish		0.91263	Yes	10/13/80	1/6/81	11:05 A.M.	382
Davoil, Inc.	J.L. Brannon	OXY	0.93165	Yes	9/19/80	1/6/81	11:05 A.M.	382
Dwyer Clara Estate			0.04302	No				
El Paso Natl. Gas Co.	A.J. Dudenhoeffer	OXY	0.08931	Yes	10/20/80	1/6/81	11:05 A.M.	382
Flag-Redfern Oil Co.	Byron H Greaves		1.22311	Yes	10/7/80	1/6/81	11:05 A.M.	382
Fluor Oil & Gas	Leroy Esterak		0.10297	Yes	9/17/80	1/6/81	11:05 A.M.	382
Gackle Oil Co.	James C. Brown	OXY	0.92814	Yes	9/26/80	1/6/81	11:05 A.M.	382
General Crude Oil Co.		OXY	0.25815	No				
Getty Oil Co.	Vice President	OXY	13.74491	Yes	9/29/80	1/6/81	11:05 A.M.	382
Great Western Drig. Co.	John Hampton	OXY	1.69094	Yes	9/23/80	1/6/81	11:05 A.M.	382
Gulf Oil Corporation	Attorney-In-Fact	OXY	11.18408	Yes	1/5/81	1/6/81	11:05 A.M.	383
Hess, Wanda P.	Wanda P. Hess		0.00109	Yes	9/23/80	1/6/81	11:05 A.M.	382
Holway, Weslyn McCallister	Weslyn McCallister Holway		0.14294	Yes	9/26/80	1/6/81	11:05 A.M.	382
Hunt, Lamar	Lamar Hunt		1.55315	Yes	10/8/80	1/6/81	11:05 A.M.	382
Hunt, N.B.	N.B. Hunt	OXY	3.10633	Yes	10/15/80	1/6/81	11:05 A.M.	382
Hunt, W.H.	W.H. Hunt	OXY	1.55316	Yes	10/13/80	1/6/81	11:05 A.M.	382
Johnson, Grace	Grace Johnson		0.00110	Yes	9/22/80	1/6/81	11:05 A.M.	382
Lortscher, Frank D.	Frank D. Lortscher		0.25584	Yes	9/22/80	1/6/81	11:05 A.M.	382
Lowe, Erma	Erma Lowe		0.29808	Yes	10/1/80	1/6/81	11:05 A.M.	382

Ratifying Interest Owner	Agent Or Party	Successor in Interest	W.I. Ownership (%)	Ratified	Ratification Date	Recording Data		
						Recording Date	Time	Misc. Book No.
Management Trust Co.	James C. Brown		0.27844	Yes	9/19/80	1/6/81	11:05 A.M.	188 382 630
Maralo	Mary Ralph Lowe		0.29808	Yes	10/1/80	1/6/81	11:05 A.M.	189 382 632
Merchants Natl. Bank			0.01511	No				
Mitchell, Gertrude C.			0.04302	No				
Mobil Oil Co.	P.E. Harrison	OXY	0.68839	Yes	9/30/80	1/6/81	11:05 A.M.	190 382 634
Penfield, Boyd E.			0.00110	No				
Petroleum Corp of Texas	President	OXY	0.13937	Yes	9/30/80	1/6/81	11:05 A.M.	191 382 636
Scott, Charles T. Jr.			0.08528	No				
Scott, Robert C.			0.08528	No				
Sivley, T.J.	T.J. Sivley	OXY	0.39855	Yes	9/17/80	1/6/81	11:05 A.M.	192 382 638
Summers, Robert L.	Robert L. Summers		0.08649	Yes	9/22/80	1/6/81	11:05 A.M.	193 382 640
Sun Oil Co.	D. Wagnor	OXY Hartman, et al	13.32978	Yes	10/23/80	1/6/81	11:05 A.M.	194 382 642
Superior Oil Co.	Attorney-In-Fact	OXY	6.25819	Yes	12/9/80	1/6/81	11:05 A.M.	195 382 644
Texaco, Inc.	G.F. Clarke	OXY	10.57848	Yes	9/23/80	1/6/81	11:05 A.M.	196 382 646

