

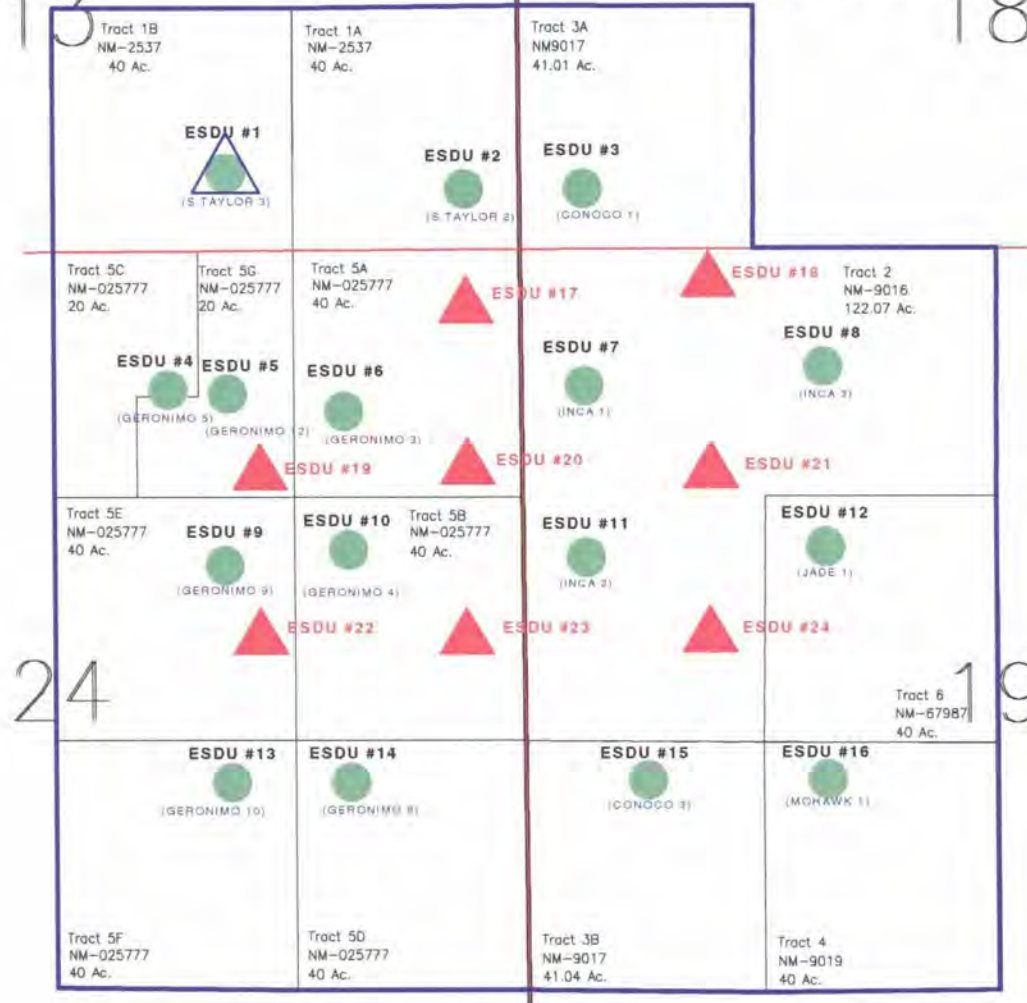
# EXHIBIT 1

**R 31 E**

**R 32 E**

13

18



**T  
18  
S**

24

19

## ST. Mary Land & Exploration Co. EAST SHUGART DELAWARE UNIT PROPOSED WATERFLOOD

Scale 1 : 3000

### Township 18 South, Range 31 East

Section 13: S/2SE/4

Section 24: NE/4 AND N/2SE/4

Eddy County, New Mexico

### Township 18 South, Range 32 East

Section 18: Lot 4 (SW/4SW/4)

Section 19: Lots 1,2 (W/2NW/4;

Lot 3 (NW/4SW/4);

E/2NW/4 AND NE/4SW/4

Lea County, New Mexico

Containing 604.12 Acres, more or less

### LEGEND

Proposed Well #  
(Former Well Name)



Delaware Producer



Proposed Conversion



Proposed D&C Injection Well

**R 31 E | R 32 E**

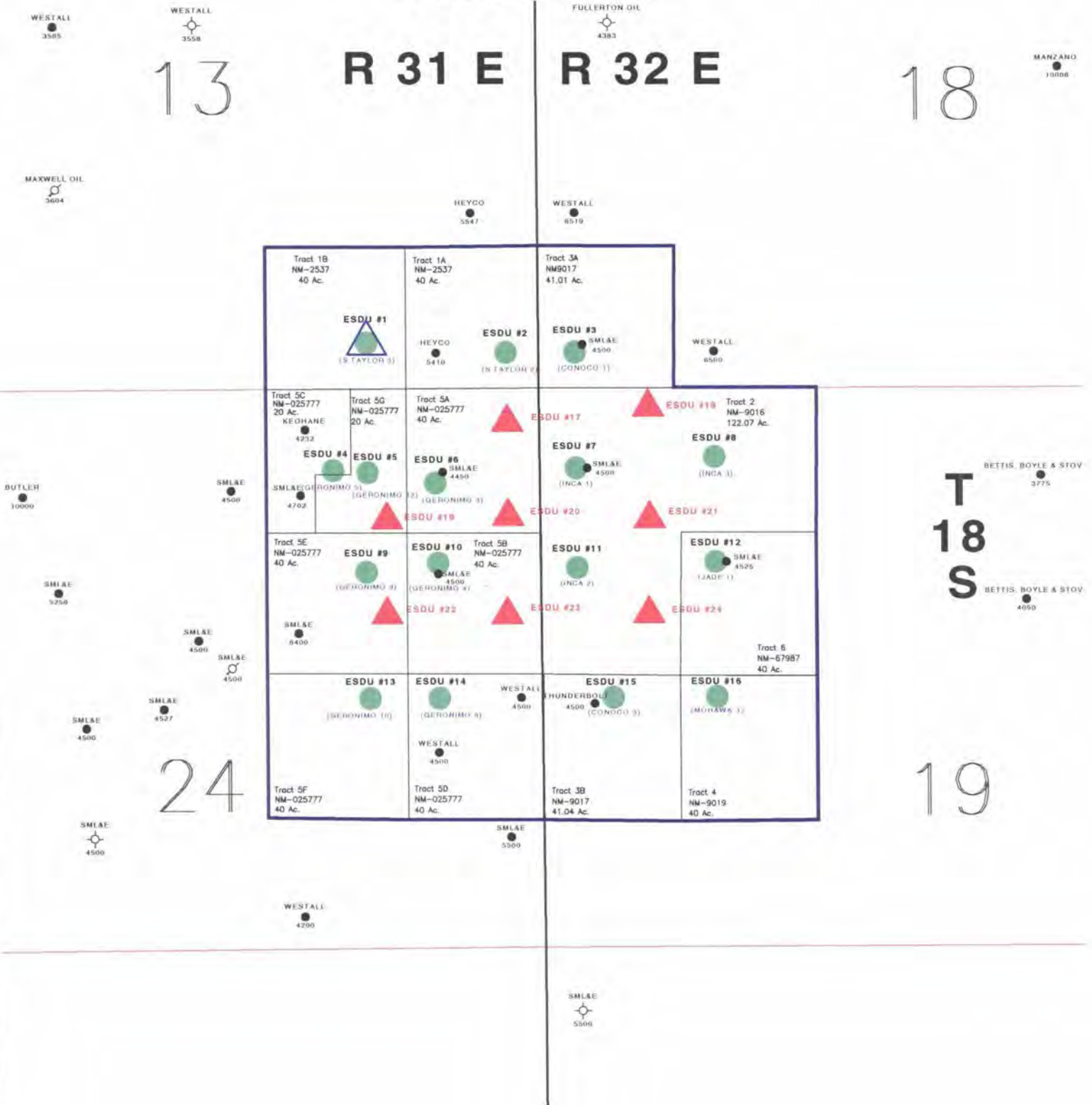
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St Mary Land & Exploration Co.

EAST SHUGART DELAWARE UNIT  
PROPOSED WATERFLOOD

717/1999

Scale 1:15500

- Proposed Well #
- (Former Well Name)
- Delaware Producer
- Proposed Conversion
- Proposed Injection Well
- Non Delaware Producer

EXHIBIT 3

Proposed Unit Agreement  
East Shugart (Delaware) Unit Hearing

UNIT AGREEMENT  
FOR THE DEVELOPMENT AND OPERATION  
OF THE  
EAST SHUGART (DELAWARE) UNIT AREA  
EDDY AND LEA COUNTIES, NEW MEXICO

NO. NMNM101361X

UNIT AGREEMENT  
FOR THE DEVELOPMENT AND OPERATION  
OF THE  
EAST SHUGART (DELAWARE) UNIT  
EDDY AND LEA COUNTIES, NEW MEXICO

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UNIT AGREEMENT  
FOR THE DEVELOPMENT AND OPERATION  
OF THE  
EAST SHUGART (DELAWARE) UNIT  
EDDY AND LEA COUNTIES, NEW MEXICO

THIS AGREEMENT, entered into as of the 1<sup>st</sup> day of February, 1999, 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. §§181 *et seq.*, authorizes Federal lessees and their representatives to unite with each other, or jointly or separately with others, in collectively adopting and operating a cooperative or unit plan of development or operation of any oil or gas pool, field, or like area, or any part thereof for the purpose of more properly conserving the natural resources thereof whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest; and

WHEREAS, the Oil Conservation Division of the State of New Mexico (hereinafter referred to as the "Division") is authorized by law (NMSA 1978 §§70-2-1 *et seq.* and §§70-7-1 *et seq.*) 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, increase the ultimate recovery of oil, gas and associated minerals 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 interests 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, provided such regulations are not inconsistent with the terms of this Agreement; and state 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 federal laws and regulations, are hereby accepted and made a part of this Agreement.

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

(a) "Unit Area" is defined as 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 604.12 acres, more or less, in Eddy and Lea Counties, New Mexico.

(b) "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.

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

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

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

(f) "Unitized Formation" shall mean that interval underlying the Unit Area, the vertical limits of which extend from an upper limit described as the top of the Brushy Canyon Formation of the Delaware Mountain Group to the stratigraphic equivalent of 5600 feet within the Delaware Brushy Canyon Formation as determined by the Geronimo Federal No. 3 well log; the geologic markers having been previously found to occur at 5007 feet and 5600 feet, respectively, in the Geronimo Federal No. 3 well (located 890 feet FNL and 990 feet FEL of Section 24, T-18-S, R-31-E, Eddy County, New Mexico) as recorded on the Compensated Neutron Litho Density Log taken on September, 21, 1985.

(g) "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.

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

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

(j) "Unit Participation of each Working Interest Owner" 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.

(k) "Working Interest" is an interest in Unitized Substances acquired by virtue of mineral fee simple title, pursuant to the terms of a lease, operating agreement or otherwise, which includes the right to search for, produce and acquire such Unitized Substances and 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 relative to such rights. Any Royalty Interest created by the owner of a Working Interest out of its interest subsequent to the execution of this Agreement shall be the sole burden and obligation of said Working Interest Owner. Such interest shall be subject to the same lien and security provisions as the Working Interest so creating such Royalty Interest.

(l) "Working Interest Owner" is any party hereto owning a Working Interest.

(m) "Royalty Interest" or "Royalty" is an interest (other than a Working Interest) in the Unitized Substances and includes the right to receive a portion of the Unitized Substances or the proceeds thereof. A "Royalty Interest" may be the royalty interest reserved by the lessor of an oil and gas lease; or it may be any overriding royalty interest, oil payment interest, net profit interest, a carried working interest, or any other payment burdening a Working Interest which does not carry with it the right to search for and produce Unitized Substances and does not bear any cost obligation.

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

(o) "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, East Shugart (Delaware) Unit, Eddy and Lea Counties, New Mexico".

(p) "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.

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

(r) "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.

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

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

(u) "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.

(v) "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.

(w) "Effective Date" is the date determined in accordance with Section 24, or as redetermined in accordance with Section 38.

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 "A-1" attached hereto is a schedule of tracts detailing well name, well status, operator prior to unitization, acreage attributable to the tracts, and location by county for each tract.

Exhibit "B" attached hereto is a schedule showing, to the extent known to the Unit Operator, the acreage comprising each Tract, percentages and types of ownership of oil and gas interests in each Tract, and participation factors for each Tract.

Exhibit "C" attached hereto recites the percentage of Unit Participation attributable to each Tract.

Exhibit "D" attached hereto is a schedule of all Unit owners showing their net revenue interests on a tract-by-tract basis and their total net revenue interest in the Unit.

Nothing herein or in said Exhibits 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 Exhibits 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.

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 facts. The revision shall not include any reevaluation of 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 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.

SECTION 4. EXPANSION. The above described Unit Area may be expanded with the approval of the A.O. 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 Owners' meeting or otherwise) if at least three Working Interest Owners having in the aggregate seventy-five percent (75%) 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, to each Working Interest Owner, and to the last known address of each party hereto 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. Upon the expiration of said thirty (30) day period as set out in (2) immediately above, file the following with the A.O.: (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.

After due consideration of all pertinent information and approval by the A.O., the expansion shall 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 in the same ratio one to another.

SECTION 5. UNITIZED LAND. 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(f) of this Agreement.

SECTION 6. UNIT OPERATOR. St. Mary Land & Exploration Company 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. The term "Working Interest Owner" when used herein shall include the Unit Operator as the owner of a Working Interest.

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

SECTION 7. RESIGNATION OR REMOVAL OF UNIT OPERATOR. Unit Operator shall have the right to resign at any time, but such resignation shall not become effective for a period of three (3) 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.

Upon default or failure in the performance of its duties and obligations hereunder, the Unit Operator shall be subject to removal by Working Interest Owners having in the aggregate eighty-five percent (85%) 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. Not later than thirty (30) days before such resignation or removal becomes effective, they shall appoint a Unit Manager to represent them in any action to be taken hereunder.

Upon the effective date of resignation or removal of Unit Operator, 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.

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.

SECTION 8. SUCCESSOR UNIT OPERATOR. Whenever the Unit Operator shall tender its resignation as Unit Operator or shall be removed as hereinabove provided, the Working Interest Owners shall select a successor Unit Operator as herein provided. Such selection shall not become effective until (a) a Unit Operator so selected shall accept in writing the duties and responsibilities of Unit Operator, and (b) the selection shall have been approved by the A.O. If no successor Unit Operator or Unit Manager is selected and qualified as herein provided, the A.O., at his or her 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 sixty-five 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 seventy-five percent (75%) of the Unit Participation

remaining after excluding the Unit Participation of Unit Operator so removed.

SECTION 9. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT. Costs and expenses incurred by Unit Operator prior to unitization in preparation for unitization and in conducting Unit Operations hereunder shall be apportioned among and paid 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. The Unit Operating Agreement shall set out other rights and obligations as between Unit Operator and the Working Interest Owners as may be agreed upon by such parties; however, the Unit Operating Agreement shall not 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. In case of any inconsistency or conflict between this Agreement and the Unit Operating Agreement, this Agreement shall prevail. Copies of the 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. RIGHTS AND OBLIGATIONS OF UNIT OPERATOR. Except as otherwise specifically provided herein, the exclusive right, privilege and duty of exercising any and all rights of the parties hereto 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. and the Division, 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, 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. USE OF SURFACE AND USE OF WATER. To the extent of their rights and interests, the parties hereby grant to Unit Operator the right to use as much of the surface, including the water thereunder, and 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.

SECTION 13. TRACT PARTICIPATION. In Exhibit "C" attached hereto there are listed and numbered the various Tracts within the Unit Area. 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 formula:

Factor A: 5% of Total Tract Participation

Total number of acres attributable to the Tract divided by the total number of acres in the Unit Area.

Factor B: 15% of Total Tract Participation

Total cumulative oil production from the Unitized Formation in each Tract as of June 1, 1998 divided by the total cumulative oil production from the Unitized Formation within the Unit Area as of June 1, 1998.

Factor C: 25% of Total Tract Participation

Rate of oil production from the Unitized Formation in each Tract as determined by average barrels of oil produced each month from January through May, 1998 divided by the total rate of oil production from the Unitized Formation within the Unit Area for the same period of time.

Factor D: 40% of Total Tract Participation

Original oil in place in the Unitized Formation in each Tract as determined by the reservoir simulation study, East Shugart (Delaware) Field, June 8, 1998, Petroleum Consulting & Engineering, Inc., divided by the original oil in place in the Unitized Formation within the Unit Area as determined by said study.

Factor E: 15% of Total Tract Participation

Remaining primary oil reserves from the Unitized Formation in each Tract beginning July 1, 1998 as determined by the reservoir simulation study, East Shugart (Delaware) Field, June 8, 1998, Petroleum Consulting & Engineering, Inc., divided by the remaining primary oil reserves from the Unitized Formation within the Unit Area beginning July 1, 1998 as determined by said study.

Tract Participation for each Tract shall equal the total percentages represented by the sum of percentages resulting from the calculations contemplated in Factors A through E above.



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 Owners 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.

On the Effective Date of this Agreement, if 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. When submitting this Agreement for final approval by the A.O., Unit Operator shall 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, 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 Section 13 (Tract Participation) above. This schedule of participation shall be revised Exhibit "B". Upon approval thereof by the A.O., it 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. With the exception of any 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 which is unavoidably lost in accordance with a Plan of Operation approved by the A.O. all Unitized Substances produced and saved shall be apportioned among and allocated to the qualified Tracts in accordance with the respective Tract Participations effective hereunder during the respective periods such Unitized Substances were produced, as set forth in the schedule of participation in Exhibit "B". 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, in the absence of a recordable instrument executed by all owners in such Tract and furnished to Unit Operator fixing the divisions of ownership, the Tract Participation shall be divided among such parcels or portions in proportion to the number of surface acres in each.

SECTION 15.B. 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 of the Working Interest Owner of the Tract or Tracts concerned, and in order to avoid curtailing the production of the Unit Area, may, but shall not be required to, sell or otherwise dispose of such production to itself or to others. 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. The price received under such contracts shall not be less than the prevailing market price in the area for like production. 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 Exhibits "B" and "D" shall be revised by the Unit Operator; upon approval by the A.O., the revised Exhibits "B" and "D" shall govern the allocation of production on and after the effective date thereof until a revised schedule is approved as hereinabove provided.

SECTION 16. OUTSIDE SUBSTANCES. 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. 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. Such right of withdrawal shall terminate on the termination date of this Agreement.

SECTION 17. ROYALTY SETTLEMENT. 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. Unit Operator shall make deliveries of such Royalty share taken in kind in conformity with the applicable contracts, laws and regulations. Settlement for 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. However, 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. 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 and State 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 "D" attached hereto. During the term of this Agreement, if any Royalty Interest in a Tract or Tracts should be lost by title failure or otherwise in whole or in part, 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.

SECTION 18. RENTAL SETTLEMENT. Rentals or minimum royalties due on the leases committed hereto shall be paid by Working Interest Owners responsible therefor under existing contracts,

laws and regulations. Nothing herein contained shall operate to relieve the lessees of any lease from their respective lease obligations for the payment of any rental or minimum royalty in lieu thereof due under their leases. With respect to lands of the United States of America subject to this Agreement, rental or minimum royalty 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. CONSERVATION. Operations hereunder and production of Unitized Substances shall be conducted to provide for the most economical and efficient recovery of said substances without waste, as defined by or pursuant to Federal and State laws and regulations.

SECTION 20. DRAINAGE. 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.

Upon approval by the Working Interest Owners and the A.O., the Unit Operator 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 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 hereto, payment or delivery on account thereof may be withheld without liability for interest until the dispute is finally settled. However, as to Federal lands or leases, no payments of funds due the United States 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 right 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 Substances 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. Upon such conclusion, 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 "D".

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. Otherwise such instruments shall remain in full force and effect. The Secretary, by his or her approval hereof, or by the approval hereof by his or her duly authorized representatives, does 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 or operations on any particular 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 his or her 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 or gas is produced in paying quantities."

SECTION 23. COVENANTS RUN WITH LAND. The covenants herein shall be construed to be covenants running with the land with respect to the interest of the parties hereto and their successors in interest until this Agreement terminates. 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. and the Division.

If this Agreement does not become effective on or before January 1, 2000, 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 the 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 Clerks of Eddy and Lea Counties, New Mexico, a counterpart of this Agreement stating that 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 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 Eddy and Lea Counties, 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 statutes. 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 is 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. NONDISCRIMINATION. In connection with the performance of work under this Agreement relating to leases of the United States, Unit Operator agrees to comply with all of the provisions of Section 202 (1)-(7) inclusive of Executive Order 11246, (30 F.R. 12319), which are hereby incorporated by reference in this Agreement.

SECTION 27. APPEARANCES. Unit Operator shall have the right to appear for or on behalf of any interests affected hereby before the Department and the Division, and to appeal 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. However, 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

delivered to the party or parties or sent by postpaid certified or registered mail, courier service, or by facsimile 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. NO WAIVER OF CERTAIN RIGHTS. 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. 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. UNAVOIDABLE DELAY. 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. NONJOINDER AND SUBSEQUENT JOINDER. 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 to 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. If the interest is a Working Interest, the owner of such interest must also subscribe 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. 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 the 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 A.O. is duly made sixty (60) days after such filing.

SECTION 33. COUNTERPARTS. This Agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties and may be ratified or consented to by separate instrument in writing, specifically referring hereto, and shall be binding upon all those parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document, and regardless of whether or not it is executed by all other parties owning or claiming an interest in the land within the 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. 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. If it is required or if it is 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. NO PARTNERSHIP. The duties, obligations and liabilities of the parties hereto are intended to be several and not joint or collective. This Agreement is not intended to create, and shall not be construed to create, an association or trust, or to impose a partnership duty, obligation or liability with regard to any one or more of the parties hereto. Each party hereto shall be individually responsible for its own obligation as herein provided.

SECTION 37. PRODUCTION AS OF THE EFFECTIVE DATE. 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 had not been formed. 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 of 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. STATUTORY UNITIZATION. 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 Act (NMSA 1978 §§70-7-1 et seq.). 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 Operating 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 as so amended by the A.O., and the recording by Unit Operator of this Agreement or notice thereof in the office of the County Clerk of Eddy and Lea Counties, New Mexico. Unit Operator shall not record this Agreement or notice thereof, 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, record in the office of the County Clerk of Eddy and Lea Counties, 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 amendment 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 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.

UNIT OPERATOR:

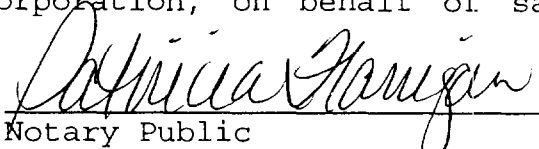
ST. MARY LAND & EXPLORATION COMPANY

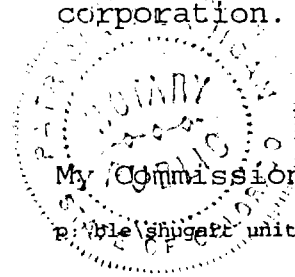
By:   
Milam Randolph Pharo  
Vice President - Land & Legal

Date: 2/26/99

STATE OF COLORADO )  
 ) ss.  
COUNTY OF DENVER )

The foregoing instrument was acknowledged before me this 26 day of February, 1999, by Milam Randolph Pharo Randolph Pharo, Vice President - Land & Legal of ST. MARY LAND & EXPLORATION COMPANY, a Delaware corporation, on behalf of said corporation.

  
Notary Public

My Commission Expires: May 15, 1999

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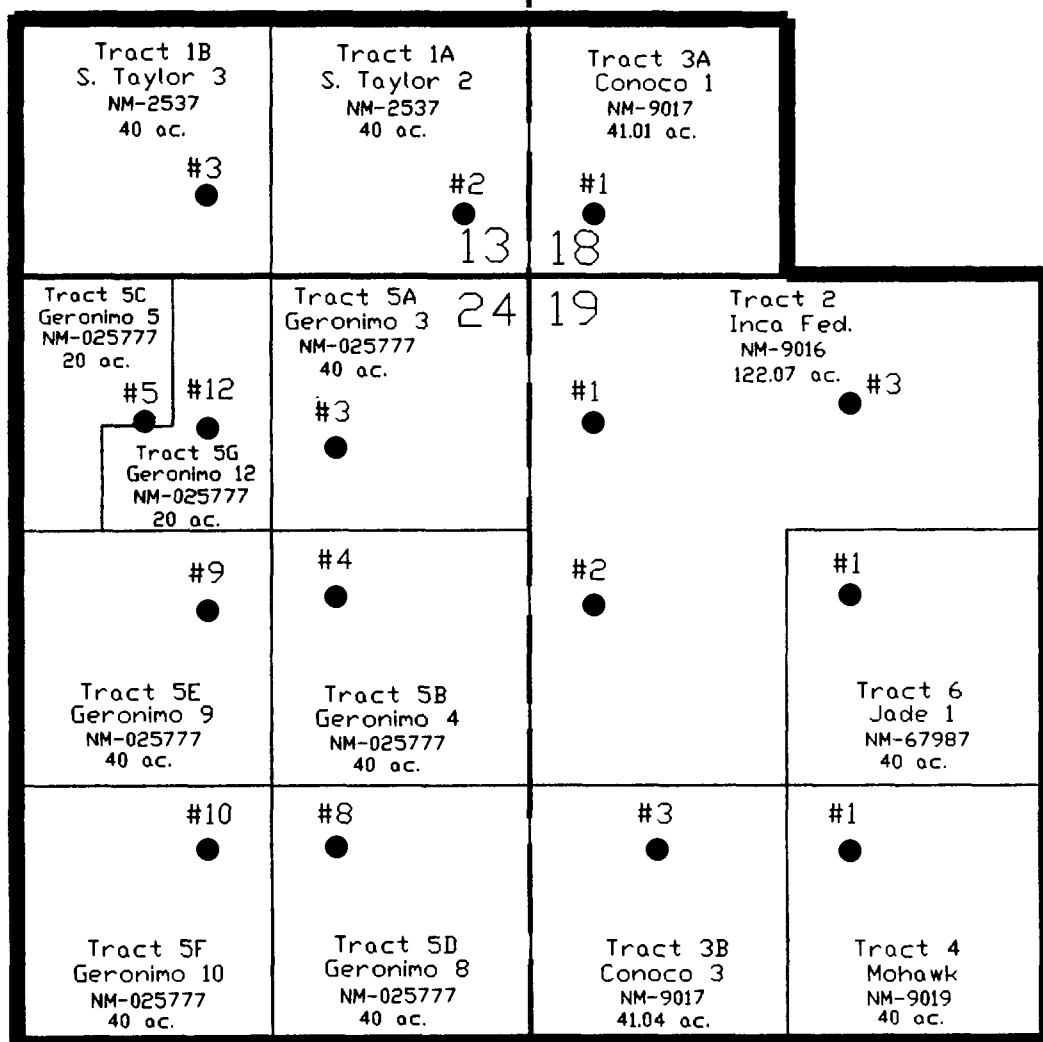
# EXHIBIT A

R 31 E

R 32 E

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EDDY COUNTY

LEA COUNTY

604.12 ACRES

ST. MARY LAND & EXPLORATION COMPANY  
EAST SHUGART (DELAWARE) UNIT  
EDDY & LEA COUNTIES, NEW MEXICO



PROPOSED UNIT BOUNDARY

SCALE: 1" = 1000'

EXHIBIT "A-1"					
EAST SHUGART (DELAWARE) UNIT					
TRACT DESCRIPTIONS					
Tract No.	Tract Name	Status	Tract Operator	Acres	County
1A	S. Taylor 2	HBP	Harvey E. Yates Company	40.00	Eddy
1B	S. Taylor 3	HBP	Harvey E. Yates Company	40.00	Eddy
2	Inca Fed	HBP	St. Mary Land & Exploration Company	122.07	Lea
3A	Conoco 1	HBP	St. Mary Land & Exploration Company	41.01	Lea
3B	Conoco 3	HBP	St. Mary Land & Exploration Company	41.04	Lea
4	Mohawk 1	HBP	St. Mary Land & Exploration Company	40.00	Lea
5A	Geronimo 3	HBP	St. Mary Land & Exploration Company	40.00	Eddy
5B	Geronimo 4	HBP	St. Mary Land & Exploration Company	40.00	Eddy
5C	Geronimo 5	HBP	St. Mary Land & Exploration Company	20.00	Eddy
5D	Geronimo 8	HBP	St. Mary Land & Exploration Company	40.00	Eddy
5E	Geronimo 9	HBP	St. Mary Land & Exploration Company	40.00	Eddy
5F	Geronimo 10	HBP	St. Mary Land & Exploration Company	40.00	Eddy
5G	Geronimo 12	HBP	St. Mary Land & Exploration Company	20.00	Eddy
6	Jade 1	HBP	St. Mary Land & Exploration Company	40.00	Lea
				604.12	
Total Federal Acres:		604.12			
Total State Acres		0			
Total Fee Acres		0			
Total Unit Acres		604.12			

## EXHIBIT "B"

EAST SHUGART (DELAWARE) UNIT  
LEA AND EDDY COUNTIES, NEW MEXICO

TRACT NO.	TRACT NAME	DESCRIPTION OF LAND	ACRES	SERIAL NO. & EFFECTIVE DATE	BASIC ROYALTY OWNER AND PERCENTAGE	LESSEE OF RECORD	OVERRIDING ROYALTY/CARRIED WORKING INTEREST OWNER AND PERCENTAGE	WORKING INTEREST
1A	S. Taylor No. 2	T18S, R31E Section 13: SE/4 SE/4 Eddy County, New Mexico	40	NM - 2537 HBP	United States of America - 12.5%	Harvey E. Yates Co. (42.081804%); Yates Energy Corp. (19.845696%); Explorers Petroleum Corp. (5.56375%); Spiral Inc. (5.56375%); Stelaron Inc. (25%); Heyco Employees, Ltd. (1.90125%)	Global Natural Resources Corporation of Nevada et al 5.687500%	Harvey E. Yates Co
1B	S. Taylor No. 3	T18S, R31E Section 13: SW/4 SE/4 Eddy County, New Mexico	40	NM - 2537 HBP	United States of America - 12.5%	Harvey E. Yates Co. (42.081804%); Yates Energy Corp. (19.845696%); Explorers Petroleum Corp. (5.56375%); Spiral Inc. (5.56375%); Stelaron Inc. (25%); Heyco Employees, Ltd. (1.90125%)	Global Natural Resources Corporation of Nevada et al 5.687500%	Harvey E. Yates Co
2	Inca Federal	T18S, R32E Section 19: Lots 1 & 2 (W/2 NW/4) and NE/4 NW/4 Lea County, New Mexico	122.07	NM-9016 HBP	United States of America  *Step Scale 12.5 - 32%	Curry & Thornton (25%); St. Mary Land & Exploration Company et al Siete Oil & Gas Corp. (50%) George H. Hunker (25%)	St. Mary Land & Exploration Company et al - 12.5%	St. Mary Land & Exploration Company et al
3A	Conoco No. 1	T18S, R32E Section 18: Lot 4 (SW/4 SW/4) Lea County, New Mexico	41.01	NM - 9017 HBP	United States of America  *Step Scale 12.5 - 32%	Conoco, Inc.	Five States 1994-E, Ltd. - 12.5%	Higgins Trust, Inc. et al
3B	Conoco No. 3	T18S, R32E Section 19: Lot 3 (NW/4 SW/4) Lea County, New Mexico	41.04	NM - 9017 HBP	United State of America  *Step Scale 12.5 - 32%	Conoco, Inc.	St. Mary Land & Exploration Company et al - 12.5%	St. Mary Land & Exploration Company et al

TRACT NO.		TRACT NAME	DESCRIPTION OF LAND	ACRES	SERIAL NO. & EFFECTIVE DATE	BASIC ROYALTY OWNER AND PERCENTAGE	LESSEE OF RECORD	OVERRIDING ROYALTY/CARRIED WORKING INTEREST OWNER AND PERCENTAGE	WORKING INTEREST OWNER AND PERCENTAGE	PARTICIPATION OF TRACT IN UNIT
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4	Mohawk No. 1	T18S, R32E Section 19: NE/4 SW/4 Lea County, New Mexico	40	NM - 9019 HBP	United States of America - *12.5%;	Gladys Shannon (1%); Elizabeth S. Borgaard (1.21875%); David T. Edwards (1.21875%); Kate N. Edwards (2.4375%); William J. Casey (3.125%); Mildred M. Trammell (3.125%); . Trammell Estate (3.125%); Nicholas R. Dupont (20.3125%); E. J. McCurdy Est. (65.0625%)	St. Mary Land & Exploration Company et al - 12.5%	St. Mary Land & Exploration Company et al - 100%	0.02784
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5A	Geronimo No. 3	T18S, R31E Section 24: NE/4 NE/4 Eddy County, New Mexico	40	NM NM-025777 HBP	United States of America - *12.5%		18-31, Inc.	St. Mary Land & Exploration Company et al - 12.5%	St. Mary Land & Exploration Company et al - 100%	0.12367000
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5B	Geronimo No. 4	T18S, R31E Section 24: SE/4 NE/4 Eddy County, New Mexico	40	NM NM-025777 HBP	United States of America - *12.5%		18-31, Inc.	St. Mary Land & Exploration Company et al - 12.5%	St. Mary Land & Exploration Company et al - 100%	0.08685000
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5C	Geronimo No. 5	T18S, R31E Section 24: Part of NW/4 NE/4 Eddy County, New Mexico	20	NM NM-025777 HBP	United States of America - *12.5%		18-31, Inc.	St. Mary Land & Exploration Company et al - 12.125%	St. Mary Land & Exploration Company et al - 100%	0.02293500
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5D	Geronimo No. 8	T18S, R31E Section 24: NE/4 SE/4 Eddy County, New Mexico	40	NM NM-025777 HBP	United States of America - *12.5%		18-31, Inc.	St. Mary Land & Exploration Company et al - 12.125%	St. Mary Land & Exploration Company et al - 100%	0.03186000
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5E	Geronimo No. 9	T18S, R31E Section 24: SW/4 NE/4 Eddy County, New Mexico	40	NM NM-025777 HBP	United States of America - *12.5%		18-31, Inc.	St. Mary Land & Exploration Company et al - 12.5%	St. Mary Land & Exploration Company et al - 100%	0.06723000
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5F	Geronimo No. 10	T18S, R31E Section 24: NW/4 SE/4 Eddy County, New Mexico	40	NM NM-025777 HBP	United States of America - *12.5%		18-31, Inc.	St. Mary Land & Exploration Company et al - 12.5%	St. Mary Land & Exploration Company et al - 100%	0.02345500
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5G	Geronimo No. 12	T18S, R31E Section 24: Part of the NW/4 NE/4 Eddy County, New Mexico	20	NM NM-025777 HBP	United States of America - *12.5%		18-31, Inc.	St. Mary Land & Exploration Company et al - 12.125%	St. Mary Land & Exploration Company et al - 100%	0.02181000
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6	Jade No. 1	T18S, R32E Section 19: SE/4 NW/4 Lea County, New Mexico	40	NM - 67987 HBP	United States of America - Oil: Step-Scale 12.5% - 17%; Gas: 12.5%		Intoll, Inc. (50%); Siete Oil & Gas Corp. (50%)	St. Mary Land & Exploration Company et al - 1.875%	St. Mary Land & Exploration Company et al - 100%	0.09090500
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Total Unit Acres:			604.12	*Subject to Stripper Well qualification on Oil							1.00000000
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## EXHIBIT "C"

East Shugart Delaware Unit							
Tract Participation Factors							
Tract No.	Tract Name	% of Acres	% of Cum Oil	% of Oil Rate	% of OOIP	% of Rem. Prim	Unit Participation
1A	S. Taylor 2	6.62%	8.99%	8.83%	6.24%	8.03%	7.5875%
1B	S. Taylor 3	6.62%	0.00%	0.00%	3.32%	0.00%	1.6590%
2	Inca Fed	20.21%	28.95%	28.07%	26.62%	24.54%	26.6995%
3A	Conoco 1	6.79%	10.77%	11.10%	5.09%	11.76%	8.5300%
3B	Conoco 3	6.80%	2.86%	5.18%	6.75%	7.35%	5.8665%
4	Mohawk 1	6.62%	1.40%	2.25%	3.32%	2.35%	2.7840%
5A	Geronimo 3	6.62%	15.95%	12.37%	11.15%	13.94%	12.3670%
5B	Geronimo 4	6.62%	9.92%	6.02%	10.92%	6.62%	8.6850%
5C	Geronimo 5	3.31%	2.93%	1.75%	3.06%	0.18%	2.2935%
5D	Geronimo 8	6.62%	2.09%	2.59%	4.26%	1.28%	3.1880%
5E	Geronimo 9	6.62%	5.47%	6.65%	6.69%	8.22%	6.7230%
5F	Geronimo 10	6.62%	1.42%	2.39%	2.23%	2.08%	2.3455%
5G	Geronimo 12	3.31%	1.83%	1.75%	3.06%	0.53%	2.1810%
6	Jade 1	6.62%	7.42%	11.05%	7.29%	13.12%	9.0905%
		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Participation Formula: (5% X Acres) + (15% X Cum Oil) + (25% X Oil Rate) + (40% X OOIP) + (15% X Rem. Prim)							
Acres = Number of acres within the tract.							
Cum Oil = Amount of Primary oil produced as of 6/1/98.							
Oil Rate = Average daily production rate from 1/98 through 5/98.							
OOIP = Original Oil In Place.							
Rem. Prim. = Remaining unproduced primary reserves.							

	S. Taylor 13 #2	S. Taylor 13 #3	Inca Fed	Conoco 1	Conoco 3	Mohawk	Geronimo 3	Geronimo 4	Geronimo 5	Geronimo 8	Geronimo 9	Geronimo 10*	Geronimo 12	Jade 1	Total Unit Participation
	Tract 1A	Tract 1B	Tract 2	Tract 3A	Tract 3B	Tract 4	Tract 5A	Tract 5B	Tract 5C	Tract 5D	Tract 5E	Tract 5F	Tract 5G	Tract 6	NRI
OWNER	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	
Riverhill Energy Corporation	WI		0.01902339	0.00219274	0.00375452	0.00178174	0.00559448	0.00389403	0.00135808	0.00183448	0.00332191	0.00128504	0.00133171	0.00349984	0.04897198
St Mary Land & Exploration Company	WI		0.17121054	0.01973469	0.03379069	0.01603568	0.05035039	0.03594633	0.01222274	0.01651046	0.02989719	0.01156537	0.01198534	0.03149858	0.44074800
Hare Production Company	WI						0.00065697	0.00073280							0.00138977
Ted E. Bacil	WI			0.00143944			0.00155268	0.00142651	0.00018835	0.00035865	0.00403380	0.00140730	0.00098145		0.00485653
Norman Barker	WI			0.00255900			0.00742020	0.00521100	0.00103208	0.00143460	0.00151268	0.00018402	0.00068179		0.02407943
Floyd A. Blakeney	WI		0.00300369	0.00047981	0.00024749	0.00011745	0.00324634	0.00260550	0.00019351	0.00019331	0.00151268	0.00018402	0.00068179		0.01227229
Borica Oil, Inc.	WI			0.00031988			0.00092753	0.00065138	0.00012901	0.00017933	0.00050423	0.00017591	-0.00012266		0.00300953
Harrington Trust	WI		0.00100123	0.00031988	0.00008250	0.00003915	0.00092753	0.00065138	0.00012901	0.00017933	0.00050423	0.00017591	0.00012266	0.00034089	0.00447370
NM&T Resources, LLC	WI			0.00009596			0.00412934	0.00289992	0.00003870	0.00005380	0.00121014	0.00005277	0.00003680		0.00851744
Paula S. Campbell	WI			0.00001599			0.00068822	0.00048332	0.00000645	0.00000897	0.00020169	0.00000860	0.00000613		0.00141957
Brian D. Kantor, Successor to Del Lane	WI						0.00051756	0.00047550			0.00017761	0.00000000	0.00000000		0.00117068
Dr. Michael Norton, III	WI			0.00079969	0.00546356	0.00259278	0.00231861	0.00162844	0.00032252	0.00044831	0.00126056	0.00079161	0.00030670		0.01593299
Troy or Sandra Orey	WI						0.00092753								0.00092753
Leonard Schaeen	WI						0.00155268	0.00047550			0.00088605				0.00291423
Barbara A. Schatz, Trustee of the Schatz Management Trust UTA 9/1/92	WI			0.00063975			0.00185505	0.00130275	0.00025802	0.00035865	0.00100845	0.00035183	0.00024536		0.00601986
Edwin G. Wallace	WI						0.00051756				0.00035523				0.00087279
William Nickey	WI							0.00047550	0.00023480		0.00035523				0.00106553
Gary Keith Tannahil, Barbara Carthell Mathis and Amarillo National Bank, Co-Trustees u/w/o Chester Francis Carthel, dec'd f/b/o Olga Eudora Tannahill Mathis	WI			0.00015594					0.00006450	0.00008966		0.00008796	0.00006134		0.00046340
Gary Keith Tannahil, Barbara Carthell Mathis and Amarillo National Bank, Co-Trustees u/w/o Chester Francis Carthel, dec'd f/b/o Theodore H. Carthell	WI														
Don L. Lee	WI			0.00015594					0.00006450	0.00008966		0.00008796	0.00006134		0.00046340
Richard E. O'Connell	WI			0.00063975					0.00025802	0.00035865		0.00035183	0.00024536		0.00185361
Gwendolyn Manning Williams	WI			0.00095963			0.00278258	0.00195413	0.00038703	0.00053798	0.00151268	0.00052774	0.00036804		0.00902978
Leslie Fisher	WI										0.00050423				0.00050423
E & S, L.L.C.	WI		0.00200246	0.00051180	0.00016500	0.00007830	0.00230397	0.00161802	0.00007741	0.00010760	0.00090761	0.00010555	0.00007361	0.00068179	0.00863309
Dean Kinsolving	WI		0.00200246	0.00031988	0.00016500	0.00007830	0.00185505	0.00130275	0.00012901	0.00017933	0.00100845	0.00017591	0.00012266	0.00068179	0.00802060
Patrick J. Morelio	WI						0.00046376	0.00032569			0.00025211				0.00104156
David J. Mossler	WI			0.00031988			0.00092753	0.00065138	0.00012901	0.00017933	0.00050423	0.00017591	0.00012266		0.00300993
John & Alice Sharp	WI						0.00092753				0.00050423				0.00143175
Steve or Lola Bell	WI						0.00030924								0.00030924
Nelson B. Alpers, Trustee of the Nelson B. Alpers Family Trust U/T/A 5/1/2/97	WI							0.00032569							0.00032569
John V. Fox	WI														0.00008796
Patricia K. Jennings	WI		0.00100123	0.00015994	0.00008250	0.00003915			0.00008966			0.00008796		0.00034089	0.00180133
J. David Wathen, Jr.	WI								0.00094146						0.00094146
Gene Shumate	WI														0.00024330
Five States 1994-E Ltd.	WI			0.01599375											0.01599375
Five States 1995-B Ltd.	WI			0.00799688											0.00799688
Five States 1995-D Ltd.	WI			0.00799688											0.00799688
J. E. Cieszinski	WI		0.00100123											0.00034089	0.00146377
Intoil, Inc.	WI													0.03977094	0.03977094
Nortex Corporation	WI														0.01999556
Harvey E. Yates Company	WI		0.02564136	0.00560646											0.03124783

EXHIBIT "D"  
Attached to East Shugart (Delaware) Unit Agreement  
(GAS ONLY)

		S. Taylor 13 #2 Tract 1A	S. Taylor 13 #3 Tract 1B	Inca Fed Tract 2	Conoco 1 Tract 3A	Conoco 3 Tract 3B	Mohawk Tract 4	Geronimo 3 Tract 5A	Geronimo 4 Tract 5B	Geronimo 5 Tract 5C	Geronimo 8 Tract 5D	Geronimo 9 Tract 5E	Geronimo 10* Tract 5F	Geronimo 12 Tract 5G	Jade 1 Tract 6	Total Unit Participation
OWNER		NRI	NRI	NRI	NRI	NRI	NRI									NRI
Spiral, Inc.	WI	0.00338775	0.00074073													0.00412848
Explorers Petroleum Corp.	WI	0.00338775	0.00074073													0.00412848
HEYCO Employees Ltd.	WI	0.00115767	0.00025312													0.00141079
Yates Energy Corporation	WI	0.00818800	0.00179030													0.00997830
Jalapeño Corporation	WI	0.00390473	0.00085377													0.00475850
TOTAL WI		0.06207523	0.01357269	0.20024625	0.06397500	0.04399875	0.02088000	0.09275250	0.06513750	0.01728726	0.02402955	0.05042250	0.01759125	0.01643929	0.07783741	0.76624518
Riverhill Energy Corporation	ORI		0.00076604			0.00024100	0.00011437	0.00024734	0.00017370	0.00001290	0.00001793	0.00015127	0.00001759	0.00001227	0.00017045	0.00192486
St. Mary Land & Exploration Company	ORI		0.00689447			0.00216899	0.00102931	0.00222806	0.00156330	0.00011611	0.00016139	0.00136141	0.00015832	0.00015832	0.00011041	0.01732380
Mary Elizabeth Balish	ORI		0.00002224	0.00000711	0.00000489	0.00000489	0.00000232	0.00004416	0.00003101	0.00000819	0.00001138	0.00002401	0.00000838	0.00000779	0.00000000	0.00017148
Karen Elizabeth Charles	ORI		0.00002224	0.00000711	0.00000489	0.00000489	0.00000232	0.00004417	0.00003102	0.00000819	0.00001139	0.00002401	0.00000838	0.00000779	0.00000000	0.00017151
Gerald E. and Emma Patricia Harrington Trust	ORI							0.00123670	0.00086850	0.00012901	0.00017933	0.00050423	0.00017591	0.00012268		0.00321635
Higgins Trust, Inc.	ORI		0.00066749	0.00021325	0.00014666	0.00006860	0.00021519	0.00015112	0.00003991	0.00005547	0.00011698	0.00004081	0.00010373	0.00003795	0.00015442	0.00175442
E. Bernard Johnston	ORI						0.00054693	0.00038409	0.00010143	0.00014099	0.00029732	0.00029732	0.00010373	0.00009645	0.00167095	0.00167095
Mary Ellen Johnston	ORI						0.00054693	0.00038409	0.00010143	0.00014099	0.00029732	0.00029732	0.00010373	0.00009645	0.00167095	0.00167095
Ray F. Lewis, Jr.	ORI						0.00008626	0.00006058	0.00001600	0.00002224	0.00004689	0.00004689	0.0001636	0.0001521	0.00026354	0.00026354
Margaret Masters	ORI		0.00053399	0.00017060	0.00011733	0.00005568	0.00175018	0.00122910	0.00032458	0.00045117	0.00095144	0.00033194	0.00033866	0.00033194	0.00022465	0.00022465
Michael R. McGuire	ORI						0.00008626	0.00006058	0.00001600	0.00002224	0.00004689	0.00004689	0.0001636	0.0001521	0.00026354	0.00026354
Margaret H. Naylor Revocable Trust	ORI						0.00008595	0.00006036	0.00001584	0.00002216	0.00004672	0.00004672	0.0001630	0.0001516	0.00026259	0.00026259
Wendell W. Iverson, Trustee of the PIP 1990 Trust	ORI						0.00014844	0.00010495	0.00002771	0.00003852	0.00008124	0.00008124	0.00002834	0.00002635		0.00045656
Rolo Inc.	ORI						0.00043099	0.00030267	0.00007993	0.00011110	0.00023430	0.00023430	0.00008174	0.00007601		0.00131674
Wendell W. Iverson, Trustee of the SJI JR 1990 Trust	ORI						0.00014943	0.00010494	0.00002771	0.00003852	0.00008124	0.00008124	0.00002834	0.00002635		0.00045654
Katherine Mary Scott	ORI		0.00002224	0.00000711	0.00000489	0.00000232	0.00004417	0.00003102	0.00000819	0.00001138	0.00002401	0.00002401	0.00000838	0.00000779		0.00017151
Phoebe Shelton	ORI						0.00041368	0.00029051	0.00007672	0.00010664	0.00022488	0.00022488	0.00007846	0.00007295	0.000126384	0.000126384
Ralph A. Shugart Trust	ORI						0.00109386	0.00076819	0.00020266	0.00028198	0.00054665	0.00054665	0.00020746	0.00019291	0.000334191	0.000334191
Clifton E. Shumate	ORI						0.00000618	0.00000434	0.00000115	0.00000159	0.00000336	0.00000336	0.00000117	0.00000109	0.00001889	0.00001889
Betty Balish Strohmeyer Estate	ORI		0.00006675	0.000002133	0.00001467	0.000000696	0.00013251	0.00009306	0.00002457	0.00003416	0.00007204	0.00007204	0.00002513	0.00002337		0.00051454
Wendell W. Iverson, Trustee of the WWI 1990 Trust	ORI						0.00014943	0.00010494	0.00002771	0.00003852	0.00008124	0.00008124	0.00002834	0.00002636		0.00045655
Myrtle M. Westall Revocable Trust	ORI						0.00006926	0.00004864	0.00001284	0.00001785	0.00003765	0.00003765	0.00001313	0.00001221		0.00021158
George Westall	ORI						0.00013851	0.00009727	0.00002569	0.00003571	0.00007530	0.00007530	0.00002627	0.00002443		0.00097167
Centennial	ORI		0.00039109													0.00039109
Selma Andrews Trust #5188-01	ORI		0.00035847	0.00011452	0.00007876	0.000003738										0.00058913
Graham Austin and Margaret Austin, Co-Trustees of the Austin Family Trust U/T/A 3/22/95	ORI						0.00285767	0.00024657	0.00016958	0.00008047						0.00335429
Nancy Carter	ORI						0.00142882	0.00012329	0.00008479	0.00004024						0.00167715
Randy Gilmore Patterson	ORI						0.00006953	0.00002221	0.00001528	0.00000725						0.00011426
Jack W. McCaw	ORI						0.00006953	0.00002221	0.00001528	0.00000725						0.00011426
William C. White	ORI						0.00006953	0.00002221	0.00001528	0.00000725						0.00011426
Mary Kennedy Gore and Willa Kathryn Kennedy, equally	ORI						0.00020860	0.00006664	0.00004583	0.00002175						0.00034283
EHW, LLC, a New Mexico Limited Liability Company	ORI						0.00020860	0.00006664	0.00004583	0.00002175						0.00034283
Braille Institute of America Inc.	ORI						0.00030902	0.00009873	0.00006790	0.00003222						0.00050787
John Wallace Wallich	ORI						0.00004173	0.00001333	0.00000917	0.00000435						0.00006858

EXHIBIT "D"  
Attached to East Shugart (Delaware) Unit Agreement  
[GAS ONLY]

		S. Taylor 13 #2	S. Taylor 13 #3	Inca Fed	Conoco 1	Conoco 3	Mohawk	Geronimo 3	Geronimo 4	Geronimo 5	Geronimo 8	Geronimo 9	Geronimo 10*	Geronimo 12	Jade 1	Total Unit Participation
		Tract 1A	Tract 1B	Tract 2	Tract 3A	Tract 3B	Tract 4	Tract 5A	Tract 5B	Tract 5C	Tract 5D	Tract 5E	Tract 5F	Tract 5G	Tract 6	
OWNER		NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI
Beverly Le Toumeau	ORI			0.00004173	0.00001333	0.00000917	0.00000435									0.00006858
William James Wallrich, successor to																
Eugene Wallrich	ORI			0.00004170	0.00001332	0.00000916	0.00000435									0.00006854
J. W. Wallrich, Jr.	ORI			0.00004170	0.00001332	0.00000916	0.00000435									0.00006854
Lucy McCarley	ORI			0.00142882	0.00012328	0.00008479	0.00004024									0.00021476
Loffland limited Partnership	ORI				0.00010663	0.00007333	0.00003480									0.000453156
Five States 1994-E Ltd.	ORI				0.00453156											0.00226578
Five States 1995-B Ltd.	ORI				0.00226578											0.00226578
Five States 1995-D Ltd.	ORI				0.00226578											0.00266995
Paul J. Anderson	ORI			0.00266995												0.00266995
Thomas R. Holloway	ORI			0.00266995												0.00291382
Deborah Fedric	ORI			0.00266995		0.00016538	0.00007848									0.00156443
T. E. Brown, Jr.	ORI			0.00156443												0.00075925
Orion Properties, Inc.	ORI			0.00075925												0.00157695
King Properties, Inc.	ORI			0.00157695												
Clifton E. Shumate, Jr., Custodial Trustee for the Shareholders of Oil Royalties Corporation																
Jack Folkner	ORI			0.00033374												0.00033374
Louise Folkner Lane	ORI			0.00078219												0.00078219
Robert L. Folkner	ORI			0.00039109												0.00007823
Mark Ryan Folkner	ORI			0.00007823												0.00007823
Carl Lewis Folkner, Jr.	ORI			0.00007823												0.00007823
Stephen Francis Folkner	ORI			0.00007823												0.00007823
John Christopher Folkner	ORI			0.00007823												0.00329991
Conoco, Inc.	ORI					0.00329991										0.00291382
George H. Hunker, Jr.	ORI			0.00266995		0.00016538	0.00007848									
George Shannon, Executor O/E/O Gladys Shannon, dec'd	ORI						0.00001566									0.00001566
William J. Casey	ORI						0.00004894									0.00004894
NationsBank, Trustee u/w/o David B. Trammell	ORI						0.00005187									0.00005187
Carol David Trammell	ORI						0.00002594									0.00002594
NationsBank Texas, N.A., Fort Worth, Trustee of the Margaret Ruth Trammell Trust	ORI						0.00002594									0.00002594
Richard Borgaard	ORI						0.00007634									0.00007634
Margaret Johnson McCurdy, Trustee U/T/A 9/30/88	ORI						0.00100322									0.00100322
Harmac Oil & Gas, Inc.	ORI				0.00019250											0.00019250
DNR Oil & Gas, Inc.	ORI						0.00009135									0.00009135
Patricia A. Blunson	ORI			0.00016598	0.00003629											0.00020227
Jimmie L. Charlesworth	ORI			0.000033195	0.00007258											0.00040453
Tommye G. Ewing	ORI			0.000033195	0.00007258											0.00040453
Bette Taylor Garner	ORI			0.000037938	0.00008295											0.00046233
Acme Land Company	ORI						0.00031809									0.00031809
Branex Resources Inc.	ORI			0.00139420	0.00030484											0.00169904
Olin E. Groves	ORI			0.00028453	0.00006221											0.00034674
Cecil E. & Ella Belle Holerman Trust A	ORI			0.00018969	0.00004148											0.00023116

	S. Taylor 13 #2 Tract 1A	S. Taylor 13 #3 Tract 1B	Inca Fed Tract 2	Conoco 1 Tract 3A	Conoco 3 Tract 3B	Mohawk Tract 4	Geonimo 3 Tract 5A	Geonimo 4 Tract 5B	Geonimo 5 Tract 5C	Geonimo 8 Tract 5D	Geonimo 9 Tract 5E	Geonimo 10* Tract 5F	Geonimo 12 Tract 5G	Jade 1 Tract 6	Total Unit Participation
OWNER	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI
Cecil E. & Elia Belle Holeman Trust B	ORI 0.00018969	0.00004148													0.00023116
Prime Energy Asset & Income Fund AA-3	ORI 0.00029876	0.00006532													0.00036408
Prime Energy Asset & Income Fund AA-4	ORI 0.00029876	0.00006532													0.00036408
Sally Meader Roberts	ORI 0.00028453	0.00006221													0.00034674
Vivian C. Brunson	ORI 0.00016598	0.00003629													0.00020227
TOTAL ORI	0.00431539	0.00094356	0.03337438	0.01066250	0.00733313	0.00348000	0.00989360	0.00694800	0.00140477	0.00195265	0.00537840	0.00152458	0.00133586	0.00170447	0.09025127
18-31, Inc.	CWI						0.00022261	0.00015633	0.00005504	0.00007651	0.00012101	0.00005629	0.00005234		0.00074014
John Michael Frost	CWI						0.00013356	0.00009380	0.00003303	0.00004591	0.00007261	0.00003378	0.00003141		0.00044409
Marianne Keohane Frost	CWI						0.00066782	0.00046899	0.00016513	0.00022954	0.00036304	0.00016888	0.00015703		0.00222043
Mark James Frost	CWI						0.00013356	0.00009380	0.00003303	0.00004591	0.00007261	0.00003378	0.00003141		0.00044409
Theresa Ann Frost	CWI						0.00013356	0.00009380	0.00003303	0.00004591	0.00007261	0.00003378	0.00003141		0.00044409
Sue Saunders Graham	CWI						0.00044521	0.00031266	0.00011009	0.00015302	0.00024203	0.00011258	0.00010469		0.00148028
Donald S. Iverson, Deceased	CWI						0.00005565	0.00003908	0.00001376	0.00001913	0.00003025	0.00001407	0.00001309		0.00018504
Iverson, III, Inc.	CWI						0.00005565	0.00003908	0.00001376	0.00001913	0.00003025	0.00001407	0.00001309		0.00018504
PAI Incorporated	CWI						0.00005565	0.00003908	0.00001376	0.00001913	0.00003025	0.00001407	0.00001309		0.00018504
Jewell Iverson Intervivos Trust, Richard R. Sullivan, Successor Trustee	CWI						0.00016695	0.00011725	0.00004128	0.00005738	0.00009076	0.00004222	0.00003926		0.00055511
S. J. Iverson, Jr.	CWI						0.00014840	0.00010422	0.00003670	0.00005101	0.00008068	0.00003753	0.00003490		0.00049343
Wendell Welch Iverson	CWI						0.00014840	0.00010422	0.00003670	0.00005101	0.00008068	0.00003753	0.00003490		0.00049343
Jeanette Y. Keohane	CWI						0.00026713	0.00018760	0.00006605	0.00009181	0.00014522	0.00006755	0.00006281		0.00088817
Peter Claxton Iverson and Alvin Martin Iverson, Jr., Executors O/E/O Dorothy C. Monroe, dec'd.	CWI						0.00008348	0.00005862	0.00002064	0.00002869	0.00004538	0.00002111	0.00001963		0.00027755
Peter Claxton Iverson and Alvin Martin Iverson, Jr., Executors O/E/O Dorothy C. Monroe, dec'd.	CWI						0.00008348	0.00005862	0.00002064	0.00002869	0.00004538	0.00002111	0.00001963		0.00027755
Patsy Ann Iverson Page	CWI						0.00014840	0.00010422	0.00003670	0.00005101	0.00008068	0.00003753	0.00003490		0.00049343
Edward T. Matheny, Jr. and Commerce Bank of Kansas City, Trustee U/W/O Elyse Saunders Patterson	CWI						0.00044521	0.00031266	0.00011009	0.00015302	0.00024203	0.00011258	0.00010469		0.00148028
Wendell W. Iverson, Trustee of the PIP 1990 Trust	CWI						0.00042666	0.00029963	0.00010550	0.00014665	0.00023194	0.00010789	0.00010033		0.00141861
Wendell W. Iverson, Trustee of the SJI JR 1990 Trust	CWI						0.00042666	0.00029963	0.00010550	0.00014665	0.00023194	0.00010789	0.00010033		0.00141861
Phoebe Shelton	CWI						0.00044521	0.00031266	0.00011009	0.00015302	0.00024203	0.00011258	0.00010469		0.00148028
The Toles Company	CWI						0.00044521	0.00031266	0.00011009	0.00015302	0.00024203	0.00011258	0.00010469		0.00148028
Wendell W. Iverson, Trustee of the WWI 1990 Trust	CWI						0.00042666	0.00029963	0.00010550	0.00014665	0.00023194	0.00010789	0.00010033		0.00141861
TOTAL CWI							0.00556515	0.00390825	0.00137610	0.00191280	0.00302335	0.00140730	0.00130860		0.01850355
Department of the Interior - MMS	RI 0.00948438	0.00207375	0.03337438	0.01066250	0.00733313	0.00348000	0.01545875	0.01085625	0.00286688	0.00398500	0.00840375	0.00293188	0.00272625	0.011136313	0.12500000
TOTAL	0.07587500	0.01659000	0.26699500	0.08530000	0.05866500	0.02784000	0.12367000	0.08685000	0.02293500	0.03186000	0.06723000	0.02345500	0.02181000	0.09090500	1.00000000

\*NOTE: The working interests in Tract 5F (Geonimo Federal #10) are subject to the terms of that certain farmout agreement dated October 10, 1985, between 18-31, Inc. and Siete Oil & Gas Corp. The working interest shown herein are the Before Payout interests. In the event Tract 5F reaches payout as define in said farmout agreement the working interests in Tract 5F will be adjusted accordingly.