Sub-Total of Ratifying Parties
Sub-Total of Non-Ratifying Parties

98.681865	41
1.318135	9
100.000000	50

Grand Total

Dockets Nos. 26-80 and 27-80 are tentatively set for August 20 and September 3, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - TUESDAY - AUGUST 5, 1980

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 6848: (DE NOVO)

Application of Petroleum Development Corporation for pool contraction and creation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the Querecho Plains-Bone Spring Pool to comprise the Upper Bone Spring formation only, from 8390 feet to 8680 feet on the log of its McKay West Federal Well No. 1 located in Unit F of Section 34, Township 18 South, Range 32 East, and the creation of the Querecho Plains-Lower Bone Spring Pool to comprise said formation from 8680 feet to the base of the Bone Spring underlying the NW/4 of said Section 34.

Upon application of Petroleum Development Corporation this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 6987: Application of Getty Oil Company for statutory unitization, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of continued secondary recovery operations, all mineral interests from a point 100 feet above the base of the Seven Rivers formation down to the base of the Queen formation underlying the Myers Langlie Mattix Unit Area, which encompasses 9360 acres, more or less, being all or portions of the following lands in Lea County, New Mexico: Sections 25 and 36, Township 23 South, Range 36 East; Sections 28 thru 34, Township 23 South, Range 37 East; Sections 1 and 12, Township 24 South, Range 36 East; and Sections 2 thru 11, Township 24 South, Range 37 East.

Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of a fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termination of unit operations.

Docket No. 25-80

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 6, 1980

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

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

CASE 6988: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Bennett Petroleum Corporation, The Travelers Indemnity Company, and all other interested parties to appear and show cause why the Phelps Dodge Well No. 2 in Unit J of Section 4 and Wells Nos. 3 in Unit P and 3Y in Unit I of Section 9, all in Township 28 North, Range 21 East, and No. 5 in Unit P of Section 24, Township 28 North, Range 20 East, Colfax County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6989: Application of Read & Stevens, Inc. for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Lancaster Spring Unit Area, comprising 960 acres, more or less, of State, Federal, and fee lands in Township 22 South, Range 26 East.

CASE 6990: Application of Read & Stevens, Inc. for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the North Haystack Unit Area, comprising 4800 acres, more or less, of State, Federal, and fee lands in Township 5 South, Range 26 East.

CASE 6991: Application of Amoco Production Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in a 100 foot perforated interval between 4400 feet and 4800 feet in its South Hobbs Unit Well No. 103 in Unit B of Section 13, Township 19 South, Range 38 East, Hobbs Grayburg-San Andres Pool.

Enclosed with this docket is one copy each of recently revised Forms C-132 and C-132-A. You may wish to keep these forms in your files for reproduction and use in filing for NCPA gas well price determination.

9360 ac
more or
less

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6987
Order No. R-6447

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

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

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

FINDS:

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

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

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

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

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

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

TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM

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

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

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM

Section 28: SW/4

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

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

Sections 31 through 33: All

Section 34: W/2

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM

Section 1: NE/4 NE/4

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

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM

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

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

Sections 4 and 5: All

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

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

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

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

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

Section 11: SW/4 NW/4

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

the base of the Queen formation; said interval having been heretofore found to occur in the Texas Pacific Oil Company's Blinebry "B" Well No. 3 located 330 feet from the North line and 2310 feet from the West line of Section 34, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, at an indicated depth interval of 3168 feet to 3570 feet, as recorded on the Schlumberger Electrical Log Run No. 1 taken December 26, 1952, said log being measured from a derrick floor elevation of 3300 feet above sea level.

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

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

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

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

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

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

(14) That the additional recovery to be derived from the extended secondary recovery operations resulting from statutory unitization will have a gross value to the unit of \$18.24 million.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IT IS THEREFORE ORDERED:

(1) That the Myers Langlie-Mattix Unit Area, comprising 9,360 acres, more or less, in the Langlie Mattix Pool, Lea County, New Mexico, is hereby approved for statutory unitization pursuant to the Statutory Unitization Act, Sections 70-7-1 through 70-7-21 NMSA 1978.