	S. Taylor 13 #2	S. Taylor 13 #3	Inca Fed	Conoco 1	Conoco 3	Mohawk	Geronimo 3	Geronimo 4	Geronimo 5	Geronimo 8	Geronimo 9	Geronimo 10*	Geronimo 12	Jade 1	Total Unit Participation
	Tract 1A	Tract 1B	Tract 2	Tract 3A	Tract 3B	Tract 4	Tract 5A	Tract 5B	Tract 5C	Tract 5D	Tract 5E	Tract 5F	Tract 5G	Tract 6	NRI
OWNER	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI
Riverhill Energy Corporation	WI		0.01922631	0.00221613	0.00379455	0.00200979	0.00565416	0.00403663	0.00137248	0.00185392	0.00335734	0.00129875	0.00134582	0.00349984	0.04966573
St. Mary Land & Exploration Company	WI		0.17303679	0.01994519	0.03415115	0.01808825	0.05088746	0.03632976	0.01235229	0.01668543	0.03021609	0.01168873	0.01211240	0.03149858	0.44699212
Hare Production Company	WI						0.0006398	0.00074051	0.00000000						0.00140453
Ted E. Bacil	WI			0.00145479			0.00156924	0.00144173	0.00019036	0.00036248		0.00142231	0.00099192		0.00501860
Norman Barker	WI		0.00256830	0.00256830	0.0025013	0.00013248	0.00749935	0.00526658	0.00104308	0.00144990	0.00152881	0.00142231	0.00018598	0.00068179	0.02433627
Floyd A. Blakeney	WI		0.00303573	0.00048493	0.00025013	0.00013248	0.00378097	0.00263329	0.00019558	0.00152881	0.00050960	0.00017779	0.00012399	0.00034089	0.01240970
Borica Oil, Inc.	WI			0.00032329			0.00093742	0.00065832	0.00013039	0.00018124	0.00050960	0.00017779	0.00012399	0.00034089	0.00304203
Harrington Trust	WI		0.00101191	0.00032329	0.00008338	0.00004416	0.00093742	0.00065832	0.00013039	0.00018124	0.00050960	0.00017779	0.00012399	0.00034089	0.00452236
NM&T Resources, LLC	WI			0.00009699			0.00417339	0.00293085	0.00005912	0.00005437	0.00122305	0.00005334	0.00003720	0.00003720	0.00860830
Paula S. Campbell	WI			0.00001616			0.00069556	0.00048848	0.00000652	0.00000966	0.00020384	0.00000889	0.00000620		0.00143472
Brian D. Kantor, Successor to Del Lane	WI						0.00052308	0.00048058		0.00017951					0.00118316
Dr. Michael Norton, III	WI			0.00080822	0.00552184	0.00292466	0.00234355	0.00164581	0.00032596	0.00045309	0.00127401	0.00080005	0.00030997		0.01640716
Troy or Sandra Oney	WI						0.00093742						0.00000000		0.00093742
Leonard Schaan	WI						0.00156924	0.00048058		0.00089550					0.00294532
Barbara A. Schatz, Trustee of the Schatz Management Trust UTA 9/1/92	WI			0.00064657			0.00187484	0.00131665	0.00026077	0.00036248	0.00101921	0.00035558	0.00024798		0.00608407
Edwin G. Wallace	WI						0.00052308	0.00048058	0.00023730		0.00035902				0.00088210
William Nickey	WI										0.00035902				0.00107669
Gary Keith Tannahill, Barbara Carthell Mathis and Amarillo National Bank, Co-Trustees u/w/o Chester Francis Carthell, dec'd f/b/o Olga Eudora Tannahill Mathis	WI			0.00016164				0.00006519	0.00009062			0.00008889	0.00006199		0.00046834
Gary Keith Tannahill, Barbara Carthell Mathis and Amarillo National Bank, Co-Trustees u/w/o Chester Francis Carthell, dec'd f/b/o Theodore H. Carthell	WI			0.00016164				0.00006519	0.00009062			0.00008889	0.00006199		0.00046834
Don L. Lee	WI			0.00016164				0.00006519	0.00009062			0.00008889	0.00006199		0.00046834
Richard E. O'Connell	WI			0.00064657				0.00026077	0.00036248			0.00035558	0.00024798		0.00187338
Gwendolyn Manning Williams	WI			0.00096986			0.00281226	0.00197497	0.00039116	0.00054371	0.00152881	0.00053337	0.00037197		0.00912610
Leslie Fisher	WI									0.00050960					0.00050960
E & S, L.L.C.	WI		0.00202382	0.00051726	0.00016676	0.00008832	0.00232855	0.00163527	0.00007823	0.00010674	0.00091729	0.00010667	0.00007439	0.00068179	0.00827210
Dean Kinsolving	WI		0.00202382	0.00032329	0.00016676	0.00008832	0.00187484	0.00131665	0.00013039	0.00018124	0.00101921	0.00017779	0.00012399	0.00068179	0.00810807
Patrick J. Morello	WI						0.00046871	0.00032916		0.00025480					0.00105287
David J. Mossler	WI			0.00032329			0.00083742	0.00058532	0.00013039	0.00018124	0.00050960	0.00017779	0.00012399		0.00304203
John & Alice Sharp	WI						0.00093742		0.00000000	0.00050960					0.00144702
Steve or Lola Bell	WI						0.00031254		0.00000000						0.00031254
Nelson B. Alpers, Trustee of the Nelson B. Alpers Family Trust U/T/A 5/12/97	WI							0.00032916		0.00000000					0.00032916
John V. Fox	WI		0.00101191	0.00016164	0.00008338	0.00004416			0.00000000		0.00009062		0.00034089		0.00182150
Patricia K. Jennings	WI								0.00095150						0.00095150
J. David Wraether, Jr.	WI														0.00025508
Gene Shumate	WI				0.00016676	0.00008832									0.01616435
Five States 1994-E Ltd.	WI			0.01616435											0.00808218
Five States 1995-B Ltd.	WI			0.00808218											0.00808218
Five States 1995-D Ltd.	WI			0.00808218											0.00808218
J. E. Gieszinski	WI		0.00101191		0.00008338	0.00004416							0.00034089		0.00148034
Intoil, Inc.	WI												0.03977094		0.03977094
Nortex Corporation	WI	0.01640797	0.00358759												0.01999556

		S. Taylor 13 #2	S. Taylor 13 #3	Inca Fed	Conoco 1	Conoco 3	Mohawk	Geronimo 3	Geronimo 4	Geronimo 5	Geronimo 8	Geronimo 9	Geronimo 10*	Geronimo 12	Jade 1	Total Unit Participation
		Tract 1A	Tract 1B	Tract 2	Tract 3A	Tract 3B	Tract 4	Tract 5A	Tract 5B	Tract 5C	Tract 5D	Tract 5E	Tract 5F	Tract 5G	Tract 6	
OWNER		NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI
Harvey E. Yates Company	WI	0.02564136	0.00560646													0.03124783
Spiral, Inc.	WI	0.00338775	0.00074073													0.00412848
Explores Petroleum Corp.	WI	0.00338775	0.00074073													0.00412846
HEYCO Employees Ltd.	WI	0.00115767	0.00025312													0.00141079
Yates Energy Corporation	WI	0.00818800	0.00179030													0.00997830
Jalapeño Corporation	WI	0.00390473	0.00085377													0.00475850
TOTAL WI		0.06207523	0.01357269	0.20238221	0.06465740	0.04446807	0.02355264	0.09374186	0.06583230	0.01747074	0.02428459	0.05096034	0.01777789	0.01661377	0.07783741	0.77522814
Riverhill Energy Corporation	ORI			0.00076604		0.00024100	0.00011437	0.00024734	0.00017370	0.00001290	0.00001753	0.00015127	0.00001759	0.00001227	0.00017045	0.00192486
St. Mary Land & Exploration Company	ORI			0.00689447		0.00216889	0.00102931	0.00222606	0.00155330	0.00011611	0.00016139	0.00136141	0.00015832	0.00011041	0.00153402	0.01732380
Mary Elizabeth Baish	ORI			0.00002224	0.00000711	0.00000489	0.00000232	0.00004416	0.00003101	0.00000819	0.00001138	0.00002401	0.00000838	0.00000779	0.00000000	0.00017148
Karen Elizabeth Charles	ORI			0.00002224	0.00000711	0.00000489	0.00000232	0.00004417	0.00003102	0.00000819	0.00001139	0.00002401	0.00000838	0.00000779	0.00000000	0.00017151
Gerald E. and Emma Patricia Harrington Trust	ORI							0.00123670	0.00086850	0.00012901	0.00017933	0.00050423	0.00017591	0.00012268		0.000321635
Higgins Trust, Inc.	ORI			0.00066749	0.00021325	0.00014666	0.00006960	0.00021519	0.00015112	0.00003991	0.00005547	0.00011698	0.00004081	0.00003795		0.00175442
E. Bernard Johnston	ORI							0.00054693	0.00036409	0.00010143	0.00014099	0.00029732	0.00010373	0.00009645		0.00167095
Mary Ellen Johnston	ORI							0.00054693	0.00036409	0.00010143	0.00014099	0.00029732	0.00010373	0.00009645		0.00167095
Ray F. Lewis, Jr.	ORI							0.00086626	0.0006058	0.0001600	0.00002224	0.00004689	0.00001636	0.00001521		0.00026354
Margaret Masters	ORI			0.00053399	0.00017060	0.00011733	0.00005568	0.00175018	0.00122910	0.00032458	0.00045117	0.00095144	0.00033194	0.00030866	0.00622465	0.00622465
Michael R. McGuire	ORI							0.00086626	0.0006058	0.0001600	0.00002224	0.00004689	0.00001636	0.00001521		0.00026354
Margaret H. Naylor Revocable Trust	ORI							0.00086595	0.00060636	0.00001594	0.00002216	0.00004672	0.00001630	0.00001516		0.00026259
Wendell W. Iverson, Trustee of the PIP 1990 Trust	ORI							0.00014944	0.00010495	0.00002771	0.00003852	0.00008124	0.00002834	0.00002635		0.00045656
Rolo Inc.	ORI							0.00043099	0.00030267	0.00007993	0.00011110	0.00023430	0.00008174	0.00007601		0.00131674
Wendell W. Iverson, Trustee of the SJJ JR 1990 Trust	ORI							0.00014943	0.00010494	0.00002771	0.00003852	0.00008124	0.00002834	0.00002635		0.00045654
Katherine Mary Scott	ORI			0.00002224	0.00000711	0.00000489	0.00000232	0.00004417	0.00003102	0.00000819	0.00001139	0.00002401	0.00000838	0.00000779		0.00017151
Phoebe Shelton	ORI							0.00041368	0.00029051	0.00010664	0.00022488	0.00007846	0.00007955	0.00007995		0.00126384
Ralph A. Shugart Trust	ORI							0.00109386	0.00076819	0.00020286	0.00028198	0.00059465	0.00020746	0.00019291		0.00334191
Clifton E. Shumate	ORI							0.00000618	0.00000434	0.00000115	0.00000159	0.00000336	0.00000117	0.00000109		0.00001889
Betty Baish Strohmeyer Estate	ORI			0.00006675	0.00002133	0.00001467	0.00000696	0.00013251	0.00009306	0.00002457	0.00003416	0.00007204	0.00002513	0.00002337		0.00051454
Wendell W. Iverson, Trustee of the WWI 1990 Trust	ORI							0.00014943	0.00010494	0.00002771	0.00003852	0.00008124	0.00002834	0.00002636		0.00045655
Myrtle M. Westall Revocable Trust	ORI							0.00006926	0.00004864	0.00001284	0.00001785	0.00003765	0.00001313	0.00001221		0.00021158
George Westall	ORI			0.0003374	0.00010663	0.00007333	0.00003480	0.00013851	0.00009727	0.00002569	0.00003571	0.00007530	0.00002627	0.00002443		0.00097167
Centennial	ORI			0.00039109												0.00039109
Selma Andrews Trust #5188-01	ORI			0.00035847	0.00011452	0.00007876	0.00003736									0.00058913
Graham Austin and Margaret Austin, Co-Trustees of the Austin Family Trust U/T/A 3/22/95	ORI															
Nancy Carter	ORI			0.00285767	0.00024657	0.00016958	0.00008047									0.00335429
Randy Gilmore Patterson	ORI			0.00142882	0.00012329	0.00008479	0.00004024									0.00167715
Jack W. McCaw	ORI			0.00069653	0.00002221	0.00001528	0.0000725									0.00011426
William C. White	ORI			0.00069653	0.00002221	0.00001528	0.0000725									0.00011426
Mary Kennedy Gore and Willa Kathryn Kennedy, equally	ORI			0.00020860	0.00006664	0.00004583	0.00002175									0.00034283
EHW, LLC, a New Mexico Limited Liability Company	ORI			0.00020860	0.00006664	0.00004583	0.00002175									0.00034283
Braille Institute of America Inc.	ORI			0.00030902	0.00009873	0.00006790	0.00003222									0.00050787
John Wallace Wallrich	ORI			0.00004173	0.00001333	0.00000917	0.00000435									0.00006858



EXHIBIT "D"  
Attached to East Shugart (Delaware) Unit Agreement  
[LIQUID HYDROCARBONS ONLY]

		S. Taylor 13 #2	S. Taylor 13 #3	Inca Fed	Conoco 1	Conoco 3	Mohawk	Geronimo 3	Geronimo 4	Geronimo 5	Geronimo 8	Geronimo 9	Geronimo 10*	Geronimo 12	Jade 1	Total Unit Participation
		Tract 1A	Tract 1B	Tract 2	Tract 3A	Tract 3B	Tract 4	Tract 5A	Tract 5B	Tract 5C	Tract 5D	Tract 5E	Tract 5F	Tract 5G	Tract 6	
OWNER		NRI	NRI	NRI	NRI	NRI	NRI									NRI
Beverly Le Tourneau	ORI			0.00004173	0.00001333	0.00000917	0.00000435									0.00006858
William James Walfrich, successor to	ORI			0.00004170	0.00001332	0.00000916	0.00000435									0.00006854
Eugene Walfrich	ORI			0.00004170	0.00001332	0.00000916	0.00000435									0.00006854
J. W. Walfrich, Jr.	ORI			0.00142882	0.00012328	0.00008479	0.00004024									0.00021476
Lucy McCarley	ORI				0.00010663	0.00007333	0.00003480									0.00453156
Loffland Limited Partnership	ORI				0.00453156											0.00226578
Five States 1994-E Ltd.	ORI				0.00226578											0.00226578
Five States 1995-B Ltd.	ORI															0.00266995
Five States 1995-D Ltd.	ORI				0.00226578											0.00266995
Paul J. Anderson	ORI			0.00266995												0.00266995
Thomas R. Holloway	ORI			0.00266995												0.00291382
Deborah Fedric	ORI			0.00266995		0.00016538	0.00007848									0.00156443
T. E. Brown, Jr.	ORI			0.00156443												0.00075925
Orion Properties, Inc.	ORI			0.00075925												0.00157695
King Properties, Inc.	ORI			0.00157695												
Clifton E. Shumate, Jr., Custodial Trustee for the Shareholders of Oil Royalties Corporation																0.00033374
Jack Folkner	ORI			0.00033374												0.00078219
Louise Folkner Lane	ORI			0.00078219												0.00039109
Robert L. Folkner	ORI			0.00007823												0.00007823
Mark Ryan Folkner	ORI			0.00007823												0.00007823
Carl Lewis Folkner, Jr.	ORI			0.00007823												0.00007823
Stephen Francis Folkner	ORI			0.00007823												0.00007823
John Christopher Folkner	ORI			0.00007823												0.00329991
Conoco, Inc.	ORI					0.00329991										0.00291382
George H. Hunker, Jr.	ORI			0.00266995		0.00016538	0.00007848									
George Shannon, Executor O/E/O	ORI						0.00001566									0.00001566
Gladys Shannon, dec'd.	ORI						0.00004894									0.00004894
William J. Casey	ORI															
NationsBank, Trustee u/w/o David B. Trammell	ORI						0.00005187									0.00005187
Carol David Trammell	ORI						0.00002594									0.00002594
NationsBank Texas, N.A., Fort Worth, Trustee of the Margaret Ruth Trammell Trust	ORI						0.00002594									0.00002594
Richard Borgard	ORI						0.00002594									0.00002594
Margaret Johnson McCurdy, Trustee U/T/A 9/30/88	ORI						0.00100322									0.00100322
Harmac Oil & Gas, Inc.	ORI				0.00019250		0.00009135									0.00019250
DNR Oil & Gas, Inc.	ORI						0.00009135									0.00009135
Patrica A. Brunson	ORI			0.00016598												0.00020227
Jimmie L. Charlesworth	ORI			0.00003629												0.00040453
Tommye G. Ewing	ORI			0.00007258												0.00040453
Tommye G. Ewing	ORI			0.00033195												0.00046233
Bette Taylor Garner	ORI			0.00007258												0.00031809
Bette Taylor Garner	ORI			0.00008295												0.00031809
Acme Land Company	ORI															0.00031809
Acme Land Company	ORI															0.00169904
Branex Resources Inc.	ORI			0.00139420												0.00034674
Branex Resources Inc.	ORI			0.00028453												0.00034674
Cecil E. & Ella Belle Holeman Trust A	ORI			0.00018969												0.00023116
Cecil E. & Ella Belle Holeman Trust B	ORI			0.00018969												0.00023116
	ORI			0.00018969												0.00023116
	ORI			0.0004148												0.00023116



EXHIBIT "D"  
Attached to East Shugart (Delaware) Unit Agreement  
[LIQUID HYDROCARBONS ONLY]

		S. Taylor 13 #2	S. Taylor 13 #3	Inca Fed	Conoco 1	Conoco 3	Mohawk	Geronimo 3	Geronimo 4	Geronimo 5	Geronimo 8	Geronimo 9	Geronimo 10*	Geronimo 12	Jade 1	Total Unit Participation
		Tract 1A	Tract 1B	Tract 2	Tract 3A	Tract 3B	Tract 4	Tract 5A	Tract 5B	Tract 5C	Tract 5D	Tract 5E	Tract 5F	Tract 5G	Tract 6	
OWNER		NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI
Prime Energy Asset & Income Fund AA-	ORI	0.00029876	0.00006532													0.00036408
Prime Energy Asset & Income Fund AA-	ORI	0.00029876	0.00006532													0.00036408
Sally Meader Roberts	ORI	0.00028453	0.00006221													0.00024674
Vivian C. Brunson	ORI	0.00016598	0.00003629													0.00020227
TOTAL ORI		0.00431539	0.00094356	0.03337438	0.01066250	0.00733313	0.00348000	0.00989360	0.00694800	0.00140477	0.00199265	0.00537840	0.00152458	0.00133586	0.00170447	0.09025127
18-31, Inc.	CWI							0.00022261	0.00015633	0.00005504	0.00007651	0.00012101	0.00005629	0.00005234		0.00074014
John Michael Frost	CWI							0.00013356	0.00009380	0.00003303	0.00004591	0.00007261	0.00003378	0.00003141		0.00044409
Marianne Kechane Frost	CWI							0.00066782	0.00046889	0.00016513	0.00022954	0.00036304	0.00016888	0.00015703		0.00222043
Mark James Frost	CWI							0.00013356	0.00009380	0.00003303	0.00004591	0.00007261	0.00003378	0.00003141		0.00044409
Theresa Ann Frost	CWI							0.00013356	0.00009380	0.00003303	0.00004591	0.00007261	0.00003378	0.00003141		0.00044409
Sue Saunders Graham	CWI							0.00044521	0.00031266	0.00011009	0.00015302	0.00024203	0.00011258	0.00010469		0.00148028
Donald S. Iverson, Deceased	CWI							0.00005565	0.00003908	0.00001376	0.00001913	0.00003025	0.00001407	0.00001309		0.00018504
Iverson, III, Inc.	CWI							0.00005565	0.00003908	0.00001376	0.00001913	0.00003025	0.00001407	0.00001309		0.00018504
PAI Incorporated	CWI							0.00005565	0.00003908	0.00001376	0.00001913	0.00003025	0.00001407	0.00001309		0.00018504
Jewell Iverson Intervivos Trust, Richard R. Sullivan, Successor Trustee	CWI							0.00016695	0.00011725	0.00004128	0.00005738	0.00009076	0.00004222	0.00003926		0.00055511
S. J. Iverson, Jr.	CWI							0.00014840	0.00010422	0.00003670	0.00005101	0.00008068	0.00003753	0.00003480		0.00049343
Wendell Welch Iverson	CWI							0.00014840	0.00010422	0.00003670	0.00005101	0.00008068	0.00003753	0.00003480		0.00049343
Jeanette Y. Kechane	CWI							0.00026713	0.00018760	0.00006605	0.00009181	0.00014522	0.00006755	0.00006281		0.00088817
Peter Claxton Iverson and Alvin Martin Iverson, Jr., Executors O/E/O Dorothy C. Monroe, dec'd.	CWI							0.00008348	0.00005862	0.00002064	0.00002869	0.00004538	0.00002111	0.00001963		0.00027755
Peter Claxton Iverson and Alvin Martin Iverson, Jr., Executors O/E/O Dorothy C. Monroe, dec'd.	CWI							0.00008348	0.00005862	0.00002064	0.00002869	0.00004538	0.00002111	0.00001963		0.00027755
Patsy Ann Iverson Page	CWI							0.00008348	0.00005862	0.00002064	0.00002869	0.00004538	0.00002111	0.00001963		0.00027755
Edward T. Matheny, Jr. and Commerce Bank of Kansas City, Trustee U/W/O Elyse Saunders Patterson	CWI							0.00044521	0.00031266	0.00011009	0.00015302	0.00024203	0.00011258	0.00010469		0.00148028
Wendell W. Iverson, Trustee of the PIP 1990 Trust	CWI							0.00044521	0.00029963	0.00010550	0.00014665	0.00023194	0.00010789	0.00010033		0.00141861
Wendell W. Iverson, Trustee of the SUI JR 1990 Trust	CWI							0.00042666	0.00029963	0.00010550	0.00014665	0.00023194	0.00010789	0.00010033		0.00141861
Phoebe Shelton	CWI							0.00044521	0.00031266	0.00011009	0.00015302	0.00024203	0.00011258	0.00010469		0.00148028
The Toles Company	CWI							0.00044521	0.00031266	0.00011009	0.00015302	0.00024203	0.00011258	0.00010469		0.00148028
Wendell W. Iverson, Trustee of the WWI 1990 Trust	CWI							0.00042666	0.00029963	0.00010550	0.00014665	0.00023194	0.00010789	0.00010033		0.00141861
TOTAL CWI								0.00556615	0.00390825	0.00137610	0.00191280	0.00302535	0.00140730	0.00130860		0.01850355
Department of the Interior - NMMS	RI	0.00948438	0.00207375	0.03123842	0.00998010	0.00686381	0.00080736	0.01446939	0.01016145	0.00268340	0.00372996	0.00786591	0.00274424	0.00255177	0.01136313	
TOTAL		0.07587500	0.01659000	0.26699500	0.08530000	0.05866500	0.02784000	0.12367000	0.08685000	0.02293500	0.03188000	0.06723000	0.02345500	0.02181000	0.09090500	1.00000000

\*NOTE: The working interests in Tract 5F (Geronimo Federal #10) are subject to the terms of that certain farmout agreement dated October 10, 1985, between 18-31, Inc. and Siete Oil & Gas Corp. The working interest shown herein are the Before Payout Inter in the event Tract 5F reaches payout as define in said farmout agreement the working interests in Tract 5F will be adjusted accordingly.

EXHIBIT 4

Proposed Unit Operating Agreement  
East Shugart (Delaware) Unit Hearing

UNIT OPERATING AGREEMENT  
FOR THE DEVELOPMENT AND OPERATION OF THE  
EAST SHUGART (DELAWARE) UNIT  
EDDY AND LEA COUNTIES, NEW MEXICO

**UNIT OPERATING AGREEMENT  
EAST SHUGART (DELAWARE) UNIT  
EDDY AND LEA COUNTIES, NEW MEXICO**

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EXHIBIT "G"

EXHIBIT "H"

EXHIBIT "I"

**UNIT OPERATING AGREEMENT  
EAST SHUGART (DELAWARE) UNIT  
EDDY AND LEA COUNTIES, NEW MEXICO**

THIS AGREEMENT, is entered into as of the 1st day of February, 1999, by the parties who have signed the original of this instrument, a counterpart thereof, or other instrument agreeing to become a party hereto.

WITNESSETH:

WHEREAS, the parties hereto as Working Interest Owners have executed an agreement entitled "Unit Agreement, EAST SHUGART (DELAWARE) UNIT, Eddy and Lea Counties, New Mexico", which agreement, being referred to as the "Unit Agreement", among other things, provides for a separate agreement to be entered into by Working Interest Owners to provide for Unit Operations as therein 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 **CONFIRMATION OF UNIT AGREEMENT.** The Unit Agreement is hereby confirmed and by reference made a part of this Agreement.

The definitions in the Unit Agreement are adopted for all purposes of this Agreement. If there is any conflict between the Unit Agreement and this Agreement, the Unit Agreement shall govern.

1.2 **AMENDMENT OF JOINT OPERATING CONTRACTS AND OTHER AGREEMENTS.** The provisions of existing joint operating contracts and other agreements pertaining to the Unitized Substances or the Unitized Formation or operations with respect to either are amended to the extent necessary to make them conform to the provisions of this Agreement, but otherwise shall remain in effect.

**ARTICLE 2  
EXHIBITS**

2.1 **EXHIBITS.** The following exhibits are incorporated herein by reference:

2.1.1 **EXHIBITS A, A-1, B, and C** of the Unit Agreement.

2.1.2 **EXHIBIT D** attached hereto is a schedule showing the Unit Participation of each Working Interest Owner in each Tract, and the total Unit Participation of each Working Interest Owner. Unit Participations shall be determined as provided in Section 13. of the Unit Agreement. Exhibit D, or a revision thereof, shall not be conclusive as to the information therein, except it may be used as showing the Unit Participations of Working Interest Owners for purposes of this Agreement until shown to be in error and revised as herein authorized.

2.1.3 **EXHIBIT E** attached hereto, is the Accounting Procedure applicable to Unit Operations. If there is any conflict between this Agreement and Exhibit E, this Agreement shall govern.

2.1.4 **EXHIBIT F** attached hereto contains insurance provisions applicable to Unit Operations.

2.1.5 **EXHIBIT G** attached hereto contains the Gas Balancing Agreement.



2.1.6 EXHIBIT H attached hereto is an Equal Opportunity Clause.

2.1.7 EXHIBIT I attached hereto is the Recording Supplement to the Unit Operating Agreement and Financing Statement.

2.2 REVISION OF EXHIBITS. Whenever Exhibits A, A-1, and B are revised, Exhibits C and D shall be revised accordingly and be effective as of the same date. Unit Operator shall also revise Exhibits B and D from time to time as required to conform to changes in ownership of which Unit Operator has been notified as provided in the Unit Agreement.

2.3 REFERENCE TO EXHIBITS. When reference is made herein to an exhibit, it is to the exhibit as originally attached or, if revised, to the last revision.

### ARTICLE 3 SUPERVISION OF OPERATIONS BY WORKING INTEREST OWNERS

3.1 OVERALL SUPERVISION. 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 authority, 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 SPECIFIC AUTHORITY AND DUTIES. The matters with respect to which Working Interest Owners shall decide and take action shall include, but not be limited to, the following:

3.2.1 METHOD OF OPERATION. The method of operation, including the type or types of pressure maintenance, secondary recovery, or other enhanced recovery program to be employed.

3.2.2 DRILLING OF WELLS. The drilling of any well whether for production of Unitized Substances, for use as an injection well, or for other purposes.

3.2.3 WELL RECOMPLETIONS AND CHANGE OF STATUS. The recompletion, deepening, abandonment, or change of status of any well, or the use of any well for injection, salt water disposal, or other purposes, or the acquisition of wells for Unit Operations.

3.2.4 EXPENDITURES. The making of any single expenditure in excess of Twenty-five Thousand Dollars (\$25,000.00); however, approval by Working Interest Owners of the drilling, reworking, deepening, or plugging back of any well shall include approval of all necessary expenditures required therefor, and for completing, testing, and equipping the well, including necessary flow lines, separators, and lease tankage. No separate approval shall be required for any expenditure authorized as part of some other expenditure. If Operator prepares an AFE for its own use for any single expenditure costing less than \$25,000.00, Operator upon request shall furnish the requesting Working Interest Owners a copy of its AFE.

3.2.5 DISPOSITION OF UNIT EQUIPMENT. The selling or otherwise disposing of any major item of surplus Unit Equipment, if the current price of new equipment similar thereto is Twenty Five Thousand Dollars (\$25,000.00) or more.

3.2.6 AUDITS. The auditing of the accounts of Unit Operator pertaining to Unit Operations hereunder; however, the audits shall:

(a) not be conducted more than once each year except upon the resignation or removal of Unit Operator, and

(b) be made upon the approval of the owner or owners of a majority of Working Interest other than that of Unit Operator, at the expense of all Working Interest Owners other than Unit Operator, or

(c) be made at the expense of those Working Interest Owners requesting such audit, if owners of less than a majority of Working Interest, other than that of Unit Operator, request such an audit,

(d) be made upon not less than thirty (30) days' written notice to Unit Operator, and

(e) be conducted in accordance with COPAS guidelines.

3.2.7 INVENTORIES. The taking of periodic inventories under the terms of Exhibit E.

3.2.8 TECHNICAL SERVICES. Except as provided in Article 7, the authorizing of charges to the joint account of all Working Interest Owners for services by consultants or Unit Operator's technical personnel not covered by the overhead charges provided by Exhibit E.

3.2.9 ASSIGNMENTS TO COMMITTEES. The appointment of committees to study any problems in connection with Unit Operations.

3.2.10 The removal of Unit Operator and the selection of a successor.

3.2.11 The enlargement of the Unit Area, including readjustments of investments pursuant thereto.

3.2.12 The termination of the Unit Agreement.

#### ARTICLE 4 MANNER OF EXERCISING SUPERVISION

4.1 DESIGNATION OF REPRESENTATIVES. Each Working Interest Owner shall inform Unit Operator in writing of the names and addresses of the representative and alternate who are authorized to represent and bind such Working Interest Owner with respect to unit Operations. The representative or alternate may be changed from time to time by written notice to Unit Operator.

4.2 MEETINGS. All meetings of Working Interest Owners 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%). No meeting shall be called on less than fourteen (14) days advance written notice, with agenda for the meeting attached. Working Interest Owners who attend the meeting may amend items included in the agenda and may act upon an amended item or other items presented at the meeting. The representative of Unit Operator shall be chairman of each meeting.

4.3 VOTING PROCEDURE. Working Interest Owners shall decide all matters coming before them as follows:

4.3.1 VOTING INTEREST. Each Working Interest Owner shall have a voting interest equal to its Unit Participation at the time of the vote.

4.3.2 VOTE REQUIRED. Unless otherwise provided herein or in the Unit Agreement, all matters shall be decided by an affirmative vote of two or more parties owning sixty-five percent (65.0%) or more voting interest.

4.3.3 VOTE AT MEETING BY NONATTENDING WORKING INTEREST OWNER. Any Working Interest Owner who is not represented at a meeting may vote on any agenda item by letter, facsimile or telegram addressed to the representative of Unit Operator if its vote is received prior to the vote at the meeting.

4.3.4 POLL VOTES. Working Interest Owners may vote on and decide, by letter, facsimile or telegram, any matter submitted in writing to Working Interest Owners. If a meeting is not requested, as

provided in Article 4.2, within fourteen (14) days after a written proposal is sent to Working Interest Owners, the vote taken by letter, facsimile or telegram shall become final. Unit Operator will give prompt notice of the results of such voting to all Working Interest Owners.

## ARTICLE 5 INDIVIDUAL RIGHTS OF WORKING INTEREST OWNERS

5.1 RESERVATION OF RIGHTS. Working Interest Owners severally reserve to themselves all their rights, except as otherwise provided in this Agreement and the Unit Agreement.

5.2 SPECIFIC RIGHTS. Each Working Interest Owner shall have, among others, the following specific rights:

5.2.1 ACCESS TO UNIT AREA. Access to the Unit Area at all reasonable times to inspect Unit Operations, all wells, and the records and data pertaining thereto.

5.2.2 REPORTS. 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 information pertaining to Unit Operations. The cost of gathering and furnishing information not ordinarily furnished by Unit Operator to all Working Interest Owners shall be charged to the Working Interest Owner that requests the information.

## ARTICLE 6 UNIT OPERATOR

6.1 UNIT OPERATOR. St. Mary Land & Exploration Company is hereby designated as the Unit Operator.

6.2 RESIGNATION OR REMOVAL. Unit Operator may resign at any time. Upon default or failure in the performance of its duties and obligations hereunder, Unit Operator may be removed at any time by the affirmative vote of Working Interest Owners having eighty-five percent (85%) or more of the voting interest remaining after excluding the voting interest of Unit Operator. Such resignation or removal shall not become effective for a period of three (3) months after the resignation or removal, unless a successor Unit Operator has taken over Unit Operations prior to the expiration of such period.

6.3 SELECTION OF SUCCESSOR. Upon the resignation or removal of a Unit Operator, a successor Unit Operator shall be selected by Working Interest Owners. If the Unit Operator that is removed fails to vote or votes only to succeed itself, the successor Unit Operator shall be selected by the affirmative vote of Working Interest Owners having seventy-five percent (75%) or more of the voting interest remaining after excluding the voting interest of the Unit Operator that was removed.

## ARTICLE 7 AUTHORITY AND DUTIES OF UNIT OPERATOR

7.1 EXCLUSIVE RIGHT TO OPERATE UNIT. Subject to the provisions of this Agreement and to instructions from Working Interest Owners, Unit Operator shall have the exclusive right and be obligated to conduct Unit Operations. Included in this right is the right of Unit Operator to employ a project manager or to contract for services incident to Unit Operations. Any such use of a project manager or contract services will be accomplished without incurring charges beyond those provided in this Unit Operating Agreement.

7.2 WORKMANLIKE CONDUCT. Unit Operator shall conduct Unit Operations in a good and workmanlike manner as would a prudent operator under the same or similar circumstances. Unit Operator shall freely consult with Working Interest Owners and keep them informed of all matters which Unit Operator, in the exercise of its best judgment, considers important. Unit Operator shall not be liable to Working Interest Owners for losses sustained or liabilities incurred except as such may result from its gross negligence or willful misconduct.

7.3 **LIENS AND ENCUMBRANCES.** Unit Operator shall endeavor to keep the lands and leases in the Unit Area and Unit Equipment free from all liens and encumbrances occasioned by Unit Operations, except the lien and security interest of Unit Operator and Working Interest Owners granted hereunder.

7.4 **EMPLOYEES.** The number of employees or contractors used by Unit Operator in conducting Unit Operations, their selection, hours of labor, and compensation shall be determined by Unit Operator.

7.5 **APPEARANCE BEFORE A COURT OR REGULATORY AGENCY.** Unit Operator shall be responsible for retaining representation to appear before any court or regulatory agency in matters pertaining to Unit Operations; however, nothing herein shall prevent any Working Interest Owner from appearing in person or retaining representation on its own behalf at its sole expense.

7.6 **RECORDS.** Unit Operator shall keep correct books, accounts, and records of Unit Operations.

7.7 **REPORTS TO WORKING INTEREST OWNERS.** Unit Operator shall furnish Working Interest Owners reports of Unit Operations as often as it may deem necessary but no less frequently than annually.

7.8 **REPORTS TO GOVERNMENTAL AUTHORITIES.** Unit Operator shall make all reports to governmental authorities that it has the duty to make as Unit Operator.

7.9 **ENGINEERING AND GEOLOGICAL INFORMATION.** Unit Operator shall furnish to a Working Interest Owner, upon written request at the expense of the joint account, one copy of all logs and other engineering and geological data pertaining to wells drilled subsequent to the Effective Date hereof for Unit Operations insofar as such information pertains to the Unitized Formation.

7.10 **EXPENDITURES.** Unit Operator is authorized to make single expenditures not in excess of Twenty-five Thousand Dollars (\$25,000.00) without prior approval of Working Interest Owners. If an emergency occurs, Unit Operator may immediately make or incur such expenditures as in its opinion are required to deal with the emergency. Unit Operator shall report to Working Interest Owners, as promptly as possible, the nature of the emergency and the action taken.

7.11 **WELLS DRILLED BY UNIT OPERATOR.** 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 usual rates prevailing 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.

7.12 **MATHEMATICAL ERRORS.** It is hereby agreed by all parties to this Agreement that Unit Operator is empowered to correct any mathematical errors which might exist in the exhibits to this Agreement.

7.13 **BORDER AGREEMENTS.** Unit Operator may, after approval by Working Interest Owners, enter into border agreements with respect to lands adjacent to the Unit Area for the purpose of coordinating operations.

7.14 **INDEMNITIES.** As to any contract executed by Unit Operator with an independent contractor covering operations or services to be performed in connection with Unit Operations, Unit Operator shall require that any indemnification provision in favor of Unit Operator contained therein shall extend to and inure to the benefit of Working Interest Owners in the same manner as Unit Operator.

## ARTICLE 8 TAXES

8.1 **AD VALOREM TAXES.** Beginning with the first calendar year after the Effective Date hereof, Unit Operator shall make and file all necessary ad valorem tax renditions and returns with the proper tax authorities with respect to all property of each Working Interest Owner used or held by Unit Operator for

Unit Operations. Unit Operator may, at Unit Expense, engage the services of tax consultant(s) for purposes of evaluating, contesting and negotiating any ad valorem taxes. Unit Operator shall settle assessments arising therefrom. All such ad valorem taxes shall be paid by Unit Operator and charged to the account of all Working Interest Owners; 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 (1/8th) 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. If the Operator is required hereunder to pay ad valorem taxes 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 percentages of tax value generated by each party's working interest. Any Working Interest Owner dissatisfied with any assessment of its interest in real or personal property shall have the right, at its own expense, to protest and resist the same.

8.2 OTHER TAXES. Each Working Interest Owner shall pay or cause to be paid all production, severance, gathering, and other taxes imposed upon or with respect to the production or handling of its share of Unitized Substances.

#### ARTICLE 9 INSURANCE

9.1 INSURANCE. Unit Operator, with respect to Unit Operations, shall:

- (a) comply with the Workmen's 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 other insurance as set forth in Exhibit F.

#### ARTICLE 10 ADJUSTMENT OF INVESTMENTS

10.1 PERSONAL PROPERTY TAKEN OVER. Upon the Effective Date, Working Interest Owners shall deliver to Unit Operator the following:

10.1.1 WELLS. All wells completed in the Unitized Formation.

10.1.2 WELLS AND LEASE EQUIPMENT. The casing and tubing in each such well, the wellhead connections thereon, and all other lease and operating equipment that is used in the operations of such wells which Working Interest Owners determined is necessary or desirable for conducting Unit Operations.

10.1.3 RECORDS. A copy of all production and well records for such wells.

10.2 INVENTORY AND EVALUATION OF PERSONAL PROPERTY. Working Interest Owners shall at Unit Expense inventory and evaluate, as determined by Working Interest Owners, the personal property taken over by the Unit Operator under Article 10.1.2. Such inventory shall include and be limited to those items of equipment considered controllable under Exhibit E except, upon determination of Working Interest Owners, items considered noncontrollable may be included in the inventory and evaluation in order to insure a more equitable adjustment of investment. Casing shall be included in the inventory for record purposes, but shall be excluded from evaluation and investment adjustment.

10.3 WELL BORE ADJUSTMENT. The Working Interest Owners, in adjusting investment, may allocate a reasonable value for each well bore.

10.4 INVESTMENT ADJUSTMENT. Upon approval by Working Interest Owners of the inventory and evaluation, each Working Interest Owner shall be credited with the value of its interest in all personal property taken over under Article 10.1.2, and shall be charged with an amount equal to that obtained by multiplying the total value of all personal property taken over under Article 10.1.2 by such Working Interest Owner's Unit Participation. 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 an 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. Each Working Interest Owner shall be charged or credited with the net cash amount necessary to effect such readjustment of the capital investment account., Such net credit or net charge is hereinafter referred to as the "Investment Adjustment".

10.5 GENERAL FACILITIES. The acquisition of warehouses, warehouse stocks, lease houses, camps, field operating systems, wells (not governed by Article 10.1.1 above) and office buildings necessary for Unit Operations shall be by negotiation by the owners thereof and Unit Operator, subject to the approval of Working Interest Owners.

10.6 OWNERSHIP OF PERSONAL PROPERTY AND FACILITIES. Each Working Interest Owner, individually, shall, by virtue hereof, own an undivided interest, equal to its Unit Participation, in all personal property and facilities taken over or otherwise acquired by Unit Operator pursuant to this Agreement.

## ARTICLE 11 STATUTORY UNITIZATION PROVISIONS

11.1 STATUTORY UNITIZATION PROVISIONS. It is hereby agreed that if the Unit Agreement and the Unit Operating Agreement become effective under the terms hereof, and any parties that did not previously ratify the Unit Agreement and the Unit Operating Agreement nevertheless become Working Interest Owners pursuant to the terms of the Statutory Unitization Act (NMSA 1978 Section 70-7-1, et seq. as amended effective May 21, 1986), the interest of such Working Interest Owner (hereinafter referred to as a "Non-Consenting Party") shall be subject to the penalties (hereinafter referred to as "Non-Consent Penalties") set forth in Article 11.2 below.

Following Statutory Unitization, the Unit Operator shall offer the interest of such Non-Consenting Party proportionately to those parties who voluntarily joined the Unit (hereinafter referred to as "Consenting Parties"). Such Consenting Parties shall have the option to increase the amount of participation they are willing to assume. Consenting Parties shall have fifteen (15) days from receipt of notice of available Working Interest and the initial amount of the costs to be carried associated therewith to elect to 1) limit participation to such party's interest as shown in Exhibit D, 2) carry only such party's proportionate share of the Non-Consenting Parties' Working Interest, or 3) assume greater than such party's proportionate share of the Non-Consenting Parties' interests. If a Consenting Party fails to make an election within fifteen (15) days of receipt of such election notice, it shall be deemed to have elected to limit its participation to its Exhibit D interest. If one hundred percent (100%) interest in the Unit is not subscribed, Unit Operator may elect to assume the outstanding Working Interest. Once all parties have made the elections allowed under the provisions hereof, the Non-Consenting Parties' Working Interest shall be allocated among the Consenting Parties that have elected to assume additional Working Interest. However, no Consenting Party shall be allocated any additional participation in excess of the amount of participation that said Consenting Party has elected to assume. If the Consenting Parties collectively do not agree to assume one hundred percent (100%) participation, Unit Operator shall take steps to terminate the Unit.

With respect to the Investment Adjustment, if the Non-Consenting Party has a net charge against its interest following the Investment Adjustment, such charge shall be considered a Unit Expense allocable

solely to such Non-Consenting Party in the month in which the Investment Adjustment is applied and shall be treated as any other Unit Expense under this Article 11. If such Non-Consenting Owner has a net credit to its account following the Investment Adjustment, the amount of such credit shall be applied to the outstanding balance of such Non-Consenting Party in the same manner as revenue in the month in which the Investment Adjustment is applied. If the amount of such credit is sufficient to cover all of such Non-Consenting Party's share of the initial costs of unitization (including pre-unitization costs and its share of any costs for operations included in the initial approved Plan of Operations) (see Section 11. of the Unit Agreement) plus the Non-Consent Penalty set forth below, the Working Interest of such Non-Consenting Party shall vest with such party and such party shall become a Working Interest Owner as though it had voluntarily joined the Unit.

**11.2 NON-CONSENT PENALTY.** All Unit Expense, including the Investment Adjustment, shall be borne by the Consenting Parties in the proportions they have elected to participate pursuant to Article 11.1 above. Each Non-Consenting Party shall be deemed to have relinquished to the Consenting Parties, and the Consenting Parties shall own and be entitled to receive, in proportion to their respective interests and elections, all of such Non-Consenting Party's share of the proceeds from the sale of Unitized Substances (including its share of any Outside Substances produced and sold) until such proceeds, calculated at the well with appropriate deductions for compression, gathering, transportation and marketing, or the market value thereof if such share is not sold (after deducting production taxes, excise taxes, royalty, including overriding royalty, payable out of or measured by the production from the unit accruing with respect to such interest) shall equal all Unit Expense, including the Investment Adjustment (whether a charge or a credit), accruing for such interest plus an amount equal to two hundred percent (200%) allocated proportionately to such Non-Consenting Party's Working Interest. It is expressly agreed that the 200% penalty provided for herein shall be applied as follows. For any month in which a Non-Consenting Party's share of Unit Expense exceeds its share of the proceeds from the sale of Unitized Substances, the 200% penalty shall be applied to the difference between such expenses and the proceeds, and the resulting amount shall be added to the Non-Consenting Party's unpaid balance. For any month in which a Non-Consenting Party's share of such proceeds exceeds its share of Unit Expenses, the difference between such proceeds and Unit Expense shall be applied against such Non-Consenting Party's unpaid balance. When the Non-Consenting Party's share of Unit Expense plus the 200% penalty has paid out, the Working Interest of the Non-Consenting Party, including its corresponding share of Unit revenue and Unit Expense, and the voting rights represented thereby, shall vest with such party as though such party had voluntarily joined the Unit.

Any Non-Consenting Party shall have the right, at any time, to pay off the amount of its net unpaid balance (including its Investment Adjustment and the Non-Consent Penalty) and, in the event that any Non-Consenting Party exercises this right, the Working Interest of such Non-Consenting Party shall vest to it in the month following the month of such payment.

## ARTICLE 12 UNIT EXPENSE

**12.1 BASIS OF CHARGE TO WORKING INTEREST OWNERS.** Unit Operator initially shall pay all Unit Expense. Each Working Interest Owner shall reimburse Unit Operator for its share of Unit Expense. Each Working Interest Owner's share shall be the same as its Unit Participation in effect at the time the expense was incurred. All charges, credits, and accounting for Unit Expense shall be in accordance with Exhibit D. If any party has elected to be a Non-Consenting Party pursuant to Article 11, Exhibit D interests shall be modified accordingly.

**12.2 LIABILITY OF PARTIES.** The liability of the parties shall be several, not joint or collective. Each party shall be responsible only for its obligations, and shall be liable only for its proportionate share of Unit Expenses. Accordingly, the liens granted among the parties in Article 12.6 are given to secure only the debts of each severally, and no party shall have any liability to third parties hereunder to satisfy the default of any other party in the payment of any expense or obligation hereunder. It is not the intention of the parties to create, nor shall this agreement be construed as creating a partnership, joint venture, agency relationship or association, or to render the parties liable as partners, co-venturers, or principals. In their relations with each other under this Agreement, the parties shall not be considered fiduciaries or to have established a

confidential relationship, however, the parties shall be obligated to act in good faith in their dealings with each other with respect to activities hereunder.

12.3 **BUDGETS.** 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, 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.

12.4 **ADVANCE BILLINGS.** If gross expenditures for the joint account are expected to exceed \$60,000.00 in the next succeeding month's operation, Unit Operator shall have the right, without prejudice to other rights or remedies, to require Working Interest Owners to advance their respective shares of estimated Unit Expense by submitting to Working Interest Owners, on or before the 15th day of any month, an itemized estimate thereof for the succeeding month, with a request for payment in advance. Within fifteen (15) days after receipt of the estimate, each Working Interest Owner shall pay to Unit Operator its share of such estimate. If any party fails to pay its share of said estimate within said time, the amount due shall bear interest as provided in Exhibit E until paid. Adjustments between estimated and actual Unit Expense shall be made by Unit Operator at the close of each calendar month, and the accounts of Working Interest Owners shall be adjusted accordingly.

Notwithstanding the above provision, if any party voluntarily commits its interest to the Unit and then fails to pay its share of the initial cost of unitization (to include actual pre-unitization costs and the Investment Adjustment, if a debit, as well as advance charges for operations set forth in the initial approved Plan of Operations (see Section 11 of the Unit Agreement) Operator may elect, at its option, to treat the interest of such Working Interest Owner, with respect to such initial costs only, as though such Working Interest Owner had not voluntarily joined the Unit but had instead been included in the Unit pursuant to the terms of the Statutory Unitization Provisions of Article 11. For the purposes of this provision only, Operator shall afford such delinquent Working Interest Owner an additional thirty (30) day period within which to pay such charges before making such election.

12.5 **COMMINGLING OF FUNDS.** Funds received by Unit Operator under this Agreement need not be segregated or maintained by it as a separate fund, but may be commingled with its own funds.

12.6 **LIEN AND SECURITY INTEREST.** Each Working Interest Owner grants to Unit Operator a lien upon its Oil and Gas Rights in each Tract and the Unit Area, whether now owned or hereafter acquired, 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 and all other obligations hereunder, together with interest to be determined monthly at the rate of three percent (3%) plus the U.S. Treasury three-month discount rate in effect on the first day of the month for each month that the payment is delinquent. Unit Operator grants a like lien and security interest to Working Interest Owners to secure payment of Unit Operator's proportionate share of Unit Expense

To perfect the lien and security interest provided herein, each party agrees to execute and acknowledge a recording supplement in the form attached hereto as Exhibit I, and Unit Operator or any Working Interest Owner is authorized to file this Agreement or the recording supplement executed herewith as a lien or mortgage in the applicable real estate records and as a financing statement with the proper officer under the Uniform Commercial Code in the state in which the Unit Area is situated. Each party represents and warrants to the other parties that the lien and security interest granted by such party to the other parties shall be a first and prior lien and security interest, and each party hereby agrees to maintain the priority of the lien and security interest against all persons acquiring an interest in Oil and Gas Rights covered by this Agreement by, through, or under such party. All parties acquiring an interest in Oil and Gas Rights covered by this Agreement, whether by assignment, merger, mortgage, operation of law, or otherwise, shall be deemed to have taken subject to the lien and security interest granted herein as to all obligations and duties attributable to the interests hereunder whether or not the obligations arise before or after the Oil and Gas Rights are acquired.



To the extent that Unit Operator or Working Interest Owners have a security interest under the Uniform Commercial Code of the state, Unit Operator or Working Interest Owners shall be entitled to exercise the rights and remedies of a secured party under the Code. The bringing of a suit and the obtaining of judgment by Unit Operator or Working Interest Owners 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.

12.7 **STATUTORY LIENS.** Each party agrees that the other parties shall be entitled to utilize the provisions of oil and gas lien law or other lien law of the state in which the Unit Area is situated to enforce the obligations of each party hereunder. Without limiting the generality of the foregoing, to the extent not prohibited by applicable law, the parties agree that Unit Operator may invoke or utilize the Oil and Gas Lien Act (NMSA 1978, Section 70-4-1 through 15) in order to secure the payment to Unit Operator of any sum due hereunder for Unit Expenses.

12.8 **UNPAID UNIT EXPENSE.** If any Working Interest Owner fails to pay its share of Unit Expense within sixty (60) days after rendition of a statement therefor by Unit Operator, each Working Interest Owner (including the Unit Operator) agrees, upon request by Unit Operator, to pay its proportionate part of the unpaid share of Unit Expense of the defaulting Working Interest Owner. Working Interest Owners that pay the share of Unit Expense of a defaulting Working Interest Owner shall be reimbursed by Unit Operator for the amount so paid, plus any interest collected thereon, upon receipt by Unit Operator of any past due amount collected from the defaulting Working Interest Owner and/or out of the proceeds for the sale of the defaulting party's share of Unitized Substances as provided in Article 12.9 below. Any Working Interest Owner so paying a defaulting Working Interest Owner's share of Unit Expense shall be secured by the liens and security interest described in Article 12.6, and each paying party may independently pursue any remedy available hereunder or otherwise. While in default, any such defaulting Working Interest Owner forfeits its voting rights and such rights will be shared proportionately by the non-defaulting Working Interest Owners.

12.9 **RIGHT TO COLLECT PROCEEDS.** Upon default in the payment of its share of Unit Expense by any Working Interest Owner including the Unit Operator, the Working Interest Owners that pay a share of the defaulting party's Unit Expense, shall have the right, without prejudice to other rights or remedies, to collect from the purchaser the proceeds from the sale of such Working Interest Owner's share of Unitized Substances until the amount owed by such defaulting party, including the amount of any non-consent penalty that may be authorized pursuant to Section 12.10.D below, plus interest, has been paid. Each purchaser shall be entitled to rely upon Unit Operator's or Working Interest Owner's written statement concerning the amount of any default and all parties waive any recourse available against purchasers for releasing production proceeds as provided in this paragraph.

12.10 **SUSPENSION OF RIGHTS.** In the event that any Working Interest Owner fails to pay any amounts due hereunder for a period of sixty (60) days after such amounts are due, such party shall be considered a defaulting party and the rights of a defaulting party may be suspended hereunder by the election of the nondefaulting parties. Any party may deliver to the defaulting party a notice of default which shall specify the default, specify the action to be taken to cure the default, and specify the actions to be taken by the nondefaulting parties as a result of failure to cure the default. If within thirty (30) days of delivery of such notice, the default has not been cured, any or all of the following actions may result:

(a) Nondefaulting parties or Unit Operator for the benefit of nondefaulting parties may sue (at Unit Expense) to collect the amounts in default, plus interest accruing on the amounts recovered from the date of default until the date of collection at the rate specified in Article 12.6. Nothing herein shall prevent any party from suing any defaulting party to collect consequential damages accruing to such party as a result of the default.

(b) Defaulting party shall no longer have the right to receive information as to any operation conducted hereunder, the right to vote on any matter submitted to the Working Interest Owners, or the right to receive proceeds of production from any well subject to this Agreement.

(c) In the event any party brings legal proceedings to enforce any financial obligation of a party hereunder, the non-defaulting party bringing such proceedings shall be entitled to recover all court costs, costs of collection, and reasonable attorneys' fees, which the lien and security interest provided for herein shall also secure.

(d) If a party remains in default after the 30-day period for curing default, Unit Operator shall have the optional right to declare that such defaulting Working Interest Owner has elected to become a Non-Consenting Party, as provided for in Article 11.1 hereof, and that all unpaid sums shall be subject to a 200% penalty as though said Working Interest Owner had elected to be carried under said Article 11.1. If this right is exercised, the Operator shall offer the interest of such a defaulting Working Interest Owner to the remaining Working Interest Owners under terms and provisions identical to those in the Non-Consent Provisions, Article 11 of this Agreement. Consenting Working Interest Owners shall be deemed to be Consenting Parties as to their share of such defaulting Working Interest Owner's Working Interest with the right to recover a proportionate share of the 200% Non-Consent penalty.

(e) The rights, powers, and remedies conferred in this Article 12 are cumulative, and not exclusive of (1) any and all other rights, powers, and remedies conferred in this Agreement, (2) any and all rights, powers and remedies existing at law or in equity, and (3) any and all other rights, powers and remedies provided in any other agreement between the parties.

12.11 CARVED-OUT INTEREST. If any Working Interest Owner shall, after executing this Agreement, create an overriding royalty, production payment, 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 not limited to, Article 12.6 hereof entitled "Lien and Security Interest of Unit Operator". If the Working Interest Owner creating such carved-out interest (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 18 hereof, the carved-out interest shall be chargeable with a pro rata portion of all Unit Expense incurred hereunder, the same as though such 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 Articles 12.6, 12.7, 12.8, 12.9 and 12.10, for the purpose of collecting the Unit Expense chargeable to the carved-out interest.

### ARTICLE 13 NONUNITIZED FORMATIONS

13.1 RIGHT TO OPERATE. 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, such Working Interest Owner shall exercise care to prevent unreasonable interference with Unit Operations. No Working Interest Owner 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 Working Interest Owners so that the production of Unitized Substances will not adversely be affected.

13.2 MULTIPLE COMPLETIONS. As of the effective date hereof, any well bore in which there is a completion in both the Unitized Formation and any other formation shall be considered as a multiple completion. The Working Interest Owners that have contributed such multiple completion reserve the right to use such well bore for operations in any other formation. It shall be the sole responsibility of the owners of the other formation to furnish and install equipment necessary to segregate the production both in the well and on the surface in a manner acceptable to the Working Interest Owners. If there is a conflict of interest between the Working Interest Owners and any other formation owner with respect to a multiple completion, or the operation thereof, the interest of the Working Interest Owners shall prevail.

13.2.1 **REMEDIAL WORK.** If it becomes necessary to workover, recondition, redrill, or abandon a well in the other formation, such work shall be performed by and at the sole risk and expense of the owners of the other formation under supervision of Unit Operator. If it becomes necessary to perform like work in the Unitized Formation, such work shall be performed by Unit Operator at Unit Expense.

13.2.2 **LIABILITY.** The Working Interest Owner shall not be liable or responsible for any damage to or loss of production from the other formation, including the use of such well as an injection well, nor for any damage to such well or to the property, equipment, or facilities used in the operation of such well for production unless such damages result from gross negligence or willful misconduct. Likewise, the owners of the other formation shall not be liable or responsible for any damage to or loss of production from the Unitized Formation, including the use of such well as an injection well, nor for any damage to such well or to the property, equipment or facilities, unless such damage results from gross negligence or willful misconduct.

13.2.3 **REDRILLING.** In the event it becomes necessary and economically feasible to redrill a well in which there is a multiple completion, the costs of the same shall be mutually agreed upon by the Working Interest Owners and the owners in the other formation.

13.2.4 **DIVISION OF EXPENSES.** All charges directly attributable to the Unitized Formation in multiple completed wells will be regarded as Unit Expense, and all charges directly attributable to another formation in such well will be borne by the owners of the other formation. When charges cannot be directly attributed to either the Unitized Formation or to the other formation(s), such charges will be divided among the various completed formations equally. Those charges allocated to the Unitized Formation will be regarded as Unit Expense. Charges allocated to other formation(s) will be charged to the owners of such formation(s).

## ARTICLE 14 TITLES

14.1 **WARRANTY AND INDEMNITY.** Each Working Interest Owner represents and warrants that it is the owner of the respective Working Interests set forth opposite its name in Exhibit D, and agrees to indemnify and hold harmless the other Working Interest Owners from any loss due to failure, in whole or part, of its title to any such interest, except failure of title arising because of Unit Operations; however, such indemnity and any liability for breach of warranty shall be limited to an amount equal to the net value that has been received from the sale or receipt of Unitized Substances attributed to the interest as to which title failed. Each failure of title will be deemed to be effective, insofar as this Agreement is concerned, as of 7:00 a.m. on the first day of the calendar month in which such failure is finally determined, and there shall be no retroactive adjustment of Unit Expense as a result of a title failure.

14.2 **FAILURE BECAUSE OF UNIT OPERATIONS.** The failure of title to any Working Interest in any Tract because of Unit Operations, including non-production 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.

14.3 **TITLE EXAMINATION.** Unit Operator is hereby authorized to conduct such title examination and title curative work on any interest in any Tract or Tracts as it deems necessary or advisable from time to time for purposes of unitization and/or Unit Operations; and each Working Interest Owner who owns any interest in any such Tract agrees to cooperate in such title examination and agrees to furnish to Unit Operator all records affecting title, including but not limited to title opinions and abstracts of title, that may be in such Working Interest Owner's possession or control. All costs and expenses incurred in such title examination and curative work conducted for said purposes before or after the Effective Date hereof shall be treated as a Unit Expense.

14.4 **WAIVER OF RIGHTS TO PARTITION.** Each party hereto agrees that, during the existence of this Agreement, it will not resort to any action to partition the Unitized Formation or the Unit Equipment, and to that extent waives the benefits of all laws authorizing such partition.

## ARTICLE 15 LIABILITY, CLAIMS, AND SUITS

15.1 INDIVIDUAL LIABILITY. The duties, obligations, and liabilities of Working Interest Owners shall be several and not joint or collective; and nothing herein shall ever be construed as creating a partnership of any kind, joint venture, association, or trust among Working Interest Owners. Each party hereto shall be individually responsible for its own obligations as herein provided.

15.2 SETTLEMENTS. Unit Operator may settle any single damage claim or suit involving Unit Operations if the expenditure does not exceed Twenty-five Thousand Dollars (\$25,000.00) and if 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 assume and take over 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. 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 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 16 INTERNAL REVENUE PROVISION

16.1 INTERNAL REVENUE PROVISION. Notwithstanding any provisions herein that the rights and liabilities of the parties 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 Code and the regulations promulgated thereunder. Unit Operator is hereby 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 the Federal Internal Revenue Service, including specifically, but not by way of limitation, all of the returns, statements, and the data required by Federal Regulations. Should there be any requirement that each party hereto furnish further evidence of this election, each party hereto agrees to 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 income tax laws of the State of New Mexico, or any future income tax laws 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 Subchapter K of the Code is permitted, each of the parties agrees to make such election as may be permitted or required by such laws. In making this election, each of the parties 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 17 NOTICES

17.1 NOTICES. All notices between the parties authorized or required hereunder, unless otherwise specifically provided, shall be in writing and delivered in person or sent by United States mail, courier service, telex, telecopier or other form of facsimile or telegram, postage or charges prepaid, and addressed to the representative of each Working Interest Owner as furnished to Unit Operator in accordance with Article 4. Notice shall be deemed delivered only when received by the Working Interest Owner to whom the notice is directed and the time for such party to deliver any notice in response thereto shall run from the date the originating notice is received. "Receipt" for purposes of this agreement with respect to written notice delivered hereunder shall be actual delivery of the notice to the address of the party, or to the telecopy,

delivered hereunder shall be actual delivery of the notice to the address of the party, or to the telecopy, facsimile, or telex machine of such party. Any responsive notice shall be deemed delivered upon actual receipt at the address of the party, or upon delivery of such notice to the courier or telegraph service, or upon transmittal by telex, telecopy, or facsimile, or when personally delivered to the party to be notified. All oral notices permitted by this agreement shall be confirmed immediately thereafter by written notice.

#### ARTICLE 18 WITHDRAWAL OF WORKING INTEREST OWNER

18.1 WITHDRAWAL. If any Working Interest Owner desires to be relieved of all obligations and liabilities thereafter accruing, it shall provide written notice of such desire to the Unit Operator and all other Working Interest Owners. If any other Working Interest Owner does not desire to take its proportionate share of such party's Working Interest, it shall notify the Unit Operator within fifteen (15) days of receipt of such notice. If no party objects to taking its proportionate share of the interest of such party desiring to withdraw from the Unit, or if there are objections, if the Unit Operator and or any other remaining Working Interest Owners elect to assume the objecting party's share of such interest, the Unit Operator shall advise the party desiring to withdraw (Withdrawing Party) within fifteen (15) days of the end of such fifteen day notice period that it may withdraw. However, if 100% of the Working Interest of the party desiring to withdraw is not subscribed, the Operator shall inform such party that it may not withdraw.

If permission to withdraw is granted, the Withdrawing Party shall execute an assignment conveying all of its interest in all oil, gas and mineral leases, insofar as such leases lie within the Unit Area and only insofar as said leases cover the Unitized Formation. Such assignment shall include all Working Interest owned by the Withdrawing Party together with the entire interest of such party in any and all wells, materials, equipment and other property within or pertaining to the Unit. Such assignment shall be made to all remaining Working Interest Owners proportionately or in whatever percentages are agreed among the remaining Working Interest Owners. The assignment shall be delivered to the Unit Operator for recordation and dissemination to the assignees named therein. Any assignment made under this provision shall be made with special warranty of title only. However, there shall be no payment to the assignor therefor. The Withdrawing Party shall not be relieved of its liability for any obligation accrued under this Agreement or the Unit Agreement prior to the date Unit Operator advises that it may withdraw.

#### ARTICLE 19 ABANDONMENT OF WELLS

19.1 RIGHTS OF FORMER OWNERS. If Working Interests Owners decide to permanently abandon any well within the Unit Area prior to termination of the Unit Agreement, Unit Operator shall give written notice thereof to the Working Interest Owners of the Tract on which the well is located. Said notice shall include the net salvage value of the casing and equipment in and on the well as determined under the terms of Exhibit E attached hereto. Working Interest Owners of the Tract shall have the option for a period of sixty (60) days after the sending of such notice to notify Unit Operator in writing of their election to take over and own the well. Within ten (10) days after the Working Interest Owners of the Tract have notified Unit Operator of their election to take over the well, they shall pay Unit Operator, for credit to the joint account, the amount determined to be the net salvage value of the casing and equipment. The Working Interest Owners of the Tract, by taking over the well, agree to properly seal off and protect the Unitized Formation, and upon abandonment to plug the well in compliance with applicable laws and regulations. The Working Interest Owners who take over the well under this provision shall immediately file the necessary forms with the appropriate state and federal agencies showing the change in the operation of such well.

19.2 PLUGGING. If the Working Interest Owners of a Tract do not elect to take over a well located within the Unit Area that is proposed for abandonment, Unit Operator shall plug and abandon the well in compliance with applicable laws and regulations retaining any salvage value received for the joint account.

19.3 RIGHT OF ACQUISITION OF WELLBORES. If Working Interest Owners of a particular Tract decide to permanently abandon any well within the Unit Area which is NOT included in the Unit prior

to termination of the Unit Agreement, the Working Interest Owners of such well shall give written notice thereof to the Unit Operator, together with the net salvage value of the casing and equipment in and on the well, and Unit Operator, subject to Article 3.2.4 hereof, shall have the option for a period of sixty (60) days after the sending of such notice to notify the Working Interest Owners of such well in writing of any election to take over and own the well for the benefit of the Working Interest Owners. If the value of the casing and equipment in such well exceed \$25,000, within ten (10) days of receipt of a notice of the availability of such well, Unit Operator shall notify the Unit Working Interest Owners in writing of the option to acquire the well for Unit Operations. The decision as to whether to take over such well will then be governed by the provisions of Article 4.3.4 hereof. Within ten (10) days after the Unit Operator has notified the Working Interest Owners of the well of any election to take over the well, Unit Operator shall pay the Working Interest Owners of such well, as an expense of the joint account, the net salvage value of the casing and equipment in and on the well. By taking over the well, the Unit Working Interest Owners agree upon abandonment to plug the well in compliance with applicable laws and regulations at the expense of the joint account. The Unit Operator upon taking over the well under this provision shall immediately file the necessary forms with the appropriate state and federal agencies showing the change in the operation of such well.

#### ARTICLE 20 EFFECTIVE DATE AND TERM

20.1 EFFECTIVE DATE. This Agreement shall become effective when the Unit Agreement becomes effective.

20.2 TERM. This Agreement shall continue in effect so long as the Unit Agreement remains in effect, and thereafter until (a) all Unit wells have been plugged and abandoned or turned over to Working Interest Owners in accordance with Article 19; (b) all Unit Equipment and real property acquired for the joint account have been disposed of by Unit Operator in accordance with instructions of Working Interest Owners; and (c) there has been a final accounting.

#### ARTICLE 21 ABANDONMENT OF OPERATIONS

21.1 TERMINATION. Upon termination of the Unit Agreement, the following will occur:

21.1.1 OIL AND GAS RIGHTS. Oil and Gas Rights in and to each separate Tract shall no longer be affected by this Agreement, and thereafter the parties shall be governed by the terms and provisions of the leases, contracts, and other instruments affecting the separate Tracts.

21.1.2 RIGHT TO OPERATE. Working Interest Owners of any Tract that desire to take over and continue to operate wells located thereon may do so by paying Unit Operator, for credit to the joint account, the net salvage value, as determined under the terms of Exhibit E attached hereto, of the casing and equipment in and on the wells taken over and by agreeing upon abandonment to plug each well in compliance with applicable laws and regulations and to restore the surface of the lands as required under the terms of any applicable laws, rules, regulations, orders, or contractual obligations.

21.1.3 SALVAGING WELLS. Within six (6) months of agreement to terminate the Unit, 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 and the surface of the lands to be restored as required under the terms of any applicable laws, rules, regulations, orders, or contractual obligations.

21.1.4 COST OF ABANDONMENT. The cost of abandonment of Unit Operations including surface restoration shall be a Unit Expense.

21.1.5 DISTRIBUTION OF ASSETS. Working Interest Owners shall share in the distribution of Unit Equipment, or the proceeds thereof, in proportion to their Unit Participations.

## ARTICLE 22 RIGHTS OF WAYS AND EASEMENTS

22.1 ASSIGNMENT TO UNIT OPERATOR. Each Working Interest Owner having rights of ways, easements or leasehold interest in surface sites necessary for Unit Operations hereby agrees to assign, to the extent of its right and interest, to Unit Operator for the benefit of the Working Interest Owners, a non-exclusive right and interest in and to such interest. A Working Interest Owner having such an interest shall, within ninety (90) days after the Effective Date execute and deliver to Unit Operator, in recordable form, an assignment of such rights and interests, together with copies of the instruments creating such interests and any maps or plats further describing and depicting the affected premises.

22.2 RENTAL PAYMENTS. The owners of such interest agree to make any rental payments or other payments which may become due to avoid termination of any such interest for failure to make such payment prior to 30 days beyond the date formal assignment of such interest to Unit Operator is accomplished as described in this Article 22.1 above. Any payments made under this paragraph shall be a direct charge under Unit Expense.

22.3 RIGHTS OF UNIT OPERATOR. Such interest described in this Article 22.1 above, shall continue in Unit Operator for so long as such are used for Unit Operations, or until released by recordable instrument. In the event a Unit Operator ceases to be such, it shall assign such rights and interests to the successor Unit Operator.

## ARTICLE 23 GOVERNMENTAL REGULATIONS

23.1 GOVERNMENTAL REGULATIONS. Working Interest Owners agree to release Unit Operator from any and all losses, damages, 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 or successor agencies 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 the above noted 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.

## ARTICLE 24 FORCE MAJEURE

24.1 FORCE MAJEURE. The obligations of Unit Operator hereunder shall be suspended to the extent that, and only so long as, performance thereof is prevented by an act of God, fire, lightning, storm, flood or other acts of nature, strikes, lockouts or other industrial disturbance, acts of civil or military authorities, acts of war, blockade, public riot, explosion, restrictions or restraints imposed by law or by regulation or order of governmental authority, whether federal, state or local, inability to obtain necessary rights of access, unavailability of equipment, or any other cause reasonably beyond the control of Unit Operator, whether or not similar to any cause above enumerated. Whenever performance of its obligations is prevented by any such cause, Unit Operator shall give notice thereof to the parties as promptly as is reasonably practicable.

ARTICLE 25  
APPROVAL

25.1 COUNTERPART EXECUTION, RATIFICATION OR APPROVAL. This Agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by other separate instruments in writing specifically referring hereto, and shall be binding upon all those parties who have executed such a counterpart, other separate instrument, ratification or consent hereto with the same force and effect as if all parties had signed the same document, and regardless of whether or not it is executed by all other parties owning or claiming an interest in the land within the above-described Unit Area.

25.2 CONFLICT WITH PRIOR AGREEMENTS. It is recognized there may be certain existing agreements by and between several of the Lessees or Working Interest Owners hereto, covering a portion of the Oil and Gas Rights subject to this Operating Agreement. In case of any inconsistency or conflict between this Unit Operating Agreement and those certain agreements, this Unit Operating Agreement shall govern.

ARTICLE 26  
SUCCESSORS AND ASSIGNS

26.1 SUCCESSORS AND ASSIGNS. This Agreement shall extend to, be binding upon, and inure to the benefit of the parties hereto and their respective heirs, devisees, legal representatives, successors, and assigns, and shall constitute a covenant running with the lands, leases, and interests covered hereby.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and dates evidenced by their certificates of acknowledgments hereof below their respective signatures.

## UNIT OPERATOR:

## ST. MARY LAND &amp; EXPLORATION COMPANY

By: *Milam Randolph Pharo*  
Milam Randolph Pharo  
Vice President - Land & Legal  
1776 Lincoln Street, Suite 1100  
Denver, Colorado 80203-1080

Date: February 26, 1999

THE STATE OF COLORADO

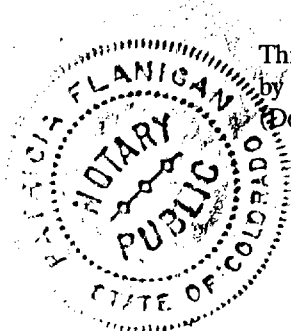
§

COUNTY OF DENVER

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This instrument was acknowledged before me on this the 26<sup>th</sup> day of February, 1999, by Milam Randolph Pharo, as Vice President - Land & Legal of St. Mary Land & Exploration Company, a (Delaware) corporation, on behalf of said corporation.



*Patricia Flanigan*  
Notary Public, State of COLORADO  
Printed Name: Patricia Flanigan  
My commission expires: May 15, 2003



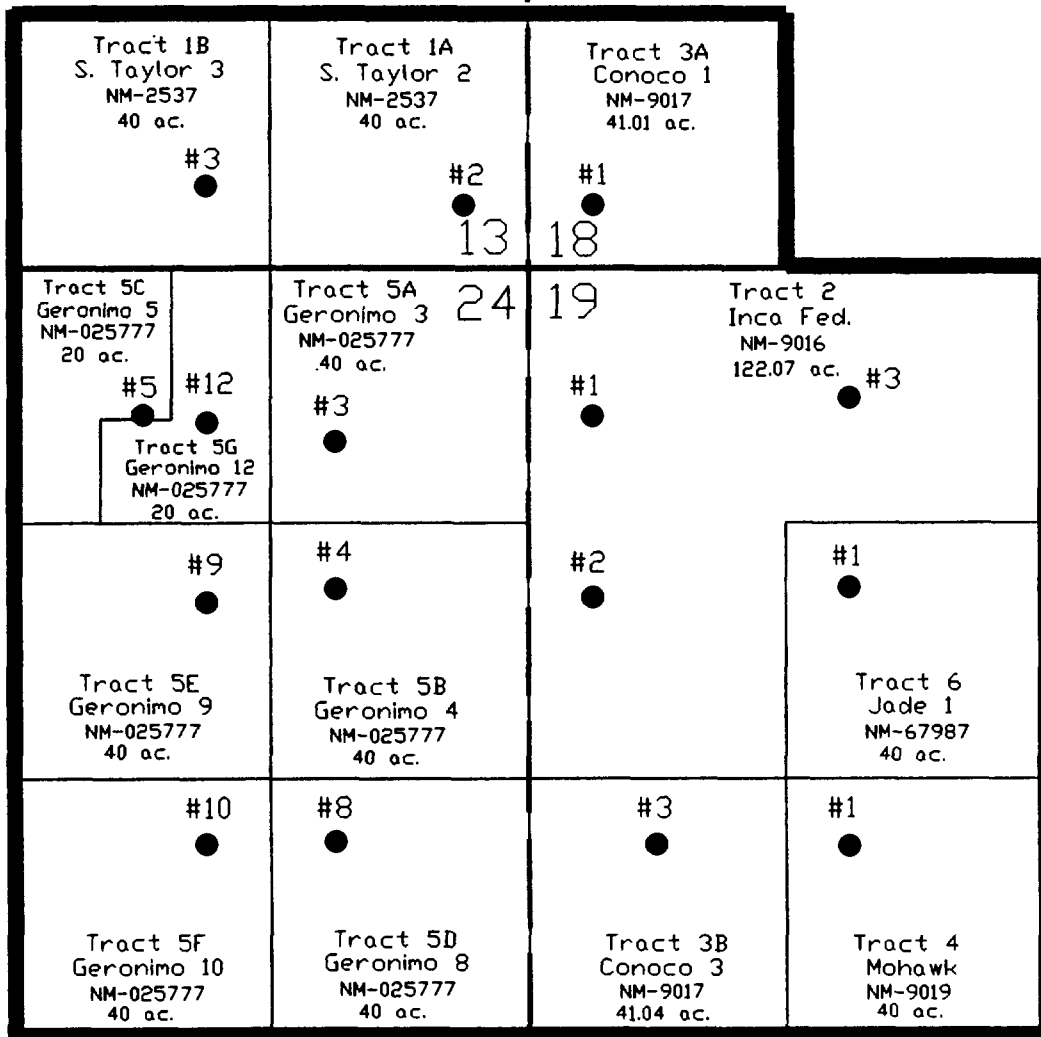
# EXHIBIT A

R 31 E

R 32 E

T 18 S

T 18 S



EDDY COUNTY

LEA COUNTY

604.12 ACRES

ST. MARY LAND & EXPLORATION COMPANY  
EAST SHUGART (DELAWARE) UNIT  
EDDY & LEA COUNTIES, NEW MEXICO



PROPOSED UNIT BOUNDARY

SCALE: 1" = 1000'

EXHIBIT "A-1"					
EAST SHUGART (DELAWARE) UNIT					
TRACT DESCRIPTIONS					
Tract No.	Tract Name	Status	Tract Operator	Acres	County
1A	S. Taylor 2	HBP	Harvey E. Yates Company	40.00	Eddy
1B	S. Taylor 3	HBP	Harvey E. Yates Company	40.00	Eddy
2	Inca Fed	HBP	St. Mary Land & Exploration Company	122.07	Lea
3A	Conoco 1	HBP	St. Mary Land & Exploration Company	41.01	Lea
3B	Conoco 3	HBP	St. Mary Land & Exploration Company	41.04	Lea
4	Mohawk 1	HBP	St. Mary Land & Exploration Company	40.00	Lea
5A	Geronimo 3	HBP	St. Mary Land & Exploration Company	40.00	Eddy
5B	Geronimo 4	HBP	St. Mary Land & Exploration Company	40.00	Eddy
5C	Geronimo 5	HBP	St. Mary Land & Exploration Company	20.00	Eddy
5D	Geronimo 8	HBP	St. Mary Land & Exploration Company	40.00	Eddy
5E	Geronimo 9	HBP	St. Mary Land & Exploration Company	40.00	Eddy
5F	Geronimo 10	HBP	St. Mary Land & Exploration Company	40.00	Eddy
5G	Geronimo 12	HBP	St. Mary Land & Exploration Company	20.00	Eddy
6	Jade 1	HBP	St. Mary Land & Exploration Company	40.00	Lea
				604.12	
Total Federal Acres:		604.12			
Total State Acres		0			
Total Fee Acres		0			
Total Unit Acres		604.12			

EXHIBIT "B"

EAST SHUGART (DELAWARE) UNIT  
LEA AND EDDY COUNTIES, NEW MEXICO

TRACT NO.	TRACT NAME	DESCRIPTION OF LAND	ACRES	SERIAL NO. & EFFECTIVE DATE	BASIC ROYALTY OWNER AND PERCENTAGE	LESSEE OF RECORD	OVERRIDING ROYALTY/CARRIED WORKING INTEREST OWNER AND PERCENTAGE		WORKING INTEREST OWNER AND PERCENTAGE	PARTICIPATION OF TRACT IN UNIT
1A	S. Taylor No. 2	T18S, R31E Section 13: SE/4 SE/4 Eddy County, New Mexico	40	NM - 2537 HBP	United States of America - 12.5%	Harvey E. Yates Co. (42.081804%); Yates Energy Corp. (19.845696%); Explorers Petroleum Corp. (5.56375%); Spiral Inc. (5.56375%); Stelaron Inc. (25%); Heyco Employees, Ltd. (1.90125%)	Global Natural Resources Corporation of Nevada et al		Harvey E. Yates Co. et al - 100%	0.07587500
1B	S. Taylor No. 3	T18S, R31E Section 13: SW/4 SE/4 Eddy County, New Mexico	40	NM - 2537 HBP	United States of America - 12.5%	Harvey E. Yates Co. (42.081804%); Yates Energy Corp. (19.845696%); Explorers Petroleum Corp. (5.56375%); Spiral Inc. (5.56375%); Stelaron Inc. (25%); Heyco Employees, Ltd. (1.90125%)	Global Natural Resources Corporation of Nevada et al		Harvey E. Yates Co. et al - 100%	0.07659000
2	Inca Federal	T18S, R32E Section 19: Lots 1 & 2 (W/2 NW/4) and NE/4 NW/4 Lea County, New Mexico	122.07	NM-9016 HBP	United States of America	Curry & Thromton (25%); St. Mary Land & Exploration Company et al - 12.5% Siete Oil & Gas Corp. (50%)  *Step Scale 12.5 - 32% George H. Hunker (25%)		St. Mary Land & Exploration Company et al - 100%		0.26699500
3A	Conoco No. 1	T18S, R32E Section 18: Lot 4 (SW/4 SW/4) Lea County, New Mexico	41.01	NM - 9017 HBP	United States of America *Step Scale 12.5 - 32%	Conoco, Inc.	Five States 1994-E, Ltd. - 12.5%		Higgins Trust, Inc. et al - 100%	0.08530000
3B	Conoco No. 3	T18S, R32E Section 19: Lot 3 (NW/4 SW/4) Lea County, New Mexico	41.04	NM - 9017 HBP	United State of America *Step Scale 12.5 - 32%	Conoco, Inc.	St. Mary Land & Exploration Company et al - 12.5%		St. Mary Land & Exploration Company et al - 100%	0.05866500

TRACT NO.	TRACT NAME	DESCRIPTION OF LAND	ACRES	SERIAL NO. & EFFECTIVE	BASIC ROYALTY OWNER AND	LESSEE OF RECORD	OVERRIDING ROYALTY/CARRIED WORKING		PARTICIPATION OF TRACT IN UNIT
				DATE	PERCENTAGE		INTEREST OWNER AND PERCENTAGE	WORKING INTEREST OWNER AND PERCENTAGE	
4	Mohawk No. 1	T18S, R32E Section 19: NE/4 SW/4 Lea County, New Mexico	40	NM - 9019 HBP	United States of America - *12.5%;	Gladys Shannon (1%); Elizabeth S. Borgaard (1.21875%); David T. Edwards (1.21875%); Kate N. Edwards (2.4375%); William J. Casey (3.125%); Mildred M. Trammell (3.125%); Trammell Estate (3.125%); Nicholas R. Dupont (20.3125%); E. J. McCurdy Est. (65.0625%)	St. Mary Land & Exploration Company et al - 12.5%	St. Mary Land & Exploration Company et al - 100%	0.02784

4	Mohawk No. 1	T18S, R32E Section 19: NE/4 SW/4 Lea County, New Mexico	40	NM - 9019 HBP	United States of America - *12.5%;	Gladys Shannon (1%); Elizabeth S. Borgaard (1.21875%); David T. Edwards (1.21875%); Kate N. Edwards (2.4375%); William J. Casey (3.125%); Mildred M. Trammell (3.125%); Trammell Estate (3.125%); Nicholas R. Dupont (20.3125%); E. J. McCurdy Est. (65.0625%)	St. Mary Land & Exploration Company et al - 12.5%	St. Mary Land & Exploration Company et al - 100%	0.02784
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5A	Geronimo No. 3	T18S, R31E Section 24: NE/4 NE/4 Eddy County, New Mexico	40	NM NM-025777 HBP	United States of America - *12.5%		St. Mary Land & Exploration Company et al - 12.5%	St. Mary Land & Exploration Company et al - 100%	0.12367000
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5B	Geronimo No. 4	T18S, R31E Section 24: SE/4 NE/4 Eddy County, New Mexico	40	NM NM-025777 HBP	United States of America - *12.5%		St. Mary Land & Exploration Company et al - 12.5%	St. Mary Land & Exploration Company et al - 100%	0.08685000
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5C	Geronimo No. 5	T18S, R31E Section 24: Part of NW/4 NE/4 Eddy County, New Mexico	20	NM NM-025777 HBP	United States of America - *12.5%		St. Mary Land & Exploration Company et al - 12.125%	St. Mary Land & Exploration Company et al - 100%	0.02293500
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5D	Geronimo No. 8	T18S, R31E Section 24: NE/4 SE/4 Eddy County, New Mexico	40	NM NM-025777 HBP	United States of America - *12.5%		St. Mary Land & Exploration Company et al - 12.125%	St. Mary Land & Exploration Company et al - 100%	0.03188000
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5E	Geronimo No. 9	T18S, R31E Section 24: SW/4 NE/4 Eddy County, New Mexico	40	NM NM-025777 HBP	United States of America - *12.5%		St. Mary Land & Exploration Company et al - 12.5%	St. Mary Land & Exploration Company et al - 100%	0.06723000
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5F	Geronimo No. 10	T18S, R31E Section 24: NW/4 SE/4 Eddy County, New Mexico	40	NM NM-025777 HBP	United States of America - *12.5%		St. Mary Land & Exploration Company et al - 12.5%	St. Mary Land & Exploration Company et al - 100%	0.02345500
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5G	Geronimo No. 12	T18S, R31E Section 24: Part of the NW/4 NE/4 Eddy County, New Mexico	20	NM NM-025777 HBP	United States of America - *12.5%		St. Mary Land & Exploration Company et al - 12.125%	St. Mary Land & Exploration Company et al - 100%	0.02181000
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6	Jade No. 1	T18S, R32E Section 19: SE/4 NW/4 Lea County, New Mexico	40	NM - 67987 HBP	United States of America - Oil: *Step- Scale 12.5% - 17%; Gas: 12.5%	Intoil, Inc. (50%); Siete Oil & Gas Corp. (50%)	St. Mary Land & Exploration Company et al - 1.875%	St. Mary Land & Exploration Company et al - 100%	0.09090500
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Total Unit Acres: 604.12

1.00000000

\*Subject to Stripper Well  
qualification on Oil

## EXHIBIT "C"

East Shugart Delaware Unit							
Tract Participation Factors							
Tract No.	Tract Name	% of Acres	% of Cum Oil	% of Oil Rate	% of OOIP	% of Rem. Prim	Unit Participation
1A	S. Taylor 2	6.62%	8.99%	8.83%	6.24%	8.03%	7.5875%
1B	S. Taylor 3	6.62%	0.00%	0.00%	3.32%	0.00%	1.6590%
2	Inca Fed	20.21%	28.95%	28.07%	26.62%	24.54%	26.6995%
3A	Conoco 1	6.79%	10.77%	11.10%	5.09%	11.76%	8.5300%
3B	Conoco 3	6.80%	2.86%	5.18%	6.75%	7.35%	5.8665%
4	Mohawk 1	6.62%	1.40%	2.25%	3.32%	2.35%	2.7840%
5A	Geronimo 3	6.62%	15.95%	12.37%	11.15%	13.94%	12.3670%
5B	Geronimo 4	6.62%	9.92%	6.02%	10.92%	6.62%	8.6850%
5C	Geronimo 5	3.31%	2.93%	1.75%	3.06%	0.18%	2.2935%
5D	Geronimo 8	6.62%	2.09%	2.59%	4.26%	1.28%	3.1880%
5E	Geronimo 9	6.62%	5.47%	6.65%	6.69%	8.22%	6.7230%
5F	Geronimo 10	6.62%	1.42%	2.39%	2.23%	2.08%	2.3455%
5G	Geronimo 12	3.31%	1.83%	1.75%	3.06%	0.53%	2.1810%
6	Jade 1	6.62%	7.42%	11.05%	7.29%	13.12%	9.0905%
		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Participation Formula: (5% X Acres) + (15% X Cum Oil) + (25% X Oil Rate) + (40% X OOIP) + (15% X Rem. Prim)							
Acres = Number of acres within the tract.							
Cum Oil = Amount of Primary oil produced as of 6/1/98.							
Oil Rate = Average daily production rate from 1/98 through 5/98.							
OOIP = Original Oil In Place.							
Rem. Prim. = Remaining unproduced primary reserves.							

EXHIBIT "D"

Attached to East Shugart (Delaware) Unit Operating Agreement

	S. Taylor 2 Tract 1A	S. Taylor 3 Tract 1B	Inca Fed Tract 2	Conoco 1 Tract 3A	Conoco 3 Tract 3B	Mohawk Tract 4	Geronimo 3 Tract 5A	Geronimo 4 Tract 5B	Geronimo 5 Tract 5C	Geronimo 8 Tract 5D	Geronimo 9 Tract 5E	Geronimo 10* Tract 5F	Geronimo 12 Tract 5G	Jade 1 Tract 6	Total Unit Participation
OWNER	GWI	GWI	GWI	GWI	GWI	GWI	GWI	GWI	GWI	GWI	GWI	GWI	GWI	GWI	GWI
Riverhill Energy Corporation			0.02536453	0.00292366	0.00500600	0.00237564	0.00745931	0.00532538	0.00179931	0.00243004	0.00442921	0.00171339	0.00176470	0.00413618	0.06472734
St. Mary Land & Exploration Company			0.22828073	0.02631292	0.04505429	0.02138092	0.06713385	0.04792844	0.01619377	0.02187049	0.03986292	0.01542049	0.01588231	0.03722560	0.58254672
Hare Production Company							0.00087596	0.00097706							0.00185303
Ted E. Bacil				0.00191925			0.00207024	0.00190202	0.00025114	0.00047820					0.00662084
Norman Barker				0.00341200			0.00989360	0.00694800	0.00137610	0.00191280	0.00537840	0.00187640	0.00130860		0.003210590
Floyd A. Blakeney			0.00400493	0.00063975	0.00032999	0.00015660	0.00432845	0.00347400	0.00025802		0.00201690	0.00023455	0.00024536	0.00090905	0.01636305
Bonca Oil, Inc.				0.00042650			0.00123670	0.00086850	0.00017201	0.00023910	0.00067230	0.00023455	0.00016358		0.00401324
Harrington Trust			0.00133498	0.00042650	0.00011000	0.00005220	0.00123670	0.00086850	0.00017201	0.00023910	0.00067230	0.00023455	0.00016358	0.00045453	0.00596493
NM&T Resources, LLC				0.00012795			0.00550579	0.00386656	0.00005160	0.00007173	0.00161352	0.00007037	0.00004907		0.01135659
Paula S. Campbell				0.000002133			0.00091763	0.00064443	0.00000860	0.00001196	0.00026892	0.00001173	0.00000818		0.00189277
Brian D. Kantor, Successor to Del Lane															
Dr. Michael Norton, III				0.00106625	0.00728475	0.00345704	0.00069008	0.00063401			0.00023682	0.00000000	0.00000000		0.00156090
Troy or Sandra Oney							0.00123670	0.00217125	0.00043003	0.00059775	0.00168075	0.00105548	0.00040894		0.02124399
Leonard Schaeen							0.00207024	0.00063401			0.00118140				0.00123670
Barbara A. Schatz, Trustee of the Schatz Management Trust UTA 9/1/92				0.00085300			0.00247340	0.00173700	0.00034403	0.00047820	0.00134460	0.00046910	0.00032715		0.00602648
Edwin G. Wallace							0.00069008	0.00063401	0.00031306		0.00047364				0.00116371
William Nickey											0.0047364				0.00142070
Gary Keith Tannahill, Barbara Carthell Mathis and Amarillo National Bank, Co- Trustees u/w/o Chester Francis Carthell, dec'd f/b/o Olga Eudora Tannahill Mathis															
Gary Keith Tannahill, Barbara Carthell Mathis and Amarillo National Bank, Co- Trustees u/w/o Chester Francis Carthell, dec'd f/b/o Theodore H. Carthell				0.00021325					0.00008601	0.00011955		0.00011728	0.00008179		0.00061787
Don L. Lee				0.00021325					0.00008601	0.00011955		0.00011728	0.00008179		0.00061787
Richard E. O'Connell				0.00085300					0.00034403	0.00047820		0.00046910	0.00032715		0.00247148
Gwendolyn Manning Williams				0.00127950			0.00371010	0.00260550	0.00051604	0.00071730	0.00201690	0.00070365	0.00049073		0.01203971
Leslie Fisher											0.00067230				0.00067230
E & S, L.L.C.			0.00266995	0.00068240	0.00021999	0.00010440	0.00307196	0.00215735	0.00010321	0.00014346	0.00121014	0.00014073	0.00009815	0.00090905	0.01151079
Dean Kinsolving			0.00266995	0.00042650	0.00021999	0.00010440	0.00247340	0.00173700	0.00017201	0.00023910	0.00134460	0.00023455	0.00016358	0.00090905	0.01069413
Patrick J. Morello							0.00061835	0.00043425			0.00033615	0.00023455	0.00016358		0.00138875
David J. Mossler				0.00042650			0.00123670	0.00086850	0.00017201	0.00023910	0.00067230	0.00023455	0.00016358		0.00401324
John & Alice Sharp							0.00123670				0.00067230				0.00190900
Steve or Lola Ball							0.00041232				0.00067230				0.00041232
Nelson B. Alpers, Trustee of the Nelson B. Alpers Family Trust UTA 5/12/97									0.00043425						0.00043425
John V. Fox												0.00011728			0.00011728
Patricia K. Jennings			0.00133498	0.00021325	0.00011000	0.00005220						0.00011728		0.00045453	0.000240177
J. David Wraether, Jr.									0.00011955						0.00125528
Gene Shumate					0.00021999	0.00010440			0.00125528						0.00032439
Five States 1994-E Ltd.				0.02132500											0.02132500
Five States 1995-B Ltd.				0.01066250											0.01066250

EXHIBIT "D"

Attached to East Shugart (Delaware) Unit Operating Agreement

	S. Taylor 2	S. Taylor 3	Inca Fed	Conoco 1	Conoco 3	Mohawk	Geronimo 3	Geronimo 4	Geronimo 5	Geronimo 8	Geronimo 9	Geronimo 10*	Geronimo 12	Jade 1	Total Unit Participation
	Tract 1A	Tract 1B	Tract 2	Tract 3A	Tract 3B	Tract 4	Tract 5A	Tract 5B	Tract 5C	Tract 5D	Tract 5E	Tract 5F	Tract 5G	Tract 6	
OWNER	GWI	GWI	GWI	GWI	GWI	GWI	GWI	GWI	GWI	GWI	GWI	GWI	GWI	GWI	
Five States 1995-D Ltd.				0.01066250										0.01066250	
J. E. Cieszinski			0.00133498		0.00011000	0.00005220								0.00045453	0.0195170
Intoil, Inc.														0.04545250	0.04545250
Nortex Corporation	WI 0.01686875	0.00414750													0.02311625
Harvey E. Yates Company	WI 0.03195186	0.00698624													0.03893810
Spiral, Inc.	WI 0.00422150	0.00092303													0.00514452
Explorers Petroleum Corp.	WI 0.00422150	0.00092303													0.00514452
HEYCO Employees Ltd.	WI 0.00144257	0.00031542													0.00175799
Yates Energy Corporation	WI 0.01020312	0.00223090													0.01243402
Jalapeno Corporation	WI 0.00486571	0.00106388													0.00592959
TOTAL WI	0.07587500	0.01659000	0.26699500	0.08530000	0.05866500	0.02784000	0.12367000	0.08685000	0.02293500	0.03188000	0.06723000	0.02345500	0.02181000	0.09090500	1.00000000

\*NOTE: The working interests in Tract 5F (Geronimo Federal #10) are subject to the terms of that certain farmout agreement dated October 10, 1985, between 18-31, Inc. and Siete Oil & Gas Corp. The working interest shown herein are the Before Payout interests, in the event Tract 5F reaches payout as define in said farmout agreement the working interests in Tract 5F will be adjusted accordingly.

## EXHIBIT " E "

Attached to and made a part of that certain Unit Operating Agreement dated \_\_\_\_\_, 199  
relative to the East Shugart Delaware Unit among St. Mary Land & Exploration Company,  
as Operator, and Norman Barker, et al., as Non-Operators.

# ACCOUNTING PROCEDURE JOINT OPERATIONS

## I. GENERAL PROVISIONS

### 1. DEFINITIONS

"Joint Property" shall mean the real and personal property subject to the agreement to which this Accounting Procedure is attached.  
"Joint Operations" shall mean activities required to handle specific operating conditions and problems for the exploration, development, production, protection, maintenance, abandonment, and restoration of the Joint Property.  
"Joint Account" shall mean the account showing the charges paid and credits received in the conduct of the Joint Operations and that are to be shared by the Parties.  
"Operator" shall mean the Party designated to conduct the Joint Operations.  
"Non-Operators" shall mean the Parties to this agreement other than the Operator.  
"Material" shall mean personal property, equipment, supplies, or consumables acquired or held for use on the Joint Property.  
"Controllable Material" shall mean Material that at the time is so classified in the Material Classification Manual as most recently recommended by the Council of Petroleum Accountants Societies (COPAS).  
"Parties" shall mean legal entities signatory to the agreement, or their successors or assigns, to which this Accounting Procedure is attached.  
"Affiliate" shall mean, with respect to the Operator, any party directly or indirectly controlling, controlled by, or under common control with the Operator.

### 2. STATEMENTS AND BILLINGS

The Operator shall bill Non-Operators on or before the last day of the month for their proportionate share of the Joint Account for the preceding month. Such bills shall be accompanied by statements that identify the authority for expenditure, lease or facility, and all charges and credits summarized by appropriate categories of investment and expense. Controllable Material shall be summarized by major Material classifications. Intangible drilling costs and audit exceptions shall be separately and clearly identified.

### 3. ADVANCES AND PAYMENTS BY NON-OPERATORS

- A. If gross expenditures for the Joint Account are expected to exceed \$60,000.00 the next succeeding month's operations, the Operator may require the Non-Operators to advance their share of the estimated cash outlay for the month's operations. Unless otherwise provided in the agreement, any billing for such advance shall be payable within 15 days after receipt of the advance request or by the first day of the month for which the advance is required, whichever is later. The Operator shall adjust each monthly billing to reflect advances received from the Non-Operators for such month.
- B. Each Non-Operator shall pay its proportion of all bills within <sup>30</sup>~~15~~ days of receipt date. If payment is not made within such time, the unpaid balance shall bear interest compounded monthly using the U.S. Treasury three-month discount rate plus 3% in effect on the first day of the month for each month that the payment is delinquent or the maximum contract rate permitted by the applicable usury laws in the state in which the Joint Property is located, whichever is the lesser, plus attorney's fees, court costs, and other costs in connection with the collection of unpaid amounts. Interest shall begin accruing on the first day of the month in which the payment was due. \*with the exception of advance billings, which are due within 15 days of receipt pursuant to the previous paragraph.

### 4. ADJUSTMENTS

- A. Payment of any such bills shall not prejudice the right of any Non-Operator to protest or question the correctness thereof; however, all bills and statements (including payout status statements) related to expenditures rendered to Non-Operators by the Operator during any calendar year shall conclusively be presumed to be true and correct after 24 months following the end of any such calendar year, unless within the said period a Non-Operator takes specific detailed written exception thereto and makes claim on the Operator for adjustment.



- B. All adjustments initiated by the Operator except those described in (1) through (4) below are limited to the 24-month period following the end of the calendar year in which the original charge appeared or should have appeared on the Joint Account statement or payout status statement. Adjustments made beyond the 24-month period are limited to the following:
- (1) a physical inventory of Controllable Material as provided for in Section VII
  - (2) an offsetting entry (whether in whole or in part), which is the direct result of a specific joint interest audit exception granted by the Operator relating to another property
  - (3) a government/regulatory audit
  - (4) working interest ownership adjustments

## 5. EXPENDITURE AUDITS

- A. A Non-Operator, upon notice in writing to the Operator and other Non-Operators, shall have the right to audit the Operator's accounts and records relating to the Joint Account for any calendar year within the 24-month period following the end of such calendar year; however, conducting an audit shall not extend the time for the taking of written exception to and the adjustment 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 that will result in a minimum of inconvenience to the Operator. The 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 the Operator, except upon the resignation or removal of the Operator, and shall be made at the expense of those Non-Operators approving such audit. The lead audit company's audit report shall be issued within 180 days after completion of the audit field work; however, the 180-day time period shall not extend the 24-month requirement for taking specific detailed written exception as required in Paragraph 4.A. above. All claims shall be supported with sufficient documentation. Failure to issue the report within the prescribed time will preclude the Non-Operator from taking exception to any charge billed within the time period audited.

A timely filed audit report or any timely submitted response thereto shall suspend the running of any applicable statute of limitations regarding claims made in the audit report. While any audit claim is being resolved, the applicable statute of limitations will be suspended; however, the failure to comply with the deadlines provided herein shall cause the statute to commence running again.

- B. The Operator shall allow or deny all exceptions in writing to an audit report within 180 days after receipt of such report. Denied exceptions should be accompanied by a substantive response. Failure to respond to an exception with substantive information on denials within the time provided will result in the Operator paying interest on that exception, if ultimately granted, from the date of the audit report. The interest charged shall be calculated in the same manner as used in Section I, Paragraph 3.B.
- C. The lead audit company shall reply to the Operator's response to an audit report within 90 days of receipt, and the Operator shall reply to the lead audit company's follow-up response within 90 days of receipt. If the lead audit company does not provide a substantive response to an exception within 90 days, that unresolved audit exception will be disallowed. If the Operator does not provide a substantive response to the lead auditor's follow-up response within 90 days, that unresolved audit exception will be allowed and credit given the Joint Account.
- D. The lead audit company or Operator may call an audit resolution conference for the purpose of resolving audit issues/exceptions that are outstanding at least 18 months after the date of the audit report. The meeting will require one month's written notice to the Operator and all audit participants, be held at the Operator's office or other mutually agreed upon location, and require the attendance of representatives of the Operator and each audit participant responsible for the area(s) in which the exceptions are based and who have authority to resolve issues on behalf of their company. Any Party who fails to attend the resolution conference shall be bound by any resolution reached at the conference. The lead audit company will coordinate the response/position of the Non-Operators and continue to maintain its traditional role throughout the audit resolution process.

Attendees will make good faith efforts to resolve outstanding issues, and each Party will be required to present substantive information supporting its position. An audit resolution conference may be held as often as agreed to by the Parties. Issues unresolved at one conference can be discussed at subsequent conferences until each such issue is resolved.

## 6. AFFILIATES

Charges to the Joint Account for any services or Materials provided by an Affiliate shall not exceed average commercial rates for such services or Materials.

Unless otherwise indicated below, Affiliates performing services or providing Materials for Joint Operations shall provide the Operator with written agreement to make their records relating to the work performed for the Joint Account available for audit upon request by a Non-Operator under this Accounting Procedure. These records shall include, but not be limited to, invoices, field work tickets, equipment use records, employee time reports, and payroll summaries relating to the work performed for the Joint Account. All audits will be conducted pursuant to Section I, Paragraph 5.

~~The Parties agree that records relating to the work performed by Affiliates will not be made available for audit.~~

## 7. APPROVAL BY PARTIES

An affirmative vote of 2 or more Parties having a combined working interest of sixty-five percent (65%) shall be required for all items in this Accounting Procedure requiring approval by the Parties. This vote shall be taken in writing, in a meeting, or by telephone and results shall be binding on all Parties. ~~All votes must be confirmed in writing by each Party to the Operator within two business days.~~ The Operator shall give notice to all Parties of the results.

## 8. AMENDMENT OF RATES

All rates provided in Fixed Rate (Section II, Paragraph 1), Facilities (Section IV, Paragraph 1), and/or Overhead (Section V, Paragraph 1.A.) shall be adjusted each year as of the first day of the production month of April 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 recommended by COPAS each year. The adjusted rates shall be the rates currently in use, plus or minus the computed adjustment.

The Operator may, at intervals of at least two years, elect to review the costs associated with any fixed rate and calculate a new rate. At intervals of at least four years, Non-Operators with 50% or more of the Non-Operators' working interest may challenge any rate subject to this provision provided such challenge is supported by factual data. If a rate is so challenged, the Operator shall calculate a new rate. The calculation of any new rate shall be in accordance with COPAS recommendations or other procedures approved by the Parties. The new rate shall then be proposed for approval by the Parties.

## II. METHOD OF CHARGES TO JOINT ACCOUNT

The Operator shall charge the Joint Account for the costs of Joint Operations in accordance with only one of the following options. The method of charges to the Joint Account may be changed if approved by the Parties in accordance with Section I, Paragraph 7.

### 1. ☐ FIXED RATE

A fixed rate of \$ \_\_\_\_\_ per month per active well

Active wells are those wells that qualify for a producing overhead charge as specified in Section V, Paragraph 1.A.(3) of this procedure.

~~The fixed rate will compensate the Operator for all costs applicable to Joint Operations except for royalties, ad valorem taxes, and production/severance taxes paid by the Operator for the Joint Operations and except downhole well work, Controllable Material, and all projects that qualify for drilling, construction, and/or catastrophe overhead as specified in Section V of this procedure. These exception costs shall be charged as specified in Sections III, IV, and V of this procedure.~~

### 2. ☒ COSTS

Costs as specified in Sections III, IV, and V of this procedure

## III. COSTS INCURRED ON THE JOINT PROPERTY

The Operator shall charge the Joint Account for the following items less discounts taken, which are incurred on the Joint Property for Joint Operations. Employees and contract personnel who spend substantially all their time in offices that are not Joint Property are not chargeable under this Section while working in those offices.

### 1. RENTALS AND ROYALTIES

Lease rentals and royalties paid by the Operator

### 2. LABOR

Salaries and wages of the Operator's employees directly employed on the Joint Property in the conduct of Joint Operations or while in transit to/from the Joint Property, provided such costs are excluded from the calculation of overhead rates in Section V

Other expenses associated with these employees to the extent the employees' salaries and wages are chargeable are also chargeable as follows:

- A. The Operator's cost of holiday, vacation, sickness, and disability benefits and other customary allowances available to all employees, but specifically excluding severance compensation programs and all employee relocation expenses

Such costs 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. If percentage assessment is used, the rate shall be based on the Operator's recent cost experience.

- B. Expenditures or contributions made pursuant to assessments imposed by governmental authority incurred by the Operator associated with salaries, wages, and benefits charged to the Joint Account

C. Reimbursable travel, meals, and lodging of these employees

D. Government-mandated training

This training charge shall include the wages, salaries, training course cost, and reimbursable travel, meals, and lodging incurred during the training session. The cost of the training course will be limited to prevailing commercial rates.

E. The Operator's cost of established plans for employees' benefits as described in COPAS Interpretation No. 11 determined by applying the employee benefits percent most recently published by COPAS to the chargeable salaries and wages

### 3. MATERIAL

Materials purchased or furnished by the Operator for use on the Joint Property as provided under Section VI

Only such Materials shall be purchased for or transferred to the Joint Property as may be required for immediate use and are reasonably practical and consistent with efficient and economical operations. The accumulation of surplus stocks shall be avoided.

### 4. TRANSPORTATION

Transportation of company labor, contract personnel, 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 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 the 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 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, unless agreed to by the Parties.
- C. In the application of subparagraphs A and B above, the option to equalize or charge actual trucking costs is available when the actual charge is less than the amount most recently recommended by COPAS, excluding accessorial charges. Examples of accessorial charges are listed in Bulletin 21.
- D. No charge shall be made for transportation costs associated with relocating employees, including the costs of moving their household goods and personal effects, unless agreed to by the Parties.

### 5. SERVICES

The cost of contract services, equipment, and utilities provided by sources other than the Operator

### 6. EQUIPMENT FURNISHED BY THE OPERATOR

- A. Equipment located on the Joint Property owned by the Operator shall be charged to the Joint Account at the average prevailing commercial rate for such equipment. If an average commercial rate is used to bill the Joint Account, the Operator shall adequately document and support such rate and shall periodically review and update the rate.
- B. In lieu of charges in Paragraph 6.A. above, or if a prevailing commercial rate is not available, equipment owned by the Operator will be charged to the Joint Account at the Operator's actual cost. Such costs may include all expenses that would be chargeable pursuant to this Section III if such equipment were jointly owned, depreciation using straight line depreciation method, interest on investment (less gross accumulated depreciation) not to exceed 9 % per annum, and an element of the estimated cost to dismantle and abandon the equipment. Charges for depreciation will no longer be allowable once the equipment has been fully depreciated. Actual cost shall not exceed the average prevailing commercial rate.
- C. When applicable for Operator-owned or -leased motor vehicles, the Operator shall use rates published by the Petroleum Motor Transport Association or such other organization recognized by COPAS as the official source of such rates. When such rates are not available, the Operator shall comply with the provisions of Paragraph A or B above.

### 7. DAMAGES AND LOSSES TO JOINT PROPERTY

All costs or expenses necessary for the repair or replacement of Joint Property resulting from damages or losses incurred, except those resulting from the Operator's gross negligence or willful misconduct

### 8. TAXES AND PERMITS

All taxes and permits of every kind and nature, including penalties and interest, assessed or levied upon or in connection with the Joint Property, or the production therefrom, and which have been paid by the Operator for the benefit of the Parties

[illegible]

~~B. OTHER FACILITIES~~

~~The Operator shall charge the Joint Account for use of other facilities not covered by Section IV, Paragraph 1.A. (such as shore bases, field offices, telecommunication equipment, and computer equipment) as listed below or if subsequently approved by the Parties. (Choose and complete only one methodology for each facility type.)~~

FACILITY TYPE (function performed)	AVG COM-MERCIAL RATES	FIXED RATE BASIS		ACTUAL COST ALLOCATION
		RATE	UNITS (Well, MCF, BOE, etc.)	
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>

If the Actual Cost Allocation method is chosen, all allocable charges for such facilities owned by the Operator shall be operating costs as defined in Section III incurred on the facility site plus depreciation, interest on investment (less gross accumulated depreciation) not to exceed 9% per annum, and estimated dismantling and abandonment costs. Charges for depreciation will no longer be allowable once the equipment has been fully depreciated. Such rates shall not exceed average commercial rates prevailing in the area of the Joint Property.

## 2. ECOLOGICAL AND ENVIRONMENTAL

Ecological and environmental costs are those that arise from compliance with governmental or regulatory requirements or prudent operations. These costs that are incurred off the Joint Property shall be

- ☒ allocated directly to the Joint Account  
☐ included in the Overhead rates provided in Section V

## 3. LEGAL EXPENSE

The Operator may not charge for services of the Operator's legal staff or fees and expense of outside attorneys unless approved by the Parties in writing. Other expenses of handling, settling, or otherwise discharging litigation, claims, liens, title examinations, and curative work necessary to protect or recover the Joint Property shall be chargeable.

## 4. TRAINING

Training mandated by governmental authorities for those employees who would be chargeable to the Joint Account under Section III, Paragraph 2, of this Accounting Procedure if they were not attending the training shall be chargeable to the Joint Account. This training charge shall include costs as defined in Section III, Paragraph 2.D. but incurred off the Joint Property.

## 5. ENGINEERING, DESIGN, AND DRAFTING

Engineering, design, and drafting costs associated with major construction or catastrophes, as defined in Section V, Paragraph 2, of this Accounting Procedure, may be charged to the Joint Account only when the Operator elects to charge overhead for major construction or catastrophes per Section V, Paragraph 2.B. Such charges shall be determined in a manner consistent with those defined in Section III, Paragraphs 2 and 5.

## V. OVERHEAD

The Operator shall be compensated for costs not chargeable in Section III (Costs Incurred On The Joint Property) or Section IV (Costs Incurred Off The Joint Property) that are incurred in connection with and in support of Joint Operations.

## 1. OVERHEAD—DRILLING AND PRODUCING OPERATIONS

As compensation for overhead in connection with drilling and producing operations, the Operator shall charge on either a

- ☒ Fixed Rate Basis, Paragraph 1.A., or  
☐ Percentage Basis, Paragraph 1.B.

## A. OVERHEAD—FIXED RATE BASIS

- (1) The Operator shall charge the Joint Account at the following rates per well month:  
 Drilling well rate per month \$ 5000.00 (Prorated for less than a full month)  
 Producing well rate per month \$ 522.00

## (2) Application of overhead—drilling well rate shall be as follows:

- (a) Charges for onshore drilling wells shall begin on spud date and terminate on the date the drilling or completion equipment is released, whichever occurs later. Charges for offshore drilling wells shall begin on the date drilling or completion equipment arrives on location and terminate on the date the drilling or completion equipment moves off location or the rig is released, whichever occurs first. No charge shall be made during suspension of drilling or completion operations for 15 or more consecutive calendar days.
- (b) Charges for wells undergoing any type of workover, recompletion, or abandonment for a period of five consecutive work days or more shall be made at the drilling well rate. Such charges shall be applied for the period from the date workover operations, with the rig or other units used in workover, commence through the date of the rig or other unit release, except that no charges shall be made during suspension of operations for 15 or more consecutive calendar days.

## (3) Application of overhead—producing well rate shall be as follows:

- (a) An active well completion for any portion of the month shall qualify for a one-well charge for the entire month. An active completion is one that is
  - [1] produced,
  - [2] injected into for recovery or disposal, or
  - [3] used to obtain a water supply to support production operations.
- (b) Each active completion in a multi-completed well in which production is not commingled downhole shall qualify for a one-well charge providing each completion is considered a separate well by the governing regulatory authority.
- (c) 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 the drilling well rate applies.
- (d) All wells not meeting the criteria set forth in this Paragraph A (3) (a), (b), or (c) shall not qualify for a producing overhead charge.

~~B. OVERHEAD—PERCENTAGE BASIS~~~~(1) The Operator shall charge the Joint Account at the following rates:~~

- ~~(a) Development rate \_\_\_\_\_ percent (\_\_\_\_%) of the cost of development of the Joint Property exclusive of costs provided under Section IV, Paragraph 3 and all salvage credits.~~
- ~~(b) Operating rate \_\_\_\_\_ percent (\_\_\_\_%) of the cost of operating the Joint Property exclusive of costs provided under Section III, Paragraph 1 and Section IV, Paragraph 3; all salvage credits; the value of injected substances purchased for secondary recovery; and all taxes and assessments that 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:~~

- ~~(a) Development shall include all costs in connection with
 
  - [1] drilling, redrilling, plugging back, or deepening of any or all wells
  - [2] workover operations requiring a period of five consecutive work days or more on any or all wells
  - [3] preliminary expenditures necessary in preparation for drilling
  - [4] expenditures incurred in abandoning when the well is not completed as a producer
  - [5] original construction or installation of fixed assets, expansion of fixed assets, and any other project clearly discernible as a fixed asset, except major construction as defined in Section V, Paragraph 2~~
- ~~(b) Operating shall include all other costs in connection with Joint Operations except that catastrophe costs shall be assessed overhead as provided in Section V, Paragraph 2.~~

## 2. OVERHEAD—MAJOR CONSTRUCTION AND CATASTROPHES -- TO BE NEGOTIATED

~~Major construction is defined as any project in excess of \$ \_\_\_\_\_ required for the construction and installation of fixed assets, the expansion of fixed assets, or in the dismantling for abandonment of fixed assets as required for the development and operation of the Joint Property.~~

~~Catastrophe is defined as a calamitous event bringing damage, loss, or destruction resulting from a single occurrence requiring expenditures in excess of \$ \_\_\_\_\_ to restore the Joint Property to the equivalent condition that existed prior to the event causing the damage.~~

~~To compensate the Operator for overhead costs incurred in connection with major construction and catastrophes, the Operator shall either negotiate a rate prior to beginning the work or shall charge the Joint Account for overhead based on the following rates:~~

~~A. If the Operator absorbs engineering, design, and drafting costs related to the project, the overhead assessment will be \_\_\_\_\_ % of total project costs.~~

~~If the Operator charges engineering, design, and drafting costs related to the project directly to the Joint Account, the overhead assessment will be \_\_\_\_\_ % of total project costs.~~

~~For each project, the Operator shall provide advance notice to the Non-Operators in writing if option A or B above will be used for calculating construction or catastrophe overhead. For purposes of calculating overhead, the cost of drilling and workover wells shall be excluded and catastrophe expenditures to which these rates apply shall not be reduced by insurance recoveries. Overhead assessed under the construction and catastrophe provisions shall be in lieu of all other overhead provisions.~~

## VI. MATERIAL PURCHASES, TRANSFERS, AND DISPOSITIONS

The Operator is responsible for Joint Account Material and shall make proper and timely charges and credits for direct purchases, transfers, and dispositions. The Operator normally provides all Material for use on the Joint Property but does not warrant the Material furnished. At the Operator's option, Material may be supplied by Non-Operators.

### 1. DIRECT PURCHASES

Direct purchases shall be charged to the Joint Account at the price paid by the Operator after deduction of all discounts received. A direct purchase is determined to occur when an agreement is made between an Operator and a third party for the acquisition of Materials for a specific well site or location. Material provided by the Operator under "vendor stocking programs," where the initial use is for a Joint Property and title of the Material does not pass from the vendor until usage, is considered a direct purchase. If Material is found to be defective or is returned to the vendor for any other reason, credit shall be passed to the Joint Account when adjustments have been received by the Operator from the manufacturer, distributor, or agent.

### 2. TRANSFERS

A transfer is determined to occur when the Operator furnishes Material from its storage facility or from another operated property. Additionally, the Operator has assumed liability for the storage costs and changes in value and has previously secured and held title to the transferred Material. Similarly, the removal of Material from a Joint Property to the Operator's facility or to another operated property is also considered a transfer. Material that is moved from the Joint Property to a temporary storage location pending disposition may remain charged to the Joint Account and is not considered a transfer.

#### A. PRICING

The value of Material transferred to/from the Joint Property should generally reflect the market value on the date of transfer. Transfers of new Material will be priced using one of the following new Material bases:

- (1) Published prices in effect on the date of movement as adjusted by the appropriate COPAS Historical Price Multiplier (HPM) or prices provided by the COPAS Computerized Equipment Pricing System (CEPS)

The HPMs and the associated date of published price to which they should be applied will be published by COPAS periodically.

- (a) For oil country tubulars and line pipe, the published price shall be based upon eastern mill (Houston for special end) carload base prices effective as of the date of movement, plus transportation cost as defined in Section VI, Paragraph 2.B.
- (b) For other Material, the published price shall be the published list price in effect at the date of movement, as listed by a supply store nearest the Joint Property or point of manufacture, plus transportation costs as defined in Section VI, Paragraph 2.B.

- (2) A price quotation that reflects a current realistic acquisition cost may be obtained from a supplier/manufacturer.
- (3) Historical purchase price may be used, providing it reflects a current realistic acquisition cost on the date of movement. Sufficient price documents should be available to Non-Operators for purposes of verifying Material transfer valuation.
- (4) As agreed to by the Parties

#### B. FREIGHT

Transportation costs should be added to the Material transfer price based on one of the following:

- (1) Transportation costs for oil country tubulars and line pipe shall be calculated using the distance from eastern mill to the railway receiving point nearest the Joint Property based on the carload weight basis as recommended by COPAS in Bulletin 21 and current interpretations.
- (2) Transportation costs for special mill items shall be calculated from that mill's shipping point to the railway receiving point nearest the Joint Property. For transportation costs from other than eastern mills, the 30,000-pound Specialized Motor Carriers interstate truck rate shall be used. Transportation costs for macaroni tubing shall be calculated based on the Specialized Motor Carriers rate per weight of tubing transferred to the railway receiving point nearest the Joint Property.
- (3) Transportation costs for special end tubular goods shall be calculated using the 30,000-pound Specialized Motor Carriers interstate truck rate from Houston, Texas, to the railway receiving point nearest the Joint Property.

- (4) Transportation costs for Material other than that described in Section VI, Paragraphs 2.B(1) through (3), if applicable, shall be calculated from the supply store or point of manufacture, whichever is appropriate, to the railway receiving point nearest the Joint Property.

### C. CONDITION

- (1) Condition "A"—New and unused Material in sound and serviceable condition shall be charged at one hundred percent of the price as determined in Section VI, Paragraphs 2.A and B. Material transferred from the Joint Property that was not placed in service on the Joint Property shall be credited as charged without gain or loss. Any unused Material that was charged to the Joint Account through a direct purchase will be credited to the Joint Account at the original cost paid. All refurbishing costs necessary to correct handling or transportation damages and other related costs will be borne by the divesting property. The Joint Account is responsible for Material preparation, handling, and transportation costs for new and unused Material charged to the property either through a direct purchase or transfer. Any preparation costs performed, including any internal or external coating and wrapping, will be credited on new Material provided these costs were not repeated for the receiving property.

- (2) Condition "B"—Used Material in sound and serviceable condition and suitable for reuse without reconditioning shall be priced at the condition percentage most recently recommended by COPAS times the price determined by the pricing guidelines in Section VI, Paragraphs 2.A and B. Any cost of reconditioning to return the Material to Condition B will be absorbed by the divesting property.

If the Material was originally charged to the Joint Account as used Material and placed in service on the Joint Property, the Material will be credited at the condition percentage most recently recommended by COPAS times the price as determined in Section VI, Paragraphs 2.A and B.

Used Material transferred from the Joint Property that was not placed in service on the property shall be credited as charged without gain or loss.

- (3) Condition "C"—Material that is not in sound and serviceable condition and not suitable for its original function until after reconditioning shall be priced at the condition percentage most recently recommended by COPAS times the price determined in Section VI, Paragraphs 2.A and B. 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.
- (4) Condition "D"—Other Material that is no longer suitable for its original purpose but usable for some other purpose is considered Condition D Material. Included under Condition "D" is also obsolete items or Material that does not meet original specifications but still has value and can be used in other services as a substitute for items with different specifications. Due to the condition or value of other used and obsolete items, it is not possible to price these items under Section VI, Paragraph 2.A. The price used should result in the Joint Account being charged or credited with the value of the service rendered or use of the Material. In some instances, it may be necessary or desirable to have the Material specially priced as agreed to by the parties.
- (5) Condition "E"—Junk shall be priced at prevailing scrap value prices.

### D. OTHER PRICING PROVISIONS

#### (1) Preparations Costs

Costs incurred by the Operator in making Material serviceable including inspection, third party surveillance services, and other similar services will be charged to the Joint Account at prices reflective of the Operator's actual costs of the services. Documentation must be retained to support the cost of service. New coating and/or wrapping may be charged per Section VI, Paragraph 2.A.

#### (2) Loading and Unloading Costs

Loading and unloading costs related to the movement of the Material to the Joint Property shall be charged in accordance with the methods specified in COPAS Bulletin 21.

### 3. DISPOSITION OF SURPLUS

Surplus Material is that Material, whether new or used, that is no longer required for Joint Operations. The Operator may purchase, but shall be under no obligation to purchase, the interest of the Non-Operator in surplus Material.

Dispositions for the purpose of this procedure are considered to be the relinquishment of title of the Material from the Joint Property to either a third party, a Non-Operator, or to the Operator. To avoid the accumulation of surplus Materials, the Operator should make good faith efforts to dispose of surplus within 12 months through buy/sale agreements, trade, sale to a third party, division in-kind, or other dispositions as agreed to by the Parties.

An Operator may, through a sale to an unrelated third party or entity, dispose of surplus Material having a gross sale value that is less than or equal to the Operator's expenditure limit as set forth in the Operating Agreement to which this Accounting Procedure is attached without the prior approval of the Non-Operator. If the gross sale value exceeds the Operating Agreement expenditure limit, the disposal must be agreed to by the Parties.

The Operator may dispose of Condition D and E Material under procedures normally utilized by the Operator without prior approval.



#### 4. SPECIAL PRICING PROVISIONS

##### A. PREMIUM PRICING

Whenever Material is not readily replaceable due to 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 use and to billing Non-Operators for such Material. During premium pricing periods, each Non-Operator shall have the right to furnish in-kind all or part of his share of such Material suitable for use and acceptable to the Operator by so electing and notifying the Operator within ten days after receiving notice from the Operator.

##### B. SHOP-MADE ITEMS

Shop-made items may be priced using the value of the Material used to construct the item plus labor costs. If the Material is from a scrap or junk account, the Material may be priced at either 25% of the current price as determined in Section VI, Paragraph 2.A, or scrap value, whichever is higher, plus estimated labor costs to fabricate the item.

##### C. MILL REJECTS

Mill rejects purchased as "limited service" casing or tubing shall be priced at 80% of K-55/J-55 price as determined in Section VI, Paragraphs 2.A and B. Line pipe converted to casing or tubing with casing or tubing couplings attached shall be priced as K-55/J-55 casing or tubing at the nearest size and weight.

### VII. INVENTORIES OF CONTROLLABLE MATERIAL

The Operator shall maintain records of Controllable Material charged to the Joint Account, as defined in the COPAS Material Classification Manual, with sufficient detail to perform the physical inventories requested unless directed otherwise by the Non-Operators.

Adjustments to the Joint Account by the Operator resulting from a physical inventory of jointly owned Controllable Material are limited to the six months following the taking of the inventory. Charges and credits for overages or shortages will be valued for the Joint Account based on Condition B prices in effect on the date of physical inventory and determined in accordance with Section VI, Paragraphs 2.A. and B, unless the inventorying Parties can prove another Material condition applies.

#### 1. DIRECTED INVENTORIES

With an interval of not less than five years, physical inventories shall be performed by the Operator upon written request of a majority in working interests of the Non-Operators.

Expenses of directed inventories will be borne by the Joint Account and may include the following:

- A. Audit per diem rate for each inventory person in line with the auditor rates determined, adjusted, and published each April by COPAS

The per diem should also be applied to a reasonable number of days for pre-inventory work and for report preparation. The amount of time required for this additional work may vary from inventory to inventory.

- B. Actual travel including Operator-provided transportation and personal expenses for the inventory team
- C. Reasonable charges for report typing and processing

The Operator is expected to exercise judgment in keeping expenses within reasonable limits. Unless otherwise agreed, costs associated with any post-report follow-up work in settling the inventory will be absorbed by the Non-Operator incurring such costs. Any anticipated disproportionate costs should be discussed and agreed upon prior to commencement of the inventory.

When directed inventories are performed, all Parties shall be governed by such inventory.

#### 2. NON-DIRECTED INVENTORIES

##### A. OPERATOR INVENTORIES

Periodic physical inventories that are not requested by the Non-Operator may be performed by the Operator at the Operator's discretion. The expenses of conducting such Operator inventories shall not be charged to the Joint Account.

##### B. NON-OPERATOR INVENTORIES

Any Non-Operator(s) may conduct a physical inventory at reasonable times with prior notification to the Operator. Such inventories shall be conducted at the sole cost and risk of the participating Non-Operator(s).

##### C. OTHER INVENTORIES

Other physical inventories may be taken whenever there is any sale or change of interest. When possible, the selling Party should notify all other owners 30 days prior to the anticipated closing date. When there is a change in Operator of the Joint Property, an inventory by the former and new Operator should be taken. The expenses of conducting such other inventories shall be charged to the Joint Account.

EXHIBIT "F"

ATTACHED TO AND MADE A PART  
OF THE  
UNIT OPERATING AGREEMENT

EAST SHUGART (DELAWARE) UNIT  
EDDY AND LEA COUNTIES, NEW MEXICO

Insurance

At all times while operations are conducted hereunder, Operator shall carry insurance of the types and in the maximum amounts as follows:

- a. Workers' Compensation Insurance in full compliance with all Statutory limits.
- b. Employer's Liability Insurance in the limits of \$500,000 per accident covering injury or death to any employee that may be outside the scope of the Workers' Compensation statute of the state in which the work is performed.
- c. Commercial General Liability (CGL) Insurance in the limits of \$5,000,000 for any one occurrence. If such CGL contains an aggregate limit, it shall apply separately to this project and shall cover liability arising from premises, operations, including completion operations, independent contractors, products-completed operations, property damage per occurrence for blowout, cratering, underground resources, equipment damage, pollution coverage for oil and gas operations, personal injury and broad form contractual liability with respect to any contract into which the operator may enter under the terms of this agreement.
- d. Business Auto Policy covering owned, non-owned, and hired automotive equipment with limits of not less than \$1,000,000 for any one accident combined single limit bodily injury and property damage liability.