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

TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM

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

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM

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

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM

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

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM

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

(3) That the vertical limits of said Myers Langlie-Mattix Unit Area should comprise that interval which extends from a point 100 feet above the base of the Seven Rivers formation to the base of the Queen formation; said interval having been heretofore found to occur in the Texas Pacific Oil Company's Blinbry "B" Well No. 3 located 330 feet from the North line and 2310 feet from the West line of Section 34, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, at an indicated depth interval of 3168 feet to 3570 feet, as recorded on the Schlumberger Electrical Log Run No. 1 taken December 26, 1952, said log being measured from a derrick floor elevation of 3300 feet above sea level.

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

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

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

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

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

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

-8-

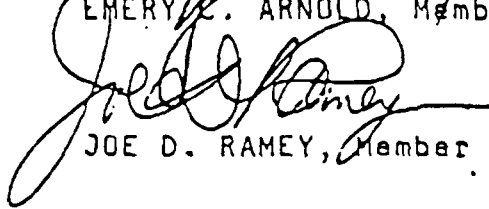
Case No. 6987
Order No. R-6447

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

ALEX J. ARMIJO, Member


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

S E A L

fd/

163

GETTY OIL COMPANY

OCT - 6 1980

MIDLAND E&P DISTRICT
PRODUCTION DEPARTMENT

miss
BOOK 382 PAGE 580

RATIFICATION AND APPROVAL
OF THE PLAN FOR UNIT OPERATIONS
AS STATED IN THE UNIT AGREEMENT AND
UNIT OPERATING AGREEMENT OF THE
MYERS LANGLIE-MATTIX UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS, THAT:

For consideration and the purposes stated in those certain agreements, entitled as above, both being dated January 1, 197 , and to obtain the benefits of unitized management, operation and further development of the oil and gas properties in the Myers Langlie-Mattix Unit pursuant to New Mexico Oil Conservation Commission Order No. R-6447 entered on August 27, 1980, approving statutory unitization of the Myers Langlie-Mattix Unit, the undersigned (whether one or more) represents that it is a Working Interest Owner within the meaning of that term as used in the captioned Unit Agreement and, as such, does hereby consent to ratify and approve the plan for unit operations contained in the captioned Unit Agreement and Unit Operating Agreement, said Agreements being incorporated herein by reference and said plan for unit operations having been approved by the New Mexico Oil Conservation Commission in Order No. R-6447.

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

The undersigned hereby acknowledges receipt of copies of said New Mexico Oil Conservation Commission Order No. R-6447, Unit Agreement and Unit Operating Agreement and further acknowledges that the plan for unit operations prescribed in said documents has been ratified and approved and unconditionally delivered on the date set out hereinbelow.

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

The undersigned, whether one or more, is referred to in the neuter gender.

IN WITNESS WHEREOF, this instrument is executed this 30th
day of September, 1980.

X Gloria Bundy

ATTEST:

X Gloria Bundy

STATE OF Florida)
COUNTY OF Broward) ss.

SUBSCRIBED AND SWORN TO before me this 30th day of
September, 1980.

Mahd Maher
Notary Public For Gloria Bundy

My Commission Expires:

NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES JAN 23 1982
BONDED THRU GENERAL INS. UNDERWRITERS

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

JAN 6 1981

at 11:05 o'clock A.M.
and recorded in Book 382
Page 580
Donna Benge, County Clerk
By Donna Benge Deputy

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BOOK 382 PAGE 642 RATIFICATION AND APPROVAL
OF THE PLAN FOR UNIT OPERATIONS
AS STATED IN THE UNIT AGREEMENT AND
UNIT OPERATING AGREEMENT OF THE
MYERS LANGLIE-MATTIX UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS, THAT:

For consideration and the purposes stated in those certain agreements, entitled as above, both being dated January 1, 1973, and to obtain the benefits of unitized management, operation and further development of the oil and gas properties in the Myers Langlie-Mattix Unit pursuant to New Mexico Oil Conservation Commission Order No. R-6447 entered on August 27, 1980, approving statutory unitization of the Myers Langlie-Mattix Unit, the undersigned (whether one or more) represents that it is a Working Interest Owner within the meaning of that term as used in the captioned Unit Agreement and, as such, does hereby consent to ratify and approve the plan for unit operations contained in the captioned Unit Agreement and Unit Operating Agreement, said Agreements being incorporated herein by reference and said plan for unit operations having been approved by the New Mexico Oil Conservation Commission in Order No. R-6447.