All such insurance shall be carried by an acceptable insurer or insurers, shall be maintained in full force and effect during the terms of this agreement, and shall not be canceled, altered or amended without 30 days prior written notice having first been furnished the state of New Mexico and all non-operating parties. Operator agrees to have its insurance carrier furnish non-operating parties certificates of insurance evidencing such insurance coverages as required above upon request.

This insurance shall be primary to any insurance carried by non-operating working interest owners. Operator and non-operating working interest owners agree to mutually waive subrogation in favor of each other in all insurance carried by each party and/or to obtain such waiver from the insurance carrier if so required by the insurance contract.

Operator carries Control of Well Insurance covering expenses involved in controlling a blowout, the expense of redrilling, and certain other related costs. This insurance shall cover non-operating working interest owners and shall be billed to the joint account.

If any non-operating working interest owner elects not to be covered by Operator's Control of Well Insurance, he will notify Operator in writing within ten (10) days of execution of this agreement and furnish Operator a Certificate of Insurance for Well Control coverage in an amount not less than \$3,000,000 per occurrence. Such insurance shall be maintained in force at all times prior to termination of this Operating Agreement.

Operator shall carry such other insurance as may be mutually agreed upon by all parties.

1 **NOTE:** Instructions For Use of Gas Balancing  
2 Agreement **MUST** be reviewed before finalizing this  
3 document.

## EXHIBIT "G"

## GAS BALANCING AGREEMENT ("AGREEMENT")

ATTACHED TO AND MADE PART OF THAT CERTAIN

OPERATING AGREEMENT DATED \_\_\_\_\_

11 BY AND BETWEEN St. Mary Land & Exploration Company, as Operator,  
12 AND \_\_\_\_\_ ("OPERATING AGREEMENT")  
13 RELATING TO THE East Shugart Delaware Unit AREA,  
14 Eddy and Lea ~~COUNTY OF PARKER~~, STATE OF NEW MEXICO  
15 COUNTIES

## 1. DEFINITIONS

The following definitions shall apply to this Agreement:

1.01 "Arm's Length Agreement" shall mean any gas sales agreement with an unaffiliated purchaser or any gas sales agreement with an affiliated purchaser where the sales price and delivery conditions under such agreement are representative of prices and delivery conditions existing under other similar agreements in the area between unaffiliated parties at the same time for natural gas of comparable quality and quantity.

1.02 "Balancing Area" shall mean (select one):

☒ each well subject to the Operating Agreement that produces Gas or is allocated a share of Gas production. If a single well is completed in two or more producing intervals, each producing interval from which the Gas production is not commingled in the wellbore shall be considered a separate well.

☐ ~~all of the acreage and depths subject to the Operating Agreement.~~

1.03 "Full Share of Current Production" shall mean the Percentage Interest of each Party in the Gas actually produced from the Balancing Area during each month.

1.04 "Gas" shall mean all hydrocarbons produced or producible from the Balancing Area, whether from a well classified as an oil well or gas well by the regulatory agency having jurisdiction in such matters, which are or may be made available for sale or separate disposition by the Parties, excluding oil, condensate and other liquids recovered by field equipment operated for the joint account. "Gas" does not include gas used in joint operations, such as for fuel, recycling or reinjection, or which is vented or lost prior to its sale or delivery from the Balancing Area.

1.05 "Makeup Gas" shall mean any Gas taken by an Underproduced Party from the Balancing Area in excess of its Full Share of Current Production, whether pursuant to Section 3.3 or Section 4.1 hereof.

1.06 "Mcf" shall mean one thousand cubic feet. A cubic foot of Gas shall mean the volume of gas contained in one cubic foot of space at a standard pressure base and at a standard temperature base.

1.07 "MMBtu" shall mean one million British Thermal Units. A British Thermal Unit shall mean the quantity of heat required to raise one pound avoirdupois of pure water from 58.5 degrees Fahrenheit to 59.5 degrees Fahrenheit at a constant pressure of 14.73 pounds per square inch absolute.

1.08 "Operator" shall mean the individual or entity designated under the terms of the Operating Agreement or, in the event this Agreement is not employed in connection with an operating agreement, the individual or entity designated as the operator of the well(s) located in the Balancing Area.

1.09 "Overproduced Party" shall mean any Party having taken a greater quantity of Gas from the Balancing Area than the Percentage Interest of such Party in the cumulative quantity of all Gas produced from the Balancing Area.

1.10 "Overproduction" shall mean the cumulative quantity of Gas taken by a Party in excess of its Percentage Interest in the cumulative quantity of all Gas produced from the Balancing Area.

1.11 "Party" shall mean those individuals or entities subject to this Agreement, and their respective heirs, successors, transferees and assigns.

1.12 "Percentage Interest" shall mean the percentage or decimal interest of each Party in the Gas produced from the Balancing Area pursuant to the Operating Agreement covering the Balancing Area.

1.13 "Royalty" shall mean payments on production of Gas from the Balancing Area to all owners of royalties, overriding royalties, production payments or similar interests.

1.14 "Underproduced Party" shall mean any Party having taken a lesser quantity of Gas from the Balancing Area than the Percentage Interest of such Party in the cumulative quantity of all Gas produced from the Balancing Area.

1.15 "Underproduction" shall mean the deficiency between the cumulative quantity of Gas taken by a Party and its Percentage Interest in the cumulative quantity of all Gas produced from the Balancing Area.

1.16 ☒ (Optional) "Winter Period" shall mean the month(s) of November and December in one calendar year and the month(s) of January and February in the succeeding calendar year.

## 2. BALANCING AREA

2.1 If this Agreement covers more than one Balancing Area, it shall be applied as if each Balancing Area were covered by separate but identical agreements. All balancing hereunder shall be on the basis of Gas taken from the Balancing Area measured in ~~XXXXXXXXXX~~ ☒ Mcfs ~~or (Alternative 2) XXXXXXXXXX~~ ☐ MMBtus.

2.2 In the event that all or part of the Gas deliverable from a Balancing Area is or becomes subject to one or more maximum lawful prices, any Gas not subject to price controls shall be considered as produced from a single Balancing Area and Gas subject to each maximum lawful price category shall be considered produced from a separate Balancing Area.

## 3. RIGHT OF PARTIES TO TAKE GAS

3.1 Each Party desiring to take Gas will notify the Operator, or cause the Operator to be notified, of the volumes nominated, the name of the transporting pipeline and the pipeline contract number (if available) and meter station relating to such delivery, sufficiently in advance for the Operator, acting with reasonable diligence, to meet all nomination and other

1 requirements. Operator is authorized to deliver the volumes so nominated and confirmed (if confirmation is required) to the  
2 transporting pipeline in accordance with the terms of this Agreement.

3 3.2 Each Party shall make a reasonable, good faith effort to take its Full Share of Current Production each month, to the  
4 extent that such production is required to maintain leases in effect, to protect the producing capacity of a well or reservoir, to  
5 preserve correlative rights, or to maintain oil production.

6 3.3 When a Party fails for any reason to take its Full Share of Current Production (as such Share may be reduced by the  
7 right of the other Parties to make up for Underproduction as provided herein), the other Parties shall be entitled to take any  
8 Gas which such Party fails to take. To the extent practicable, such Gas shall be made available initially to each Underproduced  
9 Party in the proportion that its Percentage Interest in the Balancing Area bears to the total Percentage Interests of all  
10 Underproduced Parties desiring to take such Gas. If all such Gas is not taken by the Underproduced Parties, the portion not  
11 taken shall then be made available to the other Parties in the proportion that their respective Percentage Interests in the  
12 Balancing Area bear to the total Percentage Interests of such Parties.

13 3.4 All Gas taken by a Party in accordance with the provisions of this Agreement, regardless of whether such Party is  
14 underproduced or overproduced, shall be regarded as Gas taken for its own account with title thereto being in such taking  
15 Party.

16 3.5 Notwithstanding the provisions of Section 3.3 hereof, no Overproduced Party shall be entitled in any month to take any  
17 Gas in excess of three hundred percent (300%) of its Percentage Interest of the Balancing Area's then-current Maximum  
18 Monthly Availability; provided, however, that this limitation shall not apply to the extent that it would preclude production  
19 that is required to maintain leases in effect, to protect the producing capacity of a well or reservoir, to preserve correlative  
20 rights, or to maintain oil production. "Maximum Monthly Availability" shall mean the maximum average monthly rate of  
21 production at which Gas can be delivered from the Balancing Area, as determined by the Operator, considering the maximum  
22 efficient well rate for each well within the Balancing Area, the maximum allowable(s) set by the appropriate regulatory agency,  
23 mode of operation, production facility capabilities and pipeline pressures.

24 3.6 In the event that a Party fails to make arrangements to take its Full Share of Current Production required to be  
25 produced to maintain leases in effect, to protect the producing capacity of a well or reservoir, to preserve correlative rights, or  
26 to maintain oil production, the Operator may sell any part of such Party's Full Share of Current Production that such Party fails  
27 to take for the account of such Party and render to such Party, on a current basis, the full proceeds of the sale, less any  
28 reasonable marketing, compression, treating, gathering or transportation costs incurred directly in connection with the sale of  
29 such Full Share of Current Production. In making the sale contemplated herein, the Operator shall be obligated only to obtain  
30 such price and conditions for the sale as are reasonable under the circumstances and shall not be obligated to share any of its  
31 markets. Any such sale by Operator under the terms hereof shall be only for such reasonable periods of time as are consistent  
32 with the minimum needs of the industry under the particular circumstances, but in no event for a period in excess of one  
33 year. Notwithstanding the provisions of Article 3.4 hereof, Gas sold by Operator for a Party under the provisions hereof shall  
34 be deemed to be Gas taken for the account of such Party.

35 4. IN-KIND BALANCING

36 4.1 Effective the first day of any calendar month following at least thirty (30) days' prior  
37 written notice to the Operator, any Underproduced Party may begin taking, in addition to its Full Share of Current  
38 Production and any Makeup Gas taken pursuant to Section 3.3 of this Agreement, a share of current production determined  
39 by multiplying fifty percent (50 %) of the Full Shares of Current Production of all Overproduced Parties by  
40 a fraction, the numerator of which is the Percentage Interest of such Underproduced Party and the denominator of which  
41 is the total of the Percentage Interests of all Underproduced Parties desiring to take Makeup Gas. In no event will an  
42 Overproduced Party be required to provide more than fifty percent (50 %) of its Full Share of Current  
43 Production for Makeup Gas. The Operator will promptly notify all Overproduced Parties of the election of an Underproduced  
44 Party to begin taking Makeup Gas.

45 4.2 ☒ (Optional - Seasonal Limitation on Makeup - Option 1) Notwithstanding the provisions of Section 4.1, the  
46 average monthly amount of Makeup Gas taken by an Underproduced Party during the Winter Period pursuant to Section 4.1  
47 shall not exceed the average monthly amount of Makeup Gas taken by such Underproduced Party during the  
48 four (4) months immediately preceding the Winter Period.

49 4.2 ☐ (Optional - Seasonal Limitation on Makeup - Option 2) Notwithstanding the provisions of Section 4.1, the  
50 average monthly amount of Makeup Gas taken by an Underproduced Party during the Winter Period pursuant to Section 4.1  
51 shall not exceed the average monthly amount of Makeup Gas taken by such Underproduced Party during the  
52 four (4) months immediately preceding the Winter Period.

52 4.3 ☒ (Optional) Notwithstanding any other provision of this Agreement, at such time and for so long as Operator, or  
53 (insofar as concerns production by the Operator) any Underproduced Party, determines in good faith that an Overproduced  
54 Party has produced all of its share of the ultimately recoverable reserves in the Balancing Area, such Overproduced Party may  
55 be required to make available for Makeup Gas, upon the demand of the Operator or any Underproduced Party, up to  
56 one hundred percent (100 %) of such Overproduced Party's Full Share of Current Production.

57 5. STATEMENT OF GAS BALANCES

58 5.1 The Operator will maintain appropriate accounting on a monthly and cumulative basis of the volumes of Gas that each  
59 Party is entitled to receive and the volumes of Gas actually taken or sold for each Party's account. Within ninety (90)  
60 days after the month of production, the Operator will furnish a statement for such month showing (1) each Party's Full Share of  
61 Current Production, (2) the total volume of Gas actually taken or sold for each Party's account, (3) the difference between  
62 the volume taken by each Party and that Party's Full Share of Current Production, (4) the Overproduction or  
63 Underproduction of each Party, and (5) other data as recommended by the provisions of the Council of Petroleum  
64 Accountants Societies Bulletin No. 24, as amended or supplemented hereafter. Each Party taking Gas will promptly provide to  
65 the Operator any data required by the Operator for preparation of the statements required hereunder.

66 5.2 If any Party fails to provide the data required herein for four (4) consecutive production months, the Operator, or  
67 where the Operator has failed to provide data, another Party, may audit the production and Gas sales and transportation  
68 volumes of the non-reporting Party to provide the required data. Such audit shall be conducted only after reasonable notice and  
69 during normal business hours in the office of the Party whose records are being audited. All costs associated with such audit  
70 will be charged to the account of the Party failing to provide the required data.

71 6. PAYMENTS ON PRODUCTION

72 6.1 Each Party taking Gas shall pay or cause to be paid all production and severance taxes due on all volumes of Gas  
73 actually taken by such Party.

74 6.2 ☐ (Alternative 1 - Entitlements) Each Party shall pay or cause to be paid all Royalty due with respect to Royalty.

~~owners to whom it is accountable as if such Party were taking its Full Share of Current Production, and only its Full Share of Current Production.~~

6.2.1 ☐ (Optional - For use only with Section 6.2 - Alternative 1 - Entitlement) Upon written request of a Party taking less than its Full Share of Current Production in a given month ("Current Underproducer"), any Party taking more than its Full Share of Current Production in such month ("Current Overproducer") will pay to such Current Underproducer an amount each month equal to the Royalty percentage of the proceeds received by the Current Overproducer for that portion of the Current Underproducer's Full Share of Current Production taken by the Current Overproducer; provided, however, that such payment will not exceed the Royalty percentage that is common to all Royalty burdens in the Balancing Area. Payments made pursuant to this Section 6.2.1 will be deemed payments to the Underproduced Party's Royalty owners for purposes of Section 7.5.

6.2 ☒ (Alternative 2 - Sales) Each Party shall pay or cause to be paid Royalty due with respect to Royalty owners to whom it is accountable based on the volume of Gas actually taken for its account.

6.3 In the event that any governmental authority requires that Royalty payments be made on any other basis than that provided for in this Section 6, each Party agrees to make such Royalty payments accordingly, commencing on the effective date required by such governmental authority, and the method provided for herein shall be thereby superseded.

## 7. CASH SETTLEMENTS

7.1 Upon the earlier of the plugging and abandonment of the last producing interval in the Balancing Area, the termination of the Operating Agreement or any pooling or unit agreement covering the Balancing Area, or at any time no Gas is taken from the Balancing Area for a period of twelve (12) consecutive months, any Party may give written notice calling for cash settlement of the Gas production imbalances among the Parties. Such notice shall be given to all Parties in the Balancing Area.

7.2 Within sixty (60) days after the notice calling for cash settlement under Section 7.1, the Operator will distribute to each Party a Final Gas Settlement Statement detailing the quantity of Overproduction owed by each Overproduced Party to each Underproduced Party and identifying the month to which such Overproduction is attributed, pursuant to the methodology set out in Section 7.4.

~~7.3 ☐ (Alternative 1 - Direct Party to Party Settlement) Within sixty (60) days after receipt of the Final Gas Settlement Statement, each Overproduced Party will pay to each Underproduced Party entitled to settlement the appropriate cash settlement, accompanied by appropriate accounting detail. At the time of payment, the Overproduced Party will notify the Operator of the Gas imbalance settled by the Overproduced Party's payment.~~

7.3 ☒ (Alternative 2 - Settlement Through Operator) Within sixty (60) days after receipt of the Final Gas Settlement Statement, each Overproduced Party will send its cash settlement, accompanied by appropriate accounting detail, to the Operator. The Operator will distribute the monies so received, along with any settlement owed by the Operator as an Overproduced Party, to each Underproduced Party to whom settlement is due within ninety (90) days after issuance of the Final Gas Settlement Statement. In the event that any Overproduced Party fails to pay any settlement due hereunder, the Operator may turn over responsibility for the collection of such settlement to the Party to whom it is owed, and the Operator will have no further responsibility with regard to such settlement.

7.3.1 ☒ (Optional - For use only with Section 7.3, Alternative 2 - Settlement Through Operator) Any Party shall have the right at any time upon thirty (30) days' prior written notice to all other Parties to demand that any settlements due such Party for Overproduction be paid directly to such Party by the Overproduced Party, rather than being paid through the Operator. In the event that an Overproduced Party pays the Operator any sums due to an Underproduced Party at any time after thirty (30) days following the receipt of the notice provided for herein, the Overproduced Party will continue to be liable to such Underproduced Party for any sums so paid, until payment is actually received by the Underproduced Party.

7.4 ☒ (Alternative 1 - Historical Sales Basis) The amount of the cash settlement will be based on the proceeds received by the Overproduced Party under an Arm's Length Agreement for the Gas taken from time to time by the Overproduced Party in excess of the Overproduced Party's Full Share of Current Production. Any Makeup Gas taken by the Underproduced Party prior to monetary settlement hereunder will be applied to offset Overproduction chronologically in the order of accrual.

~~7.4 ☐ (Alternative 2 - Current Market Value Basis) The amount of the cash settlement will be based on the current market value of the Gas produced by the Overproduced Party in excess of the Overproduced Party's Full Share of Current Production. Any Makeup Gas taken by the Underproduced Party prior to monetary settlement hereunder will be applied to offset Overproduction chronologically in the order of accrual.~~

7.5 The values used for calculating the cash settlement under Section 7.4 will include all proceeds received for the sale of the Gas by the Overproduced Party calculated at the Balancing Area, after deducting any production or severance taxes paid and any Royalty actually paid by the Overproduced Party to an Underproduced Party's Royalty owner(s), to the extent said payments amounted to a discharge of said Underproduced Party's Royalty obligation, as well as any reasonable marketing, compression, treating, gathering or transportation costs incurred directly in connection with the sale of the Overproduction.

7.5.1 ☐ (Optional - For use only with Section 7.4, Alternative 1 - Historical Sales Basis) For Overproduction sold under an Arm's Length Agreement, the cash settlement will be based on the weighted average price received by the Overproduced Party for any gas sold from the Balancing Area.

7.5.2 ☐ (Optional - For use only with Section 7.4, Alternative 2 - Current Market Value Basis) For Overproduction sold under an Arm's Length Agreement, the cash settlement will be based on the weighted average price received by the Overproduced Party for any gas sold from the Balancing Area.

7.5.2 ☐ (Optional - For use only with Section 7.4, Alternative 2 - Current Market Value Basis) For Overproduction sold under an Arm's Length Agreement, the cash settlement will be based on the weighted average price received by the Overproduced Party for any gas sold from the Balancing Area.

7.6 To the extent the Overproduced Party did not sell all Overproduction under an Arm's Length Agreement, the cash settlement will be based on the weighted average price received by the Overproduced Party for any gas sold from the

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Balancing Area under Arm's Length Agreements during the months to which such Overproduction is attributed. In the event that no sales under Arm's Length Agreements were made during any such month, the cash settlement for such month will be based on the spot sales prices published for the applicable geographic area during such month in a mutually acceptable pricing bulletin.

7.7 Interest compounded at the rate of ten percent (10 %) per annum or the maximum lawful rate of interest applicable to the Balancing Area, whichever is less, will accrue for all amounts due under Section 7.1, beginning the first day following the date payment is due pursuant to Section 7.3. Such interest shall be borne by the Operator or any Overproduced Party in the proportion that their respective delays beyond the deadlines set out in Sections 7.2 and 7.3 contributed to the accrual of the interest.

7.8 In lieu of the cash settlement required by Section 7.3, an Overproduced Party may deliver to the Underproduced Party an offer to settle its Overproduction in-kind and at such rates, quantities, times and sources as may be agreed upon by the Underproduced Party. If the Parties are unable to agree upon the manner in which such in-kind settlement gas will be furnished within sixty (60) days after the Overproduced Party's offer to settle in kind, which period may be extended by agreement of said Parties, the Overproduced Party shall make a cash settlement as provided in Section 7.3. The making of an in-kind settlement offer under this Section 7.8 will not delay the accrual of interest on the cash settlement should the Parties fail to reach agreement on an in-kind settlement.

7.9 ☒ (Optional - For Balancing Areas Subject to Federal Price Regulation) That portion of any monies collected by an Overproduced Party for Overproduction which is subject to refund by orders of the Federal Energy Regulatory Commission or other governmental authority may be withheld by the Overproduced Party until such prices are fully approved by such governmental authority, unless the Underproduced Party furnishes a corporate undertaking, acceptable to the Overproduced Party, agreeing to hold the Overproduced Party harmless from financial loss due to refund orders by such governmental authority.

~~7.10 ☐ (Optional - Interim Cash Balancing) At any time during the term of this Agreement, any Overproduced Party may, in its sole discretion, make cash settlement(s) with the Underproduced Parties covering all or part of its outstanding Gas imbalance, provided that such settlements must be made with all Underproduced Parties proportionately based on the relative imbalances of the Underproduced Parties, and provided further that such settlements may not be made more often than once every twenty-four (24) months. Such settlements will be calculated in the same manner provided above for final cash settlements. The Overproduced Party will provide Operator a detailed accounting of any such cash settlement within thirty (30) days after the settlement is made.~~

## 8. TESTING

Notwithstanding any provision of this Agreement to the contrary, any Party shall have the right, from time to time, to produce and take up to one hundred percent (100%) of a well's entire Gas stream to meet the reasonable deliverability test(s) required by such Party's Gas purchaser, and the right to take any Makeup Gas shall be subordinate to the right of any Party to conduct such tests; provided, however, that such tests shall be conducted in accordance with prudent operating practices only after thirty (30) days' prior written notice to the Operator and shall last no longer than seventy-two (72) hours.

## 9. OPERATING COSTS

Nothing in this Agreement shall change or affect any Party's obligation to pay its proportionate share of all costs and liabilities incurred in operations on or in connection with the Balancing Area, as its share thereof is set forth in the Operating Agreement, irrespective of whether any Party is at any time selling and using Gas or whether such sales or use are in proportion to its Percentage Interest in the Balancing Area.

## 10. LIQUIDS

The Parties shall share proportionately in and own all liquid hydrocarbons recovered with Gas by field equipment operated for the joint account in accordance with their Percentage Interests in the Balancing Area.

## 11. AUDIT RIGHTS

Notwithstanding any provision in this Agreement or any other agreement between the Parties hereto, and further notwithstanding any termination or cancellation of this Agreement, for a period of two (2) years from the end of the calendar year in which any information to be furnished under Section 5 or 7 hereof is supplied, any Party shall have the right to audit the records of any other Party regarding quantity, including but not limited to information regarding Btu-content. Any Underproduced Party shall have the right for a period of two (2) years from the end of the calendar year in which any cash settlement is received pursuant to Section 7 to audit the records of any Overproduced Party as to all matters concerning values, including but not limited to information regarding prices and disposition of Gas from the Balancing Area. Any such audit shall be conducted at the expense of the Party or Parties desiring such audit, and shall be conducted, after reasonable notice, during normal business hours in the office of the Party whose records are being audited. Each Party hereto agrees to maintain records as to the volumes and prices of Gas sold each month and the volumes of Gas used in its own operations, along with the Royalty paid on any such Gas used by a Party in its own operations. The audit rights provided for in this Section 11 shall be in addition to those provided for in Section 5.2 of this Agreement.

## 12. MISCELLANEOUS

12.1 As between the Parties, in the event of any conflict between the provisions of this Agreement and the provisions of any gas sales contract, or in the event of any conflict between the provisions of this Agreement and the provisions of the Operating Agreement, the provisions of this Agreement shall govern.

12.2 Each Party agrees to defend, indemnify and hold harmless all other Parties from and against any and all liability for any claims, which may be asserted by any third party which now or hereafter stands in a contractual relationship with such indemnifying Party and which arise out of the operation of this Agreement or any activities of such indemnifying Party under the provisions of this Agreement, and does further agree to save the other Parties harmless from all judgments or damages sustained and costs incurred in connection therewith.

12.3 Except as otherwise provided in this Agreement, Operator is authorized to administer the provisions of this Agreement, but shall have no liability to the other Parties for losses sustained or liability incurred which arise out of or in connection with the performance of Operator's duties hereunder, except such as may result from Operator's gross negligence or willful misconduct. Operator shall not be liable to any Underproduced Party for the failure of any Overproduced Party (other than Operator) to pay any amounts owed pursuant to the terms hereof.

12.4 This Agreement shall remain in full force and effect for as long as the Operating Agreement shall remain in force and effect as to the Balancing Area, and thereafter until the Gas accounts between the Parties are settled in full and shall inure to the benefit of and be binding upon the Parties hereto, and their respective heirs, successors, legal representatives and assigns.

and assigns, if any. The Parties hereto agree to give notice of the existence of this Agreement to any successor in interest of any such Party and to provide that any such successor shall be bound by this Agreement, and shall further make any transfer of any interest subject to the Operating Agreement, or any part thereof, also subject to the terms of this Agreement.

12.5 Unless the context clearly indicates otherwise, words used in the singular include the plural, the plural includes the singular, and the neuter gender includes the masculine and the feminine.

12.6 In the event that any "Optional" provision of this Agreement is not adopted by the Parties to this Agreement by a typed, printed or handwritten indication, such provision shall not form a part of this Agreement, and no inference shall be made concerning the intent of the Parties in such event. In the event that any "Alternative" provision of this Agreement is not so adopted by the Parties, Alternative 1 in each such instance shall be deemed to have been adopted by the Parties as a result of any such omission. In those cases where it is indicated that an Optional provision may be used only if a specific Alternative is selected: (i) an election to include said Optional provision shall not be effective unless the Alternative in question is selected; and (ii) the election to include said Optional provision must be expressly indicated hereon, it being understood that the selection of an Alternative either expressly or by default as provided herein shall not, in and of itself, constitute an election to include an associated Optional provision.

12.7 This Agreement shall bind the Parties in accordance with the provisions hereof, and nothing herein shall be construed or interpreted as creating any rights in any person or entity not a signatory hereto, or as being a stipulation in favor of any such person or entity.

12.8 If contemporaneously with this Agreement becoming effective, or thereafter, any Party requests that any other Party execute an appropriate memorandum or notice of this Agreement in order to give third parties notice of record of same and submits same for execution in recordable form, such memorandum or notice shall be duly executed by the Party to which such request is made and delivered promptly thereafter to the Party making the request. Upon receipt, the Party making the request shall cause the memorandum or notice to be duly recorded in the appropriate real property or other records affecting the Balancing Area.

12.9 In the event Internal Revenue Service regulations require a uniform method of computing taxable income by all Parties, each Party agrees to compute and report income to the Internal Revenue Service ~~(select one)~~ ☐ as if such Party were taking its Full Share of Current Production during each relevant tax period in accordance with such regulations, insofar as same relate to entitlement method tax computations, or ☒ based on the quantity of Gas taken for its account in accordance with such regulations, insofar as same relate to sales method tax computations.

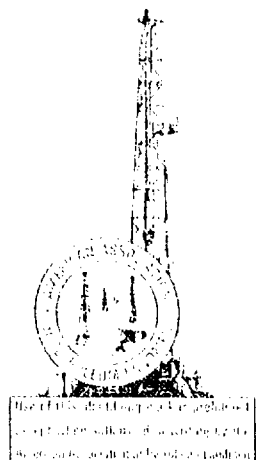
### 13. ASSIGNMENT AND RIGHTS UPON ASSIGNMENT

13.1 Subject to the provisions of Sections 13.2 (if elected) and 13.3 hereof, and notwithstanding anything in this Agreement or in the Operating Agreement to the contrary, if any Party assigns (including any sale, exchange or other transfer) any of its working interest in the Balancing Area when such Party is an Underproduced or Overproduced Party, the assignment or other act of transfer shall, insofar as the Parties hereto are concerned, include all interest of the assigning or transferring Party in the Gas, all rights to receive or obligations to provide or take Makeup Gas and all rights to receive or obligations to make any monetary payment which may ultimately be due hereunder, as applicable. Operator and each of the other Parties hereto shall thereafter treat the assignment accordingly, and the assigning or transferring Party shall look solely to its assignee or other transferee for any interest in the Gas or monetary payment that such Party may have or to which it may be entitled, and shall cause its assignee or other transferee to assume its obligations hereunder.

13.2 ☒ (Optional - Cash Settlement Upon Assignment) Notwithstanding anything in this Agreement (including but not limited to the provisions of Section 13.1 hereof) or in the Operating Agreement to the contrary, and subject to the provisions of Section 13.3 hereof, in the event an Overproduced Party intends to sell, assign, exchange or otherwise transfer any of its interest in a Balancing Area, such Overproduced Party shall notify in writing the other working interest owners who are Parties hereto in such Balancing Area of such fact at least thirty (30) days prior to closing the transaction. Thereafter, any Underproduced Party may demand from such Overproduced Party in writing, within fifteen (15) days after receipt of the Overproduced Party's notice, a cash settlement of its Underproduction from the Balancing Area. The Operator shall be notified of any such demand and of any cash settlement pursuant to this Section 13, and the Overproduction and Underproduction of each Party shall be adjusted accordingly. Any cash settlement pursuant to this Section 13 shall be paid by the Overproduced Party on or before the earlier to occur (i) of sixty (60) days after receipt of the Underproduced Party's demand or (ii) at the closing of the transaction in which the Overproduced Party sells, assigns, exchanges or otherwise transfers its interest in a Balancing Area on the same basis as otherwise set forth in Sections 7.3 through 7.6 hereof, and shall bear interest at the rate set forth in Section 7.7 hereof, beginning sixty (60) days after the Overproduced Party's sale, assignment, exchange or transfer of its interest in the Balancing Area for any amounts not paid. Provided, however, if any Underproduced Party does not so demand such cash settlement of its Underproduction from the Balancing Area, such Underproduced Party shall look exclusively to the assignee or other successor in interest of the Overproduced Party giving notice hereunder for the satisfaction of such Underproduced Party's Underproduction in accordance with the provisions of Section 13.1 hereof.

13.3 The provisions of this Section 13 shall not be applicable in the event any Party mortgages its interest or disposes of its interest by merger, reorganization, consolidation or sale of substantially all of its assets to a subsidiary or parent company, or to any company in which any parent or subsidiary of such Party owns a majority of the stock of such company.

### 14. OTHER PROVISIONS



## **EXHIBIT "H"**

Attached to and made a part of that certain Unit Operating Agreement dated \_\_\_\_\_, 1998, by and between ST. MARY LAND & EXPLORATION COMPANY, as Contractor, and NORMAN BARKER, et al., as Non-Contractors.

Unless exempted by Federal law, regulation or order, the following terms and conditions shall apply during the performance of this contract:

### **EQUAL OPPORTUNITY CLAUSE**

A. During the performance of this contract, the Contractor agrees as follows:

1. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Contractor 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 Contractor agrees to post in conspicuous places available to employees and applicants for employment notices to be provided by the contracting officer setting forth the provisions of this non-discrimination clause.
2. The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
3. The Contractor will send to each labor union or representative of workers with which he 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 Contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
4. The Contractor 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 Contractor will furnish all information and reports required by Executive Order No. 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 his 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 the Contractor's non-compliance with the non-discrimination clauses of this agreement or with any of such rules, regulations, or orders, this Agreement may be canceled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.



7. The Contractor will include the provisions of paragraph (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 No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor 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 noncompliance; provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.
- B. If required to do so by Federal law, regulation, order, Contractor agrees that he shall:
1. File with the Office of Federal Contract Compliance or agency designated by it, a complete and accurate report on Standard Form 100 (EEO-1) within 30 days after signing of this Agreement (unless such a report has been filed in the last 12 months), and continue to file such reports annually, on or before March 31<sup>st</sup>.
  2. Develop and maintain a written affirmative action compliance program for each of its establishments in accordance with the regulations of the Secretary of Labor promulgated under Executive Order No. 11246, as amended.

#### CERTIFICATE OF NONSEGREGATED FACILITIES

The Contractor certifies that he does not and will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not and will not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The Contractor understands that the phrase "segregated facilities" includes facilities which are in fact segregated on a basis of race, color, creed, or national origin, because of habit, location custom, or otherwise. The Contractor understands and agrees that maintaining or providing segregated facilities for his employees or permitting his employees to perform their services at any locations, under his control, where segregated facilities are maintained is a violation of the Equal Opportunity Clause required by Executive Order No. 11246 of September 24, 1965, and the regulations of the Secretary of Labor set out in 41 CFR Chapter 60. Contractor further agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) it will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity Clause; that it will retain such certifications in its files, and that it forward the following notice to such proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods):

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES: A Certification of Nonsegregated Facilities as required by the May 9, 1967, order on Elimination of Segregated Facilities, by the Secretary of Labor (32 F.R. 7439, May 19, 1967), and as required by the regulations of the Secretary of Labor set out in 41 CFR Chapter 60, and as they may be amended, must be submitted prior to the award of a subcontract exceeding \$10,000 which is not exempt from the provisions of the Equal Opportunity Clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semi-annually or annually).

MODEL FORM RECORDING SUPPLEMENT TO  
OPERATING AGREEMENT AND FINANCING STATEMENT

THIS AGREEMENT, entered into by and between St. Mary Land & Exploration Company, hereinafter referred to as "Operator", and the signatory party or parties other than Operator, hereinafter referred to individually as "Non-Operator", and collectively as "Non-Operators".

WHEREAS, the parties to this agreement are owners of Oil and Gas Leases and/or Oil and Gas Interests in the land identified in Exhibit "A" (said land, Leases and Interests being hereinafter called the "Contract Area"), and in any instance in which the Leases or Interests of a party are not of record, the record owner and the party hereto that owns the interest or rights therein are reflected on Exhibit "A";

WHEREAS, the parties hereto have executed an Operating Agreement dated \_\_\_\_\_ (herein the "Operating Agreement"), covering the Contract Area for the purpose of exploring and developing such lands, Leases and Interests for Oil and Gas; and

WHEREAS, the parties hereto have executed this agreement for the purpose of imparting notice to all persons of the rights and obligations of the parties under the Operating Agreement and for the further purpose of perfecting those rights capable of perfection.

NOW, THEREFORE, in consideration of the mutual rights and obligations of the parties hereto, it is agreed as follows:

1. This agreement supplements the Operating Agreement, which Agreement in its entirety is incorporated herein by reference, and all terms used herein shall have the meaning ascribed to them in the Operating Agreement.

2. The parties do hereby agree that:

A. The Oil and Gas Leases and/or Oil and Gas Interests of the parties comprising the Contract Area shall be subject to and burdened with the terms and provisions of this agreement and the Operating Agreement, and the parties do hereby commit such Leases and Interests to the performance thereof.

B. The exploration and development of the Contract Area for Oil and Gas shall be governed by the terms and provisions of the Operating Agreement, as supplemented by this agreement.

C. All costs and liabilities incurred in operations under this agreement and the Operating Agreement shall be borne and paid, and all equipment and materials acquired in operations on the Contract Area shall be owned, by the parties hereto, as provided in the Operating Agreement.

D. Regardless of the record title ownership to the Oil and Gas Leases and/or Oil and Gas Interests identified on Exhibit "A", all production of Oil and Gas from the Contract Area shall be owned by the parties as provided in the Operating Agreement; provided nothing contained in this agreement shall be deemed an assignment or cross-assignment of interests covered hereby.

E. Each party shall pay or deliver, or cause to be paid or delivered, all burdens on its share of the production from the Contract Area as provided in the Operating Agreement.

F. An overriding royalty, production payment, net profits interest or other burden payable out of production hereafter created, assignments of production given as security for the payment of money and those overriding royalties, production payments and other burdens payable out of production heretofore created and defined as Subsequently Created Interests in the Operating Agreement shall be (i) borne solely by the party whose interest is burdened therewith, (ii) subject to suspension if a party is required to assign or relinquish to another party an interest which is subject to such burden, and (iii) subject to the lien and security interest hereinafter provided if the party subject to such burden fails to pay its share of expenses chargeable hereunder and under the Operating Agreement, all upon the terms and provisions and in the times and manner provided by the Operating Agreement.

G. The Oil and Gas Leases and/or Oil and Gas Interests which are subject hereto may not be assigned or transferred except in accordance with those terms, provisions and restrictions in the Operating Agreement regulating such transfers. This agreement and the Operating Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective heirs, devisees, legal representatives, and assigns, and the terms hereof shall be deemed to run with the leases or interests included within the lease Contract Area.

H. The parties shall have the right to acquire an interest in renewal, extension and replacement leases, leases proposed to be surrendered, wells proposed to be abandoned, and interests to be relinquished as a result of non-participation in subsequent operations, all in accordance with the terms and provisions of the Operating Agreement.

I. The rights and obligations of the parties and the adjustment of interests among them in the event of a failure or loss of title, each party's right to propose operations, obligations with respect to participation in operations on the Contract Area and the consequences of a failure to participate in operations, the rights and obligations of the parties regarding the marketing of production, and the rights and remedies of the parties for failure to comply with financial obligations shall be as provided in the Operating Agreement.

J. Each party's interest under this agreement and under the Operating Agreement shall be subject to relinquishment for its failure to participate in subsequent operations and each party's share of production and costs shall be reallocated on the basis of such relinquishment, all upon the terms and provisions provided in the Operating Agreement.

K. All other matters with respect to exploration and development of the Contract Area and the ownership and transfer of the Oil and Gas Leases and/or Oil and Gas Interest therein shall be governed by the terms and provisions of the Operating Agreement.

3. The parties hereby grant reciprocal liens and security interests as follows:

A. Each party grants to the other parties hereto a lien upon any interest it now owns or hereafter acquires in Oil and Gas Leases and Oil and Gas Interests in the Contract Area, and a security interest and/or purchase money security interest in any interest it now owns or hereafter acquires in the personal property and fixtures on or used or obtained for use in connection therewith, to secure performance of all of its obligations under this agreement and the Operating Agreement including but not limited to payment of expense, interest and fees, the proper disbursement of all monies paid under this agreement and the Operating Agreement, the assignment or relinquishment of interest in Oil and Gas Leases as required under this agreement and the Operating Agreement, and the proper performance of operations under this agreement and the Operating Agreement. Such lien and security interest granted by each party hereto shall include such party's leasehold interests, working interests, operating rights, and royalty and overriding royalty interests in the Contract Area now owned or hereafter acquired and in lands pooled or unitized therewith or otherwise becoming subject to this agreement and the Operating Agreement, the Oil and Gas when extracted therefrom and equipment situated thereon or used or obtained for use in connection therewith (including, without limitation, all wells, tools, and tubular goods), and accounts (including, without limitation, accounts arising from the sale of production at the wellhead),

contract rights, inventory and general intangibles relating thereto or arising therefrom, and all proceeds and products of the foregoing.

B. Each party represents and warrants to the other parties hereto that the lien and security interest granted by such party to the other parties shall be a first and prior lien, and each party hereby agrees to maintain the priority of said lien and security interest against all persons acquiring an interest in Oil and Gas Leases and Interests covered by this agreement and the Operating Agreement by, through or under such party. All parties acquiring an interest in Oil and Gas Leases and Oil and Gas Interests covered by this agreement and the Operating Agreement, whether by assignment, merger, mortgage, operation of law, or otherwise, shall be deemed to have taken subject to the lien and security interest granted by the Operating Agreement and this instrument as to all obligations attributable to such interest under this agreement and the Operating Agreement whether or not such obligations arise before or after such interest is acquired.

C. To the extent that the parties have a security interest under the Uniform Commercial Code of the state in which the Contract Area is situated, they shall be entitled to exercise the rights and remedies of a secured party under the Code. The bringing of a suit and the obtaining of judgment by a party 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 party in the payment of its share of expenses, interest or fees, or upon the improper use of funds by the Operator, the other parties shall have the right, without prejudice to other rights or remedies, to collect from the purchaser the proceeds from the sale of such defaulting party's share of Oil and Gas until the amount owed by such party, plus interest, has been received, and shall have the right to offset the amount owed against the proceeds from the sale of such defaulting party's share of Oil and Gas. All purchasers of production may rely on a notification of default from the non-defaulting party or parties stating the amount due as a result of the default, and all parties waive any recourse available against purchasers for releasing production proceeds as provided in this paragraph.

D. If any party fails to pay its share of expense within one hundred-twenty (120) days after rendition of a statement therefor by Operator the non-defaulting parties, including Operator, shall, upon request by Operator, pay the unpaid amount in the proportion that the interest of each such party bears to the interest of all such parties. The amount paid by each party so paying its share of the unpaid amount shall be secured by the liens and security rights described in this paragraph 3 and in the Operating Agreement, and each paying party may independently pursue any remedy available under the Operating Agreement or otherwise.

E. If any party does not perform all of its obligations under this agreement or the Operating Agreement, and the failure to perform subjects such party to foreclosure or execution proceedings pursuant to the provisions of this agreement or the Operating Agreement, to the extent allowed by governing law, the defaulting party waives any available right of redemption from and after the date of judgment, any required valuation or appraisal of the mortgaged or secured property prior to sale, any available right to stay execution or to require a marshalling of assets and any required bond in the event a receiver is appointed. In addition, to the extent permitted by applicable law, each party hereby grants to the other parties a power of sale as to any property that is subject to the lien and security rights granted hereunder or under the Operating Agreement, such power to be exercised in the manner provided by applicable law or otherwise in a commercially reasonable manner and upon reasonable notice.

F. The lien and security interest granted by this paragraph 3 supplements identical rights granted under the Operating Agreement.

G. To the extent permitted by applicable law, Non-Operators agree that Operator may invoke or utilize the mechanics' or materialmen's lien law of the state in which the Contract Area is situated in order to secure the payment to Operator of any sum due under this agreement and the Operating Agreement for services performed or materials supplied by Operator.

H. The above described security will be financed at the wellhead of the well or wells located on the Contract Area and this Recording Supplement may be filed in the land records in the County or Parish in which the Contract Area is located, and as a financing statement in all recording offices required under the Uniform Commercial Code or other applicable state statutes to perfect the above-described security interest, and any party hereto may file a continuation statement as necessary under the Uniform Commercial Code, or other state laws.

4. This agreement shall be effective as of the date of the Operating Agreement as above recited. Upon termination of this agreement and the Operating Agreement and the satisfaction of all obligations thereunder, Operator is authorized to file of record in all necessary recording offices a notice of termination, and each party hereto agrees to execute such a notice of termination as to Operator's interest, upon the request of Operator, if Operator has complied with all of its financial obligations.

5. This agreement and the Operating Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, devisees, legal representatives, successors and assigns. No sale, encumbrance, transfer or other disposition shall be made by any party of any interest in the Leases or Interests subject hereto except as expressly permitted under the Operating Agreement and, if permitted, shall be made expressly subject to this agreement and the Operating Agreement and without prejudice to the rights of the other parties. If the transfer is permitted, the assignee of an ownership interest in any Oil and Gas Lease shall be deemed a party to this agreement and the Operating Agreement as to the interest assigned from and after the effective date of the transfer of ownership; provided, however, that the other parties shall not be required to recognize any such sale, encumbrance, transfer or other disposition for any purpose hereunder until thirty (30) days after they have received a copy of the instrument of transfer or other satisfactory evidence thereof in writing from the transferor or transferee. No assignment or other disposition of interest by a party shall relieve such party of obligations previously incurred by such party under this agreement or the Operating Agreement with respect to the interest transferred, including without limitation the obligation of a party to pay all costs attributable to an operation conducted under this agreement and the Operating Agreement in which such party has agreed to participate prior to making such assignment, and the lien and security interest granted by Article VII.B. of the Operating Agreement and hereby shall continue to burden the interest transferred to secure payment of any such obligations.

6. In the event of a conflict between the terms and provisions of this agreement and the terms and provisions of the Operating Agreement, then, as between the parties, the terms and provisions of the Operating Agreement shall control.

7. This agreement shall be binding upon each Non-Operator when this agreement or a counterpart thereof has been executed by such Non-Operator and Operator notwithstanding that this agreement is not then or thereafter executed by all of the parties to which it is tendered or which are listed on Exhibit "A" as owning an interest in the Contract Area or which own, in fact, an interest in the Contract Area. In the event that any provision herein is illegal or unenforceable, the remaining provisions shall not be affected, and shall be enforced as if the illegal or unenforceable provision did not appear herein.

1 8. Other provisions.

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13 IN WITNESS WHEREOF, this agreement shall be effective as of the \_\_\_\_\_ day of \_\_\_\_\_ ,  
14 19 \_\_\_\_\_ .

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16 ATTEST OR WITNESS:

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28 ATTEST OR WITNESS:

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40 ATTEST OR WITNESS:

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51 ATTEST OR WITNESS:

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62 ATTEST OR WITNESS:

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OPERATOR

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

Type or Print Name

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_

NON-OPERATORS

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

Type or Print Name

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

Type or Print Name

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_

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By: \_\_\_\_\_

Type or Print Name

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Date: \_\_\_\_\_

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Type or Print Name

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\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_

ACKNOWLEDGMENTS

NOTE:

The following forms of acknowledgment are the short forms approved by the Uniform Law on Notarial Acts. The validity and effect of these forms in any state will depend upon the statutes of that state.

Individual Acknowledgment

STATE OF \_\_\_\_\_ §

§ ss.

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_,  
by \_\_\_\_\_.

(Seal, if any)

Title (and Rank) \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

Acknowledgment in Representative Capacity

STATE OF \_\_\_\_\_ §

§ ss.

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_,  
by \_\_\_\_\_ as \_\_\_\_\_ of

(Seal, if any)

Title (and Rank) \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

EXHIBIT "D"  
Attached to East Shugart (Delaware) Unit Agreement  
[GAS ONLY]

		S. Taylor 13 #2	S. Taylor 13 #3	Inca Fed	Conoco 1	Conoco 3	Mohawk	Geronimo 3	Geronimo 4	Geronimo 5	Geronimo 8	Geronimo 9	Geronimo 10*	Geronimo 12	Jade 1	Total Unit Participation
		Tract 1A	Tract 1B	Tract 2	Tract 3A	Tract 3B	Tract 4	Tract 5A	Tract 5B	Tract 5C	Tract 5D	Tract 5E	Tract 5F	Tract 5G	Tract 6	
		NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	
OWNER																
Riverhill Energy Corporation	WI			0.01902339	0.00219274	0.00375452	0.00178174	0.00559448	0.00399403	0.00135808	0.00183448	0.00332191	0.00128504	0.00133171	0.00349984	0.04897198
St. Mary Land & Exploration Company	WI			0.17121054	0.01973469	0.03379069	0.01603568	0.05035039	0.03594833	0.01222274	0.01651046	0.02989719	0.01156537	0.01198534	0.03149858	0.44074800
Hare Production Company	WI							0.00065697	0.00073280							0.00138977
Ted E. Bacil	WI				0.00143944			0.00155268	0.00142651	0.00018835	0.00035865					0.00496563
Norman Barker	WI				0.00255900			0.00742020	0.00521100	0.00103208	0.00143460	0.00403380	0.00140730	0.00098145		0.02407943
Floyd A. Blakeney	WI			0.00300369	0.00047981	0.00024749	0.00011745	0.00324634	0.00260550	0.00019351		0.00151268		0.00018402	0.00068179	0.01227229
Borica Oil, Inc.	WI				0.00031988			0.00092753	0.00065138	0.00012901	0.00017933	0.00050423	0.00017591	-0.00012268		0.00300993
Harrington Trust	WI			0.00100123	0.00031988	0.00008250	0.00003915	0.00092753	0.00065138	0.00012901	0.00017933	0.00050423	0.00017591	0.00012268	0.00034089	0.00447370
NM&T Resources, LLC	WI				0.00009596			0.00412934	0.00289992	0.00003870	0.00005380	0.00121014	0.00005277	0.00003680		0.00851744
Paula S. Campbell	WI				0.00001599			0.00068822	0.00048332	0.00000645	0.00000897	0.00020169	0.00000880	0.00000613		0.00141957
Brian D. Kantor; Successor to Del Lane	WI							0.00051756	0.00047550			0.00017761	0.00000000	0.00000000		0.00117068
Dr. Michael Norton, III	WI				0.00079969	0.00546356	0.00259278	0.00231881	0.00162844	0.00032252	0.00044831	0.00126056	0.00079161	0.00030670		0.01593299
Troy or Sandra Oney	WI							0.00092753								0.00092753
Leonard Schaeen	WI							0.00155268	0.00047550			0.00088605				0.00291423
Barbara A. Schatz, Trustee of the Schatz Management Trust UTA 9/1/92	WI				0.00063975			0.00185505	0.00130275	0.00025802	0.00035865	0.00100845	0.00035183	0.00024536		0.00601986
Edwin G. Wallace	WI							0.00051756		0.00023480		0.00035523				0.00087279
William Nickey	WI								0.00047550			0.00035523				0.00106553
Gary Keith Tannahill, Barbara Carthell Mathis and Amarillo National Bank, Co-Trustees u/w/o Chester Francis Carthel, dec'd f/b/o Olga Eudora Tannahill Mathis	WI				0.00015994					0.00006450	0.00008966		0.00008796	0.00006134		0.00046340
Gary Keith Tannahill, Barbara Carthell Mathis and Amarillo National Bank, Co-Trustees u/w/o Chester Francis Carthel, dec'd f/b/o Theodore H. Carthell	WI															
Don L. Lee	WI				0.00015994					0.00006450	0.00008966		0.00008796	0.00006134		0.00046340
Richard E. O'Connell	WI				0.00063975					0.00025802	0.00035865		0.00035183	0.00024536		0.00185361
Gwendolyn Manning Williams	WI				0.00095963			0.00276258	0.00195413	0.00038703	0.00053798	0.00151268	0.00052774	0.00036804		0.0902978
Lessie Fisher	WI											0.00050423				0.00050423
E & S, L.L.C.	WI			0.00200246	0.00051180	0.00016500	0.00007830	0.00230397	0.00161802	0.00007741	0.00010760	0.00090761	0.00010555	0.00007361	0.00068179	0.00863309
Dean Kinsolving	WI			0.00200246	0.00031988	0.00016500	0.00007830	0.00185505	0.00130275	0.00012901	0.00017933	0.00100845	0.00017591	0.00012268	0.00068179	0.00802060
Patrick J. Morello	WI							0.00046376	0.00032569			0.00025211				0.00104156
David J. Mossler	WI				0.00031988			0.00092753	0.00065138	0.00012901	0.00017933	0.00050423	0.00017591	0.00012268		0.00300993
John & Alice Sharp	WI							0.00092753				0.00050423				0.00143175
Steve or Lola Bell	WI							0.00030924								0.00030924
Nelson B. Alpers, Trustee of the Nelson B. Alpers Family Trust U/T/A 5/12/97	WI								0.00032569							0.00032569
John V. Fox	WI												0.00008796			0.00008796
Patricia K. Jennings	WI			0.00100123	0.00015994	0.00008250	0.00003915				0.00008966		0.00008796		0.00034089	0.00180133
J. David Wrathner, Jr.	WI					0.00016500	0.00007830				0.00094146					0.00094146
Gene Shumate	WI															0.00024330
Five States 1994-E Ltd.	WI				0.01599375											0.01599375
Five States 1995-B Ltd.	WI				0.00799688											0.00799688
Five States 1995-D Ltd.	WI				0.00799688											0.00799688
J. E. Cieszinski	WI			0.00100123		0.00008250	0.00003915								0.00034089	0.00146377
Intoil, Inc.	WI														0.03977094	0.03977094
Nortex Corporation	WI															0.01999556
Harvey E. Yates Company	WI															0.03124783

EXHIBIT "D"  
Attached to East Shugart (Delaware) Unit Agreement  
[LIQUID HYDROCARBONS ONLY]

		S. Taylor 13 #2	S. Taylor 13 #3	Inca Fed	Conoco 1	Conoco 3	Mohawk	Geronimo 3	Geronimo 4	Geromino 5	Geronimo 8	Geronimo 9	Geronimo 10*	Geronimo 12	Jade 1	Total Unit Participation
		Tract 1A	Tract 1B	Tract 2	Tract 3A	Tract 3B	Tract 4	Tract 5A	Tract 5B	Tract 5C	Tract 5D	Tract 5E	Tract 5F	Tract 5G	Tract 6	
		NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI
OWNER	WI															0.03124783
Harvey E. Yates Company	WI	0.02564136	0.00560646													0.00412848
Spiral, Inc.	WI	0.00338775	0.00074073													0.00412848
Explorers Petroleum Corp.	WI	0.00338775	0.00074073													0.00141079
HEYCO Employees Ltd.	WI	0.00115767	0.00025312													0.00997830
Yates Energy Corporation	WI	0.00818800	0.00179030													0.00475850
Jalapeno Corporation	WI	0.00390473	0.00085377													0.77522814
TOTAL WI		0.06207523	0.01357269	0.20238221	0.06465740	0.04446807	0.02355264	0.09374186	0.06583230	0.01747074	0.02428459	0.05096034	0.01777889	0.01661377	0.07783741	
Riverhill Energy Corporation	ORI			0.00076604		0.00024100	0.00011437	0.00024734	0.00017370	0.00001290	0.00001793	0.00015127	0.00001759	0.00001227	0.00017045	0.00192486
St. Mary Land & Exploration Company	ORI			0.00689447		0.00216899	0.00102931	0.00222606	0.00156330	0.00011611	0.00016139	0.00136141	0.00015832	0.00011041	0.00153402	0.01732380
Mary Elizabeth Baish	ORI			0.00002224	0.00000711	0.00000489	0.00000232	0.00004416	0.00003101	0.00000819	0.00001138	0.00002401	0.00000838	0.00000779	0.00000000	0.00017148
Karen Elizabeth Charles	ORI			0.00002224	0.00000711	0.00000489	0.00000232	0.00004417	0.00003102	0.00000819	0.00001139	0.00002401	0.00000838	0.00000779	0.00000000	0.00017151
Gerald E. and Emma Patricia Harrington Trust	ORI							0.00123670	0.00086850	0.00012901	0.00017933	0.00050423	0.00017591	0.00012268		0.00321635
Higgins Trust, Inc.	ORI			0.00066749	0.00021325	0.00014666	0.00006960	0.00021519	0.00015112	0.00003991	0.00005547	0.00011698	0.00004081	0.00003795		0.00175442
E. Bernard Johnston	ORI							0.00054893	0.00038409	0.00010143	0.00014099	0.00029732	0.00010373	0.00009645		0.00167095
Mary Ellen Johnston	ORI							0.00054893	0.00038409	0.00010143	0.00014099	0.00029732	0.00010373	0.00009645		0.00167095
Ray F. Lewis, Jr.	ORI							0.00008626	0.00006058	0.00001600	0.00002224	0.00004689	0.00001636	0.00001521		0.00026354
Margaret Masters	ORI			0.00053399	0.00017060	0.00011733	0.00005568	0.00175018	0.00122910	0.00032458	0.00045117	0.00095144	0.00033194	0.00030866		0.00622465
Michael R. McGuire	ORI							0.00008626	0.00006058	0.00001600	0.00002224	0.00004689	0.00001636	0.00001521		0.00026354
Margaret H. Naylor Revocable Trust	ORI							0.00008595	0.00006036	0.00001594	0.00002216	0.00004672	0.00001630	0.00001516		0.00026259
Wendell W. Iverson, Trustee of the PIP 1990 Trust	ORI							0.00014944	0.00010495	0.00002771	0.00003852	0.00008124	0.00002834	0.00002635		0.00045656
Rojo Inc.	ORI							0.00043099	0.00030267	0.00007993	0.00011110	0.00023430	0.00008174	0.00007601		0.00131674
Wendell W. Iverson, Trustee of the SJI JR 1990 Trust	ORI							0.00014943	0.00010494	0.00002771	0.00003852	0.00008124	0.00002834	0.00002635		0.00045654
Katherine Mary Scott	ORI			0.00002224	0.00000711	0.00000489	0.00000232	0.00004417	0.00003102	0.00000819	0.00001139	0.00002401	0.00000838	0.00000779		0.00017151
Phoebe Shelton	ORI							0.00041368	0.00029051	0.00007672	0.00010664	0.00022488	0.00007846	0.00007295		0.00126384
Ralph A. Shugart Trust	ORI							0.00109386	0.00076819	0.00020286	0.00028198	0.00059465	0.00020746	0.00019291		0.00334191
Clifton E. Shumate	ORI							0.00000618	0.00000434	0.00000115	0.00000159	0.00000336	0.00000117	0.00000109		0.00001889
Betty Baish Strohmeier Estate	ORI			0.00006675	0.00002133	0.00001467	0.00000696	0.00013251	0.00009306	0.00002457	0.00003416	0.00007204	0.00002513	0.00002337		0.00051454
Wendell W. Iverson, Trustee of the WWVI 1990 Trust	ORI							0.00014943	0.00010494	0.00002771	0.00003852	0.00008124	0.00002834	0.00002636		0.00045655
Myrtle M. Westall Revocable Trust	ORI							0.00006926	0.00004864	0.00001284	0.00001785	0.00003765	0.00001313	0.00001221		0.00021158
George Westall	ORI			0.00033374	0.00010663	0.00007333	0.00003480	0.00013851	0.00009727	0.00002569	0.00003571	0.00007530	0.00002627	0.00002443		0.00097167
Centennial	ORI			0.00039109												0.00039109
Selma Andrews Trust #5188-01	ORI			0.00035847	0.00011452	0.00007876	0.00003738									0.00058913
Graham Austin and Margaret Austin, Co-Trustees of the Austin Family Trust U/T/A 3/22/95	ORI															
Nancy Carter	ORI			0.00285767	0.00024657	0.00016958	0.00008047									0.00335429
Randy Gilmore Patterson	ORI			0.00142882	0.00012329	0.00008479	0.00004024									0.00167715
Jack W. McCaw	ORI			0.00006953	0.00002221	0.00001528	0.00000725									0.00011426
William C. White	ORI			0.00006953	0.00002221	0.00001528	0.00000725									0.00011426
Mary Kennedy Gore and Willa Kathryn Kennedy, equally	ORI			0.00020860	0.00006664	0.00004583	0.00002175									0.00034283
EHW, LLC, a New Mexico Limited Liability Company	ORI			0.00020860	0.00006664	0.00004583	0.00002175									0.00034283
Braille Institute of America Inc.	ORI			0.00030902	0.00009873	0.00006790	0.00003222									0.00050787
John Wallace Vwallrich	ORI			0.00004173	0.00001333	0.00000917	0.00000435									0.00006858

EXHIBIT "D"  
Attached to East Shugart (Delaware) Unit Agreement  
[GAS ONLY]

	S. Taylor 13 #2 Tract 1A	S. Taylor 13 #3 Tract 1B	Inca Fed Tract 2	Conoco 1 Tract 3A	Conoco 3 Tract 3B	Mohawk Tract 4	Geronimo 3 Tract 5A	Geronimo 4 Tract 5B	Geronimo 5 Tract 5C	Geronimo 8 Tract 5D	Geronimo 9 Tract 5E	Geronimo 10* Tract 5F	Geronimo 12 Tract 5G	Jade 1 Tract 6	Total Unit Participation
	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI
OWNER			0.00004173	0.00001333	0.00000917	0.00000435									0.00006858
Beverly Le Tourneau	ORI														
William James Wallrich, successor to			0.00004170	0.00001332	0.00000916	0.00000435									0.00006854
Eugene Wallrich	ORI		0.00004170	0.00001332	0.00000916	0.00000435									0.00006854
J. W. Wallrich, Jr.	ORI		0.00142882	0.00012328	0.00008479	0.00004024									0.00167713
Lucy McCarley	ORI			0.00010663	0.00007333	0.00003480									0.00021476
Loffland Limited Partnership	ORI			0.00453156											0.00453156
Five States 1994-E Ltd.	ORI			0.00226578											0.00226578
Five States 1995-B Ltd.	ORI			0.00226578											0.00226578
Five States 1995-D Ltd.	ORI														0.00266995
Paul J. Anderson	ORI		0.00266995												0.00266995
Thomas R. Holloway	ORI		0.00266995												0.00291382
Deborah Fedric	ORI		0.00266995		0.00016538	0.00007848									0.00156443
T. E. Brown, Jr.	ORI		0.00156443												0.00075925
Orion Properties, Inc.	ORI		0.00075925												0.00157695
King Properties, Inc.	ORI		0.00157695												
Clifton E. Shumate, Jr., Custodial Trustee for the Shareholders of Oil Royalties Corporation															0.00033374
Jack Folkner	ORI		0.00033374												0.00078219
Louise Folkner Lane	ORI		0.00078219												0.00039109
Robert L. Folkner	ORI		0.00039109												0.00007823
Mark Ryan Folkner	ORI		0.00007823												0.00007823
Carl Lewis Folkner, Jr.	ORI		0.00007823												0.00007823
Stephen Francis Folkner	ORI		0.00007823												0.00007823
John Christopher Folkner	ORI		0.00007823												0.00329991
Conoco, Inc.	ORI				0.00329991										0.00291382
George H. Hunker, Jr.	ORI		0.00266995		0.00016538	0.00007848									
George Shannon, Executor O/E/O Gladys Shannon, dec'd.	ORI					0.00001566									0.00001566
William J. Casey	ORI					0.00004894									0.00004894
NationsBank, Trustee ulw/o David B. Trammell	ORI					0.00005187									0.00005187
Carol David Trammell	ORI					0.00002594									0.00002594
NationsBank Texas, N.A., Fort Worth, Trustee of the Margaret Ruth Trammell Trust	ORI														0.00002594
Richard Borgaard	ORI					0.00007634									0.00007634
Margaret Johnson McCurdy, Trustee U/T/A 9/30/88	ORI					0.00100322									0.00100322
Harmac Oil & Gas, Inc.	ORI				0.00019250										0.00019250
DNR Oil & Gas, Inc.	ORI					0.00009135									0.00009135
Patrica A. Brunson	ORI	0.00016598													0.00020227
Jimmie L. Charlesworth	ORI	0.00033195													0.00040453
Tommye G. Ewing	ORI	0.00033195													0.00040453
Bette Taylor Garner	ORI	0.00037938													0.00046233
Acme Land Company	ORI					0.00031809									0.00031809
Branex Resources Inc.	ORI	0.00139420													0.00169904
Olin E. Groves	ORI	0.00028453													0.00034674
Cecil E. & Ella Belle Holeman Trust A	ORI	0.00018969													0.00023116



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		S. Taylor 13 #2	S. Taylor 13 #3	Inca Fed	Conoco 1	Conoco 3	Mohawk	Geronimo 3	Geronimo 4	Geromino 5	Geronimo 8	Geronimo 9	Geronimo 10*	Geronimo 12	Jade 1	Total Unit Participation
		Tract 1A	Tract 1B	Tract 2	Tract 3A	Tract 3B	Tract 4	Tract 5A	Tract 5B	Tract 5C	Tract 5D	Tract 5E	Tract 5F	Tract 5G	Tract 6	
		NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	
OWNER																
Cecil E. & Ella Belle Holeman Trust B	ORI	0.00018969	0.00004148													0.00023116
Prime Energy Asset & Income Fund AA-3	ORI	0.00029876	0.00006532													0.00036408
Prime Energy Asset & Income Fund AA-4	ORI	0.00029876	0.00006532													0.00036408
Sally Meader Roberts	ORI	0.00028453	0.00006221													0.00034674
Vivian C. Brunson	ORI	0.00016598	0.00003629													0.00020227
TOTAL ORI		0.00431539	0.00094356	0.03337438	0.01066250	0.00733313	0.00348000	0.00989360	0.00694800	0.00140477	0.00195265	0.00537840	0.00152458	0.00133586	0.00170447	0.09025127
18-31, Inc.								0.00022261	0.00015633	0.00005504	0.00007651	0.00012101	0.00005629	0.00005234		0.00074014
John Michael Frost	CWI							0.00013356	0.00009380	0.00003303	0.00004591	0.00007261	0.00003378	0.00003141		0.00044409
Marianne Keohane Frost	CWI							0.00066782	0.00046899	0.00016513	0.00022954	0.00036304	0.00016888	0.00015703		0.00222043
Mark James Frost	CWI							0.00013356	0.00009380	0.00003303	0.00004591	0.00007261	0.00003378	0.00003141		0.00044409
Theresa Ann Frost	CWI							0.00013356	0.00009380	0.00003303	0.00004591	0.00007261	0.00003378	0.00003141		0.00044409
Sue Saunders Graham	CWI							0.00044521	0.00031266	0.00011009	0.00015302	0.00024203	0.00011258	0.00010469		0.00148028
Donald S. Iverson, Deceased	CWI							0.00005565	0.00003908	0.00001376	0.00001913	0.00003025	0.00001407	0.00001309		0.00018504
Iverson, III, Inc.	CWI							0.00005565	0.00003908	0.00001376	0.00001913	0.00003025	0.00001407	0.00001309		0.00018504
PAI Incorporated	CWI							0.00005565	0.00003908	0.00001376	0.00001913	0.00003025	0.00001407	0.00001309		0.00018504
Jewell Iverson Intervivos Trust, Richard R. Sullivan, Successor Trustee	CWI							0.00016695	0.00011725	0.00004128	0.00005738	0.00009076	0.00004222	0.00003926		0.00055511
S. J. Iverson, Jr.	CWI							0.00014840	0.00010422	0.00003670	0.00005101	0.00008068	0.00003753	0.00003490		0.00049343
Wendell Welch Iverson	CWI							0.00014840	0.00010422	0.00003670	0.00005101	0.00008068	0.00003753	0.00003490		0.00049343
Jeanette Y. Keohane	CWI							0.00026713	0.00018760	0.00006605	0.00009181	0.00014522	0.00006755	0.00006281		0.00088817
Peter Claxton Iverson and Alvin Martin Iverson, Jr., Executors O/E/O Dorothy C. Monroe, dec'd.	CWI							0.00008348	0.00005862	0.00002064	0.00002869	0.00004538	0.00002111	0.00001963		0.00027755
Peter Claxton Iverson and Alvin Martin Iverson, Jr., Executors O/E/O Dorothy C. Monroe, dec'd.	CWI							0.00008348	0.00005862	0.00002064	0.00002869	0.00004538	0.00002111	0.00001963		0.00027755
Patsy Ann Iverson Page	CWI							0.00014840	0.00010422	0.00003670	0.00005101	0.00008068	0.00003753	0.00003490		0.00049343
Edward T. Matheny, Jr. and Commerce Bank of Kansas City, Trustee U/W/O Elyse Saunders Patterson	CWI							0.00044521	0.00031266	0.00011009	0.00015302	0.00024203	0.00011258	0.00010469		0.00148028
Wendell W. Iverson, Trustee of the PIP 1990 Trust	CWI							0.00042666	0.00029963	0.00010550	0.00014665	0.00023194	0.00010789	0.00010033		0.00141861
Wendell W. Iverson, Trustee of the SJI JR 1990 Trust	CWI							0.00042666	0.00029963	0.00010550	0.00014665	0.00023194	0.00010789	0.00010033		0.00141861
Phoebe Shelton	CWI							0.00044521	0.00031266	0.00011009	0.00015302	0.00024203	0.00011258	0.00010469		0.00148028
The Toles Company	CWI							0.00044521	0.00031266	0.00011009	0.00015302	0.00024203	0.00011258	0.00010469		0.00148028
Wendell W. Iverson, Trustee of the VWVI 1990 Trust	CWI							0.00042666	0.00029963	0.00010550	0.00014665	0.00023194	0.00010789	0.00010033		0.00141861
TOTAL CWI								0.00556515	0.00390825	0.00137610	0.00191280	0.00302535	0.00140730	0.00130860		0.01850355
Department of the Interior - MMS	RI	0.00948438	0.00207375	0.03337438	0.01066250	0.00733313	0.00348000	0.01545875	0.01085625	0.00286688	0.00398500	0.00840375	0.00293188	0.00272625	0.01136313	0.12500000
TOTAL		0.07587500	0.01659000	0.26699500	0.08530000	0.05866500	0.02784000	0.12367000	0.08685000	0.02293500	0.03188000	0.06723000	0.02345500	0.02181000	0.09090500	1.00000000
*NOTE: The working interests in Tract 5F (Geronimo Federal #10) are subject to the terms of that certain farmout agreement dated October 10, 1985, between 18-31, Inc. and Siete Oil & Gas Corp. The working interest shown herein are the Before Payout interests, in the event Tract 5F reaches payout as define in said farmout agreement the working interests in Tract 5F will be adjusted accordingly.																

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		Tract 1A	Tract 1B	Tract 2	Tract 3A	Tract 3B	Tract 4	Tract 5A	Tract 5B	Tract 5C	Tract 5D	Tract 5E	Tract 5F	Tract 5G	Tract 6	
		NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI
OWNER																
Riverhill Energy Corporation	WI			0.01922631	0.00221613	0.00379455	0.00200979	0.00565416	0.00403663	0.00137248	0.00185392	0.00335734	0.00129875	0.00134582	0.00349984	0.04966573
St. Mary Land & Exploration Company	WI			0.17303679	0.01994519	0.03415115	0.01808825	0.05088746	0.03632976	0.01235229	0.01668543	0.03021609	0.01168873	0.01211240	0.03149858	0.44699212
Hare Production Company	WI							0.00066398	0.00074061	0.00000000						0.00140459
Ted E. Bacil	WI				0.00145479			0.00156924	0.00144173	0.00019036	0.00036248					0.00501860
Norman Barker	WI				0.00258630			0.00749935	0.00526658	0.00104308	0.00144990	0.00407683	0.00142231	0.00099192		0.02433627
Floyd A. Blakeney	WI			0.00303573	0.00048493	0.00025013	0.00013248	0.00328097	0.00263329	0.00019558	0.00018124	0.00050960	0.00017779	0.00012399	0.00068179	0.01240970
Borica Oil, Inc.	WI				0.00032329			0.00093742	0.00065832	0.00013039	0.00018124	0.00050960	0.00017779	0.00012399		0.00304203
Harrington Trust	WI			0.00101191	0.00032329	0.00008338	0.00004416	0.00093742	0.00065832	0.00013039	0.00018124	0.00050960	0.00017779	0.00012399	0.00034089	0.00452238
NM&T Resources, LLC	WI				0.00009699			0.00417339	0.00293085	0.00003912	0.00005437	0.00122305	0.00005334	0.00003720		0.00860830
Paula S. Campbell	WI				0.00001616			0.00069556	0.00048848	0.00000652	0.00000906	0.00020384	0.00000889	0.00000620		0.00143472
Brian D. Kantor, Successor to Del Lane	WI							0.00052308	0.00048058			0.00017951				0.00118316
Dr. Michael Norton, III	WI				0.00080822	0.00552184	0.00292466	0.00234355	0.00164581	0.00032596	0.00045309	0.00127401	0.00080005	0.00030997		0.01640716
Troy or Sandra Oney	WI							0.00093742						0.00000000		0.00093742
Leonard Schaeen	WI							0.00156924	0.00048058			0.00089550				0.00294532
Barbara A. Schatz, Trustee of the Schatz Management Trust UTA 9/1/92	WI				0.00064657			0.00187484	0.00131665	0.00026077	0.00036248	0.00101921	0.00035558	0.00024798		0.00608407
Edwin G. Wallace	WI							0.00052308				0.00035902				0.00088210
William Nickey	WI								0.00048058	0.00023730		0.00035902				0.00107689
Gary Keith Tannahill, Barbara Carthell Mathis and Amarillo National Bank. Co-Trustees u/w/o Chester Francis Carthel, dec'd f/b/o Olga Eudora Tannahill Mathis	WI				0.00016164					0.00006519	0.00009062		0.00008889	0.00006199		0.00046834
Gary Keith Tannahill, Barbara Carthell Mathis and Amarillo National Bank. Co-Trustees u/w/o Chester Francis Carthel, dec'd f/b/o Theodore H. Carthell	WI				0.00016164					0.00006519	0.00009062		0.00008889	0.00006199		0.00046834
Don L. Lee	WI				0.00064657					0.00026077	0.00036248		0.00035558	0.00024798		0.00187338
Richard E. O'Connell	WI				0.00096986			0.00281226	0.00197497	0.00039116	0.00054371	0.00152881	0.00053337	0.00037197		0.00912610
Gwendolyn Manning Williams	WI											0.00050960				0.00050960
Lessie Fisher	WI							0.00163527	0.00163527	0.00007823	0.00010874	0.00091729	0.00010667	0.00007439	0.00068179	0.00872710
E & S, L.L.C.	WI			0.00202382	0.00051726	0.00016676	0.00008832	0.00232855	0.00187484	0.000131665	0.00018124	0.00101921	0.00017779	0.00012399	0.00068179	0.00810807
Dean Kinsolving	WI			0.00202382	0.00032329	0.00016676	0.00008832	0.00187484	0.00131665	0.00013039	0.00018124	0.00101921	0.00017779	0.00012399		0.00105267
Patrick J. Morello	WI							0.00046871	0.00032916			0.00025480		0.00012399		0.00304203
David J. Mossler	WI				0.00032329			0.00093742	0.00065832	0.00013039	0.00018124	0.00050960	0.00017779			0.00144702
John & Alice Sharp	WI							0.00093742			0.00000000	0.00050960				0.00031254
Steve or Lola Bell	WI							0.00031254			0.00000000					0.00031254
Nelson B. Alpers, Trustee of the Nelson B. Alpers Family Trust U/T/A 5/12/97	WI								0.00032916		0.00000000					0.00032916
John V. Fox	WI										0.00000000		0.00008889			0.00008889
Patricia K. Jennings	WI			0.00101191	0.00016164	0.00008338	0.00004416				0.00009062		0.00008889		0.00034089	0.00182150
J. David Wrather, Jr.	WI										0.00095150					0.00095150
Gene Shumate	WI					0.00016676	0.00008832									0.00025508
Five States 1994-E Ltd.	WI				0.01616435											0.01616435
Five States 1995-B Ltd.	WI				0.00808218											0.00808218
Five States 1995-D Ltd.	WI				0.00808218											0.00808218
J. E. Ciesinski	WI			0.00101191		0.00008338	0.00004416								0.00034089	0.00148034
Intoil, Inc.	WI														0.03977094	0.03977094
Nortex Corporation	WI															0.01999556

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		Tract 1A	Tract 1B	Tract 2	Tract 3A	Tract 3B	Tract 4	Tract 5A	Tract 5B	Tract 5C	Tract 5D	Tract 5E	Tract 5F	Tract 5G	Tract 6	
OWNER		NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI
Harvey E. Yates Company	WI	0.02564136	0.00560646													0.03124783
Spiral, Inc.	WI	0.00338775	0.00074073													0.00412848
Explorers Petroleum Corp.	WI	0.00338775	0.00074073													0.00412848
HEYCO Employees Ltd.	WI	0.00115767	0.00025312													0.00141079
Yates Energy Corporation	WI	0.00818800	0.00179030													0.00997830
Jalapeno Corporation	WI	0.00390473	0.00085377													0.00475850
TOTAL WI		0.06207523	0.01357269	0.20238221	0.06465740	0.04446807	0.02355264	0.09374186	0.06583230	0.01747074	0.02428459	0.05096034	0.01777889	0.01661377	0.07783741	0.77522814
Riverhill Energy Corporation	ORI			0.00076604		0.00024100	0.00011437	0.00024734	0.00017370	0.00001290	0.00001793	0.00015127	0.00001759	0.00001227	0.00017045	0.00192486
St. Mary Land & Exploration Company	ORI			0.00689447		0.00216899	0.00102931	0.00222606	0.00156330	0.00011611	0.00016139	0.00136141	0.00015832	0.00011041	0.00153402	0.01732380
Mary Elizabeth Baish	ORI			0.00002224	0.00000711	0.00000489	0.00000232	0.00004416	0.0003101	0.00000819	0.00001138	0.00002401	0.00000838	0.00000779	0.00000000	0.00017148
Karen Elizabeth Charles	ORI			0.00002224	0.00000711	0.00000489	0.00000232	0.00004417	0.00003102	0.00000819	0.00001139	0.00002401	0.00000838	0.00000779	0.00000000	0.00017151
Gerald E. and Emma Patricia Harrington Trust	ORI							0.00123670	0.00088850	0.00012901	0.00017933	0.00050423	0.00017591	0.00012268		0.00321635
Higgins Trust, Inc.	ORI			0.00066749	0.00021325	0.00014666	0.00006960	0.00021519	0.00015112	0.00003991	0.00005547	0.00011698	0.00004081	0.00003795		0.00175442
E. Bernard Johnston	ORI							0.00054693	0.00038409	0.00010143	0.00014099	0.00029732	0.00010373	0.00009645		0.00167095
Mary Ellen Johnston	ORI							0.00054693	0.00038409	0.00010143	0.00014099	0.00029732	0.00010373	0.00009645		0.00167095
Ray F. Lewis, Jr.	ORI							0.00008626	0.00006058	0.00001600	0.00002224	0.00004689	0.00001636	0.00001521		0.00026354
Margaret Masters	ORI			0.00053399	0.00017060	0.00011733	0.00005568	0.00175018	0.00122910	0.00032458	0.00045117	0.00095144	0.00033194	0.00030866		0.00622465
Michael R. McGuire	ORI							0.00008626	0.00006058	0.00001600	0.00002224	0.00004689	0.00001636	0.00001521		0.00026354
Margaret H. Naylor Revocable Trust	ORI							0.00008595	0.00006036	0.00001594	0.00002216	0.00004672	0.00001630	0.00001516		0.00026259
Wendell W. Iverson, Trustee of the PIP 1990 Trust	ORI							0.00014944	0.00010495	0.00002771	0.00003852	0.00008124	0.00002834	0.00002635		0.00045656
Rojo Inc.	ORI							0.00043099	0.00030267	0.00007993	0.00011110	0.00023430	0.00008174	0.00007601		0.00131674
Wendell W. Iverson, Trustee of the SJI JR 1990 Trust	ORI							0.00014943	0.00010494	0.00002771	0.00003852	0.00008124	0.00002834	0.00002635		0.00045654
Katherine Mary Scott	ORI			0.00002224	0.00000711	0.00000489	0.00000232	0.00004417	0.00003102	0.00000819	0.00001139	0.00002401	0.00000838	0.00000779		0.00017151
Phoebe Shelton	ORI							0.00041368	0.00029051	0.00007672	0.00010664	0.00022488	0.00007846	0.00007295		0.00126384
Ralph A. Shugart Trust	ORI							0.00109386	0.00076819	0.00020286	0.00028198	0.00059465	0.00020746	0.00019291		0.00334191
Clifton E. Shumate	ORI							0.00000618	0.00000434	0.00000115	0.00000159	0.00000336	0.00000117	0.00000109		0.00001889
Betty Baish Strohmeier Estate	ORI			0.00006675	0.00002133	0.00001467	0.00000696	0.00013251	0.00009306	0.00002457	0.00003416	0.00007204	0.00002513	0.00002337		0.00051454
Wendell W. Iverson, Trustee of the WWI 1990 Trust	ORI							0.00014943	0.00010494	0.00002771	0.00003852	0.00008124	0.00002834	0.00002636		0.00045655
Garel Ray Westall & Myrtle Myra Westall	ORI							0.00006926	0.00004864	0.00001284	0.00001785	0.00003765	0.00001313	0.00001221		0.00021158
George Westall	ORI			0.00033374	0.00010663	0.00007333	0.000003480	0.00013851	0.00009727	0.00002569	0.00003571	0.00007530	0.00002627	0.00002443		0.00097167
Centennial	ORI			0.00039109												0.00039109
Selma Andrews Trust #5188-01	ORI			0.00035847	0.00011452	0.00007876	0.00003738									0.00058913
Graham Austin and Margaret Austin, Co-Trustees of the Austin Family Trust U/T/A 3/22/95	ORI			0.00285767	0.00024657	0.00016958	0.00008047									0.00335429
Nancy Carter	ORI			0.00142882	0.00012329	0.00008479	0.00004024									0.00167715
Randy Gilmore Patterson	ORI			0.00006953	0.00002221	0.00001528	0.00000725									0.00011426
Jack W. McCaw	ORI			0.00006953	0.00002221	0.00001528	0.00000725									0.00011426
William C. White	ORI			0.00006953	0.00002221	0.00001528	0.00000725									0.00011426
Mary Kennedy Gore and Willa Kathryn Kennedy, equally	ORI			0.00020860	0.00006664	0.00004583	0.00002175									0.00034283
EHW, LLC, a New Mexico Limited Liability Company	ORI			0.00020860	0.00006664	0.00004583	0.00002175									0.00034283
Braille Institute of America Inc.	ORI			0.00030902	0.00009873	0.00006790	0.00003222									0.00050787
John Wallace Wallrich	ORI			0.00004173	0.00001333	0.00000917	0.00000435									0.00006858

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Attached to East Shugart (Delaware) Unit Agreement  
[LIQUID HYDROCARBONS ONLY]

		S. Taylor 13 #2	S. Taylor 13 #3	Inca Fed	Conoco 1	Conoco 3	Mohawk	Geronimo 3	Geronimo 4	Geronimo 5	Geronimo 8	Geronimo 9	Geronimo 10*	Geronimo 12	Jade 1	Total Unit Participation
		Tract 1A	Tract 1B	Tract 2	Tract 3A	Tract 3B	Tract 4	Tract 5A	Tract 5B	Tract 5C	Tract 5D	Tract 5E	Tract 5F	Tract 5G	Tract 6	
		NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	
OWNER																0.00006858
Beverly Le Tourneau	ORI			0.00004173	0.00001333	0.00000917	0.00000435									
William James Wallrich, successor to																
Eugene Wallrich	ORI			0.00004170	0.00001332	0.00000916	0.00000435									0.00006854
J. W. Wallrich, Jr.	ORI			0.00004170	0.00001332	0.00000916	0.00000435									0.00006854
Lucy McCarley	ORI			0.00142882	0.00012328	0.00008479	0.00004024									0.00167713
Loffland Limited Partnership	ORI				0.00010663	0.00007333	0.00003480									0.00021476
Five States 1994-E Ltd.	ORI				0.00453156											0.00453156
Five States 1995-B Ltd.	ORI				0.00226578											0.00226578
Five States 1995-D Ltd.	ORI				0.00226578											0.00226578
Paul J. Anderson	ORI			0.00266995												0.00266995
Thomas R. Holloway	ORI			0.00266995												0.00266995
Deborah Fedric	ORI			0.00266995												0.00266995
T. E. Brown, Jr.	ORI			0.00156443												0.00291382
Orion Properties, Inc.	ORI			0.00075925												0.00156443
King Properties, Inc.	ORI			0.00157695												0.00075925
Clifton E. Shumate, Jr., Custodial																0.00157695
Trustee for the Shareholders of Oil																
Royalties Corporation	ORI			0.00033374												0.00033374
Jack Folkner	ORI			0.00078219												0.00078219
Louise Folkner Lane	ORI			0.00039109												0.00039109
Robert L. Folkner	ORI			0.00007823												0.00007823
Mark Ryan Folkner	ORI			0.00007823												0.00007823
Carl Lewis Folkner, Jr.	ORI			0.00007823												0.00007823
Stephen Francis Folkner	ORI			0.00007823												0.00007823
John Christopher Folkner	ORI			0.00007823												0.00007823
Conoco, Inc.	ORI					0.00329991										0.00329991
George H. Hunker, Jr.	ORI			0.00266995		0.00016538	0.00007848									0.00291382
George Shannon, Executor O/E/O																
Gladys Shannon, dec'd.	ORI						0.00001566									0.00001566
William J. Casey	ORI						0.00004894									0.00004894
NationsBank, Trustee u/w/o David B.							0.00005187									0.00005187
Trammell	ORI						0.00002594									0.00002594
Carol David Trammell	ORI															
NationsBank Texas, N.A., Fort Worth,																
Trustee of the Margaret Ruth Trammell																
Trust	ORI						0.00002594									0.00002594
Richard Borgaard	ORI						0.00007634									0.00007634
Margaret Johnson McCurdy, Trustee																
U/T/A 9/30/88	ORI						0.00100322									0.00100322
Harmac Oil & Gas, Inc.	ORI					0.00019250										0.00019250
DNR Oil & Gas, Inc.	ORI						0.00009135									0.00009135
Patrica A. Brunson	ORI	0.00016598	0.00003629													0.00040453
Jimmie L. Charlesworth	ORI	0.00033195	0.00007258													0.00040453
Tommie G. Ewing	ORI	0.00033195	0.00007258													0.00040453
Bette Taylor Garner	ORI	0.00037938	0.00008295													0.00046233
Acme Land Company	ORI						0.00031809									0.00031809
Branex Resources Inc.	ORI	0.00139420	0.00030484													0.00169904
Olin E. Groves	ORI	0.00028453	0.00006221													0.00034674
Cecil E. & Ella Belle Holeman Trust A	ORI	0.00018969	0.00004148													0.00023116
Cecil E. & Ella Belle Holeman Trust B	ORI	0.00018969	0.00004148													0.00023116

EXHIBIT "D"  
Attached to East Shugart (Delaware) Unit Agreement  
[LIQUID HYDROCARBONS ONLY]

	S. Taylor 13 #2	S. Taylor 13 #3	Inca Fed	Conoco 1	Conoco 3	Mohawk	Geronimo 3	Geronimo 4	Geromimo 5	Geronimo 8	Geronimo 9	Geronimo 10	Geronimo 12	Jade 1	Total Unit Participation
	Tract 1A	S. Taylor 13 #2	Tract 1B	Tract 2	Tract 3A	Tract 3B	Tract 4	Tract 5A	Tract 5B	Tract 5C	Tract 5D	Tract 5E	Tract 5F	Tract 5G	Tract 6
	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI	NRI
OWNER															
Prime Energy Asset & Income Fund AA-	0.00029876	0.00006532													0.00036408
Prime Energy Asset & Income Fund AA-	0.00029876	0.00006532													0.00036408
Sally Meader Roberts	0.00028453	0.00006221													0.00034674
Vivian C. Brunson	0.00016598	0.00003629													0.00020227
TOTAL ORI	0.00431539	0.00094356	0.03337438	0.01066250	0.00733313	0.00348000	0.00989360	0.00694800	0.00140477	0.00195265	0.00537840	0.00152458	0.00133586	0.00170447	0.09025127
18-31, Inc.							0.00022261	0.00015633	0.00005504	0.00007651	0.00012101	0.00005629	0.00005234		0.00074014
John Michael Frost							0.00013356	0.00009380	0.00003303	0.00004591	0.00007261	0.00003378	0.00003141		0.00044409
Marianne Keohane Frost							0.00066782	0.00046899	0.00016513	0.00022954	0.00036304	0.00016888	0.00015703		0.00222043
Mark James Frost							0.00013356	0.00009380	0.00003303	0.00004591	0.00007261	0.00003378	0.00003141		0.00044409
Theresa Ann Frost							0.00013356	0.00009380	0.00003303	0.00004591	0.00007261	0.00003378	0.00003141		0.00044409
Sue Saunders Graham							0.00044521	0.00031266	0.00011009	0.00015302	0.00024203	0.00011258	0.00010469		0.00148028
Donald S. Iverson, Deceased							0.00005565	0.00003908	0.00001376	0.00001913	0.00003025	0.00001407	0.00001309		0.00018504
Iverson, III, Inc.							0.00005565	0.00003908	0.00001376	0.00001913	0.00003025	0.00001407	0.00001309		0.00018504
PAJ Incorporated							0.00016695	0.00011725	0.00004128	0.00005738	0.00009076	0.00004222	0.00003926		0.00055511
Jewell Iverson Intervivos Trust, Richard R. Sullivan, Successor Trustee							0.00014840	0.00010422	0.00003670	0.00005101	0.00008068	0.00003753	0.00003490		0.00049343
S. J. Iverson, Jr.							0.00014840	0.00010422	0.00003670	0.00005101	0.00008068	0.00003753	0.00003490		0.00049343
Wendell Welch Iverson							0.00026713	0.00018760	0.00006605	0.00009181	0.00014522	0.00006755	0.00006281		0.00088817
Jeanette Y. Keohane															
Peter Claxton Iverson and Alvin Martin Iverson, Jr., Executors O/E/O Dorothy C. Monroe, dec'd.							0.00008348	0.00005862	0.00002064	0.00002869	0.00004538	0.00002111	0.00001963		0.00027755
Peter Claxton Iverson and Alvin Martin Iverson, Jr., Executors O/E/O Dorothy C. Monroe, dec'd.							0.00008348	0.00005862	0.00002064	0.00002869	0.00004538	0.00002111	0.00001963		0.00027755
Patsy Ann Iverson Page							0.00014840	0.00010422	0.00003670	0.00005101	0.00008068	0.00003753	0.00003490		0.00049343
Edward T. Matheny, Jr. and Commerce Bank of Kansas City, Trustee U/W/O Elyse Saunders Patterson							0.00044521	0.00031266	0.00011009	0.00015302	0.00024203	0.00011258	0.00010469		0.00148028
Wendell W. Iverson, Trustee of the PIP 1990 Trust							0.00042666	0.00029963	0.00010550	0.00014665	0.00023194	0.00010789	0.00010033		0.00141861
Wendell W. Iverson, Trustee of the SJI JR 1990 Trust							0.00042666	0.00029963	0.00010550	0.00014665	0.00023194	0.00010789	0.00010033		0.00141861
Phoebe Shelton							0.00044521	0.00031266	0.00011009	0.00015302	0.00024203	0.00011258	0.00010469		0.00148028
The Toles Company							0.00044521	0.00031266	0.00011009	0.00015302	0.00024203	0.00011258	0.00010469		0.00148028
Wendell W. Iverson, Trustee of the WWI 1990 Trust							0.00042666	0.00029963	0.00010550	0.00014665	0.00023194	0.00010789	0.00010033		0.00141861
TOTAL CWI							0.00556515	0.00390825	0.00137610	0.00191280	0.00302535	0.00140730	0.00130860		0.01550355
Department of the Interior - MMS	RI	0.00948438	0.00207375	0.03123842	0.00998010	0.00686381	0.00080736	0.01016145	0.00268340	0.00372996	0.00786591	0.00274424	0.00255177	0.01136313	0.11601704
TOTAL		0.07587500	0.01659000	0.26699500	0.08530000	0.05866500	0.02784000	0.12367000	0.02293500	0.03188000	0.06723000	0.02345500	0.02181000	0.09090500	1.00000000
*NOTE: The working interests in Tract 5F (Geronimo Federal #10) are subject to the terms of that certain farmout agreement dated October 10, 1985, between 18-31, Inc. and Siete Oil & Gas Corp. The working interest shown herein are the Before Payout inter in the event Tract 5F reaches payout as define in said farmout agreement the working interests in Tract 5F will be adjusted accordingly...															

**EXHIBIT 6**

**Working Interest Participation**

East Shugart (Delaware) Unit  
New Mexico Oil Conservation Division Hearing  
July 22, 1999

Parties representing **89.098551%** of the Working Interest in the Unit  
have ratified the Unit Agreement and the Unit Operating Agreement.



EXHIBIT "D"  
Attached to East Shugart (Delaware) Unit Operating Agreement

	S. Taylor 2 Tract 1A	S. Taylor 3 Tract 1B	Inca Fed Tract 2	Conoco 1 Tract 3A	Conoco 3 Tract 3B	Mohawk Tract 4	Geronimo 3 Tract 5A	Geronimo 4 Tract 5B	Geronimo 5 Tract 5C	Geronimo 8 Tract 5D	Geronimo 9 Tract 5E	Geronimo 10* Tract 5F	Geronimo 12 Tract 5G	Jade 1 Tract 6	Total Unit Participation
OWNER	GWI	GWI	GWI	GWI	GWI	GWI	GWI	GWI	GWI	GWI	GWI	GWI	GWI	GWI	GWI
Riverhill Energy Corporation	WI		0.02536453	0.002292366	0.00500600	0.00237564	0.00745931	0.00532538	0.00179931	0.00243004	0.00442921	0.00171339	0.00176470	0.00413618	0.06472734
St. Mary Land & Exploration Company	WI		0.22828073	0.02631292	0.04505429	0.02138092	0.06713385	0.04792844	0.01619377	0.02187049	0.03986292	0.01542049	0.01588231	0.03722560	0.58254672
Hare Production Company	WI						0.00087596	0.00097706							0.00185303
Ted E. Bacil	WI			0.00191925			0.00207024	0.00190202	0.00025114	0.00047820	0.00537840	0.00187640	0.00130860		0.00662084
Norman Barker	WI			0.00341200			0.00989360	0.00694800	0.00137610	0.00191280	0.00201690	0.00187640	0.00024536	0.00090905	0.03210590
Floyd A. Blakeney	WI		0.00400493	0.00063975	0.00032399	0.00015660	0.00432845	0.00347400	0.00025802		0.00201690	0.00023455	0.00023455	0.00023455	0.01636305
Borica Oil, Inc.	WI			0.00042650			0.00123670	0.00086850	0.00017201	0.00023910	0.00067230	0.00023455	0.00016358		0.00401324
Harrington Trust	WI		0.00133498	0.00042650	0.00011000	0.00005220	0.00123670	0.00086850	0.00017201	0.00023910	0.00067230	0.00023455	0.00016358	0.00045453	0.00596493
NM&T Resources, LLC	WI			0.00012795			0.00550579	0.00386656	0.00005160	0.00007173	0.00161352	0.00007037	0.00004907		0.01135659
Paula S. Campbell	WI			0.00002133			0.00091763	0.00064443	0.00000860	0.00001196	0.00026892	0.00001173	0.00000818		0.00189277
Brian D. Kantor, Successor to Del Lane	WI						0.00069008	0.00063401			0.00023682	0.00000000	0.00000000		0.00156090
Dr. Michael Norton, III	WI			0.00106625	0.00728475	0.00345704	0.00399175	0.00217125	0.00043003	0.00059775	0.00168075	0.00105548	0.00040894		0.02124399
Troy or Sandra Oney	WI						0.00123670								0.00123670
Leonard Schaen	WI						0.00207024	0.00063401			0.00118140				0.00388564
Barbara A. Schatz, Trustee of the Schatz Management Trust UTA 9/1/92	WI			0.00085300			0.00247340	0.00173700	0.00034403	0.00047820	0.00134460	0.00046910	0.00032715		0.00802648
Edwin G. Wallace	WI						0.00069008	0.00063401	0.00031306		0.00047364				0.00116371
William Nickey	WI										0.00047364				0.00142070
Gary Keith Tannahill, Barbara Carthell Mathis and Amarillo National Bank, Co- Trustees u/w/o Chester Francis Carthel, dec'd f/b/o Olga Eudora Tannahill Mathis	WI			0.00021325					0.00008601	0.00011955		0.00011728	0.00008179		0.00061787
Gary Keith Tannahill, Barbara Carthell Mathis and Amarillo National Bank, Co- Trustees u/w/o Chester Francis Carthel, dec'd f/b/o Theodore H. Carthell	WI			0.00021325					0.00008601	0.00011955		0.00011728	0.00008179		0.00061787
Don L. Lee	WI			0.00021325					0.00008601	0.00011955		0.00011728	0.00008179		0.00061787
Richard E. O'Connell	WI			0.00085300					0.00034403	0.00047820		0.00046910	0.00032715		0.00247148
Gwendolyn Manning Williams	WI			0.00127950			0.00371010	0.00260550	0.00051604	0.00071730	0.000201690	0.00070365	0.00049073		0.01203971
Lessie Fisher	WI										0.00067230				0.00067230
E & S, L.L.C.	WI		0.00266995	0.00068240	0.00021999	0.00010440	0.00307196	0.00215735	0.00010321	0.00014346	0.00121014	0.00014073	0.00009815	0.00090905	0.01151079
Dean Kinsolving	WI		0.00266995	0.00042650	0.00021999	0.00010440	0.00247340	0.00173700	0.00017201	0.00023910	0.00134460	0.00023455	0.00016358	0.00090905	0.01069413
Patrick J. Morello	WI						0.00061835	0.00043425			0.00033615				0.00138875
David J. Mossler	WI			0.00042650			0.00123670	0.00086850	0.00017201	0.00023910	0.00067230	0.00023455	0.00016358		0.00401324
John & Alice Sharp	WI						0.00123670				0.00067230				0.00190900
Steve or Lola Bell	WI						0.00041232								0.00041232
Nelson B. Alpers, Trustee of the Nelson B. Alpers Family Trust U/T/A 5/12/97	WI							0.00043425							0.00043425
John V. Fox	WI											0.00011728		0.00045453	0.00011728
Patricia K. Jennings	WI		0.00133498	0.00021325	0.00011000	0.00005220			0.00011955	0.00125528					0.00240177
J. David Wraether, Jr.	WI														0.00125528
Gene Shumate	WI				0.00021999	0.00010440									0.00032439
Five States 1994-E Ltd.	WI			0.02132500											0.02132500
Five States 1995-B Ltd.	WI			0.01066250											0.01066250

EXHIBIT "D"

Attached to East Shugart (Delaware) Unit Operating Agreement

[illegible]



## **EXHIBIT 7A and 7B**

### **Royalty Interest Participation**

East Shugart (Delaware) Unit  
Oil Conservation Division Hearing  
July 22, 1999

**Exhibit 7A.    Liquid Hydrocarbons Only            92.946488% Royalty  
Interest Participation**

Based on Federal Reduced Royalty Rate Regulations for wells on federal leases producing less than 15 barrels of oil per day and grossing up the total royalty, overriding royalty and "carried working interests" to 100%, 92.946488% of all royalty interests have ratified the Unit Agreement.

**Exhibit 7B.    Gas Only                                93.217547% Royalty  
Interest Participation**

Based on 12.5% royalty interest for any gas production on all federal leases, and grossing up the total royalty interest including all overriding royalties and "carried working interests" to 100% of the unit, parties representing 93.217547% of all royalty interests have ratified the Unit Agreement.

EXHIBIT 7A FOR HEARING

[LIQUID HYDROCARBONS ONLY]

OWNER		S. Taylor 13 #3 Tract 1A	S. Taylor 13 #4 Tract 1B	Inca Fed Tract 2	Conoco 1 Tract 3A	Conoco 3 Tract 3B	Mohawk Tract 4	Geronimo 3 Tract 5A	Geronimo 4 Tract 5B	Geronimo 5 Tract 5C	Geronimo 8 Tract 5D	Geronimo 9 Tract 5E	Geronimo 10* Tract 5F	Geronimo 12 Tract 5G	Jade 1 Tract 6	Total Unit Participation
		INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED
Rivertill Energy Corporation	ORI			0.01185587		0.01697562	0.02667597	0.00826446	0.00826446	0.00236097	0.00236097	0.00929752	0.00309917	0.00236097	0.01304348	0.00856361
St. Mary Land & Exploration Company	ORI			0.10670446		0.15277851	0.24008052	0.07438017	0.07438017	0.02124869	0.02124869	0.08367769	0.02789256	0.02124869	0.11739130	0.07707279
Mary Elizabeth Baish	ORI			0.00034421	0.00034421	0.00034421	0.00054091	0.00147562	0.00147562	0.00149885	0.00149885	0.00147562	0.00147562	0.00149885		0.00076289
Karen Elizabeth Charles	ORI			0.00034421	0.00034421	0.00034421	0.00054091	0.00147603	0.00147603	0.00149927	0.00149927	0.00147562	0.00147603	0.00149927		0.00076302
Gerald E. and Emma Patricia Harrington Trust	ORI							0.04132231	0.04132231	0.02360965	0.02360965	0.03099174	0.03099174	0.02360965		0.01430941
Higgins Trust, Inc.	ORI			0.01033058	0.01033058	0.01033058	0.01623377	0.007719008	0.007719008	0.00730325	0.00730325	0.007719008	0.007719008	0.00730325		0.00780536
E. Bernard Johnston	ORI							0.01827479	0.01827479	0.01856243	0.01856243	0.01827479	0.01827479	0.01856243		0.00743400
Mary Ellen Johnston	ORI							0.01827479	0.01827479	0.01856243	0.01856243	0.01827479	0.01827479	0.01856243		0.00743400
Ray F. Lewis, Jr.	ORI							0.00288223	0.00288223	0.00292760	0.00292760	0.00288223	0.00288223	0.00292760		0.00117246
Margaret Masters	ORI			0.00826446	0.00826446	0.00826446	0.01298701	0.05847934	0.05847934	0.05939979	0.05939979	0.05847934	0.05847934	0.05939979		0.02769319
Michael R. McGuire	ORI							0.00288223	0.00288223	0.00292760	0.00292760	0.00288223	0.00288223	0.00292760		0.00117246
Margaret H. Naylor Revocable Trust	ORI							0.00287190	0.00287190	0.00291710	0.00291710	0.00287190	0.00287190	0.00291710		0.00116826
Wendell W. Iverson, Trustee of the PIP 1990 Trust	ORI							0.00499339	0.00499339	0.00507156	0.00507156	0.00499339	0.00499339	0.00507156		0.00203122
Rolo Inc.	ORI							0.01440083	0.01440083	0.01462749	0.01462749	0.01440083	0.01440083	0.01462749		0.00585811
Wendell W. Iverson, Trustee of the SJI JR 1990 Trust	ORI							0.00499298	0.00499298	0.00507156	0.00507156	0.00499339	0.00499298	0.00507156		0.00203112
Katherine Mary Scott	ORI			0.00034421	0.00034421	0.00034421	0.00054091	0.00147603	0.00147603	0.00149927	0.00149927	0.00147562	0.00147603	0.00149927		0.00076302
Phoebe Shelton	ORI							0.01382231	0.01382231	0.01403987	0.01403987	0.01382231	0.01382231	0.01403987		0.00562277
Ralph A. Shugart Trust	ORI							0.03654959	0.03654959	0.03712487	0.03712487	0.03654959	0.03654959	0.03712487		0.01486799
Clifton E. Shumate	ORI							0.00020661	0.00020661	0.00020986	0.00020986	0.00020661	0.00020661	0.00020986		0.00008405
Betty Baish Strohmeyer Estate	ORI			0.00103306	0.00103306	0.00103306	0.00162338	0.00442769	0.00442769	0.00449738	0.00449738	0.00442769	0.00442769	0.00449738		0.00228919
Wendell W. Iverson, Trustee of the WWI 1990 Trust	ORI							0.00499298	0.00499298	0.00507198	0.00507198	0.00499339	0.00499298	0.00507198		0.00203115
Myrtle M. Westall Revocable Trust	ORI							0.00231405	0.00231405	0.00235047	0.00235047	0.00231405	0.00231405	0.00235047		0.00094133
George Westall	ORI			0.00516529	0.00516529	0.00516529	0.00811688	0.00462810	0.00462810	0.00470094	0.00470094	0.00462810	0.00462810	0.00470094		0.00433291
Centennial	ORI			0.00605289												0.00173996
Selma Andrews Trust #5188-01	ORI			0.00554793	0.00554793	0.00554793	0.00871818									0.00262103
Graham Austin and Margaret Austin, Co-Trustees of the Austin Family Trust U/T/A 3/22/95	ORI															
Nancy Carter	ORI			0.04422769	0.01194463	0.01194463	0.01877013									0.01492310
Randy Gilmore Patterson	ORI			0.02211364	0.00597273	0.00597273	0.00938571									0.00746157
Jack W. McCaw	ORI			0.00107603	0.00107603	0.00107603	0.00169091									0.00050835
William C. White	ORI			0.00107603	0.00107603	0.00107603	0.00169091									0.00050835
Mary Kennedy Gore and Willa Kathryn Kennedy, equally	ORI															
EHW, LLC, a New Mexico Limited Liability Company	ORI			0.00322851	0.00322851	0.00322851	0.00507338									0.00152526
Braille Institute of America Inc.	ORI			0.00322851	0.00322851	0.00322851	0.00507338									0.00152526
John Wallace Wallrich	ORI			0.00478264	0.00478264	0.00478264	0.00751558									0.00225948
Beverly Le Tourneau	ORI			0.00064587	0.00064587	0.00064587	0.00101494									0.00030513
William James Wallrich, successor to Eugene Wallrich	ORI			0.00064587	0.00064587	0.00064587	0.00101494									0.00030513
J. W. Wallrich, Jr.	ORI			0.00064545	0.00064545	0.00064545	0.00101429									0.00030493
	ORI			0.00064545	0.00064545	0.00064545	0.00101429									0.00030493

EXHIBIT 7A FOR HEARING

[LIQUID HYDROCARBONS ONLY]

		S. Taylor 13 #3 Tract 1A	S. Taylor 13 #4 Tract 1B	Inca Fed Tract 2	Conoco 1 Tract 3A	Conoco 3 Tract 3B	Mohawk Tract 4	Gerónimo 3 Tract 5A	Gerónimo 4 Tract 5B	Gerónimo 5 Tract 5C	Gerónimo 8 Tract 5D	Gerónimo 9 Tract 5E	Gerónimo 10* Tract 5F	Gerónimo 12 Tract 5G	Jade 1 Tract 6	Total Unit Participation
OWNER		INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED
Lucy McCarley	ORI			0.02211364	0.00597231	0.00597231	0.00938506									0.00746149
Loffland Limited Partnership	ORI				0.00516529	0.00516529										0.00095544
Five States 1994-E Ltd.	ORI				0.21952479											0.02016072
Five States 1995-B Ltd.	ORI				0.10976240											0.01008036
Five States 1995-D Ltd.	ORI				0.10976240											0.01008036
Paul J. Anderson	ORI			0.04132231												0.01187849
Thomas R. Holloway	ORI			0.04132231												0.01187849
Deborah Fedric	ORI			0.04132231		0.01164917	0.01830584									0.01296344
T. E. Brown, Jr.	ORI			0.02421240												0.00696008
Orion Properties, Inc.	ORI			0.01175083												0.00337789
King Properties, Inc.	ORI			0.02440620												0.00701579
Clifton E. Shumate, Jr., Custodial Trustee for the Shareholders of Oil Royalties Corporation	ORI			0.00516529												0.00148481
Jack Folkner	ORI			0.01210579												0.00347992
Louise Folkner Lane	ORI			0.00605289												0.00173996
Robert L. Folkner	ORI			0.00121074												0.00034804
Mark Ryan Folkner	ORI			0.00121074												0.00034804
Carl Lewis Folkner, Jr.	ORI			0.00121074												0.00034804
Stephen Francis Folkner	ORI			0.00121074												0.00034804
John Christopher Folkner	ORI			0.00121074												0.00034804
Conoco, Inc.	ORI					0.23243802										0.01468114
George H. Hunker, Jr.	ORI			0.04132231		0.01164917	0.01830584									0.01296344
George Shannon, Executor O/E/O Gladys Shannon, dec'd.	ORI						0.00365260									0.00006967
William J. Casey	ORI						0.01141429									0.00021772
NationsBank, Trustee u/w/o David B. Trammell	ORI						0.01209935									0.00023079
Carol David Trammell	ORI						0.00604935									0.00011539
NationsBank Texas, N.A., Fort Worth, Trustee of the Margaret Ruth Trammell Trust	ORI						0.00604935									0.00011539
Richard Borgaard	ORI						0.01780649									0.00033965
Margaret Johnson McCurdy, Trustee U/T/A 9/30/88	ORI						0.23399481									0.00446328
Harmac Oil & Gas, Inc.	ORI					0.01355909										0.00085641
DNR Oil & Gas, Inc.	ORI						0.02130714									0.00040642
Patrica A. Brunson	ORI	0.01202749	0.01202749													0.00089988
Jimmie L. Charlesworth	ORI	0.02405498	0.02405498													0.00179976
Tommye G. Ewing	ORI	0.02405498	0.02405498													0.00179976
Bette Taylor Garner	ORI	0.02749141	0.02749141													0.00205686
Acme Land Company	ORI						0.07419351									0.00141519
Branex Resources Inc.	ORI	0.10103093	0.10103093													0.00755897
Olin E. Groves	ORI	0.02061856	0.02061856													0.00154265
Cecil E. & Ella Belle Holeman Trust A	ORI	0.01374570	0.01374570													0.00102843
Cecil E. & Ella Belle Holeman Trust B	ORI	0.01374570	0.01374570													0.00102843
Prime Energy Asset & Income Fund AA-3	ORI	0.02164948	0.02164948													0.00161978

EXHIBIT 7A FOR HEARING  
[LIQUID HYDROCARBONS ONLY]

		S. Taylor 13 #3 Tract 1A	S. Taylor 13 #4 Tract 1B	Inca Fed Tract 2	Conoco 1 Tract 3A	Conoco 3 Tract 3B	Mohawk Tract 4	Geronimo 3 Tract 5A	Geronimo 4 Tract 5B	Geronimo 5 Tract 5C	Geronimo 8 Tract 5D	Geronimo 9 Tract 5E	Geronimo 10* Tract 5F	Geronimo 12 Tract 5G	Jade 1 Tract 6	Total Unit Participation
OWNER		INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED
Prime Energy Asset & Income Fund AA-4	ORI	0.02164948	0.02164948													0.00161978
Sally Meader Roberts	ORI	0.02061856	0.02061856													0.00154265
Vivian C. Brunson	ORI	0.01202749	0.01202749													0.00089988
TOTAL ORI		0.31271478	0.31271478	0.51652893	0.51652893	0.51652893	0.81168831	0.33057851	0.33057851	0.25708290	0.25708290	0.33057851	0.26859504	0.25708290	0.13043478	0.40152389
18-31, Inc.	CWI							0.00743802	0.00743802	0.01007345	0.01007345	0.00743802	0.00991736	0.01007345		0.00329286
John Michael Frost	CWI							0.00446281	0.00446281	0.00604407	0.00604407	0.00446281	0.00595041	0.00604407		0.00197572
Marianne Keohane Frost	CWI							0.02231405	0.02231405	0.03022036	0.03022036	0.02231405	0.02975207	0.03022036		0.00987858
Mark James Frost	CWI							0.00446281	0.00446281	0.00604407	0.00604407	0.00446281	0.00595041	0.00604407		0.00197572
Theresa Ann Frost	CWI							0.00446281	0.00446281	0.00604407	0.00604407	0.00446281	0.00595041	0.00604407		0.00197572
Sue Saunders Graham	CWI							0.01487603	0.01487603	0.02014690	0.02014690	0.01487603	0.01983471	0.02014690		0.00658572
Donald S. Iverson, Deceased	CWI							0.00185950	0.00185950	0.00251836	0.00251836	0.00185950	0.00247934	0.00251836		0.00082321
Iverson, III, Inc.	CWI							0.00185950	0.00185950	0.00251836	0.00251836	0.00185950	0.00247934	0.00251836		0.00082321
PAI Incorporated	CWI															
Jewell Iverson Intervivos Trust, Richard R. Sullivan, Successor Trustee	CWI							0.00557851	0.00557851	0.00755509	0.00755509	0.00557851	0.00743802	0.00755509		0.00246964
S. J. Iverson, Jr.	CWI							0.00495868	0.00495868	0.00671563	0.00671563	0.00495868	0.00661157	0.00671563		0.00219524
Wendell Welch Iverson	CWI							0.00495868	0.00495868	0.00671563	0.00671563	0.00495868	0.00661157	0.00671563		0.00219524
Jeanette Y. Keohane	CWI							0.00892562	0.00892562	0.01208814	0.01208814	0.00892562	0.01190083	0.01208814		0.00395143
Peter Claxton Iverson and Alvin Martin Iverson, Jr., Executors O/E/O Dorothy C. Monroe, dec'd	CWI							0.00278926	0.00278926	0.00377754	0.00377754	0.00278926	0.00371901	0.00377754		0.00123482
Peter Claxton Iverson and Alvin Martin Iverson, Jr., Executors O/E/O Dorothy C. Monroe, dec'd	CWI							0.00278926	0.00278926	0.00377754	0.00377754	0.00278926	0.00371901	0.00377754		0.00123482
Monroe, dec'd	CWI							0.00278926	0.00278926	0.00377754	0.00377754	0.00278926	0.00371901	0.00377754		0.00123482
Patsy Ann Iverson Page	CWI							0.00495868	0.00495868	0.00671563	0.00671563	0.00495868	0.00661157	0.00671563		0.00219524
Edward T. Matheny, Jr. and Commerce Bank of Kansas City, Trustee U/W/O Elyse Saunders Patterson	CWI							0.01487603	0.01487603	0.02014690	0.02014690	0.01487603	0.01983471	0.02014690		0.00658572
Wendell W. Iverson, Trustee of the PIP 1990 Trust	CWI							0.01425620	0.01425620	0.01930745	0.01930745	0.01425620	0.01900826	0.01930745		0.00631131
Wendell W. Iverson, Trustee of the SJI JR 1990 Trust	CWI							0.01425620	0.01425620	0.01930745	0.01930745	0.01425620	0.01900826	0.01930745		0.00631131
Phoebe Shelton	CWI							0.01487603	0.01487603	0.02014690	0.02014690	0.01487603	0.01983471	0.02014690		0.00658572
The Toles Company	CWI							0.01487603	0.01487603	0.02014690	0.02014690	0.01487603	0.01983471	0.02014690		0.00658572
Wendell W. Iverson, Trustee of the WWI 1990 Trust	CWI							0.01425620	0.01425620	0.01930745	0.01930745	0.01425620	0.01900826	0.01930745		0.00631131
TOTAL CWI								0.18595041	0.18595041	0.25183631	0.25183631	0.18595041	0.24793388	0.25183631		0.08232147
Department of the Interior - MMS	RI	0.68728522	0.68728522	0.48347107	0.48347107	0.48347107	0.18831169	0.48347107	0.48347107	0.49108080	0.49108080	0.48347107	0.48347107	0.49108080	0.86956522	0.51615464
TOTAL ROYALTY, ORRI & CWI		1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000

\*NOTE: The working interests in Tract 5F (Geronimo Federal #10) are subject to the terms of that certain farmout agreement dated October 10, 1985, between 18-31, Inc. and Siete Oil & Gas Corp. The working interest shown herein are the Before Payout Interests in the event Tract 5F reaches payout as defined in said farmout agreement the working interests in Tract 5F will be adjusted accordingly.

EXHIBIT 7B FOR HEARING

[GAS ONLY]

		S. Taylor 13 #2 Tract 1A	S. Taylor 13 #3 Tract 1B	Inca Fed Tract 2	Conoco 1 Tract 3A	Conoco 3 Tract 3B	Mohawk Tract 4	Geronimo 3 Tract 5A	Geronimo 4 Tract 5B	Geronimo 5 Tract 5C	Geronimo 8 Tract 5D	Geronimo 9 Tract 5E	Geronimo 10* Tract 5F	Geronimo 12 Tract 5G	Jade 1 Tract 6	Total Unit Participation
OWNER		INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED
Riverhill Energy Corporation	ORI			0.01147648		0.01643239	0.01643240	0.00800000	0.00800000	0.00228426	0.00228426	0.00900000	0.00300000	0.00228426	0.01304348	0.00823452
St. Mary Land & Exploration Company	ORI			0.10328993		0.14788955	0.14788960	0.07200002	0.07200000	0.02055836	0.02055838	0.08100000	0.02689998	0.02055838	0.11739130	0.07411096
Mary Elizabeth Balish	ORI			0.00033320	0.00033320	0.00033320	0.00033320	0.00142840	0.00142840	0.00145015	0.00145015	0.00142840	0.00142840	0.00145015		0.00073357
Karen Elizabeth Charles	ORI			0.00033320	0.00033320	0.00033320	0.00033320	0.00142880	0.00142880	0.00145056	0.00145056	0.00142840	0.00142880	0.00145056		0.00073370
Gerald E. and Emma Patricia Harrington Trust	ORI						0.04000001	0.04000000	0.02284262	0.02284264	0.03000000	0.02999997	0.02284264			0.01375952
Higgins Trust, Inc.	ORI			0.01000000	0.01000000	0.01000000	0.00696000	0.00696000	0.00706598	0.00706599	0.00696000	0.00696000	0.00695999	0.00706599		0.00750540
E. Bernard Johnston	ORI						0.01769001	0.01769000	0.01795937	0.01795939	0.01769000	0.01769000	0.01768998	0.01795939		0.00714832
Mary Ellen Johnston	ORI						0.01769001	0.01769000	0.01795937	0.01795939	0.01769000	0.01769000	0.01768998	0.01795939		0.00714832
Ray F. Lewis, Jr.	ORI						0.00279000	0.00279000	0.00283248	0.00283249	0.00279000	0.00279000	0.00279000	0.00283249		0.00112741
Margaret Masters	ORI			0.00800000	0.00800000	0.00800000	0.05660802	0.05660800	0.05747000	0.05747005	0.05660800	0.05660795	0.05660795	0.05747005		0.02662897
Michael R. McGuire	ORI						0.00279000	0.00279000	0.00283248	0.00283249	0.00279000	0.00279000	0.00279000	0.00283249		0.00112741
Margaret H. Naylor Revocable Trust	ORI						0.00278000	0.00278000	0.00282233	0.00282234	0.00278000	0.00278000	0.00278000	0.00282234		0.00112336
Wendell W. Iverson, Trustee of the PIP 1990 Trust	ORI						0.00483360	0.00483360	0.00490680	0.00490680	0.00483360	0.00483360	0.00483360	0.00490680		0.00195317
Rojo Inc.	ORI						0.01394000	0.01394000	0.01415227	0.01415228	0.01394000	0.01394000	0.01393999	0.01415228		0.00563299
Wendell W. Iverson, Trustee of the SJI JR 1990 Trust	ORI						0.00483320	0.00483320	0.00490680	0.00490680	0.00483360	0.00483360	0.00483320	0.00490680		0.00195307
Katherine Mary Scott	ORI			0.00033320	0.00033320	0.00033320	0.00142880	0.00142880	0.00145056	0.00145056	0.00142840	0.00142840	0.00142880	0.00145056		0.00073370
Phoebe Shelton	ORI						0.01338000	0.01338000	0.01358374	0.01358376	0.01338000	0.01338000	0.01337999	0.01358376		0.00540670
Ralph A. Shugart Trust	ORI						0.03538001	0.03538000	0.03591875	0.03591878	0.03538000	0.03538000	0.03537997	0.03591878		0.01429663
Clifton E. Shumate	ORI						0.00020000	0.00020000	0.00020305	0.00020305	0.00020000	0.00020000	0.00020000	0.00020305		0.00008082
Betty Balish Stohmeyer Estate	ORI			0.00100000	0.00100000	0.00100000	0.00428600	0.00428600	0.00435127	0.00435127	0.00428600	0.00428600	0.00428600	0.00435127		0.00220122
Wendell W. Iverson, Trustee of the WWI 1990 Trust	ORI						0.00483320	0.00483320	0.00490720	0.00490721	0.00483360	0.00483360	0.00483320	0.00490721		0.00195310
Myrtle M. Westall Revocable Trust	ORI						0.00224000	0.00224000	0.00227411	0.00227411	0.00224000	0.00224000	0.00224000	0.00227411		0.00090516
George Westall	ORI			0.00500000	0.00500000	0.00500000	0.00448000	0.00448000	0.00454822	0.00454822	0.00448000	0.00448000	0.00448000	0.00454822		0.00415679
Centennial	ORI			0.00586920												0.00167310
Selma Andrews Trust #5188-01	ORI			0.00537040	0.00537040	0.00537040	0.00537040									0.00252030
Graham Austin and Margaret Austin, Co-Trustees of the Austin Family Trust U/T/A 3/22/95	ORI			0.04281240	0.01156240	0.01156240	0.01156240									0.01434962
Nancy Carter	ORI			0.02140600	0.00578160	0.00578160	0.00578160									0.00717483
Randy Gilmore Patterson	ORI			0.00104160	0.00104160	0.00104160	0.00104160									0.00048882
Jack W. McCaw	ORI			0.00104160	0.00104160	0.00104160	0.00104160									0.00048882
William C. White	ORI			0.00104160	0.00104160	0.00104160	0.00104160									0.00048882
Mary Kennedy Gore and Willa Kathryn Kennedy, equally	ORI			0.00312520	0.00312520	0.00312520	0.00312520									0.00146664
EHW, LLC, a New Mexico Limited Liability Company	ORI			0.00312520	0.00312520	0.00312520	0.00312520									0.00146664
Braille Institute of America Inc.	ORI			0.00462960	0.00462960	0.00462960	0.00462960									0.00217265
John Wallace Wallrich	ORI			0.00062520	0.00062520	0.00062520	0.00062520									0.00029340
Beverly Le Tourneau	ORI			0.00062520	0.00062520	0.00062520	0.00062520									0.00029340
William James Wallrich, successor to Eugene Wallrich	ORI			0.00062480	0.00062480	0.00062480	0.00062480									0.00029322
J. W. Wallrich, Jr.	ORI			0.00062480	0.00062480	0.00062480	0.00062480									0.00029322
Lucy McCarley	ORI			0.02140600	0.00578120	0.00578120	0.00578120									0.00717475

EXHIBIT 7B FOR HEARING

[GAS ONLY]

		S. Taylor 13 #2 Tract 1A	S. Taylor 13 #3 Tract 1B	Inca Fed Tract 2	Conoco 1 Tract 3A	Conoco 3 Tract 3B	Mohawk Tract 4	Gerónimo 3 Tract 5A	Gerónimo 4 Tract 5B	Gerónimo 5 Tract 5C	Gerónimo 8 Tract 5D	Gerónimo 9 Tract 5E	Gerónimo 10* Tract 5F	Gerónimo 12 Tract 5G	Jade 1 Tract 6	Total Unit Participation
OWNER		INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED
Loffland Limited Partnership	ORI				0.00500000	0.00500000	0.00500000									0.00091872
Five States 1994-E Ltd.	ORI				0.21250000											0.01938596
Five States 1995-B Ltd.	ORI				0.10625000											0.00969298
Five States 1995-D Ltd.	ORI				0.10625000											0.00969298
Paul J. Anderson	ORI			0.04000000												0.01142201
Thomas R. Holloway	ORI			0.04000000												0.01142201
Deborah Fedric	ORI			0.04000000		0.01127640	0.01127640									0.01246527
T. E. Brown, Jr.	ORI			0.02343760												0.00669261
Orion Properties, Inc.	ORI			0.01137480												0.00324808
King Properties, Inc.	ORI			0.02362520												0.00674618
Clifton E. Shumate, Jr., Custodial Trustee for the Shareholders of Oil Royalties Corporation																
Jack Folkner	ORI			0.00500000												0.00142775
Louise Folkner Lane	ORI			0.01171840												0.00334619
Robert L. Folkner	ORI			0.00585920												0.00167310
Mark Ryan Folkner	ORI			0.00117200												0.00033466
Carl Lewis Folkner, Jr.	ORI			0.00117200												0.00033466
Stephen Francis Folkner	ORI			0.00117200												0.00033466
John Christopher Folkner	ORI			0.00117200												0.00033466
Conoco, Inc.	ORI					0.22499992										0.01411695
George H. Hunker, Jr.	ORI			0.04000000		0.01127640	0.01127640									0.01246527
George Shannon, Executor O/E/O Gladys Shannon, dec'd.	ORI						0.00225000									0.00006699
William J. Casey	ORI						0.00703120									0.00020935
NationsBank, Trustee u/w/o David B. Trammell	ORI						0.00745320									0.00022192
Carol David Trammell	ORI						0.00372640									0.00011095
NationsBank Texas, N.A., Fort Worth, Trustee of the Margaret Ruth Trammell Trust	ORI						0.00372640									0.00011095
Richard Borgard	ORI						0.01096880									0.00032659
Margaret Johnson McCurdy, Trustee U/7/A 9/30/88	ORI					0.01312520	0.14414080									0.00429176
Harmac Oil & Gas, Inc.	ORI						0.01312520									0.00082350
DNR Oil & Gas, Inc.	ORI															0.00039080
Patrica A. Brunson	ORI	0.01202749	0.01202749													0.00086530
Jimmie L. Charlesworth	ORI	0.02405498	0.02405498													0.00173059
Tommye G. Ewing	ORI	0.02405498	0.02405498													0.00173059
Bette Taylor Garner	ORI	0.02749141	0.02749141				0.04570320									0.00197782
Acme Land Company	ORI															0.00136080
Branex Resources Inc.	ORI	0.10103093	0.10103093													0.00726849
Olin E. Groves	ORI	0.02061856	0.02061856													0.00148337
Cecil E. & Ella Belle Holeman Trust A	ORI	0.01374570	0.01374570													0.00098891
Cecil E. & Ella Belle Holeman Trust B	ORI	0.01374570	0.01374570													0.00098891
Prime Energy Asset & Income Fund AA-3	ORI	0.02164948	0.02164948													0.00155753
Prime Energy Asset & Income Fund AA-4	ORI	0.02164948	0.02164948													0.00155753
Sally Meader Roberts	ORI	0.02061856	0.02061856													0.00148337



EXHIBIT 7B FOR HEARING

[GAS ONLY]

		S. Taylor 13 #2	S. Taylor 13 #3	Inca Fed	Conoco 1	Conoco 3	Mohawk	Geronimo 3	Geronimo 4	Geronimo 5	Geronimo 8	Geronimo 9	Geronimo 10*	Geronimo 12	Jade 1	Total Unit
		Tract 1A	Tract 1B	Tract 2	Tract 3A	Tract 3B	Tract 4	Tract 5A	Tract 5B	Tract 5C	Tract 5D	Tract 5E	Tract 5F	Tract 5G	Tract 6	Participation
OWNER		INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED	INFLATED
Vivian C. Brunson	ORI	0.01202749	0.01202749													0.00086530
TOTAL ORI		0.31271478	0.31271478	0.50000004	0.50000000	0.49999983	0.50000000	0.32000010	0.32000000	0.24873074	0.24873096	0.32000000	0.25999978	0.24873096	0.13043478	0.38609373
18-31, Inc.	CWI							0.00720000	0.00720000	0.00974618	0.00974619	0.00720000	0.00959999	0.00974619		0.00316632
John Michael Frost	CWI							0.00432000	0.00432000	0.00584771	0.00584772	0.00432000	0.00576000	0.00584772		0.00189979
Marianne Keohane Frost	CWI							0.02160001	0.02160000	0.02923855	0.02923858	0.02160000	0.02879998	0.02923858		0.00949895
Mark James Frost	CWI							0.00432000	0.00432000	0.00584771	0.00584772	0.00432000	0.00576000	0.00584772		0.00189979
Theresa Ann Frost	CWI							0.00432000	0.00432000	0.00584771	0.00584772	0.00432000	0.00576000	0.00584772		0.00189979
Sue Saunders Graham	CWI							0.01440000	0.01440000	0.01949237	0.01949239	0.01440000	0.01919998	0.01949239		0.00633264
Donald S. Iverson, Deceased	CWI							0.00180000	0.00180000	0.00243655	0.00243655	0.00180000	0.00240000	0.00243655		0.00079158
Iverson, III, Inc.	CWI							0.00180000	0.00180000	0.00243655	0.00243655	0.00180000	0.00240000	0.00243655		0.00079158
PAI Incorporated	CWI							0.00180000	0.00180000	0.00243655	0.00243655	0.00180000	0.00240000	0.00243655		0.00079158
Jewell Iverson Intervivos Trust, Richard R. Sullivan, Successor Trustee	CWI							0.00540000	0.00540000	0.00730964	0.00730964	0.00540000	0.00719999	0.00730964		0.00237474
S. J. Iverson, Jr.	CWI							0.00480000	0.00480000	0.00649746	0.00649746	0.00480000	0.00639999	0.00649746		0.00211088
Wendell Welch Iverson	CWI							0.00480000	0.00480000	0.00649746	0.00649746	0.00480000	0.00639999	0.00649746		0.00211088
Jeanette Y. Keohane	CWI							0.00864000	0.00864000	0.01169542	0.01169543	0.00864000	0.01151999	0.01169543		0.00379958
Peter Claxton Iverson and Alvin Martin Iverson, Jr., Executors O/E/O Dorothy C. Monroe, dec'd.	CWI							0.00270000	0.00270000	0.00365482	0.00365482	0.00270000	0.00360000	0.00365482		0.00118737
Peter Claxton Iverson and Alvin Martin Iverson, Jr., Executors O/E/O Dorothy C. Monroe, dec'd.	CWI							0.00270000	0.00270000	0.00365482	0.00365482	0.00270000	0.00360000	0.00365482		0.00118737
Patsy Ann Iverson Page	CWI							0.00480000	0.00480000	0.00649746	0.00649746	0.00480000	0.00639999	0.00649746		0.00211088
Edward T. Matheny, Jr. and Commerce Bank of Kansas City, Trustee U/W/O Elyse Saunders Patterson	CWI							0.01440000	0.01440000	0.01949237	0.01949239	0.01440000	0.01919998	0.01949239		0.00633264
Wendell W. Iverson, Trustee of the PIP 1990 Trust	CWI							0.01380000	0.01380000	0.01868019	0.01868020	0.01380000	0.01839998	0.01868020		0.00606878
Wendell W. Iverson, Trustee of the SJI JR 1990 Trust	CWI							0.01380000	0.01380000	0.01868019	0.01868020	0.01380000	0.01839998	0.01868020		0.00606878
Phoebe Shelton	CWI							0.01440000	0.01440000	0.01949237	0.01949239	0.01440000	0.01919998	0.01949239		0.00633264
The Toles Company	CWI							0.01440000	0.01440000	0.01949237	0.01949239	0.01440000	0.01919998	0.01949239		0.00633264
Wendell W. Iverson, Trustee of the WWI 1990 Trust	CWI							0.01380000	0.01380000	0.01868019	0.01868020	0.01380000	0.01839998	0.01868020		0.00606878
TOTAL CWI								0.18000006	0.18000000	0.24365461	0.24365482	0.18000000	0.23999980	0.24365482		0.07915794
Department of the Interior - MMS	RI	0.68728522	0.68728522	0.49999996	0.50000000	0.50000017	0.50000000	0.49999984	0.50000000	0.50761465	0.50761421	0.50000000	0.50000043	0.50761421	0.86956522	0.53474833
TOTAL ROYALTY, ORRI & CWI		1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000

\*NOTE: The working interests in Tract 5F (Geronimo Federal #10) are subject to the terms of that certain farmout agreement dated October 10, 1985, between 18-31, Inc. and Siete Oil & Gas Corp. The working interest shown herein are the Before Payout interest in the event Tract 5F reaches payout as define in said farmout agreement the working interests in Tract 5F will be adjusted accordingly.