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

The undersigned hereby acknowledges receipt of copies of said New Mexico Oil Conservation Commission Order No. R-6447, Unit Agreement and Unit Operating Agreement and further acknowledges that the plan for unit operations prescribed in said documents has been ratified and approved and unconditionally delivered on the date set out hereinbelow.

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

The undersigned, whether one or more, is referred to in the neuter gender.

IN WITNESS WHEREOF, this instrument is executed this 23rd
day of October, 1980.

[Signature] SW
Attorney - in fact for Sun Oil Company (Delaware)
for Sun Texas Company,
a Division of Sun Oil Company (Delaware)

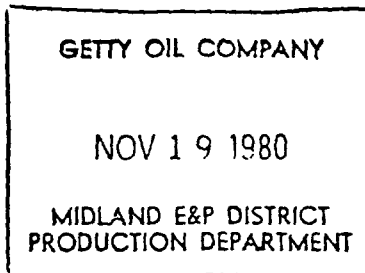
ATTEST:

STATE OF Texas }
COUNTY OF El Paso } ss.

SUBSCRIBED AND SWORN TO before me this 23rd day of
October, 1980.

[Signature]
Notary Public

My Commission Expires:
7.24.1984



JAN 6 1981
at 4:05 PM
and recorded in Book 382
Page 642
By Donna Henge, County Clerk
Deputy

AFFIDAVIT

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

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

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

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

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

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

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

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

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

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

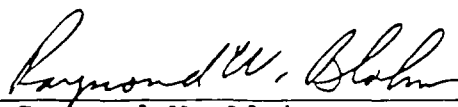
8. That said Order No. R-6447 provided "that when . . . the persons owning the required percentage of interest in the unit area have approved or ratified the Unit Agreement and the Unit Operating Agreement, the interests of all persons within the unit area are unitized, whether or not such persons have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

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

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

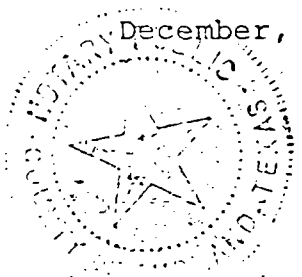
initially to pay the costs of unit operations and from more than 75% of the interest owners of production proceeds from the unit that will be credited to interests which are free of costs.

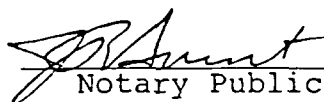
11. That Getty Oil Company intends to commence unitized operations of the Myers Langlie-Mattix Unit under Oil Conservation Division Order No. R-6447 on January 1, 1981 at 7:00 a.m.


Raymond W. Blohm

SUBSCRIBED AND SWORN TO before me this 24th day of

December, 1980, by Raymond W. Blohm.




Notary Public

J. R. AVENT Notary Public
Midland County, Texas

My Commission Expires:

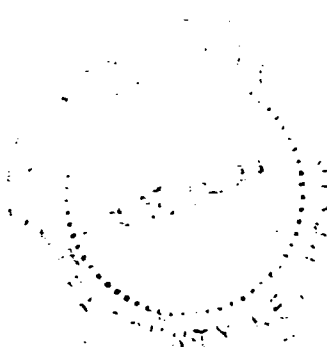
6-30-84

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

JAN 6 1981

at 11:05 o'clock A^M
and recorded in Book 382
Page 567

Donna Bengé, County Clerk
Dona



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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

J. J. KING
GOVERNOR
LARRY KEHOE
SECRETARY

January 5, 1981

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

Case 6987

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

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

Dear Mr. Carr:

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

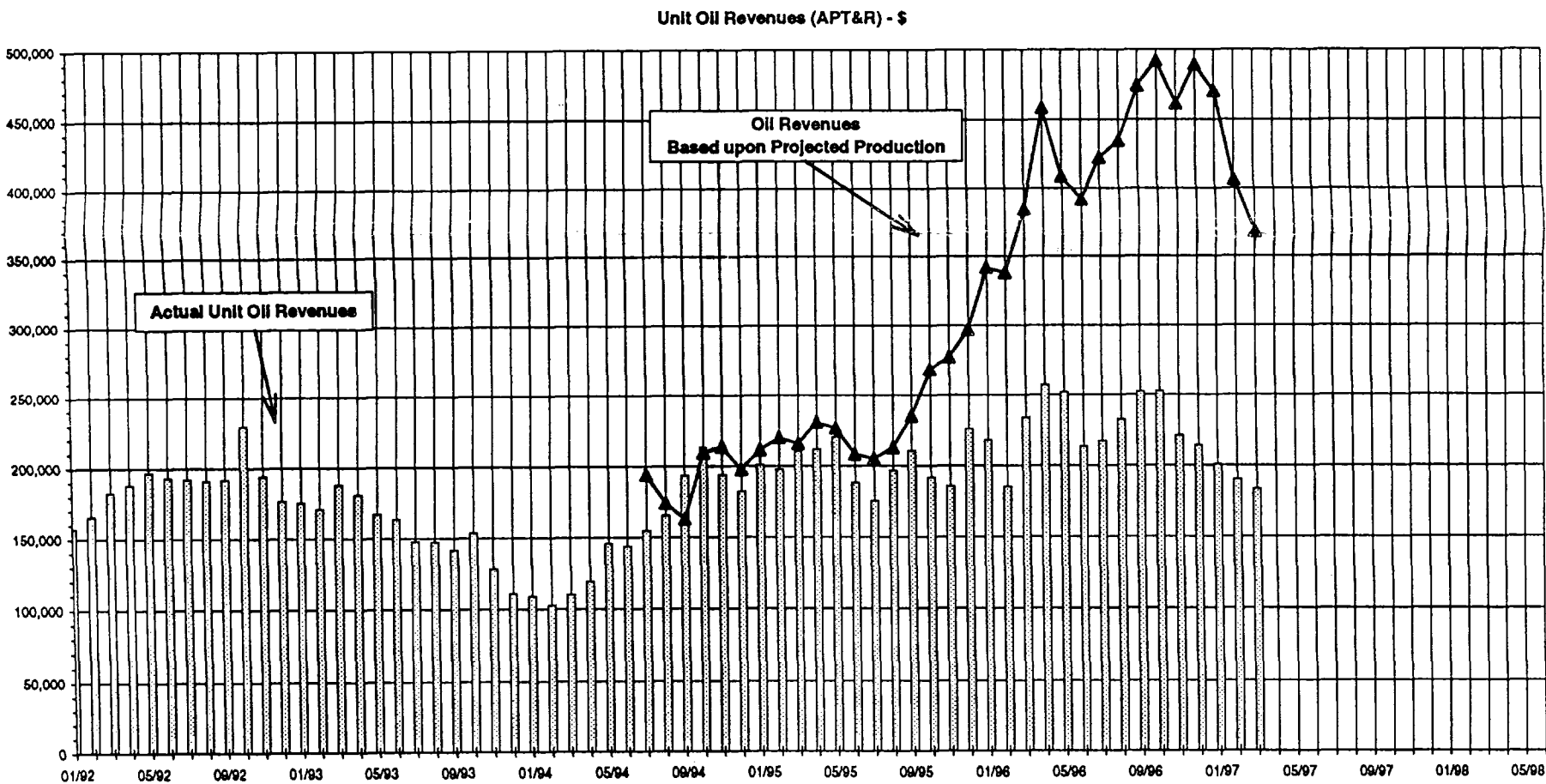
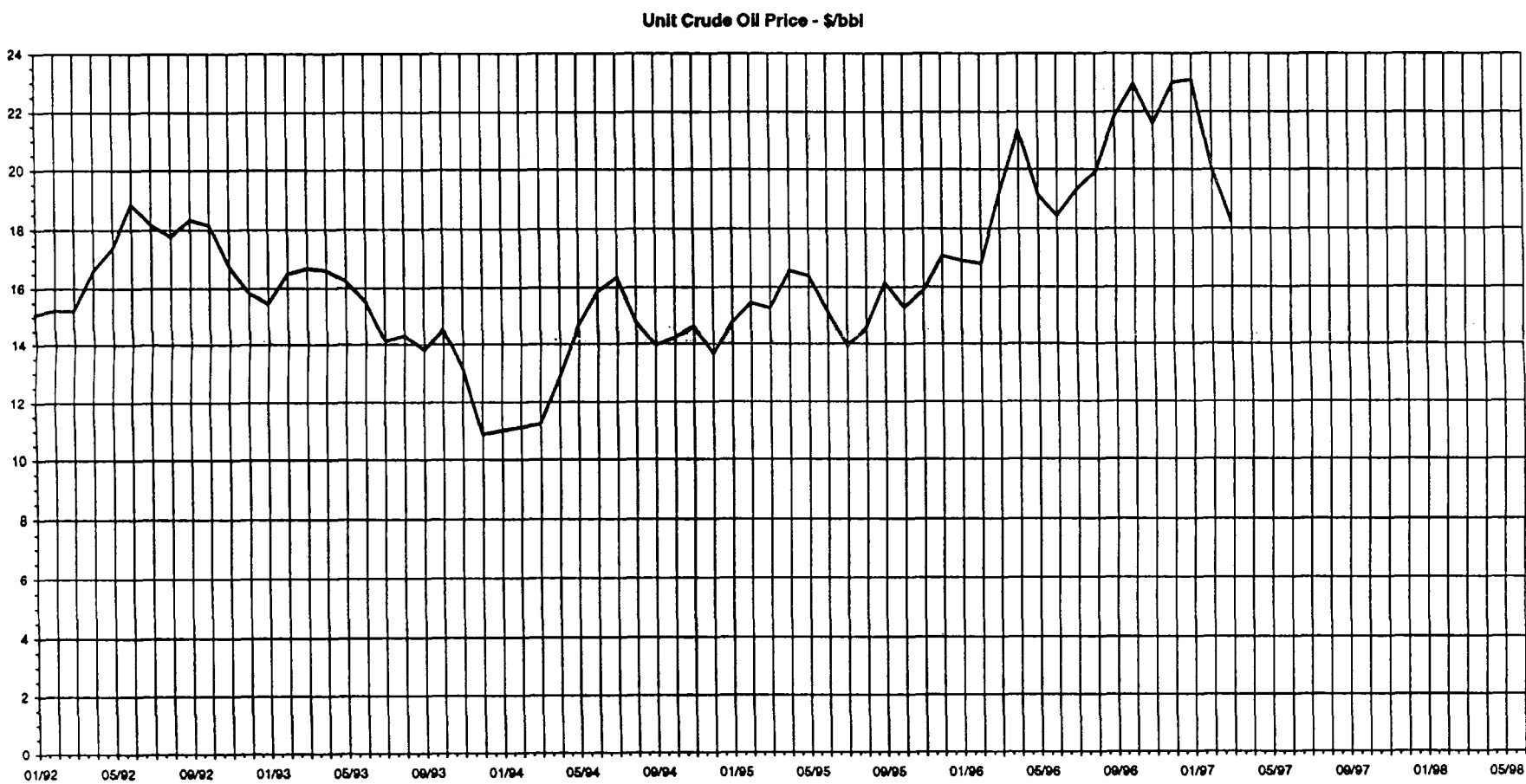
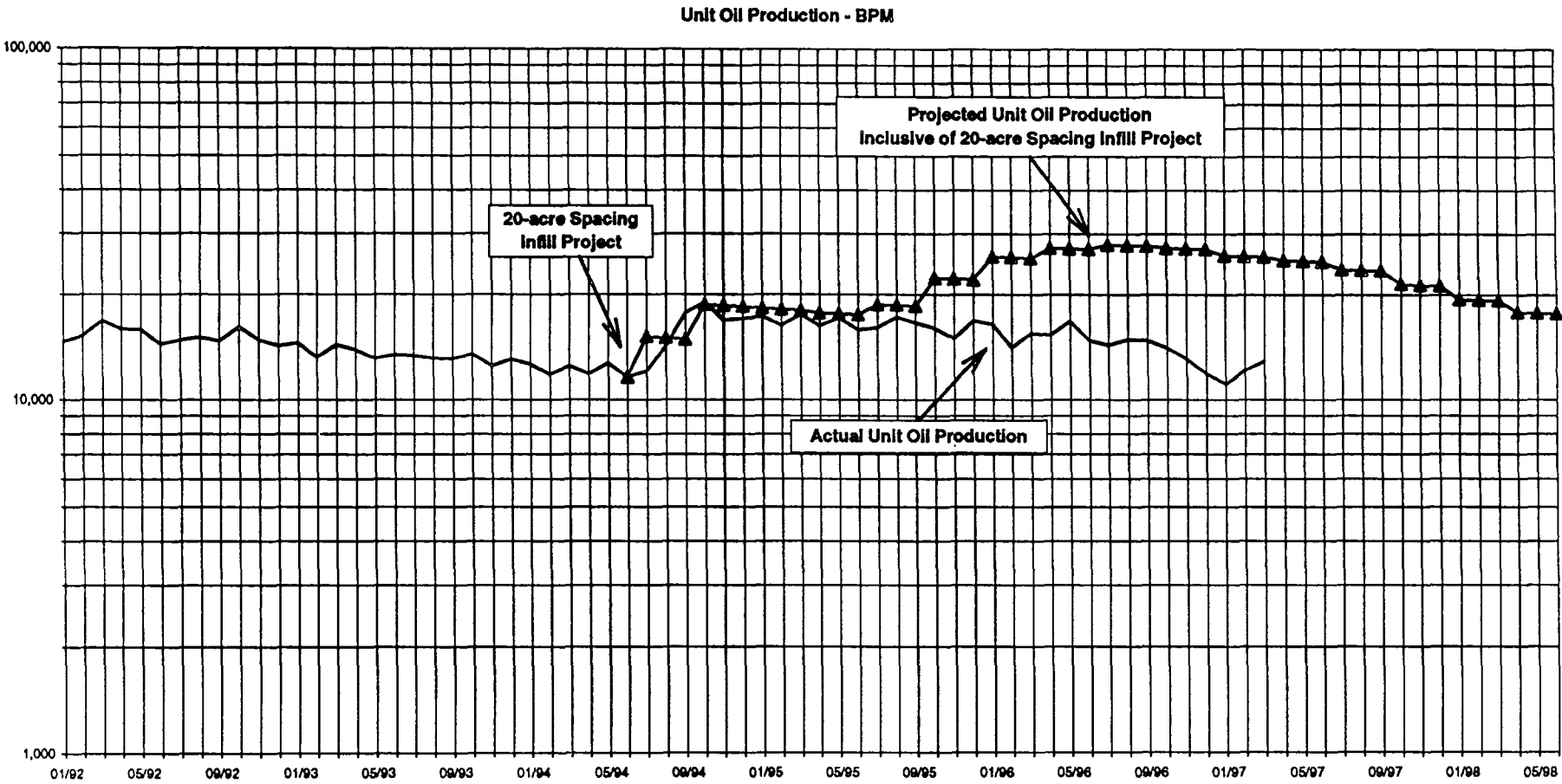
The above percentages of ratification or approval of the plan for unitized operations meet the criteria set forth by Section 70-7-8, NMSA, 1978 Comp., and were also within the time limit prescribed by said Section 70-7-8. It is therefore hereby determined that Commission Order No. R-6447 unitizing all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

Very truly yours,

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

JDR/DSN/fd

Oil Revenue and Production History
Myers Langlie Mattix Unit
Inclusive of 20-Acre Spacing Infill Project
Using DHOO Royalty Rate



Financial Performance
Myers Langlie Itix Unit
Inclusive of 20-Acre Spacing Infill Project
Using DHOO Royalty Rate & Actual Production