## **Exhibit 8**

**East Shugart (Delaware) Unit Hearing  
New Mexico Oil Conservation Division  
July 22, 1999**

**Ratification and Joinders  
of Unit Agreement and Unit Operating Agreement  
by Working Interest Owners**

**Ratification and Joinders  
of Unit Agreement by Overriding Royalty and  
"Carried Working Interest" Owners**



**RATIFICATION AND JOINDER OF UNIT AGREEMENT  
AND UNIT OPERATING AGREEMENT**

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands, 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 (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, as fully as though the undersigned had executed the original instrument.

This Ratification and Joinder shall be effective as to the 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 any 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 7th day of April, 1999.

ATTEST:

COMPANY: RIVERHILL ENERGY CORPORATION

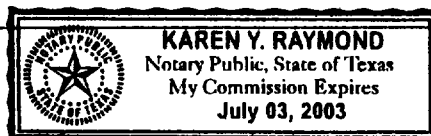
By: JW Ramsey  
Name: J. W. Ramsey  
Title: Vice President/Exploitation  
Tax ID or SS#: [REDACTED]  
Address: P.O. Box 2726,  
Midland, Texas 79702-2726

STATE TEXAS )  
 )ss  
COUNTY OF MIDLAND )

The foregoing instrument was acknowledged before me this 26th day of April, 1999, by J. W. Ramsey as V.P./Exploitation of Riverhill Energy Corporation.  
WITNESS my hand and official seal.

Karen Y. Raymond  
Notary Public

My commission expires: \_\_\_\_\_



S:\lynne\shugart ratification

**RATIFICATION AND JOINDER OF UNIT AGREEMENT  
AND UNIT OPERATING AGREEMENT**

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands, 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 (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, as fully as though the undersigned had executed the original instrument.

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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 of March, 1999.

ATTEST:

COMPANY: St. Mary Land & Exploration Company

Betty C. Brownson  
Betty C. Brownson, Asst. Secretary

By: Milam Randolph Pharo  
Name: Milam Randolph Pharo  
Title: Vice President - Land & Legal  
Tax ID or SS#: [REDACTED]  
Address: 1776 Lincoln Street, Suite 1100  
Denver, CO 80203

STATE COLORADO )  
 )ss  
COUNTY OF DENVER )

The foregoing instrument was acknowledged before me this 25 day of March, 1999, by Milam Randolph Pharo as Vice President - Land & Legal of St. Mary Land & Exploration Company.  
WITNESS my hand and official seal.

My commission expires: \_\_\_\_\_

Patricia Honey  
Notary Public

5.15.99

St. Mary Shugart ratification

**RATIFICATION AND JOINDER OF UNIT AGREEMENT  
AND UNIT OPERATING AGREEMENT**

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands, 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 (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, as fully as though the undersigned had executed the original instrument.

This Ratification and Joinder shall be effective as to the 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 any 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 29 day of April, 1999.

ATTEST:

COMPANY:

Charles W. Hare

Hare Production Co.

By:

Name:

Charles W. Hare

Title:

General Partner

Tax ID or SS#:

1601 E. Blanco Blvd.  
Bloomfield N.M. 87413

STATE New Mexico)  
COUNTY OF San Juan) ss

The foregoing instrument was acknowledged before me this 29 day of April, 1999, by Charles W. Hare as General Partner of Hare Production Co.  
WITNESS my hand and official seal.

Ally Dean  
Notary Public

My commission expires: June 3, 2000

**RATIFICATION AND JOINDER OF UNIT AGREEMENT  
AND UNIT OPERATING AGREEMENT**

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands, 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 (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, as fully as though the undersigned had executed the original instrument.

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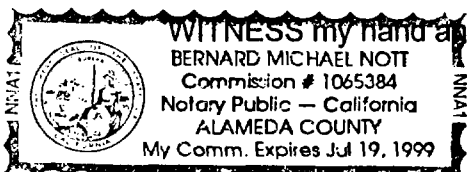
This Ratification and Joinder shall be binding upon the undersigned, and his, her or its heirs, devisees, executors, personal representatives, assigns, or successors in interest.

EXECUTED this 9 day of April, 1999.

By: *Ted E Bacil*  
Printed Name: TED E BACIL  
Marital Status: SINGLE  
Spousal Signature: \_\_\_\_\_  
Tax ID or SS#: \_\_\_\_\_  
Address: 40676 LADERO ST  
FREMONT CA 94539

STATE California )  
COUNTY OF Alameda )ss

The foregoing instrument was acknowledged before me this 9 day of April, 1999, by Bernard Michael Nott.



My commission expires: \_\_\_\_\_

*Bernard Michael Nott*  
Notary Public

7-19-99

STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

**RATIFICATION AND JOINDER OF UNIT AGREEMENT  
AND UNIT OPERATING AGREEMENT**

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands, 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 (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, as fully as though the undersigned had executed the original instrument.

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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.

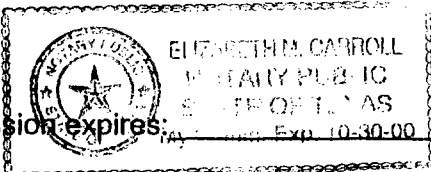
EXECUTED this 22 day of April, 1999.

By: Norman K. Barker  
Printed Name: Norman K. Barker  
Marital Status: Married  
Spousal Signature: Dorothy J. Barker  
Tax ID or SS#: [REDACTED]  
Address: 3208 Haynes Dr.  
Midland, Texas 79705-4213

STATE TEXAS)  
COUNTY OF MIDLAND) ss

The foregoing instrument was acknowledged before me this 22nd day of April, 1999, by NORMAN K BARKER.

WITNESS my hand and official seal.

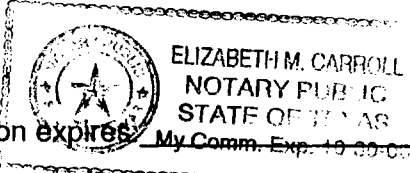
My commission expires: 

Elizabeth M. Carroll  
Notary Public

STATE TEXAS)  
COUNTY OF MIDLAND) ss

The foregoing instrument was acknowledged before me this 22nd day of April, 1999, by Dorothy J Barker.

WITNESS my hand and official seal.

My commission expires: 

Elizabeth M. Carroll  
Notary Public

**RATIFICATION AND JOINDER OF UNIT AGREEMENT  
AND UNIT OPERATING AGREEMENT**

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands, 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 (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, as fully as though the undersigned had executed the original instrument.

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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 11<sup>th</sup> day of MARCH, 1999.

ATTEST:

COMPANY: BOZICA OIL, INC

By: [Signature]  
Name: EDGAR L. POWELL  
Title: VICE-PRESIDENT  
Tax ID or SS#: [REDACTED]  
Address: PO BOX 202 H  
FORT SUMNER, NM 88149

STATE New Mexico)  
COUNTY OF De Baca)ss

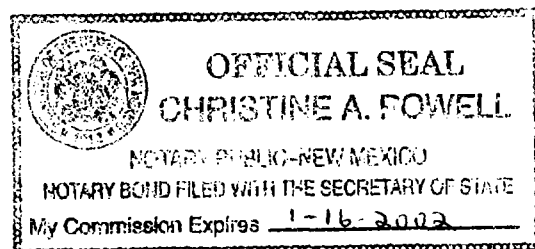
The foregoing instrument was acknowledged before me this 11<sup>th</sup> day of March, 1999, by Edgar L. Powell as Vice-President of Bozica Oil, Inc.

WITNESS my hand and official seal.

[Signature]  
Notary Public

My commission expires: January 16, 2002

S:\lynne\shugart ratification



**RATIFICATION AND JOINDER OF UNIT AGREEMENT  
AND UNIT OPERATING AGREEMENT**

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands, 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 (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, as fully as though the undersigned had executed the original instrument.

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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 April, 1999.

By: Del Lane  
Printed Name: DEL LANE  
Marital Status: WIDOW  
Spousal Signature: [REDACTED]  
Tax ID or SS#: [REDACTED]  
Address: 8592 ROSWELL RD # 535  
ATLANTA, GA 30350

STATE Georgia)  
COUNTY OF Fulton)ss



The foregoing instrument was acknowledged before me this 7<sup>th</sup> day of April, 1999, by Del Lane

WITNESS my hand and official seal.

Olivia T. Thompson  
Notary Public

My commission expires: October 25 2002

STATE \_\_\_\_\_)  
COUNTY OF \_\_\_\_\_)ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

**RATIFICATION AND JOINDER OF UNIT AGREEMENT  
AND UNIT OPERATING AGREEMENT**

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands, 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 (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, as fully as though the undersigned had executed the original instrument.

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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 15<sup>TH</sup> day of MARCH, 1999.

By: Dr. Michael Norton III  
Printed Name: DR MICHAEL NORTON III  
Marital Status: MARRIED  
Spousal Signature: Barbara P. Norton  
Tax ID or SS#: [REDACTED]  
Address: 688 COUNTY ST.  
NEW BEDFORD, MA 02740

STATE MASSACHUSETTS )  
COUNTY OF BRISTOL )ss

The foregoing instrument was acknowledged before me this 15<sup>TH</sup> day of MARCH, 1999, by DR. MICHAEL NORTON III.

WITNESS my hand and official seal.

My commission expires: OCT. 14, 1999  
J. Louis LeBlanc  
Notary Public J. LOUIS LEBLANC

STATE MASSACHUSETTS )  
COUNTY OF BRISTOL )ss

The foregoing instrument was acknowledged before me this 5<sup>th</sup> day of APRIL, 1999, by BARBARA P NORTON.

WITNESS my hand and official seal.

My commission expires: 10/14/99  
J. Louis LeBlanc  
Notary Public



**RATIFICATION AND JOINDER OF UNIT AGREEMENT  
AND UNIT OPERATING AGREEMENT**

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands, 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 (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, as fully as though the undersigned had executed the original instrument.

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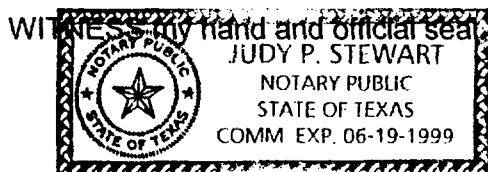
This Ratification and Joinder shall be binding upon the undersigned, and his, her or its heirs, devisees, executors, personal representatives, assigns, or successors in interest.

EXECUTED this 23 day of April, 1999.

By: Leonard Schae  
Printed Name: LEONARD SCHAE  
Marital Status: MARRIED  
Spousal Signature: NOT COMMUNITY PROPERTY  
Tax ID or SS#: [REDACTED]  
Address: 6004 HIGHWAY PL.  
DALLAS, TX 75240

STATE Texas )  
COUNTY OF Dallas )ss

The foregoing instrument was acknowledged before me this 23 day of April, 1999, by Leonard Schae.



My commission expires: 6-19-99

Judy P. Stewart  
Notary Public

STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )ss

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

**RATIFICATION AND JOINDER OF UNIT AGREEMENT  
AND UNIT OPERATING AGREEMENT**

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands, 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 (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, as fully as though the undersigned had executed the original instrument.

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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<sup>nd</sup> day of April, 1999.

Name: Schatz Management Trust

By: Barbara A. Schatz  
Title: Trustee  
Tax ID or SS#: [REDACTED]  
Address: 2817 Dengar  
Midland, TX 79705

STATE Texas )  
 )ss  
COUNTY OF Midland )

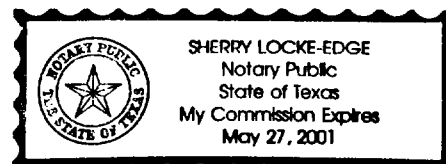
The foregoing instrument was acknowledged before me this 2<sup>nd</sup> day of April, 1999, by Barbara Schatz as Trustee of Schatz Management Trust.

WITNESS my hand and official seal.

Sherry Locke-Edge  
Notary Public

My commission expires: 5-27-2001

S:\lynne\shugart ratification



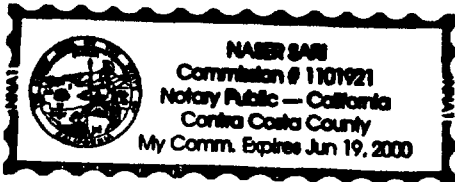
**RATIFICATION AND JOINDER OF UNIT AGREEMENT  
AND UNIT OPERATING AGREEMENT**

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands, 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 (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, as fully as though the undersigned had executed the original instrument.

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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 23<sup>rd</sup> day of March, 1999.



By: Edwin G. Wallace  
Printed Name: EDWIN G WALLACE  
Marital Status: \_\_\_\_\_  
Spousal Signature: Elvera L. Wallace  
Tax ID or SS#: \_\_\_\_\_  
Address: 133 Sleepy Hollow Lane  
Orinda CA 94563

STATE California )  
COUNTY OF Contra Costa )ss

The foregoing instrument was acknowledged before me this 23<sup>rd</sup> day of March, 1999, by Naser Sari.

WITNESS my hand and official seal.

My commission expires: June 19, 2000 Naser Sari  
Notary Public

STATE California )  
COUNTY OF Contra Costa )ss

The foregoing instrument was acknowledged before me this 23<sup>rd</sup> day of March, 1999, by Naser Sari.

WITNESS my hand and official seal.

My commission expires: June 19, 2000 Naser Sari  
Notary Public

**RATIFICATION AND JOINDER OF UNIT AGREEMENT  
AND UNIT OPERATING AGREEMENT**

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands, 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 (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, as fully as though the undersigned had executed the original instrument.

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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 April, 1999.

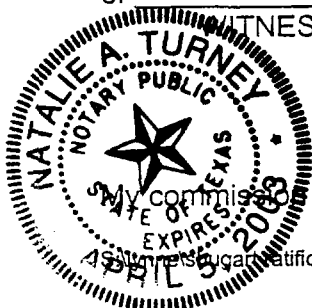
Name: Chester F. Carthel Trust  
FBO Olga Endora Tannahill Miller  
and FBO Theodore H. Carthel

By: [Signature]  
Title: Co-Trustee, Gary Keith Tannahill  
Tax ID or SS#: \_\_\_\_\_  
Address: 15 WINDSTAR CT  
WOODLANDS TX 77381-4009

STATE Texas )  
COUNTY OF Harris )ss

The foregoing instrument was acknowledged before me this 27<sup>th</sup> day of April, 1999, by Gary Tannahill as Co-Trustee of Chester F. Carthel Trusts.

WITNESS my hand and official seal.



My commission expires: 4-5-2003

Natalie A. Turney  
Notary Public

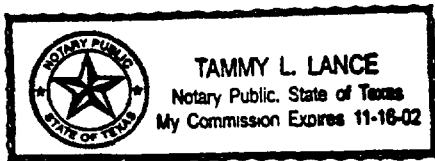
**RATIFICATION AND JOINDER OF UNIT AGREEMENT  
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This Ratification and Joinder shall be binding upon the undersigned, and his, her or its heirs, devisees, executors, personal representatives, assigns, or successors in interest.

EXECUTED this 3<sup>rd</sup> day of June, 1999.



Name: Barbara Carthel Mathis, Co-Trustee  
Chester Francis Carthel Decd FBO  
Olga Eudora Tannahill Miller and  
FBO Theodore H. Carthel

By: Barbara Carthel Mathis  
Title: Independent Co-Trustee  
Tax ID or SS#: [REDACTED]  
Address: P.O. Box 1  
Amarillo, TX 79105-0001

STATE TX)  
COUNTY OF Dele)ss

The foregoing instrument was acknowledged before me this 3<sup>rd</sup> day of June, 1999, by Barbara Carthel Mathis as Independent Co-Trustee of East Shugart (Delaware) Unit Area.  
WITNESS my hand and official seal.

Tammy L. Lance  
Notary Public

My commission expires: November 16, 2002

**RATIFICATION AND JOINDER OF UNIT AGREEMENT  
AND UNIT OPERATING AGREEMENT**

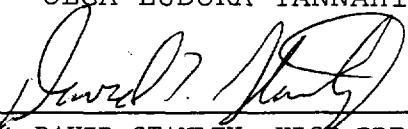
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This Ratification and Joinder shall be binding upon the undersigned, and his, her or its heirs, devisees, executors, personal representatives, assigns, or successors in interest.

EXECUTED this 20 day of May, 1999.

Name: CHESTER FRANCIS CARTEL DECD FBO  
THEODORE H. CARTEL AND FBO  
OLGA EUDORA TANNAHILL MILLER

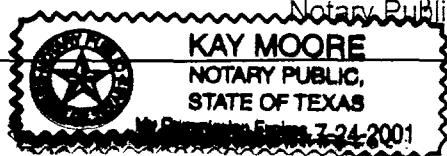
By:   
Title: DAVID STANLEY, VICE PRESIDENT & TO  
Tax ID or SS#: [REDACTED]  
Address: P O BOX 1  
AMARILLO TX 79105-0001

STATE TEXAS )  
 )ss  
COUNTY OF POTTER )

The foregoing instrument was acknowledged before me this 20 day of May, 1999, by DAVID STANLEY, CO-TRUSTEE as VICE PRESIDENT & TO of AMARILLO NATIONAL BANK.  
WITNESS my hand and official seal.

My commission expires: \_\_\_\_\_

S:\Wynnelshugart ratification



**RATIFICATION AND JOINDER OF UNIT AGREEMENT  
AND UNIT OPERATING AGREEMENT**

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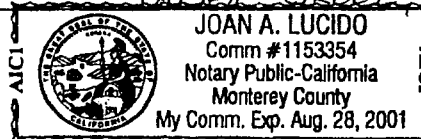
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This Ratification and Joinder shall be binding upon the undersigned, and his, her or its heirs, devisees, executors, personal representatives, assigns, or successors in interest.

EXECUTED this 18 day of March, 1999.

By: Richard E O'Connell  
Printed Name: RICHARD E. O'CONNELL  
Marital Status: MARRIED  
Spousal Signature: Verna S. O'Connell  
Tax ID or SS#: [REDACTED]  
Address: P. O. BOX 513  
PALMEIR GROVE, CA 93950

STATE California )  
COUNTY OF Monterey ) SS

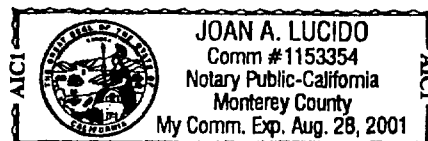


The foregoing instrument was acknowledged before me this 18 day of March, 1999, by JOAN A. LUCIDO FOR RICHARD E O'CONNELL.

WITNESS my hand and official seal.

My commission expires: Aug 28, 2001  
Notary Public Joan A. Lucido

STATE California )  
COUNTY OF Monterey ) SS



The foregoing instrument was acknowledged before me this 18 day of March, 1999, by JOAN A. LUCIDO FOR VERNIA S. O'CONNELL.

WITNESS my hand and official seal.

My commission expires: Aug 28, 2001  
Notary Public Joan A. Lucido

**RATIFICATION AND JOINDER OF UNIT AGREEMENT  
AND UNIT OPERATING AGREEMENT**

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands, 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 (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, as fully as though the undersigned had executed the original instrument.

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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 April, 1999.

By: Gwendolyn Manning Williams  
Printed Name: Gwendolyn Manning Williams  
Marital Status: Widow  
Spousal Signature: \_\_\_\_\_  
Tax ID or SS#: \_\_\_\_\_  
Address: 905 W. Pipe Court  
Midland, TX 79705

STATE Texas )  
COUNTY OF Midland )ss

The foregoing instrument was acknowledged before me this 27<sup>th</sup> day of April, 1999, by Gwendolyn Manning Williams.

WITNESS my hand and official seal.



Vickie Lirley  
Notary Public

My commission expires: \_\_\_\_\_

STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )ss

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_



**RATIFICATION AND JOINDER OF UNIT AGREEMENT  
AND UNIT OPERATING AGREEMENT**

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands, 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 (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, as fully as though the undersigned had executed the original instrument.

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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 12<sup>th</sup> day of March, 1999.

By: *Leslie Fisher*  
Printed Name: Leslie Fisher  
Marital Status: \_\_\_\_\_  
Spousal Signature: \_\_\_\_\_  
Tax ID or SS#: \_\_\_\_\_  
Address: PO Box 301  
Alto-7771 88512

STATE NM)  
COUNTY OF Otero)ss

The foregoing instrument was acknowledged before me this 12<sup>th</sup> day of March, 1999, by Lisa Baron.

WITNESS my hand and official seal.

My commission expires: January 25, 2003  
*Lisa Baron*  
Notary Public

STATE \_\_\_\_\_)  
COUNTY OF \_\_\_\_\_)ss

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

My commission expires: \_\_\_\_\_  
Notary Public

**RATIFICATION AND JOINDER OF UNIT AGREEMENT  
AND UNIT OPERATING AGREEMENT**

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands, 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 (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, as fully as though the undersigned had executed the original instrument.

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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 10<sup>TH</sup> day of July, 1999.

By: [Signature]  
Printed Name: Dawn Kinsolving  
Marital Status: Married  
Spousal Signature: Brenda Kinsolving  
Tax ID or SS#: [Redacted]  
Address: Box 325  
Tatum N.M. 88267

STATE New Mexico )  
COUNTY OF Lea )ss

The foregoing instrument was acknowledged before me this 10<sup>th</sup> day of July, 1999, by Dawn and Brenda Kinsolving.

WITNESS my hand and official seal.

My commission expires: July 23, 2003  
[Signature]  
Notary Public

STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

My commission expires: \_\_\_\_\_  
Notary Public

**RATIFICATION AND JOINDER OF UNIT AGREEMENT  
AND UNIT OPERATING AGREEMENT**

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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 23 day of April, 1999.

By: *Patrick J. Morello*  
Printed Name: PATRICK J. MORELLO  
Marital Status: M.  
Spousal Signature: *Allie M. Morello*  
Tax ID or SS#: [REDACTED]  
Address: 598 WOODLAND DRIVE  
PADUCAH, Ky. 42001

STATE Kentucky)  
COUNTY OF McCracken)ss

The foregoing instrument was acknowledged before me this 23 day of April, 1999, by Patrick J. Morello.

WITNESS my hand and official seal.

*Dorinda N. Foster*  
Notary Public

My commission expires: My Commission Expires 06-07-99

STATE Kentucky)  
COUNTY OF McCracken)ss

The foregoing instrument was acknowledged before me this 23 day of April, 1999, by Allie M. Morello.

WITNESS my hand and official seal.

*Dorinda N. Foster*  
Notary Public

My commission expires: My Commission Expires 06-07-99

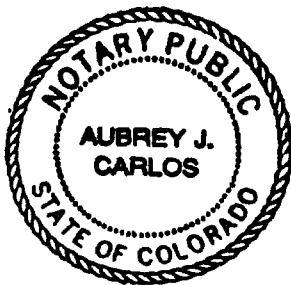
**RATIFICATION AND JOINDER OF UNIT AGREEMENT  
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This Ratification and Joinder shall be binding upon the undersigned, and his, her or its heirs, devisees, executors, personal representatives, assigns, or successors in interest.

EXECUTED this 21 day of April, 1999.



My Commission Expires 3/11/2002

STATE Colorado )  
COUNTY OF Mesa )ss

By: [Signature]  
Printed Name: JOHN SHARP  
Marital Status: M  
Spousal Signature: [Signature]  
Tax ID or SS#: [Redacted]  
Address: PO BOX 1924  
GRAND JUNCTION CO 81502

The foregoing instrument was acknowledged before me this 21 day of April, 1999, by John and Alice Sharp

WITNESS my hand and official seal.

[Signature]  
Notary Public

My commission expires: 3-11-02

STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

**RATIFICATION AND JOINDER OF UNIT AGREEMENT  
AND UNIT OPERATING AGREEMENT**

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands, 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 (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, as fully as though the undersigned had executed the original instrument.

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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 MARCH, 1999.

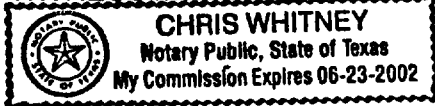
Name: Nelson B. Alpers

By: Nelson B. Alpers  
Title: TRUSTEE OF FAMILY TRUST  
Tax ID or SS#: [REDACTED]  
Address: 4302 CRESTWOOD  
MIDLAND, TX 79707

STATE TX  
COUNTY OF MIDLAND)<sup>ss</sup>

The foregoing instrument was acknowledged before me this 18 day of MARCH, 1999, by Nelson B. Alpers as trustee of Family Trust.

WITNESS my hand and official seal.



Chris Whitney  
Notary Public

My commission expires: 6-23-02

S:\lynne\shugart ratification

**RATIFICATION AND JOINDER OF UNIT AGREEMENT  
AND UNIT OPERATING AGREEMENT**

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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 22nd day of March, 1999.

By: J. David Wrather, Jr.  
Printed Name: J. David Wrather, Jr.  
Marital Status: married  
Spousal Signature: Janet G. Wrather  
Tax ID or SS#: [REDACTED]  
Address: P.O. Box 1788  
Longview, TX 75606

STATE TEXAS )  
COUNTY OF GREGG ) ss

The foregoing instrument was acknowledged before me this 22nd day of March, 1999, by J. David Wrather.

WITNESS my hand and official seal.



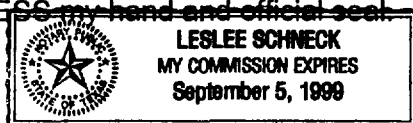
Leslee Schneck  
Notary Public

My commission expires: 9/5/99

STATE TEXAS )  
COUNTY OF GREGG ) ss

The foregoing instrument was acknowledged before me this 22nd day of March, 1999, by Janet G. Wrather.

WITNESS my hand and official seal.



Leslee Schneck  
Notary Public

My commission expires: 9/5/99

**RATIFICATION AND JOINDER OF UNIT AGREEMENT  
AND UNIT OPERATING AGREEMENT**

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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 5th day of May, 1999.

Name: Five States 1994-E, Ltd., by

Five States Energy Company, L.L.C.,  
General Partner

By: 

Title: Chairman

Tax ID or SS#: [REDACTED]

Address: 4925 Greenville Ave., #1220  
Dallas, TX 75206

STATE TEXAS )  
COUNTY OF DALLAS ) ss

The foregoing instrument was acknowledged before me this 5th day of May, 1999, by James A. Gibbs as Chairman of Five States Energy Company, L.L.C., a Texas limited liability company  
WITNESS my hand and official seal.



  
Notary Public

**RATIFICATION AND JOINDER OF UNIT AGREEMENT  
AND UNIT OPERATING AGREEMENT**

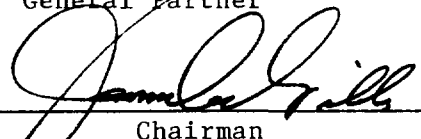
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This Ratification and Joinder shall be binding upon the undersigned, and his, her or its heirs, devisees, executors, personal representatives, assigns, or successors in interest.

EXECUTED this 5th day of May, 1999.

Name: Five States 1995-B, Ltd., by  
Five States Energy Company, L.L.C.,  
General Partner

By:   
Title: Chairman  
Tax ID or SS#: [REDACTED]  
Address: 4925 Greenville Ave., #1220  
Dallas, TX 75206

STATE TEXAS )  
COUNTY OF DALLAS )ss

The foregoing instrument was acknowledged before me this 5th day of May, 1999, by James A. Gibbs as Chairman of Five States Energy Company, L.L.C., a Texas limited liability company  
WITNESS my hand and official seal.

My commission expires State of Texas  
Comm. Exp. 05-03-2000  
S:\lynne\shugart ratification

  
Notary Public



**RATIFICATION AND JOINDER OF UNIT AGREEMENT  
AND UNIT OPERATING AGREEMENT**

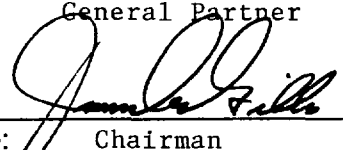
In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands, and in consideration of the execution or ratification by other Working Interest Owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, as fully as though the undersigned had executed the original instrument.

This Ratification and Joinder shall be effective as to the 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 any 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.

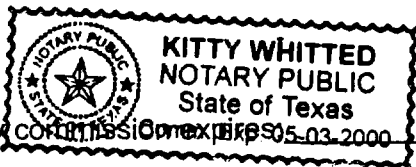
EXECUTED this 5th day of May, 1999.

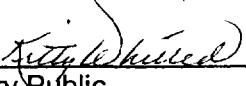
Name: Five States 1995-D, Ltd., by  
Five States Energy Company, L.L.C.,  
General Partner

By:   
Title: Chairman  
Tax ID or SS#: [REDACTED]  
Address: 4925 Greenville Ave., #1220  
Dallas, TX 75206

STATE TEXAS )  
COUNTY OF DALLAS ) ss

The foregoing instrument was acknowledged before me this 5th day of May, 1999, by James A. Gibbs as Chairman of Five States Energy Company, L.L.C., a Texas limited liability company  
WITNESS my hand and official seal.



  
Notary Public

**RATIFICATION AND JOINDER OF UNIT AGREEMENT  
AND UNIT OPERATING AGREEMENT**

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands, 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 (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, as fully as though the undersigned had executed the original instrument.

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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 15 day of March, 1999.

By: J. E. Cieszinski  
Printed Name: J. E. CIESZINSKI  
Marital Status: married  
Spousal Signature: Drusilla C. Cieszinski  
Tax ID or SS#: [REDACTED]  
Address: P.O. Box 3047  
Roswell, NM 88202-3047

STATE NEW MEXICO )  
COUNTY OF CHAVES )ss

The foregoing instrument was acknowledged before me this 15 day of March, 1999, by J. E. CIESZINSKI.

WITNESS my hand and official seal.

Laretha N. Rodery  
Notary Public LARETHA N. RODERY

My commission expires: Sept 22, 2001

STATE NEW MEXICO )  
COUNTY OF CHAVES )ss

The foregoing instrument was acknowledged before me this 15 day of March, 1999, by DRUSILLA C. CIESZINSKI.

WITNESS my hand and official seal.

Laretha N. Rodery  
Notary Public LARETHA N. RODERY

My commission expires: Sept 22, 2001

**RATIFICATION AND JOINDER OF UNIT AGREEMENT  
AND UNIT OPERATING AGREEMENT**

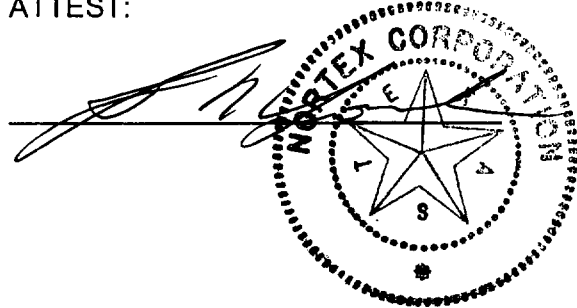
In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands, and in consideration of the execution or ratification by other Working Interest Owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, as fully as though the undersigned had executed the original instrument.

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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 1 day of April, 1999.

ATTEST:



COMPANY: Nortex Corporation

By: Robert W. Kent

Name: Robert W. Kent

Title: Vice President

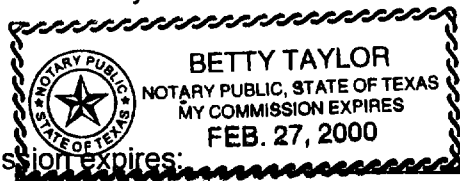
Tax ID or SS#: [REDACTED]

Address: 1415 Louisiana, Suite 3100  
Houston, TX 77002

STATE Texas )  
COUNTY OF Harris )ss

The foregoing instrument was acknowledged before me this 5th day of April, 1999, by Robert W. Kent as Vice President of Nortex Corporation.

WITNESS my hand and official seal.



My commission expires:

Betty Taylor  
Notary Public

**RATIFICATION AND JOINDER OF UNIT AGREEMENT  
AND UNIT OPERATING AGREEMENT**

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands, 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 (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, as fully as though the undersigned had executed the original instrument.

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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 May, 1999.

ATTEST:

COMPANY: HARVEY E. YATES COMPANY

Melissa Randle  
Melissa Randle, Asst. Secretary

By: Steven M. Yates  
Name: Steven M. Yates  
Title: Vice-President  
Tax ID or SS# [REDACTED]  
Address: P. O. Box 1933  
Roswell, New Mexico 88202-1933

STATE New Mexico )  
 ) ss  
COUNTY OF Chaves )

The foregoing instrument was acknowledged before me this 18th day of May, 1999, by Steven M. Yates as Vice-President of Harvey E. Yates Company, a New Mexico corporation.  
WITNESS my hand and official seal.

Steven L. Marshall  
Notary Public

My commission expires: 12/03/2000

**RATIFICATION AND JOINDER OF UNIT AGREEMENT  
AND UNIT OPERATING AGREEMENT**

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands, 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 (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, as fully as though the undersigned had executed the original instrument.

This Ratification and Joinder shall be effective as to the 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 any 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 18th day of May, 1999.

ATTEST:

COMPANY: SPIRAL, INC.

Melissa Randle  
Melissa Randle, Asst. Secretary

By: Steven M. Yates  
Name: Steven M. Yates  
Title: Vice-President  
Tax ID or SS#: [REDACTED]  
Address: P. O. Box 1933  
Roswell, New Mexico 88202-1933

STATE New Mexico )  
 )ss  
COUNTY OF Chaves )

The foregoing instrument was acknowledged before me this 18th day of May, 1999, by Steven M. Yates as Vice-President of SPIRAL, INC., a New Mexico corporation.

WITNESS my hand and official seal.

[Signature]  
Notary Public

My commission expires: 12/03/2000

**RATIFICATION AND JOINDER OF UNIT AGREEMENT  
AND UNIT OPERATING AGREEMENT**

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands, 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 (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, as fully as though the undersigned had executed the original instrument.

This Ratification and Joinder shall be effective as to the 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 any 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 18th day of May, 1999.

ATTEST:

COMPANY: EXPLORERS PETROLEUM CORPORATION

Melissa Randle  
Melissa Randle, Asst. Secretary

By: Steven M. Yates  
Name: Steven M. Yates  
Title: Vice-President  
Tax ID or SS# [REDACTED]  
Address: P. O. Box 1933  
Roswell, New Mexico 88202-1933

STATE New Mexico )  
 )ss  
COUNTY OF Chaves )

The foregoing instrument was acknowledged before me this 18th day of May, 1999, by Steven M. Yates as Vice-President of EXPLORERS PETROLEUM CORPORATION, a New Mexico Corporation.  
WITNESS my hand and official seal.

Glenn L. Marshall  
Notary Public

My commission expires: 12/03/2000



**RATIFICATION AND JOINDER OF UNIT AGREEMENT  
AND UNIT OPERATING AGREEMENT**

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands, 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 (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, as fully as though the undersigned had executed the original instrument.

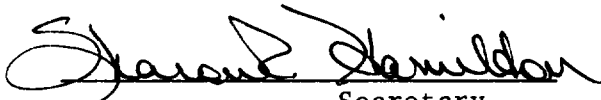
This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases within the Unit Area, including royalty interests, presently held or which may arise under existing option agreements, or other interests in Unitized Substances, covering any lands within the Unit Area in which the undersigned may be found to have Oil and Gas Rights.

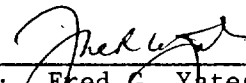
This Ratification and Joinder shall be binding upon the undersigned, and his, her or its heirs, devisees, executors, personal representatives, assigns, or successors in interest.

EXECUTED this 19 day of April, 1999.

ATTEST:

COMPANY: YATES ENERGY CORPORATION

  
Secretary

By:  SJA  
Name: Fred G. Yates  
Title: President  
Tax ID or SS#: [REDACTED]  
Address: P. O. Box 2323  
Roswell, New Mexico 88202-2323

STATE NEW MEXICO )  
COUNTY OF CHAVES )ss

The foregoing instrument was acknowledged before me this 19 day of April, 1999, by Fred G. Yates as President of YATES ENERGY CORPORATION.  
WITNESS my hand and official seal.

  
Notary Public

My commission expires: July 17, 2002



## RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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.

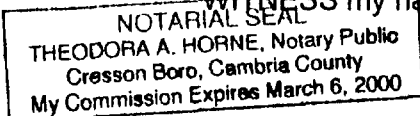
EXECUTED this 18<sup>th</sup> day of March, 1999.

By: X Mary Elizabeth Baish-Westin  
Printed Name: Mary Elizabeth Baish-Westin  
Marital Status: M  
Spousal Signature: X Theodore Larson Westin Jr  
Tax ID or SS#: [REDACTED]  
Address: 513 Powell Avenue  
Cresson, PA 16630

STATE Pennsylvania  
COUNTY OF Cambria )ss

The foregoing instrument was acknowledged before me this 18<sup>th</sup> day of March, 1999, by Mary Elizabeth Baish-Westin

WITNESS my hand and official seal.



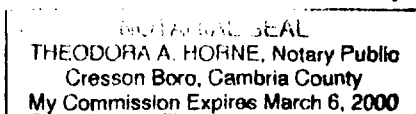
Theodore A Horne  
Notary Public

My commission expires: March 6, 2000

STATE Pennsylvania  
COUNTY OF Cambria )ss

The foregoing instrument was acknowledged before me this 18<sup>th</sup> day of March, 1999, by Theodore LARSON Westin Jr

WITNESS my hand and official seal.



Theodore A Horne  
Notary Public

My commission expires: March 6, 2000

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 18<sup>th</sup> day of March, 1999.

By: Karen Charles  
Printed Name: KAREN CHARLES  
Marital Status: Divorced  
Spousal Signature: \_\_\_\_\_  
Tax ID or SS#: \_\_\_\_\_  
Address: 110 Hudson Ave.  
Altoona, Pa 16602

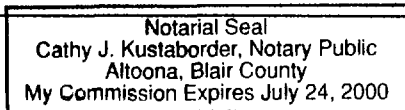
STATE Pennsylvania )  
COUNTY OF Blair )ss

The foregoing instrument was acknowledged before me this 18<sup>th</sup> day of March, 1999, by Karen Charles.

WITNESS my hand and official seal.

Cathy J Kustaborder  
Notary Public

My commission expires: \_\_\_\_\_



STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )ss

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 8 day of MARCH, 1999.

HIGGINS TRUST, INC.  
By: William P. Edwards  
Printed Name: William P. Edwards, President  
Marital Status: N/A  
Spousal Signature: N/A  
Tax ID or SS#: [REDACTED]  
Address: HIGGINS TRUST, INC.  
P.O. Box 2421, Gainesville, GA 30503

STATE GEORGIA )  
 )ss  
COUNTY OF HALL )

The foregoing instrument was acknowledged before me this 8 day of MARCH, 1999, by William P. Edwards, President, Higgins Trust, Inc.

WITNESS my hand and official seal.

Mary Elizabeth Britt  
Notary Public

My commission expires: MY COMMISSION EXPIRES FEB. 25, 2001

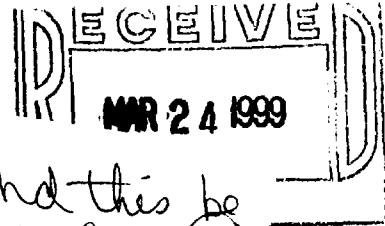
STATE Georgia )  
 )ss  
COUNTY OF Hall )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_



RATIFICATION AND JOINDER OF UNIT A

In consideration of the execution of the Unit Agree  
Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea ... and  
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 and leases and 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 East Shugart  
(Delaware) 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 therein 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 his, 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.

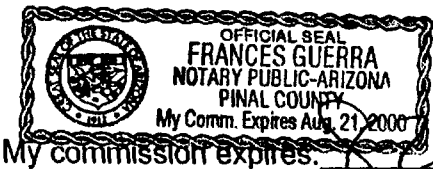
EXECUTED this 22<sup>nd</sup> day of March, 1999.

By: Ray A. Lewis  
Printed Name: RAY F Lewis  
Marital Status: Married  
Spousal Signature: Billie B. Lewis  
Tax ID or SS#: [REDACTED]  
Address: 1748 Terrace Circle  
CASA GRANDE, AZ 85222

STATE Arizona )  
COUNTY OF PINAL )ss

The foregoing instrument was acknowledged before me this 22<sup>nd</sup> day of March  
1999, by Ray F. Lewis and Billie B. Lewis

WITNESS my hand and official seal.



[Signature]  
Notary Public

STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_,  
1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

My commission expires: \_\_\_\_\_  
Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 23 day of March, 1999.

By: Mary Ellen Johnston  
Mary Ellen Johnston  
Single - Never Married

By: E. Bernard Johnston  
Printed Name: E. BERNARD JOHNSTON - FATHER  
Marital Status: Widowed  
Spousal Signature: \_\_\_\_\_  
Tax ID or SS#: \_\_\_\_\_  
Address: 2715 N. Kentucky Ave., Unit 16  
Roswell, N.M. 88201

2715 N. Kentucky Ave., Unit 16  
Roswell, N.M. 88201  
STATE New Mexico )  
COUNTY OF Chaves )ss

The foregoing instrument was acknowledged before me this 23 day of March, 1999, by E. BERNARD Johnston.

WITNESS my hand and official seal.

Pamela Dray  
Notary Public

My commission expires: 10-21-2001

STATE New Mexico )  
COUNTY OF Chaves )ss

The foregoing instrument was acknowledged before me this 22 day of March, 1999, by MARY ELLEN Johnston.

WITNESS my hand and official seal.

Pamela Dray  
Notary Public

My commission expires: 10-21-2001

**RATIFICATION AND JOINDER OF UNIT AGREEMENT**

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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.

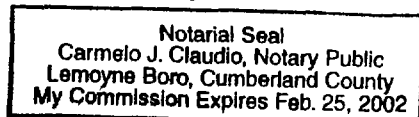
EXECUTED this 16 day of MARCH, 1999.

By: Margaret B. Masters  
Printed Name: MARGARET B. MASTERS  
Marital Status: D  
Spousal Signature: \_\_\_\_\_  
Tax ID or SS#: \_\_\_\_\_  
Address: 47 Oakwood Dr.  
Wormleysburg, PA 17043

STATE PA)  
COUNTY OF Cumberland)ss

The foregoing instrument was acknowledged before me this 16 day of MARCH, 1999, by Margaret B. Masters

WITNESS my hand and official seal.



Carmelo J. Claudio  
Notary Public

My commission expires: \_\_\_\_\_

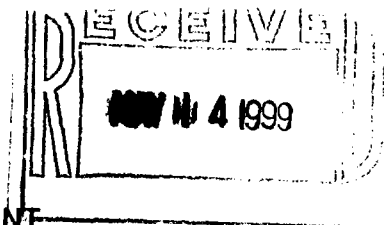
STATE \_\_\_\_\_)  
COUNTY OF \_\_\_\_\_)ss

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_



RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 10<sup>th</sup> day of May, 1999.

MARGARETT H. NAYLOR REVOCABLE TRUST  
FIRST NATIONAL BANK, TRUSTEE

By: Susan Holmes  
Printed Name: SUSAN K. HOLMES, SR VP  
Marital Status: \_\_\_\_\_  
Spousal Signature: \_\_\_\_\_  
Tax ID or SS#: \_\_\_\_\_  
Address: PO Box AA  
ARTESIA NM 88211-7526

STATE NEW MEXICO )  
COUNTY OF EDDY )ss

The foregoing instrument was acknowledged before me this 10<sup>th</sup> day of May, 1999, by SUSAN K. HOLMES, SR VP, FIRST NATIONAL BANK, TRUSTEE FOR MARGARETT H. NAYLOR.  
WITNESS my hand and official seal.

Rebekah Campbell  
Notary Public

My commission expires: JANUARY 21, 2002

STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_  
WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 March, 1999.

By: \_\_\_\_\_

Printed Name: CLIFTON E. SHUMATE

Marital Status: HELEN C. SHUMATE

Spousal Signature: [Signature]

Tax ID or SS#: \_\_\_\_\_

Address: 2201 VENTNOR CT  
ARLINGTON, TX 76011

STATE Texas

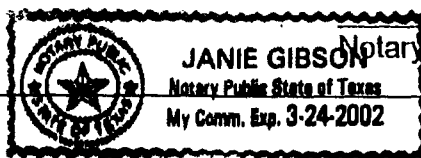
COUNTY OF Tarrant

)ss

The foregoing instrument was acknowledged before me this 18th day of March, 1999, by Janie Gibson

WITNESS my hand and official seal.

My commission expires: \_\_\_\_\_



Notary Public

STATE \_\_\_\_\_

COUNTY OF \_\_\_\_\_

)ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_

WITNESS my hand and official seal.

Notary Public

My commission expires: \_\_\_\_\_



RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 12<sup>th</sup> day of March, 1999.

*personal representative of the  
Estate of Betty Bash Strohmeyer*

By: James Scott Strohmeyer

Printed Name: JAMES SCOTT STROHMEYER

Marital Status: \_\_\_\_\_

Spousal Signature: \_\_\_\_\_

Tax ID or SS#: \_\_\_\_\_

Address: 5311 E 5TH ST TUCSON AZ 85711-2331

STATE ARIZONA )  
COUNTY OF PIMA )ss

The foregoing instrument was acknowledged before me this 12 day of MARCH, 1999, by JAMES SCOTT STROHMEYER.

WITNESS my hand and official seal.



ESTHER CELAYA  
Notary Public - Arizona  
PIMA COUNTY  
My Commission Expires  
NOVEMBER 14, 1999

Esther Celaya  
Notary Public

STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )ss

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 March, 1999.

By: [Signature]  
Printed Name: Myrtle M. Westall  
Marital Status: Widow  
Spousal Signature: Deceased  
Tax ID or SS#: [Redacted]  
Address: 704 Bellvue  
Albion, N.M. 88310

STATE New Mexico )  
COUNTY OF Eddy )ss

The foregoing instrument was acknowledged before me this 18th day of March, 1999, by Myrtle M. Westall

WITNESS my hand and official seal.

[Signature]  
Notary Public

My commission expires: 2-23-2002

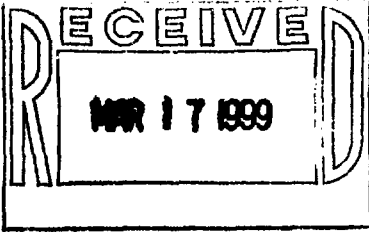
STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_



RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 15 day of March, 1999.

By: George Westall  
Printed Name: George Westall  
Marital Status: Married  
Spousal Signature: William Mae Westall  
Tax ID or SS#: [REDACTED]  
Address: Box 70 Kindso Downs  
NM 88346

STATE New Mexico)  
COUNTY OF Sinclair)ss

The foregoing instrument was acknowledged before me this 15 day of March, 1999, by George and William Mae Westall

WITNESS my hand and official seal.

Pam J Bernad  
Notary Public

My commission expires: May 15, 2000

STATE \_\_\_\_\_)  
COUNTY OF \_\_\_\_\_)ss

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 8th day of March, 1999.

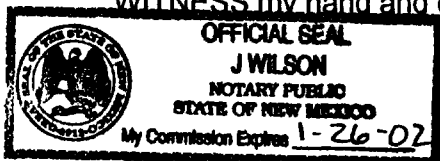
CENTENNIAL

By: [Signature]  
Printed Name: Don M. Fedric  
Marital Status: General Partner  
Spouse's Signature: \_\_\_\_\_  
Tax ID or SS#: [Redacted]  
Address: P O Box 1837  
Roswell NM 88202-1837

STATE New Mexico )  
 )ss  
COUNTY OF Chaves )

The foregoing instrument was acknowledged before me this 8th day of March, 1999, by Don M. Fedric, General Partner of CENTENNIAL, a New Mexico General Partnership, on behalf of said partnership.

WITNESS my hand and official seal.



[Signature]  
Notary Public

My commission expires: \_\_\_\_\_

STATE \_\_\_\_\_ )  
 )ss  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 27 day of APRIL, 1999.

Austin Family Trust U/T/A dated 3/22/95

By: Irving Graham Austin  
Printed Name: IRVING GRAHAM AUSTIN  
Marital Status: MARRIED  
Spousal Signature: Margaret Austin  
Tax ID or SS#: [REDACTED]  
Address: 24992 VNIELLIE GAIL  
LAGUNA HILLS, CA 92653

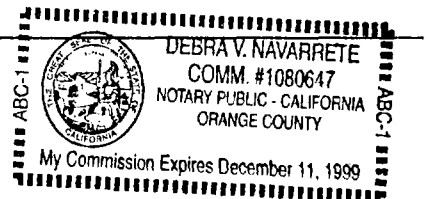
STATE California )  
COUNTY OF Orange )ss

The foregoing instrument was acknowledged before me this 27<sup>th</sup> day of April, 1999, by IRVING GRAHAM AUSTIN.

WITNESS my hand and official seal.

Debra V. Navarrete  
Notary Public

My commission expires: 12-11-99



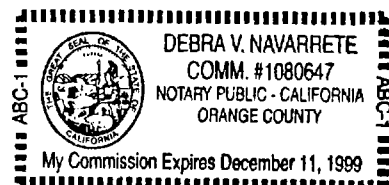
STATE California )  
COUNTY OF Orange )ss

The foregoing instrument was acknowledged before me this 27<sup>th</sup> day of April, 1999, by Margaret A Austin.

WITNESS my hand and official seal.

Debra V. Navarrete  
Notary Public

My commission expires: 12-11-99



**RATIFICATION AND JOINDER OF UNIT AGREEMENT**

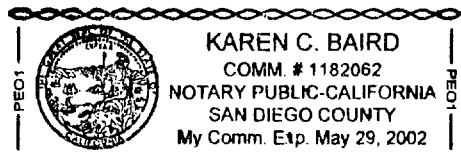
In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, New Mexico, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands of the State of New Mexico, the undersigned owner of lands and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 5 day of April, 1999.

By: *Teresa Laggner* *Cynewater*  
Printed Name: Teresa Laggner Conservator,  
for Nancy Carter  
Marital Status: N/A  
Spousal Signature: N/A  
Tax ID or SS#: [REDACTED]  
Address: PO Box 3659  
La Mesa, CA 91944-3659

STATE CALIF)  
COUNTY OF SAN DIEGO)ss



The foregoing instrument was acknowledged before me this 5 day of APRIL, 1999, by TERESA LAGGNER.

WITNESS my hand and official seal.

*Karen C. Baird*  
Notary Public

My commission expires: 5/29/2002

STATE \_\_\_\_\_)  
COUNTY OF \_\_\_\_\_)ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 10 day of March, 1999.

By: *Randy G. Patterson*  
Printed Name: Randy G. Patterson  
Marital Status: married  
Spousal Signature: *Annette C. Patterson*  
Tax ID or SS#: [REDACTED]  
Address: 1705 Washington  
Artesia NM 88210-1650

STATE NEW MEXICO )  
COUNTY OF EDDY )ss

The foregoing instrument was acknowledged before me this 10 day of March, 1999, by Randy G. Patterson and Annette C. Patterson, his wife.

WITNESS my hand and official seal.

*Therian S. Kordaw*  
Notary Public

My commission expires: 3/1/02

STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )ss

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 9th day of March, 1999.

JACK W. McCaw  
P. O. Box 127  
Artesia, N. M. 88211

By: Jack W. McCaw  
Printed Name: JACK W. McCaw  
Marital Status: married  
Spousal Signature: Mary Ann McCaw  
Tax ID or SS#: [REDACTED]  
Address: Box 127  
Artesia N.M. 88211-0127

STATE NEW MEXICO )  
COUNTY OF EDDY )ss

The foregoing instrument was acknowledged before me this 9th day of March, 1999, by Jack W. McCaw and Mary Ann McCaw, his wife.

WITNESS my hand and official seal.

Dorinda S. Stokew  
Notary Public

My commission expires: 3/1/02

STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )ss

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_



RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 11<sup>th</sup> day of March, 1999.

By: William C. White  
Printed Name: WILLIAM C. WHITE  
Marital Status: MARRIED  
Spousal Signature: Pamela S White  
Tax ID or SS#: [REDACTED]  
Address: 1614 N. 13<sup>th</sup> STREET  
ARTESIA, NM 88210

STATE New Mexico )  
COUNTY OF Eddy )ss

The foregoing instrument was acknowledged before me this 11<sup>th</sup> day of March, 1999, by William C White

WITNESS my hand and official seal.

Clairna L Hughes  
Notary Public

My commission expires: July 20 2001

STATE New Mexico )  
COUNTY OF Eddy )ss

The foregoing instrument was acknowledged before me this 11<sup>th</sup> day of March, 1999, by Pamela S White

WITNESS my hand and official seal.

Clairna L Hughes  
Notary Public

My commission expires: July 20 2001

## RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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.

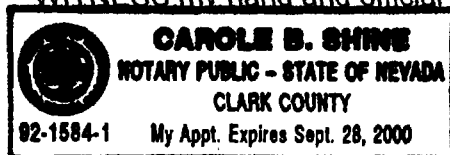
EXECUTED this 9th day of March, 1999.

By: Mary Kennedy Gore  
Printed Name: Mary Kennedy Gore  
Marital Status: widowed  
Spousal Signature: \_\_\_\_\_  
Tax ID or SS#: \_\_\_\_\_  
Address: 4749 E Mohave Avenue  
Las Vegas NV 89104-5826

STATE Nevada )  
COUNTY OF Clark ) ss

The foregoing instrument was acknowledged before me this 9th day of March, 1999, by Mary Kennedy Gore

WITNESS my hand and official seal.



My commission expires: \_\_\_\_\_

Carole B. Shine  
Notary Public  
Sept 23, 2000

STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_

WITNESS my hand and official seal.

My commission expires: \_\_\_\_\_

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 6 day of March, 1999.

By: [Signature]  
Printed Name: Willa Kathryn Kennedy  
Marital Status: Single  
Spousal Signature: \_\_\_\_\_  
Tax ID or SS#: \_\_\_\_\_  
Address: PO Box 1121  
Edgewood, NM 87015-1121

STATE New Mexico )  
COUNTY OF Sernalillo )ss

The foregoing instrument was acknowledged before me this 6 day of March, 1999, by Willa Kathryn Kennedy

WITNESS my hand and official seal.  
OFFICIAL SEAL  
LINDA A. JENNESS  
NOTARY PUBLIC-STATE OF NEW MEXICO  
My commission expires: May 14, 1999

[Signature]  
Notary Public

My commission expires: \_\_\_\_\_

STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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.

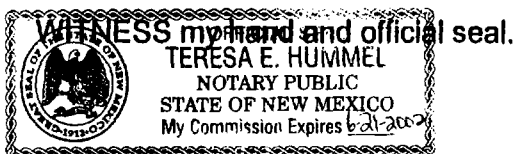
This Ratification and Joinder shall be binding upon the undersigned, and his, her or its heirs, devisees, executors, personal representatives, assigns, or successors in interest.

EXECUTED this 26th day of March, 1999.

By: EHW, LLC  
Printed Name: Charlene M. Ward, Mgr.  
Marital Status: widowed  
Spousal Signature: \_\_\_\_\_  
Tax ID or SS#: [REDACTED]  
Address: 101 South Fourth Street  
Artesia, New Mexico 88210

STATE New Mexico )  
COUNTY OF Eddy )ss

The foregoing instrument was acknowledged before me this 26th day of March, 1999, by Charlene M. Ward.



Teresa E. Hummel

Notary Public  
Teresa E. Hummel

My commission expires: 6-21-2002

STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 1st day of April, 1999.

BRAILLE INSTITUTE OF AMERICA, AGENCY  
ALERT #43100

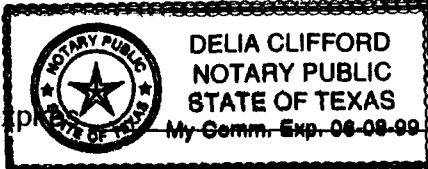
BY: Vickie M Rose

TAX ID [REDACTED]

STATE Texas )  
COUNTY OF Dallas )ss

The foregoing instrument was acknowledged before me this 1st day of April, 1999, by Vickie M. Rose, Vice President.

WITNESS my hand and official seal.

My commission expires: 

Delia Clifford  
Notary Public

STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

My commission expires: \_\_\_\_\_  
Notary Public

RATIFICATION AND JOINDER (

Notary problem  
Did not pursue.

In consideration of the execution of the Unit Agreement for the Operation of the **East Shugart (Delaware) Unit Area** form approved on behalf of the Secretary of the Interior of the State of New Mexico, the undersigned owner of the land therein, presently held or which may arise under existing lease in production, consents to the inclusion of said land in the (Delaware) Unit and expressly ratifies, approves and agrees that the terms of any lease given by the undersigned owner of the interest therein is extended and modified to the extent necessary to meet the terms of said Unit Agreement, and further agrees to the producing requirements of all leases and other contracts entered into which his, 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 18 day of March, 1999.

By: [Signature]  
Printed Name: JOHN WALLACE WALLRICH  
Marital Status: MARRIED  
Spousal Signature: [Signature]  
Tax ID or SS#: [REDACTED]  
Address: 2410 W. 7TH AVE  
ANCHORAGE AK 99502

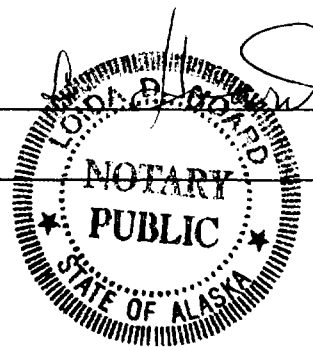
STATE ALASKA)  
COUNTY OF 3RD JUDICIAL DISTRICT)ss

The foregoing instrument was acknowledged before me this 18TH day of MARCH, 1999, by JOHN W. WALLRICH

WITNESS my hand and official seal.

My commission expires: My Commission Expires  
JUNE 21, 2002

[Signature]  
Notary Public



STATE Alaska)  
COUNTY OF                     )ss

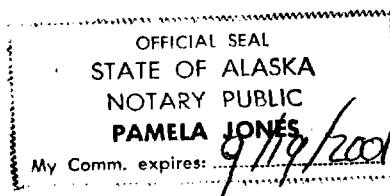
The foregoing instrument was acknowledged before me this 17 day of March, 1999, by Pamela Jones

WITNESS my hand and official seal.

My commission expires: 9/19/2001

Pamela Jones  
Notary Public

S:\ynne\shugart ratification



RA

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In consideration  
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*Need Acme?*

the terms of said Unit Agreement, and further agrees that the drilling, development, and  
producing requirements of all leases and other contracts under which his, 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.

t for the Development and  
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ommissioner of Public Lands  
eases and Royalty Interests  
reements, or other interests  
sts within the East Shugart  
Unit Agreement, and agrees  
h the undersigned claims an  
o make the same conform to

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 23<sup>rd</sup> day of March, 1999.

By: Beverly A. LeTourneau  
Printed Name: BEVERLY A. LETOURNEAU  
Marital Status: S  
Spousal Signature: -  
Tax ID or SS#: [REDACTED]  
Address: P.O. Box 487  
Fullerton, MA 55082

STATE Minnesota )  
COUNTY OF Washington )ss

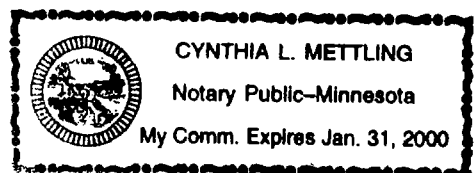
The foregoing instrument was acknowledged before me this 23<sup>rd</sup> day of March,  
1999, by Beverly A. LeTourneau

WITNESS my hand and official seal.

Cynthia L. Mettling  
Notary Public

My commission expires: 1/31/2000

STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )ss



The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_,  
1999, by \_\_\_\_\_

WITNESS my hand and official seal.

Notary Public

My commission expires: \_\_\_\_\_

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 22 day of MARCH, 1999.

By: Eugene Wallrich  
Printed Name: EUGENE WALLRICH  
Marital Status: MARRIED  
Spousal Signature: Janette L. Wallrich  
Tax ID or SS#: [REDACTED]  
Address: 6827 ELIOT VIEW ROAD  
MINNEAPOLIS, MN 55426

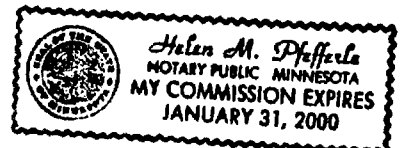
STATE MINNESOTA )  
COUNTY OF HENNEPIN )ss

The foregoing instrument was acknowledged before me this 22 day of March, 1999, by Eugene Wallrich

WITNESS my hand and official seal.

Helen M. Pfefferle  
Notary Public

My commission expires: 1-31-2000



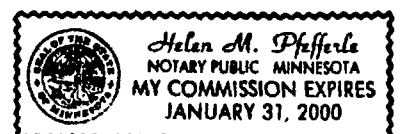
STATE MINNESOTA )  
COUNTY OF HENNEPIN )ss

The foregoing instrument was acknowledged before me this 22 day of March, 1999, by Janette L. Wallrich

WITNESS my hand and official seal.

Helen M. Pfefferle  
Notary Public

My commission expires: 1-31-2000





RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 23 day of MARCH, 1999.

By: John W. Wallrich Jr  
Printed Name: JOHN W. WALLRICH JR.  
Marital Status: MARRIED  
Spousal Signature: Helen E. Wallrich  
Tax ID or SS#: [REDACTED]  
Address: 416 N. ELMHURST AVE.  
MT. PROSPECT, IL. 60056-2012

STATE ILLINOIS)  
COUNTY OF COOK)ss

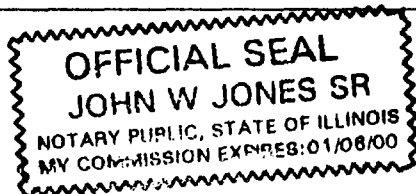
The foregoing instrument was acknowledged before me this 23<sup>RD</sup> day of MARCH, 1999, by JOHN W. WALLRICH JR.

WITNESS my hand and official seal.

My commission expires: 1-6-2000

John W. Jones Sr  
Notary Public

STATE ILLINOIS)  
COUNTY OF COOK)ss



The foregoing instrument was acknowledged before me this 23<sup>RD</sup> day of MARCH, 1999, by HELEN E. WALLRICH

WITNESS my hand and official seal.

My commission expires: 1-6-2000

John W. Jones Sr  
Notary Public



RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 8<sup>th</sup> day of March, 1999.

By: Lucy McCarley  
Printed Name: Lucy McCarley  
Marital Status: SINGLE  
Spousal Signature: \_\_\_\_\_  
Tax ID or SS#: \_\_\_\_\_  
Address: 4463 SPRINGMOOR CIRCLE  
RALEIGH, NC 27615-5707

STATE NC )  
COUNTY OF WAKE )ss

The foregoing instrument was acknowledged before me this 8<sup>th</sup> day of March, 1999, by Lucy McCarley.

WITNESS my hand and official seal.

Donetta Langston  
Notary Public

My commission expires: 4-1-2000

STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 8<sup>TH</sup> day of MARCH, 1999.

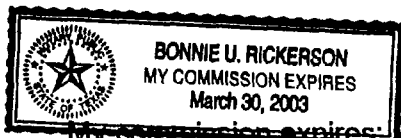
G. S. Loffland  
V.P. & GEN. MGR.

By: LOFFLAND LIMITED PARTNERSHIP  
Printed Name: GARY S. LOFFLAND  
Marital Status: \_\_\_\_\_  
Spousal Signature: \_\_\_\_\_  
Tax ID or SS#: \_\_\_\_\_  
Address: 6300 RIDGLEA PLACE STE. 717  
FORT WORTH, TEXAS 76116

STATE TEXAS )  
COUNTY OF TARRANT )ss

The foregoing instrument was acknowledged before me this 8<sup>TH</sup> day of March, 1999, by GARY S. LOFFLAND.

WITNESS my hand and official seal.



My commission expires: 3-30-03

Bonnie U. Rickerson  
Notary Public

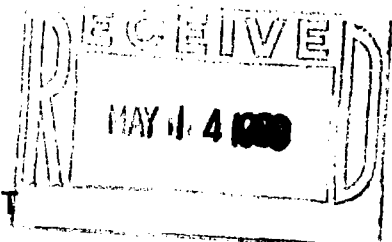
STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )ss

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_



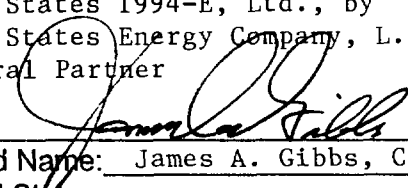
RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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.

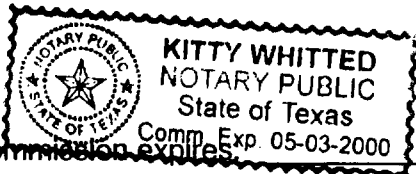
EXECUTED this 11 day of May, 1999.

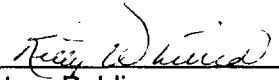
Five States 1994-E, Ltd., by  
Five States Energy Company, L.L.C.,  
General Partner

By:   
Printed Name: James A. Gibbs, Chairman  
Marital Status: \_\_\_\_\_  
Spousal Signature: \_\_\_\_\_  
Tax ID or SS#: [REDACTED]  
Address: 4925 Greenville Ave., #1220  
Dallas, TX 75206

STATE TEXAS )  
 )ss  
COUNTY OF DALLAS )

The foregoing instrument was acknowledged before me this 11th day of May, 1999, by James A. Gibbs as Chairman of Five States Energy Company, LLC, a  
Texas limited liability company  
WITNESS my hand and official seal.

  
My commission expires: 05-03-2000

  
Notary Public

STATE \_\_\_\_\_ )  
 )ss  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

My commission expires: \_\_\_\_\_  
Notary Public



RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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.

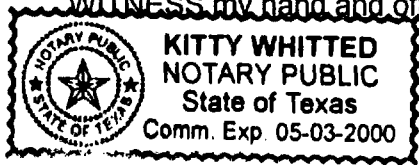
EXECUTED this 11 day of May, 1999.

Five States 1995-D, Ltd., by  
Five States Energy Company, L.L.C.,  
General Partner  
By: [Signature]  
Printed Name: James A. Gibbs, Chairman  
Marital Status: \_\_\_\_\_  
Spousal Signature: \_\_\_\_\_  
Tax ID or SS#: [Redacted]  
Address: 4925 Greenville Ave., #1220  
Dallas, TX 75206

STATE TEXAS )  
COUNTY OF DALLAS )ss

The foregoing instrument was acknowledged before me this 11th day of May, 1999, by James A. Gibbs as Chairman of Five States Energy Company, L.L.C., a Texas limited liability company

WITNESS my hand and official seal.



[Signature]  
Notary Public

My commission expires: \_\_\_\_\_

STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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.

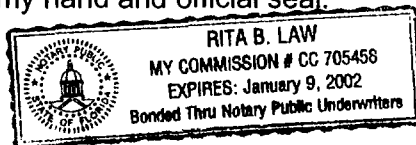
EXECUTED this 15 day of MARCH, 1999.

By: Paul J. Anderson  
Printed Name: PAUL J. ANDERSON  
Marital Status: MARRIED  
Spousal Signature: Janice L. Anderson  
Tax ID or SS#: [REDACTED]  
Address: 728 GOLF LAKE DR  
NISSWA MN. 56468

STATE Florida )  
COUNTY OF Collier )ss

The foregoing instrument was acknowledged before me this 16 day of March, 1999, by Paul Anderson.

WITNESS my hand and official seal.



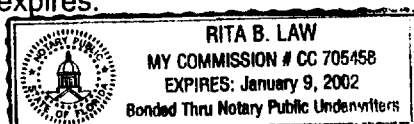
Rita B. Law  
Notary Public

My commission expires: \_\_\_\_\_

STATE Florida )  
COUNTY OF Collier )ss

The foregoing instrument was acknowledged before me this 16 day of March, 1999, by Janice Anderson.

WITNESS my hand and official seal.



Rita B. Law  
Notary Public

My commission expires: \_\_\_\_\_

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 8th day of March, 1999.

By: Deborah Fedric  
Printed Name: Deborah Fedric  
Marital Status: Married  
Spousal Signature: Don M. Fedric  
Tax ID or SS#: [REDACTED]  
Address: P O Box 1771  
Roswell NM 88202-1771

STATE New Mexico )  
COUNTY OF Chaves )ss

The foregoing instrument was acknowledged before me this 8th day of March, 1999, by Deborah Fedric and Don M. Fedric, her husband.



J. Wilson  
Notary Public

My commission expires: \_\_\_\_\_

STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )ss

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_



RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 8 day of JUNE, 1999.

By: [Signature]  
Printed Name: T. E. Brown, Jr. ;  
Marital Status: Married  
Spousal Signature: Mary F. Brown  
Tax ID or SS#: [Redacted]  
Address: P. O. Box 68  
Artesia, NM 88211-0068

STATE NEW MEXICO )  
 )ss  
COUNTY OF EDDY )

The foregoing instrument was acknowledged before me this 8th day of June, 1999, by T. E. Brown, Jr. and Mary F. Brown, his wife.

WITNESS my hand and official seal.

[Signature]  
Notary Public

My commission expires: Sept. 26, 1999

STATE \_\_\_\_\_ )  
 )ss  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 9<sup>th</sup> day of March, 1999.

Orion Properties, Inc.

By: Donald W. Stephens, President  
Printed Name: Donald W. Stephens  
Marital Status: \_\_\_\_\_  
Spousal Signature: \_\_\_\_\_  
Tax ID or SS#: [REDACTED]  
Address: 11776 So. 76th E. Ave.  
Bixby, Oklahoma 74008

STATE Oklahoma )  
 )ss  
COUNTY OF Tulsa )

The foregoing instrument was acknowledged before me this 9<sup>th</sup> day of March, 1999, by Donald W. Stephens, President of Orion Properties, Inc.

WITNESS my hand and official seal.

Carol Myers  
Notary Public

My commission expires: April 5, 2000

STATE \_\_\_\_\_ )  
 )ss  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

**RATIFICATION AND JOINDER OF UNIT AGREEMENT**

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 9<sup>th</sup> day of March, 1999.

King Properties, Inc.

By: Donald W. Stephens, President  
Printed Name: Donald W. Stephens  
Marital Status: \_\_\_\_\_  
Spousal Signature: \_\_\_\_\_  
Tax ID or SS#: [REDACTED]  
Address: P.O. Box 10  
Bixby, Oklahoma 74008

STATE Oklahoma )  
COUNTY OF Tulsa )ss

The foregoing instrument was acknowledged before me this 9<sup>th</sup> day of March, 1999, by Donald W. Stephens, President of King Properties, Inc.

WITNESS my hand and official seal.

Carol Myers  
Notary Public

My commission expires: April 5, 2000

STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )ss

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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.

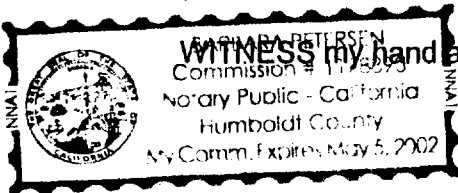
This Ratification and Joinder shall be binding upon the undersigned, and his, her or its heirs, devisees, executors, personal representatives, assigns, or successors in interest.

EXECUTED this 8 day of March, 1999.

By: [Signature]  
Printed Name: JACK FOLKNER  
Marital Status: MARRIED  
Spousal Signature: Betty J Folkner  
Tax ID or SS#: [Redacted]  
Address: P. O. Box 39  
LOLETA CA 95551

STATE California )  
COUNTY OF Humboldt )ss

The foregoing instrument was acknowledged before me this 8<sup>th</sup> day of March 1999, by Barbara Petersen, Notary Public Jack Folkner and Betty J Folkner



[Signature]  
Notary Public

My commission expires: May 5, 2002

STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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.

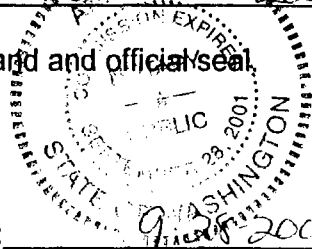
EXECUTED this 8<sup>th</sup> day of April, 1999.

By: Louise Falkner Lane  
Printed Name: Louise Falkner Lane  
Marital Status: Married - Sole owner  
Spousal Signature: NA - Sole  
Tax ID or SS#: [REDACTED]  
Address: 6206 84<sup>th</sup> St. E  
Puyallup, Wa 98371-6342

STATE Washington )  
COUNTY OF Pierce )ss

The foregoing instrument was acknowledged before me this 8<sup>th</sup> day of April, 1999, by Louise Falkner Lane

WITNESS my hand and official seal.



Anne Lane  
Notary Public

My commission expires: 9/28/2001

STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public


My commission expires: \_\_\_\_\_

22

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.

By: Robert F. Folkner  
 Printed Name: Robert F. Folkner  
 Marital Status: Married  
 Spousal Signature: Teresa A. Folkner  
 Tax ID or SS#: [REDACTED]  
 Address: 1807 W. Canary Way  
Chandler AZ 85248

The foregoing instrument was acknowledged before me this 16 day of March, 1999, by Robert L. Folker and Louise A. Folker only


 OFFICIAL SEAL  
 KEITH A. BECCUE Notary Public  
 Notary Public - State of Arizona  
 MARICOPA COUNTY  
 My Comm. Expires Mar. 20, 2005

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

**My commission expires:**

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 9 day of April, 1999.

By: Stephen Francis Folkner  
Printed Name: STEPHEN Francis Folkner  
Marital Status: NONE  
Spousal Signature: \_\_\_\_\_  
Tax ID or SS#: \_\_\_\_\_  
Address: 213 Camino Cuatro S.W.  
ALB N.M. 87105

STATE New Mexico )  
COUNTY OF Bernalillo )ss

The foregoing instrument was acknowledged before me this 9<sup>th</sup> day of April, 1999, by CA SANCHEZ.

WITNESS my hand and official seal.

My commission expires: 3/6/2001  
Notary Public [Signature]

STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )ss

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

My commission expires: \_\_\_\_\_  
Notary Public \_\_\_\_\_

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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<sup>rd</sup> day of MAY, 1999.

By: [Signature]  
Printed Name: John C. Folkner  
Marital Status: single  
Spousal Signature: \_\_\_\_\_  
Tax ID or SS#: \_\_\_\_\_  
Address: 8207 SAN JUAN NE  
Albuquerque, NM 8710

STATE New Mexico )  
COUNTY OF Bernalillo )ss

The foregoing instrument was acknowledged before me this 3<sup>rd</sup> day of June, 1999, by John C. Folkner

WITNESS my hand and official seal.

[Signature]  
Notary Public  
My commission expires: February 10, 2001

STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public  
My commission expires: \_\_\_\_\_



RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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.

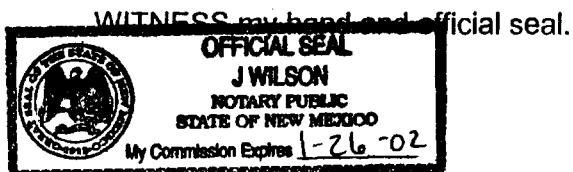
This Ratification and Joinder shall be binding upon the undersigned, and his, her or its heirs, devisees, executors, personal representatives, assigns, or successors in interest.

EXECUTED this 10th day of March, 1999.

By: George H. Hunker, Jr.  
Printed Name: George H. Hunker, Jr.  
Marital Status: Married  
Spousal Signature: Margaret K. Hunker  
Tax ID or SS#: [REDACTED]  
Address: P O Box 1837  
Roswell NM 88202-1837

STATE New Mexico )  
 )ss  
COUNTY OF Chaves )

The foregoing instrument was acknowledged before me this 10th day of March, 1999, by George H. Hunker, Jr. and Margaret K. Hunker, husband and wife.



My commission expires: \_\_\_\_\_

J. Wilson  
Notary Public

STATE \_\_\_\_\_ )  
 )ss  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 29 day of MARCH, 1999.

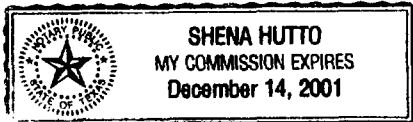
NATIONSBANK, N.A., TRUSTEE UWO DAVID B TRAMMELL

By: Janet M Cunningham  
Printed Name: JANET M. CUNNINGHAM  
Marital Status: ASSISTANT VICE PRESIDENT  
Spousal Signature: \_\_\_\_\_  
Tax ID or SS#: \_\_\_\_\_  
Address: PO Box 2546  
FT WORTH TX 76113

STATE TEXAS )  
COUNTY OF TARRANT )ss

The foregoing instrument was acknowledged before me this 29 day of MARCH, 1999, by JANET M C UNNINGHAM, ASSISTANT VICE PRES NATIONSBANK, NA.

WITNESS my hand and official seal.



Shena Hutto  
Notary Public

My commission expires: \_\_\_\_\_

STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )ss

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 29 day of MARCH, 1999.

NATIONSBANK, NA., TRUSTEE UWO MILDRED M TRAMMELL DECD

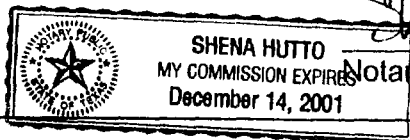
By: Janet M Cunningham  
Printed Name: JANET M. CUNNINGHAM  
Marital Status: ASSISTANT VICE PRESIDENT  
Spousal Signature: \_\_\_\_\_  
Tax ID or SS#: \_\_\_\_\_  
Address: PO Box 2346  
FT WORTH TX 76113

STATE TEXAS )  
 ) ss  
COUNTY OF TARRANT )

The foregoing instrument was acknowledged before me this 29 day of MARCH, 1999, by JANET M CUNNINGHAM, ASSISTANT VICE PRES NATIONSBANK, NA.

WITNESS my hand and official seal.

My commission expires:



Shena Hutto  
Notary Public

STATE \_\_\_\_\_ )  
 ) ss  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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.

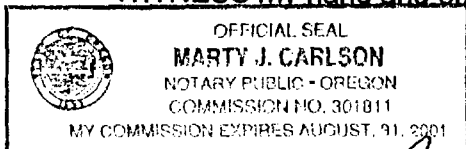
EXECUTED this 30 day of MARCH, 1999.

By: *Richard D. Borgaard*  
Printed Name: RICHARD D. BORGAARD  
Marital Status: deeding in his sole and separate  
Spousal Signature: property  
Tax ID or SS#: [REDACTED]  
Address: 8882 NE MEADOW RIDGE RD  
PRINEVILLE OR 97734

STATE Oregon )  
COUNTY OF Cook )ss

The foregoing instrument was acknowledged before me this 30<sup>th</sup> day of March, 1999, by Richard D. Borgaard

WITNESS my hand and official seal.



My commission expires: Aug 31, 2001

*Marty J. Carlson*  
Notary Public

STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 23 day of March, 1999.

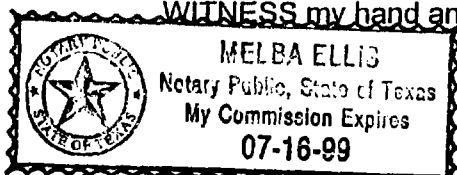
Margaret Johnson McCurdy DBA McCurdy Oil Company

By: *L.E. Bearden Jr*  
Printed Name: L.E. Bearden, Jr.- POA attached  
Marital Status: widowed  
Spousal Signature: \_\_\_\_\_  
Tax ID or SS#: [REDACTED]  
Address: 2525 Ridgmar Blvd., Room 300  
Ft Worth, Tx 76116

STATE Texas )  
COUNTY OF Tarrant )ss

The foregoing instrument was acknowledged before me this 23 day of March, 1999, by L.E. Bearden, Jr.

WITNESS my hand and official seal.



My commission expires: 7/16/99

*Melba Ellis*  
Notary Public

STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

STATUTORY DURABLE POWER OF ATTORNEY

I, MARGARET J. MCCURDY

2107 Spanish Trail  
Fort Worth, Texas 76107  
Social Security No. [REDACTED]

appoint L. E. BEARDEN, JR.  
2525 Ridgmar Blvd., Suite 300  
Fort Worth, Texas 76116  
Social Security No. [REDACTED]

as my agent and attorney-in-fact to act for me in any lawful way  
with respect to the following initialed subjects:

- \_\_\_\_ (A) real property transactions;
- \_\_\_\_ (B) tangible personal property transactions;
- \_\_\_\_ (C) stock and bond transactions;
- \_\_\_\_ (D) commodity and option transactions;
- \_\_\_\_ (E) banking and other financial institution transactions;
- \_\_\_\_ (F) business operating transactions;
- \_\_\_\_ (G) insurance and annuity transactions;
- \_\_\_\_ (H) estate, trust, and other beneficiary transactions;
- \_\_\_\_ (I) claims and litigation;
- \_\_\_\_ (J) personal and family maintenance;
- \_\_\_\_ (K) benefits from Social Security, Medicare, Medicaid, or  
other governmental programs or civil or military service;
- \_\_\_\_ (L) retirement plan transactions;
- \_\_\_\_ (M) tax matters;
- MM (N) All of the powers listed in (A) through (M).

[You need not initial any other lines if you initial Line N.]

Special Instructions: On the following lines you may give special  
instructions limiting or extending the powers granted to your  
agent.

NONE

---

This Power of Attorney becomes effective upon my disability or  
incapacity. I agree that any third party who receives a copy of  
this document may act under it. Revocation of this Durable Power  
of Attorney is not effective as to a third party until the third  
party receives actual notice of the revocation. I agree to  
indemnify the third party for any claims that arise against the  
third party because of reliance on this Power of Attorney.

If any agent named by me dies, becomes legally disabled, resigns, or refuses to act, I name the following (each to act alone and successively, in the order named) as successor(s) to that agent:

1. Name: Robert N. McCurdy II

Address: Route 1, Box 30X  
Bastrop, Texas 78602

Social Security No: [REDACTED]

Signed this the 22 day of August, 1995.

Margaret J. McCurdy  
Margaret J. McCurdy

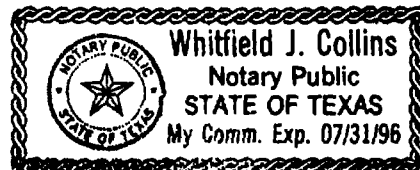
THE STATE OF TEXAS

S  
S  
S

COUNTY OF TARRANT

This instrument was acknowledged before me on the 22<sup>nd</sup>  
day of August, 1995, by MARGARET J. MCCURDY.

Whitfield J. Collins  
Notary Public in and for  
the State of Texas



D195233260  
MCCURDY OIL CO  
2525 RIDGMAR BLVD #300  
FT WORTH, TX 76116

-W A R N I N G-T H I S I S P A R T O F T H E O F F I C I A L R E C O R D--D O N O T D E S T R O Y

I N D E X E D -- T A R R A N T C O U N T Y T E X A S  
S U Z A N N E H E N D E R S O N -- C O U N T Y C L E R K  
O F F I C I A L R E C E I P T

T O: M C C U R D Y O I L C O

RECEIPT NO	REGISTER	RECD-BY	PRINTED DATE	TIME
196070689	DR93	T000224	12/21/95	14:47

	INSTRUMENT	FEECD	INDEXED	TIME	
1	D195233260	WD	951221	14:47	CK 14833

T O T A L : D O C U M E N T S : 01 F E E S : 11.00

B Y: 

ANY PROVISION WHICH RESTRICTS THE SALE RENTAL OR USE  
OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE  
IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

12207 0656



RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 22<sup>ND</sup> day of APRIL, 1999.

HARMAC 0:1 & GRS  
By: [Signature]  
Printed Name: G. L. McCann  
Marital Status: \_\_\_\_\_  
Spousal Signature: \_\_\_\_\_  
Tax ID or SS#: \_\_\_\_\_  
Address: 221 E. NORTH ST.  
GRAPEVINE, TX 76051-5318

STATE TEXAS )  
COUNTY OF TARRANT )ss

The foregoing instrument was acknowledged before me this 22<sup>ND</sup> day of APRIL, 1999, by G. L. MCCANN ONLY.

WITNESS my hand and official seal.



My commission expires: 6-19-2000

[Signature]  
Notary Public

STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

My commission expires: \_\_\_\_\_  
Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 March, 1999.

DNR Oil & Gas Inc.

By: Charles B. Davis  
Printed Name: Charles B. Davis, President  
Marital Status: \_\_\_\_\_  
Spousal Signature: \_\_\_\_\_  
Tax ID or SS#: [REDACTED]  
Address: 655 Broadway, Suite 525  
Denver, CO 80203

STATE COLORADO)  
COUNTY OF DENVER)ss

The foregoing instrument was acknowledged before me this 19 day of March, 1999, by Charles B. Davis, President

WITNESS my hand and official seal.

[Signature]  
Notary Public

My commission expires: October 1, 2001

STATE \_\_\_\_\_)  
COUNTY OF \_\_\_\_\_)ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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.

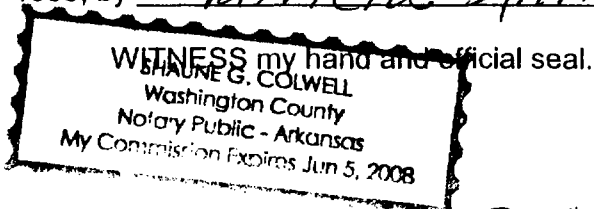
This Ratification and Joinder shall be binding upon the undersigned, and his, her or its heirs, devisees, executors, personal representatives, assigns, or successors in interest.

EXECUTED this 1<sup>st</sup> day of APRIL, 1999.

By: Patricia Ann Brunson  
Printed Name: PATRICIA ANN BRUNSON  
Marital Status: SINGLE  
Spousal Signature: \_\_\_\_\_  
Tax ID or SS#: \_\_\_\_\_  
Address: P.O. Box 1353  
SPRINGDALE, AR 72764

STATE Arkansas)  
COUNTY OF Washington)ss

The foregoing instrument was acknowledged before me this 1<sup>st</sup> day of April, 1999, by Patricia Ann Brunson.



Shaune Colwell  
Notary Public

My commission expires: 6-5-2008

STATE \_\_\_\_\_)  
COUNTY OF \_\_\_\_\_)ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 29 day of March, 1999.

By Jimmie L. Charlesworth  
Printed Name: Jimmie L. Charlesworth  
Marital Status: Married  
Spousal Signature: Cherokee Charlesworth  
Tax ID or SS#: [REDACTED]  
Address: Rt. 4 Box 140 B  
Reeford, Texas 79015

STATE Texas )  
COUNTY OF Deaf Smith ) ss

The foregoing instrument was acknowledged before me this 29<sup>th</sup> day of March, 1999, by Vel Simpson Jimmie L. Charlesworth.

WITNESS my hand and official seal.

Vel Simpson  
Notary Public

My commission expires: 9-7-02

STATE Texas )  
COUNTY OF Deaf Smith ) ss

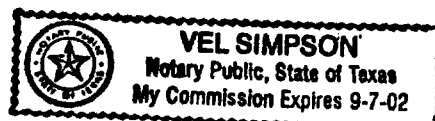


The foregoing instrument was acknowledged before me this 29<sup>th</sup> day of March, 1999, by Cherokee Charlesworth.

WITNESS my hand and official seal.

Vel Simpson  
Notary Public

My commission expires: 9-7-02



RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 15 day of March, 1999.

By: Bette Taylor Garner  
Printed Name: \_\_\_\_\_  
Marital Status: Single  
Spousal Signature: \_\_\_\_\_  
Tax ID or SS#: \_\_\_\_\_  
Address: 6113 Edith NE #150  
Albuquerque New Mexico 87109

STATE New Mexico )  
COUNTY OF Bernalillo )ss

The foregoing instrument was acknowledged before me this 15<sup>th</sup> day of March, 1999, by Virginia Parker

WITNESS my hand and official seal.

Randall B Parker  
Notary Public

My commission expires: 1-20/2000

STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )ss

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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.

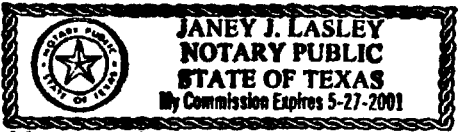
EXECUTED this 4th day of June, 1999.

By: Ray Sharp  
Printed Name: Ray Sharp, President  
Marital Status: Acme Land Company  
Spousal Signature P.O Box 66  
Tax ID or SS#: Joplin, MO 64802  
Address: Tax ID [REDACTED]

STATE TEXAS )  
 )ss  
COUNTY OF MIDLAND )

The foregoing instrument was acknowledged before me this 4th day of June, 1999, by RAY SHARP

WITNESS my hand and official seal.



Janey J. Lasley  
Notary Public

My commission expires: \_\_\_\_\_

STATE \_\_\_\_\_ )  
 )ss  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 19th day of April, 1999.

By: *F. Andrew Grooms*  
Printed Name: BRANEX RESOURCES, INC.  
Marital Status: By F. Andrew Grooms, President  
Spousal Signature: Not Applicable  
Tax ID or SS#: [REDACTED]  
Address: BRANEX RESOURCES, INC.  
P.O. BOX 2328  
ROSWELL, N.M. 80202-2328

STATE New Mexico )  
 )ss  
COUNTY OF Chaves )

The foregoing instrument was acknowledged before me this 19th day of April, 1999, by F. Andrew Grooms, President of Branex Resources, Inc. a New Mexico Corporation on behalf of said corporation.  
WITNESS my hand and official seal.

My commission expires: 1-29-02

*Leann Lawlis*  
Notary Public

OFFICIAL SEAL  
LEANN LAWLIS  
NOTARY PUBLIC  
STATE OF NEW MEXICO  
My Commission Expires 1-29-02

STATE \_\_\_\_\_ )  
 )ss  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.  
WITNESS my hand and official seal.

Notary Public  
My commission expires: \_\_\_\_\_

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 10<sup>th</sup> day of MARCH, 1999.

By: *Olin E Groves*  
Printed Name: OLIN E. GROVES  
Marital Status: M  
Spousal Signature: *Barbara L. Groves*  
Tax ID or SS#: [REDACTED]  
Address: 2507 CIMMANON, MIDLAND,  
TX 79705

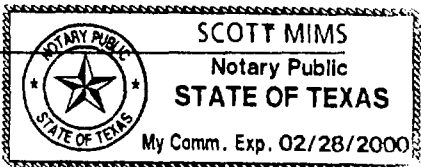
STATE TEXAS )  
COUNTY OF MIDLAND )ss

The foregoing instrument was acknowledged before me this 10<sup>th</sup> day of MARCH, 1999, by OLIN E. GROVES.

WITNESS my hand and official seal.

*Scott Mims*  
Notary Public

My commission expires: 2/28/2000



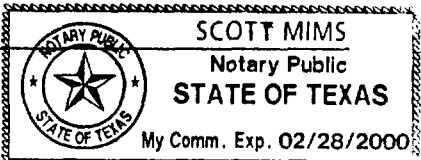
STATE TEXAS )  
COUNTY OF MIDLAND )ss

The foregoing instrument was acknowledged before me this 10<sup>th</sup> day of MARCH, 1999, by BARBARA L. GROVES.

WITNESS my hand and official seal.

*Scott Mims*  
Notary Public

My commission expires: 2/28/2000





RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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<sup>nd</sup> day of April, 1999.

Cecil E. and Ella Belle Holeman, Trust A

By: Ella Belle Holeman  
Printed Name: Ella Belle Holeman, Trustee  
Marital Status: Widow  
Spousal Signature: \_\_\_\_\_  
Tax ID or SS#: \_\_\_\_\_  
Address: 1303 W. Avenue J  
Lovington, NM 86260

STATE NEW MEXICO )  
 )ss  
COUNTY OF LEA )

The foregoing instrument was acknowledged before me this 2<sup>nd</sup> day of April, 1999, by Ella Belle Holeman, Trustee of the Cecil E. and Ella Belle Holeman, Trust A.

WITNESS my hand and official seal.

Judy Blevins  
Notary Public

My commission expires: 4-27-99

STATE \_\_\_\_\_ )  
 )ss  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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<sup>nd</sup> day of April, 1999.

Cecil E. and Ella Belle Holeman, Trust B

By: Ella Belle Holeman  
Printed Name: Ella Belle Holeman, Trustee  
Marital Status: Widow  
Spousal Signature: \_\_\_\_\_  
Tax ID or SS#: \_\_\_\_\_  
Address: 1303 W. Avenue J  
Loveington, NM 88260

STATE NEW MEXICO )  
 )ss  
COUNTY OF LEA )

The foregoing instrument was acknowledged before me this 2<sup>nd</sup> day of April, 1999, by Ella Belle Holeman, Trustee of the Cecil E. and Ella Belle Holeman, Trust B.

WITNESS my hand and official seal.

Enelyn Blwino  
Notary Public

My commission expires: 4-27-99

STATE \_\_\_\_\_ )  
 )ss  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 25 day of MARCH, 1999.

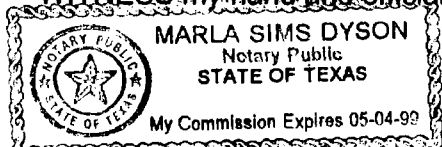
PrimeEnergy Asset & Income Fund, L.P. AA-3

By: Beverly A. Cummings  
Printed Name: Beverly A. Cummings, Ex. VP  
Marital Status: \_\_\_\_\_  
Spousal Signature: \_\_\_\_\_  
Tax ID or SS#: [REDACTED]  
Address: MAILING: 2900 Wilcrest Drive, Suite 475  
Houston, TX 77042  
REVENUE: P. O. Box 297644  
Houston, TX 77297-0644

STATE TEXAS )  
COUNTY OF HARRIS )ss

The foregoing instrument was acknowledged before me this 25 day of MARCH, 1999, by BEVERLY A. CUMMINGS, EXECUTIVE VICE PRESIDENT.

WITNESS my hand and official seal.



Marla Sims Dyson  
Notary Public

My commission expires: \_\_\_\_\_

STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )ss

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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.

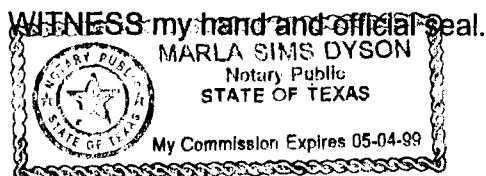
EXECUTED this 25 day of MARCH, 1999.

PrimeEnergy Asset & Income Fund, L.P. AA-4

By: Beverly A. Cummings  
Printed Name: Beverly A. Cummings, Ex. VP  
Marital Status: \_\_\_\_\_  
Spousal Signature: \_\_\_\_\_  
Tax ID or SS#: [REDACTED]  
Address: MAILING: 2900 Wilcrest Drive, Suite 475  
Houston, TX 77042  
REVENUE: P. O. Box 297644  
Houston, TX 77297-0644

STATE TEXAS )  
 )ss  
COUNTY OF HARRIS )

The foregoing instrument was acknowledged before me this 25 day of MARCH, 1999, by BEVERLY A. CUMMINGS, EXECUTIVE VICE PRESIDENT.



Marla Sims Dyson  
Notary Public

My commission expires: \_\_\_\_\_

STATE \_\_\_\_\_ )  
 )ss  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 1<sup>st</sup> day of April, 1999.

By: Sally Meader Roberts  
Printed Name: SALLY J. MEADER-ROBERTS  
Marital Status: MARRIED  
Spousal Signature: Doss N Roberts  
Tax ID or SS#: [REDACTED]  
Address: 704 DELMAR  
MIDLAND, TX 79703

STATE TEXAS )  
 )ss  
COUNTY OF MIDLAND )

The foregoing instrument was acknowledged before me this 1<sup>st</sup> day of April, 1999, by SALLY J MEADER-ROBERTS & DOSS N ROBERTS

WITNESS my hand and official seal.

My commission expires:  Randy Biggs  
Notary Public

STATE \_\_\_\_\_ )  
 )ss  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_

WITNESS my hand and official seal.

My commission expires: \_\_\_\_\_  
Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 30 day of March, 1999.

By: Vivian C. Brunson  
Printed Name: VIVIAN C. BRUNSON  
Marital Status: DIVORCED  
Spousal Signature: \_\_\_\_\_  
Tax ID or SS#: \_\_\_\_\_  
Address: 4205 Lankford  
Springdale, AR, 72762

STATE Arkansas )  
COUNTY OF Washington )<sup>SS</sup>

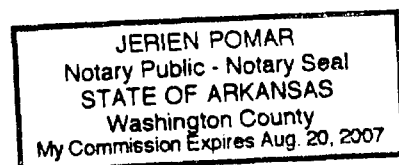
The foregoing instrument was acknowledged before me this 30<sup>th</sup> day of March, 1999, by Vivian C. Brunson

WITNESS my hand and official seal.

Jerien Pomar  
Notary Public

My commission expires: 8-20-07

STATE \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )<sup>SS</sup>



The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1999, by \_\_\_\_\_

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_


## RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 7<sup>th</sup> day of June, 1999.

18-31, Inc.



Wendell W. Iverson, President

Tax ID or SS#: [REDACTED]

Address: P. O. Box 1120

Roswell, NM 88202

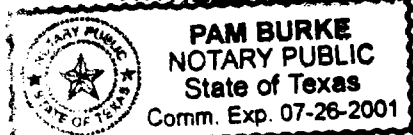
STATE OF TEXAS

§  
§  
§

COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me this 7<sup>th</sup> day of June, 1999, by Wendell W. Iverson, as President of 18-31, Inc., a New Mexico corporation, on behalf of said corporation.

WITNESS my hand and official seal.



My commission expires: 07/26/2001



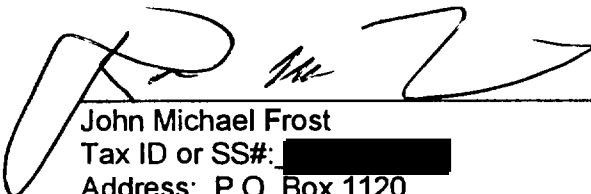
Notary Public, State of

## RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 22 day of June, 1999.

  
\_\_\_\_\_  
John Michael Frost  
Tax ID or SS#: [REDACTED]  
Address: P.O. Box 1120  
Roswell, NM 88202

STATE OF WASHINGTON      §  
   §  
COUNTY OF King      §

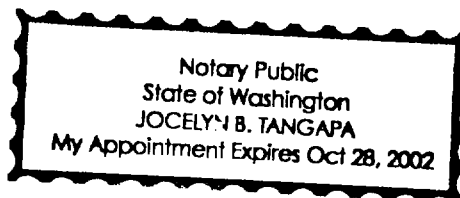
This instrument was acknowledged before me this 22nd day of June, 1999, by John Michael Frost, dealing with his sole and separate property.

WITNESS my hand and official seal.

My commission expires: October 28, 2002

  
\_\_\_\_\_  
Notary Public, State of

S:\ynne\shugart ratification





## RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 15 day of June, 1999.

*Marianne Keohane Frost*

Marianne Keohane Frost

Tax ID or SS# [REDACTED]

Address: P.O. Box 1120

Roswell, NM 88202

STATE OF WASHINGTON §

COUNTY OF King §

This instrument was acknowledged before me this 15 day of June, 1999, by Marianne Keohane Frost, dealing with her sole and separate property.

WITNESS my hand and official seal.

My commission expires: 9/20/2001

*[Signature]*  
Notary Public, State of

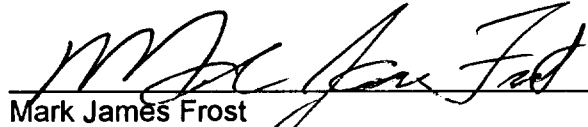
S:\mine\shugart ratification

## RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 10<sup>th</sup> day of June, 1999.



Mark James Frost

Tax ID or SS#: [REDACTED]

Address: P.O. Box 1120  
Roswell, NM 88202

STATE OF WASHINGTON

§

COUNTY OF King

§

§

This instrument was acknowledged before me this 10<sup>th</sup> day of June, 1999, by Mark James Frost, dealing with his sole and separate property.

WITNESS my hand and official seal.



Notary Public, State of

My commission expires: Aug 15, 2000

S:\ynne\shugart ratification



## RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 6 day of June, 1999.

Theresa Ann Frost

Theresa Ann Frost

Tax ID or SS#: [REDACTED]

Address: P.O. Box 1120

Roswell, NM 88202

STATE OF WASHINGTON §

COUNTY OF KING §

This instrument was acknowledged before me this 6<sup>th</sup> day of JULY, 1999, by Theresa Ann Frost, dealing with her sole and separate property.

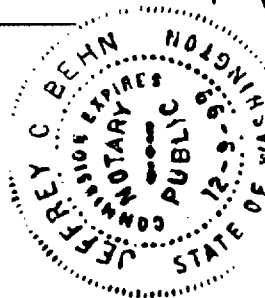
WITNESS my hand and official seal.

[Signature]

Notary Public, State of WA

My commission expires: 12/9/99

S:\lynne\shugart ratification

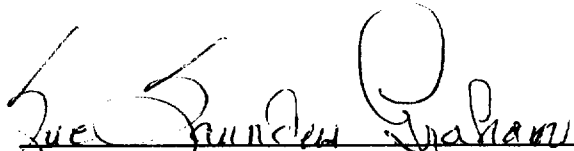


## RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 23 day of June, 1999.



Sue Saunders Graham

Tax ID or SS#: [REDACTED]

Address: P.O. Box 987

Roswell, NM 88202

STATE OF NEW MEXICO

§

§

COUNTY OF CHAVES

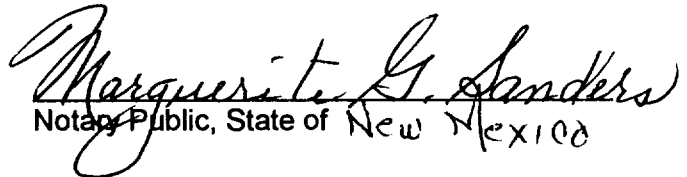
§

This instrument was acknowledged before me this 23 day of June, 1999, by Sue Saunders Graham, dealing with her sole and separate property.

WITNESS my hand and official seal.

My commission expires

May 31, 2003



Notary Public, State of New Mexico

S:\ynne\shugart ratification

## RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 16 day of June, 1999.

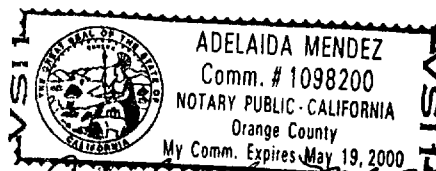


Peter Brander Iverson  
Donald S. Iverson Estate  
Address: 1976 Orange Avenue  
Costa Mesa, CA 92627

STATE OF CALIFORNIA      §  
   §  
COUNTY OF Orange      §

This instrument was acknowledged before me this 16<sup>th</sup> day of June, 1999, by Peter Brander Iverson, in the capacities therein stated.

WITNESS my hand and official seal.



My commission expires: May 19, 2000

Adelaida Mendez  
Notary Public, State of California  
Adelaida Mendez

## RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 of June, 1999.

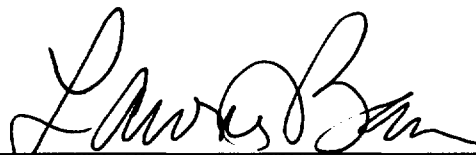


Susan Iverson Jones  
Donald S. Iverson Estate  
Address: #1 Terrace Mountain Cove  
Austin, TX 78746

STATE OF TEXAS           §  
                                     §  
COUNTY OF TRAVIS   §

This instrument was acknowledged before me this 11 day of June, 1999, by Susan Iverson Jones, in the capacities therein stated.

WITNESS my hand and official seal.



Notary Public, State of

My commission expires: 7-31-01

S:\ynne\shugart ratification



## RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 25 day of June, 1999.

Beverly Iverson Martella

Beverly Iverson Martella  
Donald S. Iverson Estate  
Address: 5937 Alpine Road  
Portola Valley, CA 94026

STATE OF CALIFORNIA           §  
  §  
COUNTY OF SAN MATEO   §

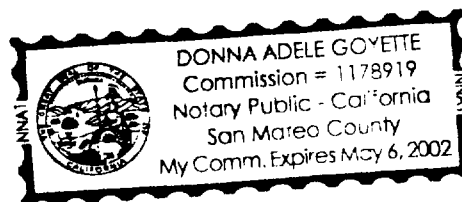
This instrument was acknowledged before me this 25<sup>th</sup> day of June, 1999, by Beverly Iverson Martella, in the capacities therein stated.

WITNESS my hand and official seal.

Donna Adele Goyette  
Notary Public, State of

My commission expires: MAY 6, 2002

S:\ynnelshugart ratification



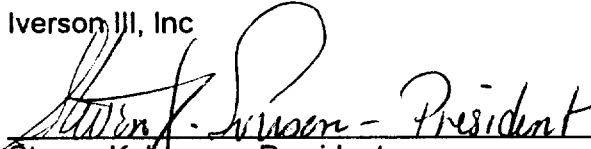
## RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 9<sup>th</sup> day of June, 1999.

Iverson III, Inc

  
\_\_\_\_\_  
Steven K. Iverson, President

Tax ID or SS# [REDACTED]

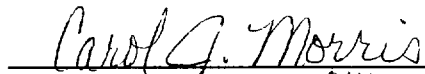
Address: 3454 S. Zonis

ATulsa, OK 74105

STATE OF OKLAHOMA       §  
                                     §  
COUNTY OF TULSA       §

The foregoing instrument was acknowledged before me this 9<sup>TH</sup> day of June, 1999, by Steven K. Iverson, as President of Iverson III, Inc. , a OKLAHOMA corporation, on behalf of said corporation.

WITNESS my hand and official seal.

  
\_\_\_\_\_  
Notary Public/State of OKLAHOMA

My commission expires: FEBRUARY 5, 2003



## RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the East Shugart (Delaware) Unit Area, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 9<sup>th</sup> day of June, 1999.

PAI, Incorporated

By: [Signature]  
Title: Vice President  
Tax ID or SS#: [REDACTED]  
Address: 243 Walnut  
Newport Beach, CA 92663

STATE OF CALIFORNIA §  
COUNTY OF ORANGE §

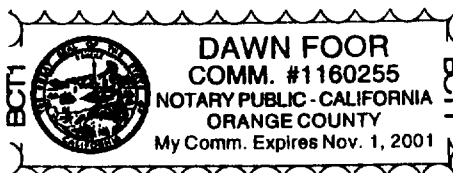
This instrument was acknowledged before me this 9<sup>th</sup> day of June, 1999, by STEPHEN IVERSON, as VICE-PRESIDENT of PAI, Incorporated, a corporation, on behalf of said corporation.

WITNESS my hand and official seal.

[Signature]  
Notary Public, State of CALIFORNIA

My commission expires: 11/01/01

S:\ynne\shugart ratification



## RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 8th day of June, 1999.

Richard R. Sullivan, Trustee  
Jewell D. Iverson Intervivos Trust  
Tax ID or SS#: [REDACTED]  
Address: 4870 S. Lewis, Suite 200  
Tulsa, OK 74105

STATE OF OKLAHOMA

§  
§  
§

COUNTY OF TULSA

This instrument was acknowledged before me this 8 day of June, 1999, by Richard R. Sullivan, as Trustee of the Jewell Iverson Intervivos Trust, on behalf of said Trust.

WITNESS my hand and official seal.

Susan Hilde  
Notary Public, State of Oklahoma

My commission expires: May 29, 2000

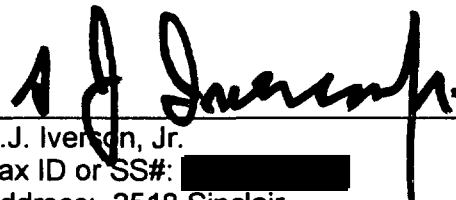
S:\ynne\shugart ratification

## RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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.

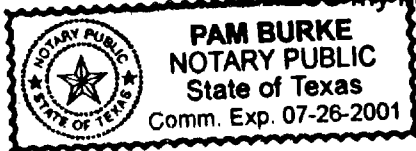
EXECUTED this 9 day of June, 1999.

  
\_\_\_\_\_  
S.J. Iverson, Jr.  
Tax ID or SS#: [REDACTED]  
Address: 2518 Sinclair  
Midland, TX 79705

STATE OF TEXAS                   §  
  §  
COUNTY OF MIDLAND         §

This instrument was acknowledged before me this 9<sup>th</sup> day of June, 1999, by S.J. Iverson, Jr., dealing with his sole and separate property.

WITNESS my hand and official seal.



My commission expires: 07/26/2001

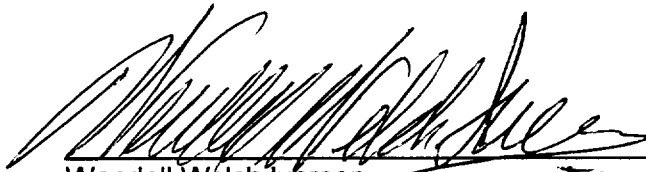
  
\_\_\_\_\_  
Notary Public, State of

## RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the East Shugart (Delaware) Unit Area, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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.

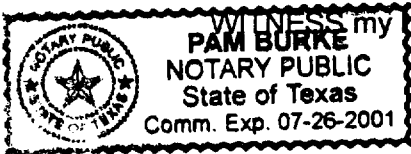
This Ratification and Joinder shall be binding upon the undersigned, and his, her or its heirs, devisees, executors, personal representatives, assigns, or successors in interest.

EXECUTED this 7<sup>th</sup> day of June, 1999.


  
Wendell Welch Iverson  
Tax ID or SS#: [REDACTED]  
Address: P.O. Box 1343  
Midland, TX 79705

STATE OF TEXAS                   §  
  §  
COUNTY OF MIDLAND         §

This instrument was acknowledged before me this 7<sup>th</sup> day of June, 1999, by Wendell Welch Iverson, individually, dealing with his sole and separate property, and as Trustee of the SJI Jr., 1990 Trust, the PIP 1990 Trust and the WWI 1990 Trust, on behalf of said Trusts.



WITNESS my hand and official seal.

  
Notary Public, State of

My commission expires: 07/26/2001

## RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 of June, 1999.

Jeanette Y. Keohane

Jeanette Y. Keohane

Tax ID or SS#: [REDACTED]

Address: 13408 Cloudview, N.E.

Albuquerque, NM 87123

STATE OF NEW MEXICO §

COUNTY OF Bernalillo §

This instrument was acknowledged before me this 14<sup>TH</sup> day of June, 1999, by Jeanette Y. Keohane, dealing with her sole and separate property.

WITNESS my hand and official seal.

My commission expires: 9-17-99

S:\ynne\shugart ratification

Charlene Schneringer  
Notary Public, State of



OFFICIAL SEAL  
CHARLENE SCHNERINGER  
NOTARY PUBLIC-STATE OF NEW MEXICO

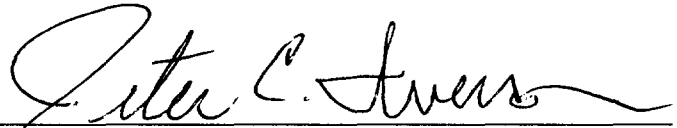
My commission expires: \_\_\_\_\_

## RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 of June, 1999.



Peter C. Iverson, dealing with his sole and separate property and as Co-Administrator of the Dorothy C. Monroe Estate  
Tax ID or SS# [REDACTED]  
Address: 206 Belle Meade  
Eufaula, OK 74432

STATE OF OKLAHOMA                   §  
   §  
COUNTY OF McIntosh           §

The foregoing instrument was acknowledged before me this 9<sup>th</sup> day of June, 1999, by Peter C. Iverson, in the capacity therein stated.

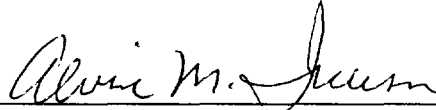
  
\_\_\_\_\_  
Notary Public, State of Oklahoma

## RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 of June, 1999.



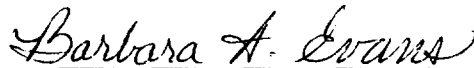
Alvin M. Iverson, dealing with his sole and separate property and as Co-Administrator of the Dorothy C. Monroe Estate  
Tax ID or SS# [REDACTED]  
Address: P. O. Box 84  
Spavinaw, OK 74366

STATE OF OKLAHOMA

§  
§  
§

COUNTY OF Mayes

The foregoing instrument was acknowledged before me this 11<sup>th</sup> day of June, 1999, by Alvin M. Iverson, in the capacity therein stated.



Notary Public, State of Oklahoma

my commission expires: 01/20/2003

S:\lynne\shugart ratification

## RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 9 day of June, 1999.

*Patsy Ann Iverson Page*

Patsy Ann Iverson Page

Tax ID or SS# [REDACTED]

Address: 1155 Muirlands Vista Way  
La Jolla, CA 92067

STATE OF CALIFORNIA §

COUNTY OF San Diego §

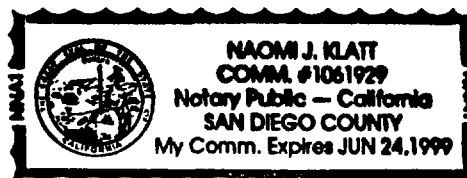
This instrument was acknowledged before me this 9<sup>th</sup> day of June, 1999, by Patsy Ann Iverson Page, dealing with her sole and separate property.

WITNESS my hand and official seal.

*Naomi J. Klatt* Notary Public  
Notary Public, State of California

My commission expires: June 24, 1999

S:\ynne\shugart ratification





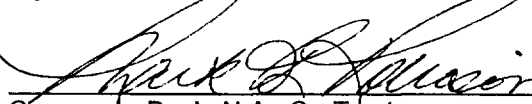
**RATIFICATION AND JOINDER OF UNIT AGREEMENT**

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 of June, 1999.

**Elyse Saunders Patterson Trust**



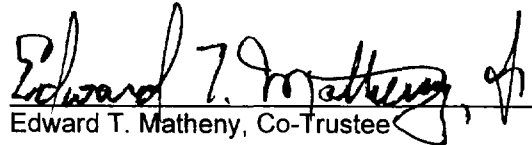
Commerce Bank, N.A., Co-Trustee

Mark B. Robison, Vice President

Tax ID or SS# [REDACTED]

Address: P. O. Box 419248

Kansas City, MO 64141

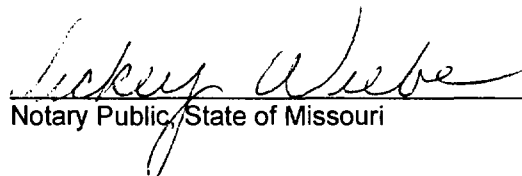


Edward T. Matheny, Co-Trustee

STATE OF MISSOURI §  
COUNTY OF JACKSON §

The foregoing instrument was acknowledged before me this 11<sup>th</sup> day of June, 1999, by Mark B. Robison, as Vice President of Commerce Bank, N.A., a MISSOURI corporation, on behalf of said corporation and in the capacity therein stated.

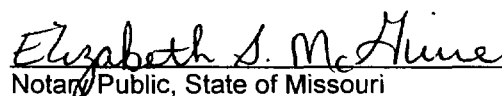
**VICKEY WIEBE**  
Notary Public - Notary Seal  
STATE OF MISSOURI  
Commissioned in Clay County  
My Commission Expires Oct. 28, 1999

  
Notary Public, State of Missouri

STATE OF MISSOURI §  
COUNTY OF Jackson §

The foregoing instrument was acknowledged before me this 10<sup>th</sup> day of June, 1999, by Edward T. Matheny, Jr., as Co-Trustee of the Elyse Saunders Patterson Trust.

**ELIZABETH S. McGUIRE**  
Notary Public - Notary Seal  
STATE OF MISSOURI  
Bates County  
My Commission Expires: Jan. 28, 2002

  
Notary Public, State of Missouri

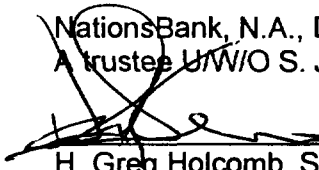
## RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 16<sup>th</sup> day of June, 1999.

NationsBank, N.A., D/B/A Bank of America, N.A.  
A trustee U/W/O S. J. Iverson

  
H. Greg Holcomb, Senior Vice President  
Tax ID or SS# [REDACTED]  
Address: P.O. Box 830151  
Dallas, TX 75283-0151

STATE OF TEXAS

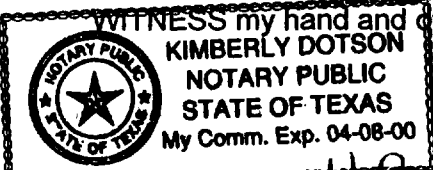
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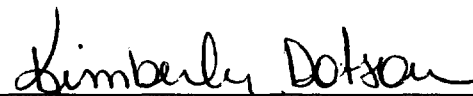
COUNTY OF DALLAS

§

§

This instrument was acknowledged before me this 17<sup>th</sup> day of June, 1999, by H. Greg Holcomb, as Senior Vice President of NationsBank, N.A., a \_\_\_\_\_ corporation, on behalf of said corporation and in the capacities therein stated.

WITNESS my hand and official seal.  
  
My commission expires: 4-8-00

  
Notary Public, State of \_\_\_\_\_

## RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 15<sup>th</sup> day of June, 1999.

Phoebe Shelton

Phoebe Shelton

Tax ID or SS# [REDACTED]

Address: P.O. Box 430

Amarillo, TX 79105

STATE OF TEXAS

§

§

COUNTY OF POTTER

§

This instrument was acknowledged before me this 15<sup>th</sup> day of June, 1999, by Phoebe Shelton, dealing with her sole and separate property.

WITNESS my hand and official seal.

Evah Russell

Notary Public, State of Texas

My commission expires: 7-2-2001

S:\ynne\shugart ratification



## RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the **East Shugart (Delaware) Unit Area**, Eddy and Lea Counties, 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 and leases and 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 East Shugart (Delaware) 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 therein 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 his, 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 9<sup>th</sup> day of June, 1999.

The Toles Company, LLC



Perry Toles, Vice President & Assistant Manager


Tax ID or SS#: [REDACTED]

Address: P.O. Box 1300  
Roswell, NM 88202

STATE OF NEW MEXICO       §  
  §  
COUNTY OF CHAVES       §

The foregoing instrument was acknowledged before me this 9<sup>th</sup> day of June, 1999, by Perry Toles, as Vice President and Assistant Manager of The Toles Company, LLC, a New Mexico limit liability corporation, on behalf of said corporation.

WITNESS my hand and official seal.



My commission expires: 3-13-2002 Notary Public, State of

Exhibit 10

Correspondence and Other Contacts with Interest Owners in Unit

<u>Date</u>	<u>Interest Owner</u>	<u>Description of Item</u>
7/98 (Undated)	All Working Interest Owners	Letter from Coastal Management Corporation (CMC) to all Working Interest Owners advising of St. Mary Land & Exploration Company's (St. Mary's) unit proposal and discussing feasibility.
7/9/98	Estate of Dorothy C. Monroe	Letter from CMC requesting confirmation of executors of Estate.
7/23/98	Bureau of Land Management	Meeting with representatives of Bureau of Land Management (BLM) to present proposal for unitization and Reservoir Simulation Study, and to discuss procedures for approval of unitization.
7/24/98	Harvey E. Yates Company	Meeting with Ray Nokes, with Harvey E. Yates Company (HEYCO) to discuss unitization.
7/28/98	Harvey E. Yates Company	Letter to HEYCO discussing unitization and HEYCO's interest in unit.
8/20/98	Norman K. Barker	Meeting among representatives of CMC and Norman K. Barker to discuss unitization, reservoir modeling and Reservoir Simulation Study.
8/21/98	Norman K. Barker	Letter transmitting cumulative production data and discussing need for unitization.
8/28/98	Intoil, Inc.	Letter to Intoil transmitting various data and discussing need for unitization.
9/24/98	Intoil, Inc.	Meeting with Joseph R. Mazzola and Rolando Benevides with Intoil to discuss unitization, reservoir modeling and Reservoir Simulation Study.
10/19/98	Individual Working Interest Owners	Letter from CMC to each individual working interest owner advising what percentage each party will own within the proposed unit, projected overall cost of the unit, plans to limit expenditures during period of low oil prices, and polling parties for their support of plan.
11/11/98	Ted Bacil	Transmittal of information regarding participation formula.
12/9/98	18-31, Inc., et al.	Letter from CMC regarding interests of 18-31 Group in proposed unit.

12/10/98	Intoil, Inc.	Letter from St. Mary offering to purchase Intoil's interest.
12/16/98	Intoil, Inc.	Letter from Intoil, Inc. to St. Mary setting out its objections to formula used for participation.
1/11/99	Bureau of Land Management	Letter to BLM seeking preliminary approval of the unit, setting out the proposed participation formula and attaching copy of the proposed Unit Agreement and Unit Operating Agreement as well as numerous geologic exhibits in support of this unitization.
1/13/99	All Working Interest Owners	Letter from St. Mary to all Working Interest Owners advising that Working Interest Owners representing 83% interest in the proposed unit favor proceeding with unitization and updating the parties as to the status of unitization. Letter also advises of objections to the proposed formula for unit participation by Intoil and Leonard Schaeen, and offers to supply addressees with geologic maps, cross-sections and other information upon request.
1/18/99	18-31, Inc., et al.	Message from Bill Smith with CMC that 18-31, Inc. Group had informed him interests shown for its Group are incorrect and advising of meeting to discuss same.
1/21/99	Wendell W. Iverson (spokesman for 18-31 Group)	Letter from St. Mary to Mr. Iverson attaching worksheet reciting interests of various parties within the 18-31 Group in the proposed unit under Intoil's proposed formula and St. Mary's proposed formula and setting out cost estimates for waterflood after unitization.
1/21/99	Wendell W. Iverson	Letter from Wendell W. Iverson to St. Mary advising of certain changes in the interests of various parties within the 18-31 Group as shown on the Exhibits to the Unit Agreement
2/1/99	Wendell W. Iverson	Letter from CMC to Mr. Iverson advising of changes to Unit Exhibits in accordance with Mr. Iverson's 1/21/99 letter, and requesting documentation.
2/16/99	Bureau of Land Management	BLM designation of proposed unit lands as logical area for unitization in Brushy Canyon Formation and setting out certain corrections to the proposed Exhibit B.
2/26/99	Wendell W. Iverson	Call to request offer to purchase working interests of 18-31 Group.
3/1/99	All Overriding Royalty Interest Owners	Letter from St. Mary to all Overriding Royalty Interest Owners proposing unitization, explaining how unitization works, transmitting copies of the Unit Agreement along with all Exhibits thereto, and requesting ratification of the Unit Agreement
3/5/99	All Working Interest Owners	Letter from St. Mary to all Working Interest Owners formally proposing unitization, transmitting copies of the Unit Agreement, Unit Operating Agreement (OA) with all Exhibits to each, and requesting ratification.

3/5/99	J. W. Wallrich, Jr.	Mr. Wallrich called to advise that he is handling paperwork for transfer of interest from Elizabeth Sivesend, his son John Wallace Wallrich. Requested copies of 3/1/99 letter and Ratifications be sent to John Wallace Wallrich.
3/5/99	Deborah Fedric	Don Fedric called to advise Exhibit "D" problem relative to interests of George Hunker and Deborah Fedric.
3/8/99	Deborah Fedric	Letter from Mr. Fedric more fully explaining problem with Exhibit "D" interests.
3/10/99	Peter C. Iverson	Letter from CMC to Mr. Iverson requesting probate information relative to the death of Dorothy C. Monroe, previous interest owner.
3/10/99	Deborah Fedric and George Hunker, Jr.	Letter from St. Mary transmitting revised Exhibit "D" reflecting change to interests of George Hunker and Deborah Fedric.
3/10/99	Randy G. Patterson	Letter from Randy G. Patterson advising that Dorothy G. Kemper is deceased and interests are now owned by her estate.
3/10/99	Loffland Limited Partnership	Letter from Loffland Limited Partnership advising that John M. Loffland, Jr. conveyed interest to Loffland Limited Partnership.
3/16/99	Jimmie L. Charlesworth	Letter to Mr. Charlesworth requesting that he sign the Ratification as Jimmie L. Charlesworth rather than Jim Charlesworth and asking that his wife also sign Ratification.
3/16/99	John William Wallrich	Letter advising notary error on Ratification and requesting correction.
3/16/99	Nelson Alpers Trust	Call from Nelson Alpers. Would like to sell interests. Wants offer.
3/16/99	Gerald E. Harrington	Call from Gerald Harrington requesting copies of geologic exhibits used in presentation to BLM, and discussing current and low oil prices.
3/17/99	Margaret Ruth Trammell Estate	Call from Leonard Kersh, NationsBank of Texas, Trustee of Estate, requesting Reservoir Simulation Study. Letter transmitting same to Mr. Kersh same date.
3/17/99	Gerald E. Harrington	Letter transmitting copies of geologic exhibits.
3/17/99	Intoil, Inc.	Letter from William Carr, attorney for Intoil, relating Intoil's objections to the participation formula.
3/19/99	J. W. Wallrich, Jr.	Letter from Mr. Wallrich requesting information relative to inclusion of certain wells in the unit.

3/22/99	Global Natural Resources Corp.	Letter transmitting copies of Assignments of Global's interest to two different parties and advising they no longer own an interest in the Unit Area.
3/22/99	Nelson Alpers Trust	Called him to transmit offer.
3/23/99	E & S, L.L.C.	Call from Elouise Justice advising E & S, L.L.C. owns ORRI in Conoco #1. Return call advising T/O on Conoco #1 dated 4/22/98 shows no evidence of record of this ORRI. She will try to find copy of assignment.
3/23/99	Gladys Shannon Estate	L. E. Bearden, Attorney-in-Fact for Margaret Johnson McCurdy, called. Noticed name of Gladys Shannon on Exhibit "D". Advised that interest now in George Shannon as Executor.
3/23/99	Gladys Shannon Estate	Letter to George Shannon, Executor of Gladys Shannon's Estate, transmitting Unit Agreement and requesting ratification and paperwork relative to Ms. Shannon's death, copies of probate, etc.
3/24/99	J. W. Wallrich, Jr.	Letter to Mr. Wallrich addressing questions relative to why certain wells not included in unit.
3/26/99	Mrs. Ella Belle Holeman	Letter to Mrs. Holeman requesting she sign another set of Ratification forms as Trustee rather than individually.
3/26/99	All Overriding Royalty Interest Owners	Letter from St. Mary again requesting that addressees sign Ratification forms and return them as soon as possible.
3/29/99	Sally Roberts	Call from Ms. Roberts to inquire how interests were calculated and asking whether or not HEYCO had ratified unit.
3/29/99	Margaret Naylor Trust	Susan Holmes at First National Bank, Trustee for Margaret Naylor Trust, called to advise on status of Ratifications.
3/31/99	Five States	Carl Glaze, attorney for Five States, called to request certain changes to OA.
4/5/99	E & S, L.L.C.	Left message for Mrs. Justice that unless she calls back, we will assume Exhibit "D" correct and E & S does not own ORRI in Conoco #1.
4/5/99	William Nickey	List of all William Nickeys (interest owner) from internet search. Attempting to reach William Nickey.
4/5/99	HEYCO	Call from Vernon Dyer with HEYCO requesting certain changes to Unit OA.
4/7/99	Richard D. Borgaard	Called Mr. Borgaard to discuss whether this interest was owned as community property.



4/8/99	Gerald Harrington	Mr. Harrington called to request offer to purchase all interest of the Harrington Trust.
4/12/99	All Working Interest Owners	Letter advising of changes requested to Unit O.A., providing copies of revised pages and asking that any objections to changes be made known as soon as possible.
4/14/99	Leonard Schaen	Mr. Schaen called. Needs another packet. Discussed estimated costs of unit. He requested offer to purchase his interest.
4/15/99	Margaret Naylor Trust	Charles Joy, geologist for First National Bank as Trustee of Margaret Naylor Trust, called to request help in calculating Trust's interest. Faxed pertinent pages of T/Os and called back to discuss.
4/16/99	Norman Barker	Called to request additional copies of Unit Agreement, Unit O.A. and Ratifications. Forwarded to him same date.
4/16/99	Yates Energy Corporation	Telephone call and letter regarding discrepancy in net revenue interests on Exhibit "D" relative to the interests of Yates Energy Corporation and Jalapeno Corporation.
4/16/99	Intoil, Inc.	Letter to William Carr, attorney for Intoil, offering to meet to discuss participation formula.
4/20/99	E & S, L.L.C.	Letter from E & S discussing expenses, and offering to sell interests.
4/21/99	All Working interest Owners	Letter to all working interest owners to clarify that opportunity for voluntary joinder will be provided after approval of Statutory Unitization.
4/21/99	18-31 Group	CMC letter to individual members of the 18-31 Group offering to purchase their working interests in unit.
4/22/99	William Nickey	Letter to party who assigned interest to Mr. Nickey asking for address or other information to contact him.
4/23/99	Gerald Harrington	Called him to advise purchase price for his interests.
4/23/99	Leonard Schaen	Called to advise him of purchase offer. He declined offer.
4/28/99	Yates Energy Corporation	Fax letter advising that Exhibit "D" changed to correct interests of Yates and Jalapeno.
4/28/99	Margaret Austin Trust	Telephone request for information related to revenue due the Trust under properties within Unit. Called back to advise her she will be put in pay with current address and how to find previous owner for same purpose.

4/29/99	Carol Trammel	Requested we send info on unitization again. Bank had not forwarded it. Also advised R family and who to contact at bank about other trusts.
5/3/99	William Nickey	Left message on Clemens Companies' phone requesting address for Nickey.
5/3/99	Jalapeno Corporation	Fax to Jalapeno Corporation with changes to Exhibit "D" and requesting Ratification.
5/5/99	Gerald Harrington	Counteroffer to sell interests from Mr. Harrington.
5/5/99	J. W. Wallrich, Jr.	Letter advising of further transfers of interest within his family. Copies to be sent at later
5/20/99	Gerald Harrington	Letter advising that we are unable to accept his counteroffer.
5/21/99	Elyse S. Patterson Trust B	Mark Robison, Trustee, called to advise he had not received packet with Unit Agreement same date sending packet.
5/27/99	All Working Interest and Royalty Interest Owners	Notice of Unitization Hearing.
5/27/99	Surface Owners, Operators or Lessees within ½ mile of injectors	Notice of Unitization Hearing.
6/8/99	Eugene Wallrich	Transfer of interests to William James Wallrich.
6/22/99	Selected Working Interest Owners	Request for support.
6/24/99	E & S, L.L.C.	Offer to purchase interests.
7/2/99	E & S, L.L.C.	Counteroffer from E & S to our offer dated 6/24/99.
7/9/99	William James Wallrich	Transmitting Unit information to him as new interest owner.
7/13/99	Bureau of Land Management	Fax to Armando Lopez attaching copy of 5/27 letter notice of hearing and informing him o



## **COASTAL MANAGEMENT CORPORATION**

OIL AND GAS PROJECT MANAGEMENT

To: All Working Interest Owner's

Re: Unitization of East Shugart (Delaware) Field  
Eddy and Lea County, New Mexico

St. Mary Land and Exploration (St. Mary) proposes the unitization of the East Shugart Delaware Field in order to waterflood the Delaware sands. A map of the proposed unit is attached. The following is a preliminary feasibility study for the waterflood. It is anticipated that the first technical meeting will be held in August, 1998.

### **INTRODUCTION**

The East Shugart (Delaware) Field is located in Eddy and Lea Counties, New Mexico approximately 8 miles southwest of the town of Maljamar. The proposed unit is comprised of seven Federal Leases with nearly 70 working interest owners. The field was discovered in October, 1985 with the completion of the Siete Oil & Gas Corp. (now St. Mary Land & Exploration Co.) Geronimo #3. The productive Delaware Brushy Canyon sands are at a depth of 5,000 feet. Development of the field took place in the following four years.

St. Mary believes the East Shugart Delaware is a waterflood candidate based on the results of analogous Delaware floods in the area and reservoir simulation. More specifically, the St. Mary operated Parkway Delaware Unit located approximately 15 miles southwest. At the Parkway Unit a pilot flood of the Brushy Canyon sands is seeing response, with the #201 Well increasing from 45 BOPD to 175 BOPD. A full-scale waterflood is currently underway.

The necessary geologic study has been completed and includes the following; structure, isopach, and Phi-H maps to determine the original oil-in-place. Waterflood modeling and simulation have been completed for the field. As of January 1, 1998, the current field production is 167 BOPD + 600 MCFD and cumulative production is 2.1 MMBO + 4.7 BCFG. Estimated incremental recovery from the proposed operations is 3.8 MMBO at an estimated cost of 6.2 MMS\$.

### **FIELD HISTORY**

The East Shugart (Delaware) Field was discovered through field extension drilling of shallower horizons to the west. The Geronimo #3 well was completed in October, 1985 pumping 166 BOPD, 100 MCFD, 280 BWPD. Development of the field took place from 1985 through 1989. Currently there are 15 producers and 3 wells shut-in. The production history is shown on the attached plot.

## **GEOLOGY & RESERVOIR DATA**

Geology indicates these productive Delaware sands were deposited in a shelf-to-basin transitional environment of multiple, stacked reservoirs in a low energy deep marine setting. The reservoirs are a fine to very fine grained sandstone interbedded with tight siltstone, shale and calcareous sand. There are at least 10 zones which have been mapped with separate oil/water contacts. Each reservoir is fairly continuous over the East Shugart structure, but each with slight variations in porosity and permeability.

Table 1 lists detailed reservoir data. Shown below is some of the information:

Average Porosity	16%
Average Water Saturation	43%
Original Reservoir Pressure	2,534 psi
Current Reservoir Pressure	450 psi to 800 psi
Original Oil in Place	31,645 MBO
Cumulative Oil Production	2,240 MBO
Cumulative Gas Production	4,665 MMCF
Drive Mechanism	Solution Gas

A detailed well log analysis was performed on the field. The original well log digital tapes were read, posted into spreadsheet form, and analyzed on a two-foot basis. Where tapes were not available, hard copy logs were digitized and read into the same spreadsheet format. This information was used to create the Structure, Gross Sand, Net Sand (14% cut-off), average zone porosity and Phi-H maps. These maps were digitized and imported into the simulator.

## **MODELING STUDY**

A numeric modeling study has been completed. The model consists of a fieldwide 31x32x11 grid configuration. The individual cells are 222 feet long and 218 feet wide. The Delaware Brushy Canyon formation consists of five geologic layers and these were then subdivided into ten model layers. GEOQUEST's GRID package was used to digitize structure, gross, net, and porosity maps for the ten layers. The values of these parameters for each grid block were then calculated.

There was no available core and fluid data for this field. A porosity-permeability correlation, PVT data, relative permeabilities and capillary pressure information from the nearby analogous Parkway (Delaware) Unit in Eddy County, New Mexico, was used to calculate values for each model grid. GEOQUEST's ECLIPSE software was used for the history matching of oil, gas, and water.

## MODELING RESULTS

The model study performed on this proposed waterflood unit indicates it will be a successful waterflood and recover a substantial amount of incremental reserves.

A reservoir simulation model is based on being able to simulate the reservoir with mathematical equations. If the model can have reasonable data input and match the past historical production, it is reasonable to assume a prediction of the future can be made. Much data concerning the fluid and rock properties are input into the model. If hard data is not available assumptions are made based on offset fields. The reservoir model is then used to:

1. Match the historical production.
2. Predict the future primary production.
3. Predict the primary reserves in the behind pipe zones.
4. Predict the production profile and reserves of the proposed waterflood.

The model first simulated the production and pressure history of the reservoir. The oil production matches well, until the last few years. The attached model predictive production plot, Figure 10, shows the actual production is slightly below the model projection from 1995 to date. This is believed to be caused by embedment of the proppant or fines plugging off the induced fractures.

The cumulative production is 2,080 MBO. Once the past history was matched in the model, a projection of future primary production was made. The projected future reserves under the existing primary production operations is 1,067 MBO. Based on this analysis the current ultimate primary reserves from the existing producing zones is 3,147 MBO. This is 9.9% of the OOIP.

In addition to projecting the production from the existing producing zones, a predictive run was made on the potential behind pipe pay zones. This resulted in an additional 362 MBO in recoverable primary reserves. These zones initially come in at a high rate and fall fairly quickly. These additional reserves have a very favorable impact on the economics. It will be necessary to open all the productive zones in the reservoir to insure we achieve vertical conformance for the waterflood. These behind pipe reserves represent 1.1% of the OOIP.

Several waterflood patterns and scenarios were analyzed by the model. The pattern yielding the highest recovery at the most efficient cost is a 40 acre 5-spot. This is achieved by drilling 9 injection wells and is shown on the attached map. A production curve with the anticipated rates is also attached. The proposed waterflood will recover an additional 3,430 MBO in reserves. This is 10.8% of the OOIP. The Secondary to Primary Ratio for this project is  $(3430/3509) = .98$ . The total OOIP recovered is 21.8%.

## **COSTS**

This waterflood project is expected to cost approximately 6,200 M\$. A detailed breakout of the costs are shown on Table 2. The bulk of the costs for this project is for drilling nine wells, 3,400 M\$, and recompleting the behind pipe zones, 2,048 M\$. This represents a cost to develop of  $(6200/(3430+362)) = 1.63$  \$/BBL.

If you have any questions or require additional information, please call at (915)688-0700.

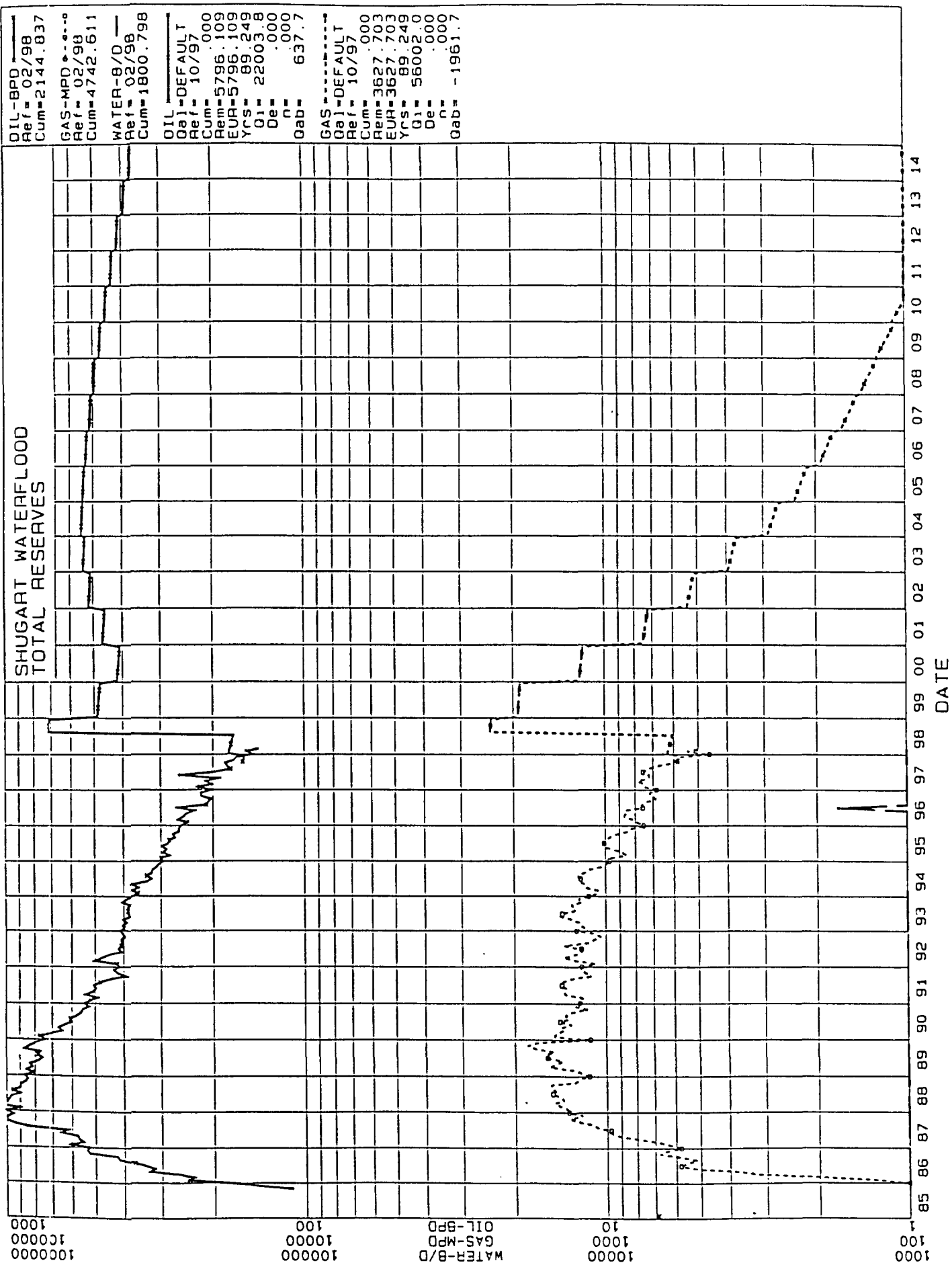
Respectfully,

A handwritten signature in black ink, appearing to read 'Alan D. Means', is written over a horizontal line.

Alan D. Means, PE  
Asset Manager

Attachments

ADM/sb



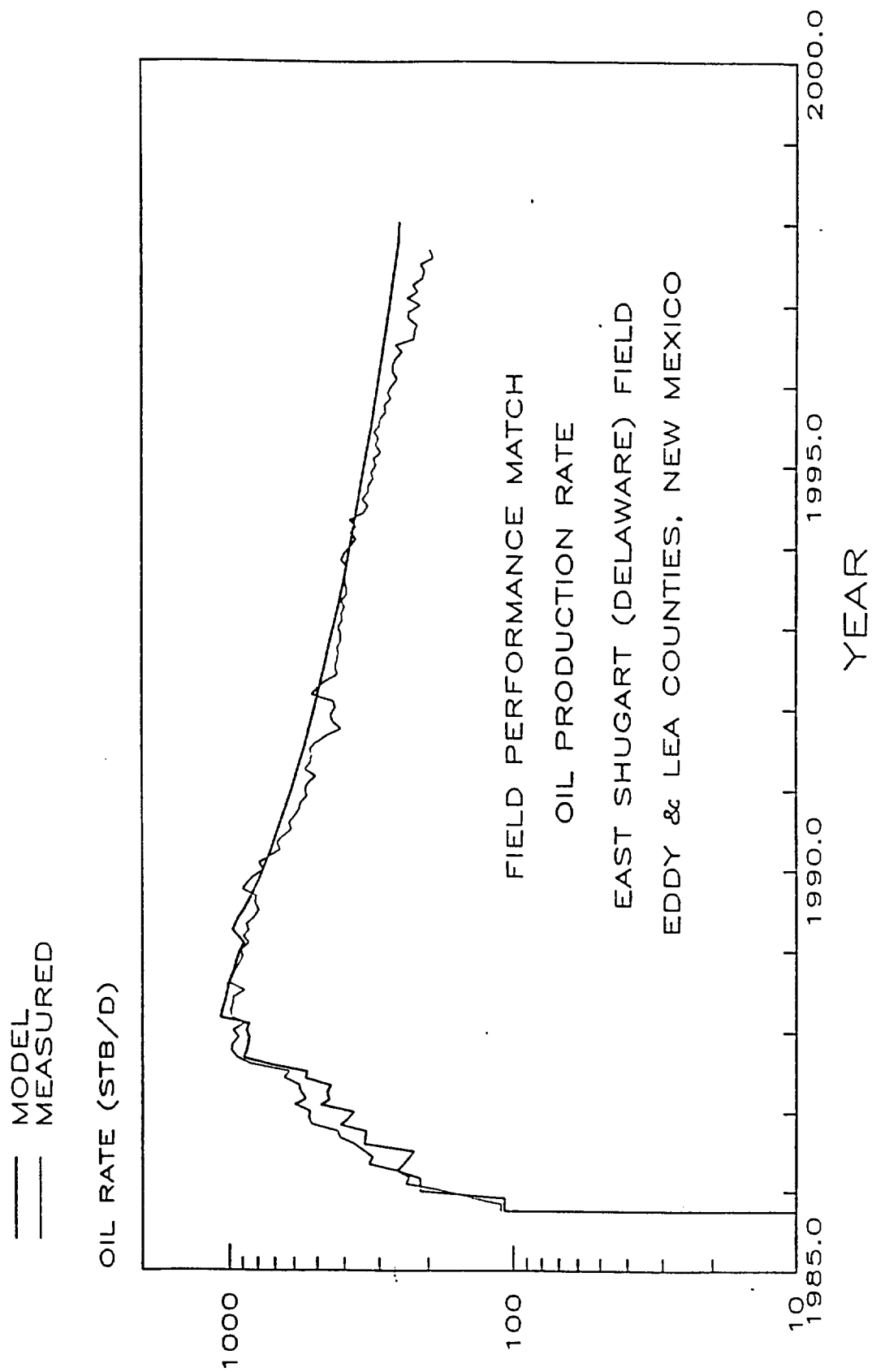
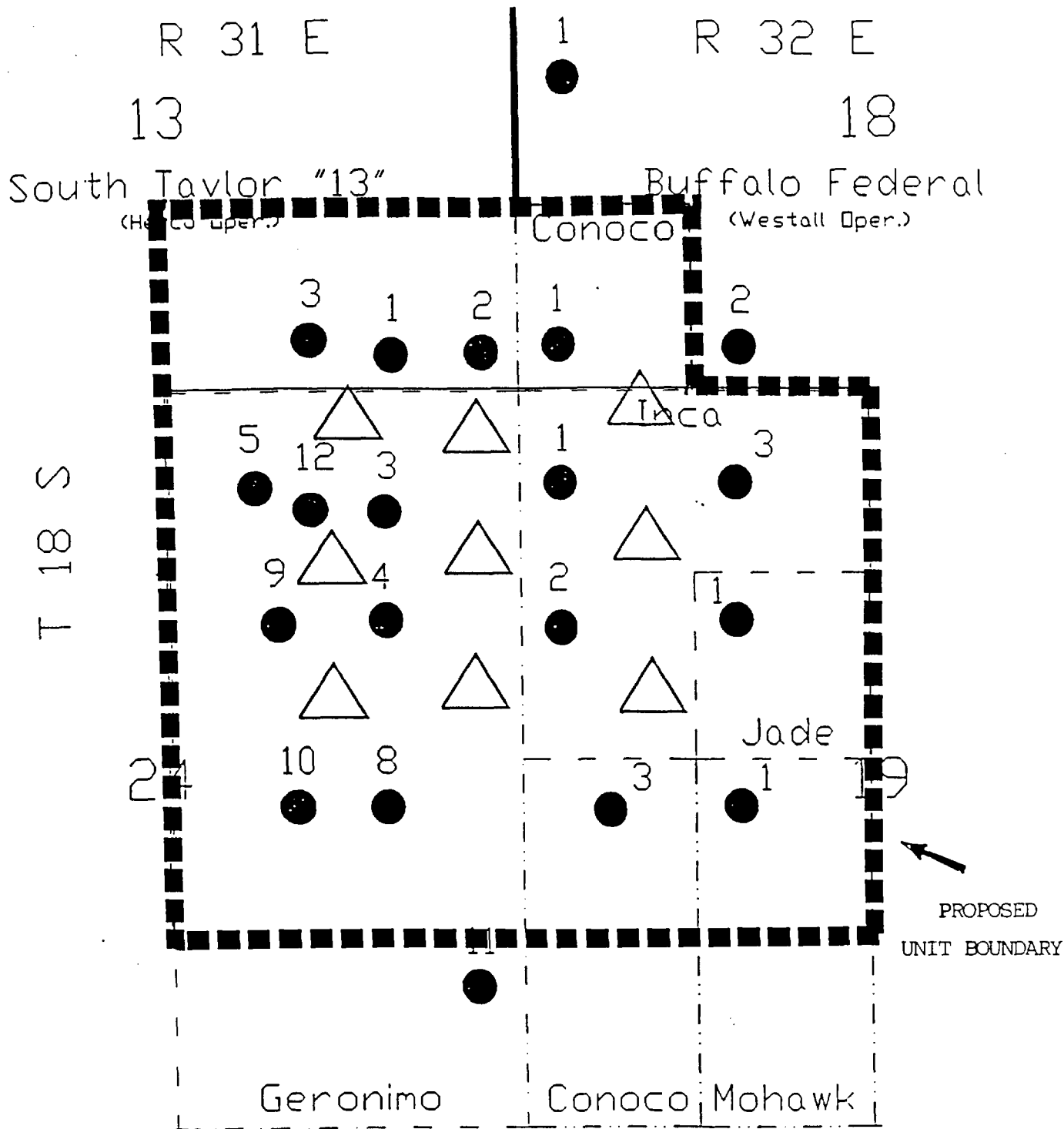


FIGURE 10







## ST. MARY LAND & EXPLORATION

EAST SHUGART AREA  
PROPOSED WATERFLOOD  
Drill 9 Injectors (5-Spot)

### LEGEND

-  Delaware Producer
-  Proposed Injection Well

NOT ALL WELLS  
ARE SHOWN

**TABLE 1**

**EAST SHUGART DELAWARE UNIT**  
**RESERVOIR DATA**

Discovery Date	10/5/85
Average Depth	5050'
Average Porosity	16%
Porosity Range	14%-20%
Average Water Saturation	43%
Average Permeability	3.8 md
Bottom Hole Temperature	104 F
Initial Bottom Hole Pressure	2534 psi
Current Bottom Hole Pressure	est avg 600 psi
Original Oil-In-Place (OOIP)	31,645,000 BO
Reservoir Volume Factor (Boi)	1.315
Bubble Point Pressure	est 1750 psi
Oil Gravity, API @ 60F	38.9
Gas Specific Gravity	0.839
Producing Gas/Oil Ratio	2.72:1 MCF/BBL
Cumulative Production To 1/1/98	2,080 MBO
Recovery Factor to Date, 1/1/98	6.5%
Total Acres	640

## Table 2

### Shugart Waterflood Capital

	M\$
Drill 9 wells @ 400 M\$ ea.	3,600
Lay fiberglass injection lines	70
WSW acquisition	67
Facilities	350
Frac 17 wells @ 124.3 M\$ ea.	2,113
<b>TOTAL</b>	<b>6,200</b>

## Shugart Delaware Waterflood Reserves Table

OOIP	31,645 MBO
Cumulative Production @ 1/1/98	Oil 2,080 MBO Gas 4,665 MMCF
Remaining Primary Reserves	Oil 1,067 MBO Gas 3,593 MMCF
Ultimate Primary Reserves	Oil 3,147 MBO Gas 8,258 MMCF
Incremental Behind Pipe Primary Reserves	Oil 362 MBO Gas 2,294 MMCF
Incremental Secondary Reserves	Oil 3,430 MBO Gas (2,550) MMCF
Secondary to Primary Ratio = $3,430 / 3,509 = .98$	
% OOIP Recoverable	11.1% Primary <u>10.8% Secondary</u> 21.9% Total



**COASTAL MANAGEMENT CORPORATION**  
OIL AND GAS PROJECT MANAGEMENT

July 9, 1998

Mr. Richard R. Sullivan  
4870 S. Lewis Ave., Suite 200  
Tulsa Oklahoma 741056

Re: Geronimo Lease  
E½ of Section 24  
T-18-S, R-31-E, NMPM  
Eddy County, NM

Dear Mr. Sullivan:

As mentioned in our recent telephone conversation, Coastal Management Corporation ("CMC") operates the referenced lease on behalf of St. Mary Land & Exploration Company. This property was acquired from Siete Oil & Gas Corporation in 1996, at that time CMC set up its accounting records from those obtained from Siete. In said records, James B. Monroe, Trustee of two (2) trusts created under the Will of Dorothy C. Monroe, was credited with various working interests and overriding royalty interests in the referenced lease. A recent title opinion shows record title in Eddy County to still be in Mr. Monroe as Trustee.

After conversations with you and Peter Iverson, I understand that these trusts have been terminated and that Peter Iverson and Alvin Iverson are acting as co-executors of the Estate of Dorothy C. Monroe. In order to correct our records CMC requests that you furnish us with the following information:

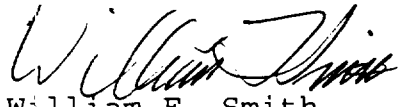
- A. Copy of the Final Decree terminating the trusts created under the Will of Dorothy C. Monroe.
- B. If the Will of Dorothy C. Monroe has been probated in the State of New Mexico, we will need to know the county in which it has been probated and the case number.
- C. If there are no plans to probate the Will in New Mexico, it will be necessary to file an Affidavit of Heirship for Mrs. Monroe in Eddy County.
- D. Tax ID Number for the Estate.
- E. Mailing address for the Estate.

Mr. Richard R. Sullivan  
July 9, 1998  
Page 2

Your time and attention on this matter is greatly appreciated. Feel free to call me at 688-0785 if you have any questions.

Sincerely,

COASTAL MANAGEMENT CORPORATION

A handwritten signature in cursive script, appearing to read "William F. Smith".

William F. Smith  
Land Manager

WFS/me

1776 LINCOLN STREET  
DENVER, COLORADO 80203  
303/861-8140  
FAX 303/861-0934



July 28, 1998

Harvey E. Yates Company  
P.O. Box 1933  
Roswell, NM 88202  
Attn: Mr. Ray Nokes

Re: East Shugart (Delaware) Unitization

Dear Ray:

It was a pleasure meeting you last Thursday. As stressed in our meeting, we would like Heyco to join the proposed unit to flood the Brushy Canyon sands of the Delaware. We are only interested in including two wells operated by you: the So. Taylor #2 (value as a producer) and the So. Taylor #3 (value as a potential injector). We are not interested in the So. Taylor #1 (Penrose/Grayburg producer) to be included into this unit.

Per your request, I am attaching three different scenarios of parameter weighting to calculate Heyco's unit interest. As you can see, based on all three scenarios, your interest remains in the four percent (4%) range. However, inclusive of the Heyco et als and Nortex, this represents approximately ten percent (10%) of the unit interest.

As reservoir pressures continue to decline in the field, I think we all agree it is in everyone's best interest to pursue secondary recovery operations as soon as possible.

If you have any questions or concerns, or would care to further discuss the unit parameter weighting, please feel free to give me a call at (303) 863-4327.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert L. Bachman", written over the word "Sincerely,".

Robert L. Bachman

cc: Ron Boone  
Robert Lee  
Alan Means ✓

1776 LINCOLN STREET

DENVER, COLORADO 80203

303/861-8140

FAX 303/861-0934



August 21, 1998

Mr. Norman K. Barker  
3208 Haynes  
Midland, TX 79705

Re: Proposed East Shugart Delaware Unit

Dear Norman:

Attached please find the East Shugart field cumulative production map as of June 1, 1998. If you need anything further please let me know.

I firmly believe in the waterflood project, particularly in light of our Parkway flood. I think we all are in agreement not to deploy huge amounts of capital in today's pricing environment. However, with our low bottom-hole pressures, I feel this is a 1999 project.

I look forward to talking to you within the next couple weeks or so.

Sincerely,

Bob Bachman  
Geologist

attachments



1726 LINCOLN STREET, SUITE 1100

DENVER, COLORADO 80203-1080

303/861-8140

FAX 303/863-1040



August 28, 1998

Intoil, Inc.  
9200 E. Mineral Ave.  
Suite 300  
Englewood, CO 80112  
Attn: Mr. Rolando Benevides

Re: East Shugart (Delaware) Unit  
Eddy and Lea Counties, NM

Dear Rolando:

Attached please find the detailed information pertaining to our proposed Delaware waterflood. The information includes the following:

1. Proposed Unit Boundary
2. Proposed injection pattern
3. Original OOIP map per tract defined by modeling
4. Cumulative oil prod. map to June 1, 1998
5. Index map with N-S & E-W cross sections
6. Copy of the Reservoir Simulation Study

As we discussed, St. Mary will have approximately 55-60%, Heyco and et als 10%, Norman Barker and et als 10%, and Intoil, Inc. 4%. The proposed unit formula is:

Cumulative Oil	15%
Oil Rate (last 5 mo's.)	25%
OOIP	40%
Rem. Primary	15%
Gross acres	5%

This formula was decided upon because I feel it accurately represents the true (tangible) properties of the reservoir and would be fair to all parties. I would be happy to discuss this further after you have had a chance to review all of this data.

The reservoir pressure (near wellbores) currently is 300-400# and we need to get water into the ground soon. In light of the pricing environment today, we would be willing to start a small pilot and not deploy huge amounts of capital right away. We certainly feel this is a 1999 project. We operate the Parkway Delaware Unit 15-20 miles W-SW. This

Unit has seen response from a pilot increasing from 45 BOPD to 165 BOPD. Full-scale waterflood operations are currently underway. We feel the East Shugart waterflood will have equal if not better results.

Please feel free to call with any questions you may have, otherwise let's plan to get back in touch next Friday or so.

Thank you, Rolando. I look forward to hearing from you.

Respectfully,

Bob Bachman  
Geologist

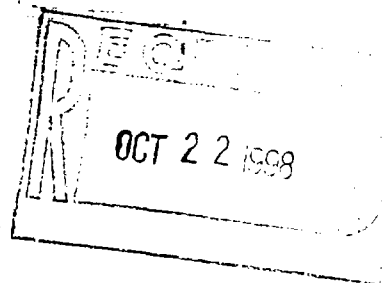


**COASTAL MANAGEMENT CORPORATION**  
OIL AND GAS PROJECT MANAGEMENT

22

October 19, 1998

St. Mary Land & Exploration Company  
1776 Lincoln Street, Suite 1100  
Denver, CO 80203



Re: Proposed EAST SHUGART (DELAWARE) UNIT  
T-18-S, R-31-E, Eddy Co., NM  
Section 13: S $\frac{1}{4}$ SE $\frac{1}{4}$   
Section 24: NE $\frac{1}{4}$  and N $\frac{1}{2}$ SW $\frac{1}{4}$

T-18-S, R-32-E, Lea Co., NM  
Section 18: SW $\frac{1}{4}$ SW $\frac{1}{4}$   
Section 19: NW $\frac{1}{4}$  and N $\frac{1}{2}$ SW $\frac{1}{4}$

Dear Working Interest Owner:

As you are aware, St. Mary Land & Exploration Company ("STM"), as operator, has proposed the unitization of the above referenced land to form the East Shugart (Delaware) Unit (the "Unit") for secondary recovery purposes. Based on the proposed tract participation formula STM will be the owner of 56.8 percent of the working interest in the Unit, you will be the owner of 56.82389966 percent of the working interest in the Unit.

STM has completed its initial conferences with the New Mexico Oil Conservation Division ("NMOCD"). The NMOCD granted conditional approval of the Unit and the tract participation formula. STM is in the process of finalizing the Unit Agreement and Unit Operating Agreement for submittal to the NMOCD.

STM is hopeful of statutory approval of the Unit, which requires 100 percent voluntary approval by the working interest owners (the "WIO") in the Unit. In the event less than 100 percent of the WIO voluntarily approve the Unit, STM will schedule a hearing with the NMOCD for compulsory pooling of all interests within the Unit boundaries. Such a hearing adds unnecessary expense to the unitization process and delays implementation of Unit plans.

STM is committed to this project and is determined to seek the most cost efficient, while at the same time productive, secondary recovering methods. As evidence, STM has decided to convert one existing wellbore to an injector, rather than drill a new injection well. The ultimate recovery will be virtually the same, and reduces the estimated cost of the project to \$5.65 million. In addition, STM will be mindful of the oil price before proceeding with any of the large capital expenditures.

STM hereby requests your support of the Unit, subject to final approval of all Unit documents. Please indicate such support in the space provided below, returning the original hereof in the envelope provided. Your time and consideration on this matter is greatly appreciated.

Sincerely,

**COASTAL MANAGEMENT CORPORATION**

(On behalf of St. Mary Land & Exploration Company)

William F. Smith  
Land Manager

  X   I agree to support the efforts of St. Mary Land & Exploration Company to form the East Shugart (Delaware) Unit. My support is subject to the final approval of the Unit Agreement and Unit Operating Agreement by the NMOCD.

       I oppose the formation of the East Shugart (Delaware) Unit.

ST. MARY LAND & EXPLORATION COMPANY

Company: Milam Randolph Pharo  
By: Milam Randolph Pharo  
~~Exec:~~ Vice President- Land & Legal  
DATE: October 26, 1998



**COASTAL MANAGEMENT CORPORATION**  
OIL AND GAS PROJECT MANAGEMENT

November 11, 1998

Mr. Ted Bacil  
43513 Ocaso Corte  
Fremont, CA 94539

Re: East Shugart (Delaware) Unit  
Eddy & Lea Counties, NM

Dear Mr. Bacil:

Pursuant to your request, I have enclosed the following:

- A. Well Participation Formula
- B. Information used in formula (production through 5/31/98).

We are looking forward to your favorable response.

Sincerely,

William F. Smith  
Land Manager  
Coastal Management Corp.

WFS/me

Dear Mr. Bacil:



**COASTAL MANAGEMENT CORPORATION**  
OIL AND GAS PROJECT MANAGEMENT

December 9, 1998

Mr. Wendell Iverson  
P. O. Box 1343  
Midland, Texas 79702-1343

Re: 18-31, Inc.'s ESDU Interests  
Eddy County, New Mexico

Dear Mr. Iverson:

Enclosed is the information you requested concerning the lease ownership of the 18-31 Group. Also enclosed are copies of the two spreadsheets furnished by 18-31 at payout of the three wells in which 18-31 has a working interest and a revised Exhibit "C" to the Unit Agreement.

Please note, on the spreadsheet for the Geronimo #5 & #12 wells, the three trusts were not credited with equal interests in the wells. This discrepancy in back-in interests causes the discrepancy in unit interests.

Our current estimated cost for converting one well to an injector, drilling one new injection well, add pay and frac four wells and facility upgrade is \$940,000. This work will allow us proper analysis of the flood by setting up a pilot flood pattern and opening all productive intervals. Please understand that St. Mary Land & Exploration Company will keep a sharp eye on all spending as well as return on investment.

Feel free to call if you have any questions or desire to discuss the interests of the 18-31 Group.

Sincerely,

COASTAL MANAGEMENT CORPORATION

William F. Smith  
Land Manager

Enclosures

WFS/me

1776 LINCOLN STREET, SUITE 1100

DENVER, COLORADO 80203-1080

303/861-8140

FAX 303/863-1040

December 10, 1998



Intoil, Inc.  
9200 E. Mineral Avenue  
Englewood, CO 80110  
Attention: Joseph R. Mazzola  
Executive Vice President

Re: Jade Federal No. 1 Well  
SENW Section 19, T18S, R32E  
Lea County, NM

Gentlemen:

As you know, St. Mary Land & Exploration Company (St. Mary), as operator of the captioned well, plans to unitize the Jade Federal No. 1 Well (Jade) with other wells in the area producing from the Delaware Brushy Canyon Formation to form a secondary recovery unit. Preliminary questionnaires to the working interest owners within the proposed unit indicate that more than eighty percent (80%) of the working interest owners will participate in the unit as currently proposed.

Intoil, Inc. (Intoil) has thus far not indicated that it will participate in the unit as currently proposed. As an alternative to non-participation in the unit or to statutory unitization, St. Mary and its partner, Riverhill Energy Corporation (Riverhill) (together hereinafter called "Buyer"), hereby offer to purchase all right, title and interest owned by Intoil within the area and formation to be included within the unit under the following terms and conditions:

1. Purchase price would be [REDACTED] payable at closing in immediately available funds.
2. Assets to be purchased include 100% of your interest of every nature within the forty acre spacing unit for the Jade limited to the Delaware Brushy Canyon Formation between the depths of 5007 feet and 5600 feet subsurface including, but not limited to, leasehold, working interests, operating rights, net revenue interests, overriding royalty interests, reversionary interests or contractual interests. Our records indicate Intoil owns fifty percent (50%) working interest, being 43.75% net revenue interest in this well. Should your records reflect interests different from these interests, please advise immediately. If your interests prove to be different from those indicated on our records, the purchase price will be adjusted accordingly.
3. Proposed effective time of this purchase would be 7:00 a.m. local time at the location of the properties on January 1, 1999.
4. Intoil shall deliver marketable title, free and clear of all liens and encumbrances and shall warrant title against the claims of any and all persons claiming by, through or under Intoil, but not otherwise.
5. This offer is subject to satisfactory review of title and execution and delivery of a mutually acceptable Assignment and Bill of Sale. This letter is not intended to impose any legally binding obligation on the parties hereto, other than the obligation to act in good faith and use their best efforts to negotiate a mutually acceptable Assignment and Bill of Sale containing terms and conditions common to transactions of this nature.

6. On or about sixty (60) days after closing, Buyer shall furnish to Intoil a post-closing statement reconciling all revenue and expenses as follows:

- Intoil shall be entitled to all credits and proceeds of production from and accruing to the interests covered hereby and shall be responsible for all costs, expenses, disbursements, obligations and liabilities attributable to said interests for all periods of time prior to the effective time. Intoil agrees to indemnify, defend and hold Buyer free and harmless from and against any and all claims, liabilities, demands, obligations, losses, costs and expenses (including without limitation, court costs and reasonable attorneys' fees) that are attributable to the properties with respect to periods of time prior to the effective time, regardless of when discovered.
- Buyer shall be entitled to all credits and proceeds of production from and accruing to the interests covered hereby and shall be responsible for all costs, expenses, disbursements, obligations, and liabilities attributable to said interests for all periods of time on and after the effective time. Buyer agrees to indemnify, defend and hold Intoil free and harmless from and against any and all claims, liabilities, demands, obligations, losses, costs and expenses (including without limitation, court costs and reasonable attorneys' fees) that are attributable to the properties and that occur on or after the effective time.

This offer shall remain open for fifteen (15) days from the date hereof.

The purchase of this interest is subject to the Preferential Rights clause in that certain Operating Agreement (OA) dated May 1, 1987 among Siete Oil & Gas Corporation, as Operator, and Conoco, Inc., et al. as Non-Operators. If Intoil accepts this offer, Buyers shall assume responsibility for offering the purchased interests to the other parties subject to this OA.

If this offer is acceptable, please execute and return one copy of this letter to the attention of the undersigned at the letterhead address. We will then draft an Assignment and Bill of Sale and other paperwork for your review.

Very truly yours,

**St. Mary Land & Exploration Company**

B. Lynne Ellison  
Landman

Accepted and agreed to this \_\_\_\_\_ day of \_\_\_\_\_, 1998.

By: \_\_\_\_\_  
Joseph R. Mazzola  
Executive Vice President





## INTOIL, INC.

---

P.O. Box 3438  
Englewood, CO 80155-3438  
Telephone: (303) 790-0940

Panorama Point  
9200 E. Mineral Ave., Suite 300  
Englewood, CO 80112-3415  
Fax: (303) 790-0946

December 16, 1998

St. Mary Land & Exploration Company  
1776 Lincoln St., Suite 1100  
Denver, CO 80203-1080

Attn: Mr. Ronald D. Boone  
Executive Vice President

Re: East Shugart Delaware Unit  
Lea County, New Mexico

Gentlemen:

Intoil, Inc. would like to take this opportunity to thank Mr. Robert Bachman for providing his time and certain information that allowed Intoil to make its own individual analysis of the proposed E. Shugart Waterflood Unit. Mr. Bachman also attended several meetings whereby Intoil representatives expressed certain concerns with regard to the establishment of the participating formula as proposed by St. Mary Land & Exploration Company ("St. Mary").

Intoil has objected to Mr. Bachman and Mr. Boone that the weight of 40% for the original oil in place as part of the participation formula is unacceptable and unfair to Intoil. St. Mary's intransigent position with regard to this particular factor has only been to answer Intoil's objections with, "they have 82% of the working interest owners supporting that formula and therefore do not believe they have reason to modify their proposal."

Intoil has offered an alternative participation formula  $(5\% \times \text{acreage}) + (20\% \times \text{cum oil}) + (35\% \times \text{remaining primary}) + (35\% \times \text{oil rate}) + (5\% \times \text{original oil in place})$ , whereby the original oil in place has a weight of only 5%. This proposal was rejected by St. Mary. Intoil's primary concern is that its current daily production, with respect to the total number of barrels being produced from the total proposed unit is 5%. Furthermore, Intoil states, that based on the remaining primary, which is also a factor more measurable and more meaningful, Intoil has estimated that this factor is 7.63%. Intoil's cumulative oil factor is based on information provided by Dwights Information Service. This cumulative oil factor has been determined to be 3.49%. The other factor is the acreage and is negligible in the participating formula, however, calculated to be 3.333%. Intoil's proposed participation formula, based on the weighted parameters as in paragraph three of this letter, is 5.468%.

The parameters mentioned above are, in Intoil's opinion, more accurately measured, more meaningful and more accurately determine ones equity.

The Delaware Sandstone reservoirs that are being proposed to waterflood are a sequence of ten individual Sandstone units that aggregate approximately 500 feet in thickness and show limited

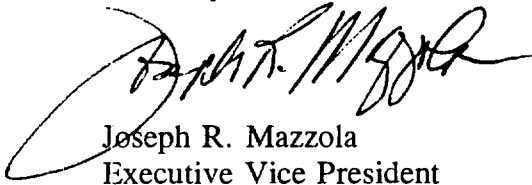
St. Mary Land & Exploration Company  
December 16, 1998  
Page 2

matrix porosity. Open-hole logs are incomplete with porosity, permeability and water saturations only estimates at best, due to lack of core data.

It is Intoil's opinion that when limited engineering data, such as porosity, permeability, water saturations and the like are inserted into a computerized software model to obtain original oil in place it becomes highly questionable in terms of results.

For these reasons Intoil cannot accept St. Mary's participation formula of 4.55%. Intoil needs a participation formula that would allow Intoil to receive 5.47% of any oil revenue for its management to consider participation in the East Shugart Delaware Unit. If Intoil is unsuccessful in negotiating with St. Mary to increase its participation it will have no other alternative but to object to the application of St. Mary before the Oil and Gas Commission when this matter comes before the New Mexico Oil and Gas Commission.

Sincerely,

A handwritten signature in black ink, appearing to read "J. R. Mazzola", is written over a large, loopy circular flourish.

Joseph R. Mazzola  
Executive Vice President

1776 LINCOLN STREET, SUITE 1100

DENVER, COLORADO 80203-1080

303/861-8140

FAX 303/863-1040



**Transmitted via Federal Express**

January 11, 1999

Mr. Armando Lopez  
Bureau of Land Management  
2909 West Second Street  
Roswell, New Mexico 88201

Re: Proposed East Shugart (Delaware) Unit  
Eddy and Lea Counties, NM

Dear Mr. Lopez:

As you are aware, St. Mary Land & Exploration Company (STM) is proposing unitization of certain lands in Eddy and Lea Counties, New Mexico for purposes of secondary recovery from the Brushy Canyon Formation of the Delaware Mountain Group. We propose to include six hundred four and 12/100 (604.12) acres within the unit area described as:

Township 18 South, Range 31 East  
Section 13: S/2SE/4  
Section 24: NE/4 and N/2SE/4  
Eddy County, New Mexico

Township 18 South, Range 32 East  
Section 18: Lot 4 (SW/4SW/4)  
Section 19: Lots 1, 2 (W/2NW/4); Lot 3 (NW/4SW/4);  
E/2NW/4 and NE/4SW/4  
Lea County, New Mexico

The East Shugart (Delaware) Field is located in Eddy and Lea Counties, New Mexico approximately eight (8) miles southwest of the town of Maljamar. The field was discovered in October, 1985 with the completion of the Siete Oil & Gas Corporation Geronimo Federal No. 3 well, which is now operated by St. Mary Land & Exploration Company. Development of the field took place from 1985 through 1989.

Geology indicates the productive Brushy Canyon sands were deposited in a shelf-to-basin transitional environment of multiple, stacked reservoirs in a low energy deep marine setting. The reservoirs are a fine to very fine-grained sandstone interbedded with tight siltstone, shale and calcareous sand. Each reservoir is fairly continuous over the East Shugart structure, but each has slight variations in porosity and permeability.

The attached Table 1 lists detailed reservoir data. A detailed well log analysis was performed on all field wells. This information was used to create the Structure and Net Porosity (14% porosity cutoff) maps attached to this letter.

Mr. Armando Lopez  
January 11, 1999  
Page Two

The lands have been divided into several tracts by reason of varying ownerships. After a thorough review of all reservoir data, discussion with major working interest owners, and a preliminary discussion with the Bureau of Land Management office in Roswell, New Mexico, it was agreed that the following participation formula was the most equitable for all parties concerned.

Factor A: Total number of acres attributable to the tract divided by the total number of acres in the unit. This tract factor accounts for five percent (5%) of the total unit participation.

Factor B: Total cumulative oil production from the unitized formation in each tract as of June 1, 1998 divided by the total cumulative oil production from the unitized formation within the unit area as of June 1, 1998. This factor accounts for fifteen percent (15%) of the total unit participation.

Factor C: Rate of oil production from the unitized formation in each tract as determined by average barrels of oil produced each month from January through May, 1998 divided by the total rate of oil production from the unitized formation within the entire unit area for the same period of time. This factor accounts for twenty five percent (25%) of the total unit participation.

Factor D: Original oil in place in the unitized formation in each tract as determined by the reservoir simulation study, East Shugart Delaware Field, June 8, 1998, Petroleum Consulting & Engineering, Inc., divided by the original oil in place in the unitized formation within the unit area as determined by said study. This factor accounts for forty percent (40%) of the total unit participation.

Factor E: Remaining primary oil reserves from the unitized formation in each tract beginning July 1, 1998, as determined by the reservoir simulation study, East Shugart Delaware Field, June 8, 1998, Petroleum Consulting & Engineering, Inc., divided by the remaining primary oil reserves from the unitized formation within the entire unit area beginning July 1, 1998 as determined by said study. This factor accounts for fifteen percent (15%) of the total unit participation.

We are enclosing a Unit Agreement and Unit Operating Agreement to govern activities as to the unitized formation within the proposed unit. The lands described above are depicted on the Exhibit "A" to the Unit Agreement attached hereto. Note that all lands to be included in the proposed unit are federal lands.

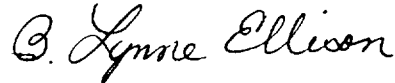
Mr. Armando Lopez  
January 11, 1999  
Page Three

We are hereby seeking preliminary approval by the Bureau of Land Management to our plans to unitize these lands. We would appreciate your review of this proposal to unitize and of the Unit Agreement. If you find this proposal and the governing Unit Agreement acceptable, please provide preliminary approval at your earliest opportunity. If you require anything further in order to grant such approval, please advise the undersigned at 303/863-4317, and we will attempt to meet any additional requirements as quickly as possible.

Thank you for your help in this matter to date and for your continued assistance in putting this unit in operation.

Very truly yours,

**St. Mary Land & Exploration Company**

A handwritten signature in cursive script that reads "B. Lynne Ellison".

B. Lynne Ellison  
Landman

/le  
Attachments

**Table 1**

**East Shugart (Delaware) Unit  
Reservoir Data**

Average Porosity	16%
Porosity Range	14% - 20%
Average Water Saturation	43%
Average Permeability	3.8 md
Bottom Hole Temperature	104° F
Initial Bottom Hole Pressure	2534 psi
Current Bottom Hole Pressure	600± psi
Reservoir Volume Factor (Boi)	1.315
Bubble Point Pressure	1750 psi est.
Total Acres	600

1776 LINCOLN STREET, SUITE 1100

DENVER, COLORADO 80203-1080

303/861-8140

FAX 303/863-1040



January 13, 1999

TO ALL WORKING INTEREST OWNERS

Re: Status of the Proposed East Shugart (Delaware) Unit  
Eddy and Lea Counties, New Mexico

Ladies and Gentlemen:

St. Mary Land & Exploration Company (STMLE) is proceeding with the unitization of the East Shugart (Delaware) Unit. The Unit Agreement and Unit Operating Agreement have been completed and submitted to the BLM for approval. Once we have BLM approval (approximately mid-February), the Agreements will be sent to all Working Interest Owners (WIO) and the Unit Agreement will be sent to all Royalty and Overriding Royalty Owners for approval. When we have sufficient WIO approval (75%), STMLE will proceed to get on the docket with the New Mexico Oil Conservation Division (OCD) for the purpose of statutory (forced) unitization of any interests that may not have joined. If the timing of these events occurs as expected, the OCD hearing would take place in April or May, 1999.

Ballots were sent out to all WIO to determine support for the unit. To date approximately 83% have responded favorably. There have been two unfavorable responses received totaling approximately 5% of the proposed unit interest. These respondents are Leonard Schaen and Intoil, Inc. Mr. Schaen's objections are not known to us; however, Intoil's objection has been made clear.

The proposed formula for determining the participation factor for each tract within the unit is as follows:

Original Oil-In-Place	40%
Oil Rate*	25%
Cumulative Production*	15%
Remaining Primary*	15%
Acreage	5%

\*as of 6/1/98

Due to the lack of core data for the field, Intoil (with an interest in the Jade #1 only) believes weighting original-oil-in-place (OOIP) at 40% is arbitrarily high. They have proposed an alternate formula that weights OOIP at 5%. The overall result using their formula would increase Intoil's interest an additional 20 percent, at the expense of the remaining working interest owners. A copy of Intoil's letter, which includes their proposed formula, is attached for your reference.

Attached you will find a copy of the Exhibit "C" to the Unit Agreement, showing the individual tract participation factors, as well as Exhibit "D" to the Unit Operating Agreement setting out everyone's working interest in the proposed Unit under the current formula. We would be happy

to supply a copy of your modified interests using Intoil's proposed formula at your request. In addition, copies of the geologic maps and cross-sections will be provided at your request as well as any other data we have that you may want to review.

The modeling of the field was performed with the best technical information available, and the history matching of past production was a very good fit. Therefore, we are comfortable with the modeled OOIP and believe that it is indicative of future secondary reserves. As such, it is an important factor in the formula as proposed and should be a larger determinant of unit participation.

Intoil has advised STMLE that, if negotiations are unsuccessful in increasing their interest in the unit, they will object to the application before the OCD. For the reasons stated above, it is STMLE's recommendation NOT to modify the formula as originally proposed and to proceed with unitization of the East Shugart (Delaware) field.

Given the WIO support for our unitization plan as it is currently configured, we do not see any need for a pre-unitization WIO meeting. We believe any questions that may be raised can be resolved through the mail and with a few telephone calls. However, if a majority of other WIO determine that a pre-unitization meeting is necessary, STMLE will schedule such a meeting.

If you have questions relative to the proposed formula or your interest under the Intoil formula, if you would like to have a pre-unitization WIO meeting, or if you have other questions relative to the proposed unit, please contact me at 303-863-4327.

Respectfully,



Bob L. Bachman  
Geologist



from the desk of

Lynne Ellison

Lynne:

The 18-31 Group called

today. ~~They~~ They think there is

a error in some of their

intents. I will be visiting

with them this week.

Just wanted you to know

Bill

Rec'd 1/18/99

1776 LINCOLN STREET  
DENVER, COLORADO 80203  
303/861-8140  
FAX 303/861-0934



January 21, 1999

Mr. Wendell W. Iverson  
P.O.Box 1343  
Midland, TX 79702

Re: East Shugart (Delaware) Proposed Unit  
Eddy and Lea Counties, New Mexico

Dear Wendell:

Attached please find a spreadsheet denoting your interest in the Geronimo #5, #8, and #12 wells, as well as the other trust interests you currently manage. Also the spreadsheet shows your Unit interest under the original formula and the reduction of your interest(s) under Intoil's proposed formula. It should be noted that almost every WIO gets reduced by Intoil's formula.

In addition, I have supplied estimated project costs for your reference. These costs will be updated approximately in the 3<sup>rd</sup> quarter when we are ready to proceed. Rest assured, St. Mary feels this project does not warrant a large expenditure in the current price environment. However, we do feel it necessary to get water into this reservoir as soon as possible due to low bottom hole pressures. At such time we see flood response and the oil price is favorable, we will expand the project to full waterflood operations.

If I can be of further help, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Bob L. Bachman", is written over the typed name.

Bob L. Bachman  
Geologist

Cc: BLE  
RDB  
File

**WENDELL W. IVERSON**

**P.O. Box 1343  
Midland, Texas 79702**

**Office (915) 682-4251  
Fax (915) 683-2011**

January 21, 1999

St. Mary Land & Exploration Company  
1776 Lincoln Street, Suite 1100  
Denver, Colorado 80203-1080

Attention: Lynn Ellison

Re: Proposed East Shugart Tract & Unit Participation  
T18S, R31E, Section 13: S/2 SE/4  
Section 24: NE/4 and N/2 SW/4  
Eddy County, New Mexico  
T18S, R32E, Section 18: SW/4 SW/4  
Section 19: NW/4 and N/2 SW/4  
Lea County, New Mexico

Gentlemen:

In reviewing the tract participation factors, etc., we feel like there are three areas that need to be changed in order to correct the unit and tract participation for members of the Iverson family:

1. The interested highlighted in gray represents the corrected interest that you had credited to Iverson. Inc. Iverson. Inc. no longer exists and the interest has been divided equally between Donald S. Iverson, dec'd., P.A.I., Inc. and Iverson III, Inc.
2. The interest highlighted in yellow represents the corrected interest as to the S.J. Iverson, Jr. and the NationsBank, Trustee of the S.J. Iverson Trust participation in the Geronimo #8. S.J. Iverson, Jr. did not participate in this well and this interest should have been credited to the NationsBank, Trustee of the S.J. Iverson Trust.
3. The interest highlighted in blue represents the corrected interest owned by the three 1990 Trusts that I am trustee of, and the NationsBank, Trustee of the S.J. Iverson Trust under the Geronimo #5 and #12 wells.

The basic problem in regard to items 2 and 3 above, is that the NationsBank, Trustee of the S.J. Iverson Trust was not credited with any interest. The interest that should have been the NationsBank, Trustee of the S.J. Iverson Trust was credited to others.

Respectfully yours,

Wendell W. Iverson

Cc: Mr. Greg Holcomb  
NationsBank Tr. of the S.J. Iverson Trust  
P.O. Box 830308  
Dallas, Texas 75203

Mr. Bob Bachman  
St. Mary Land & Exploration  
1776 Lincoln Street, Suite 1100  
Denver, Colorado 80203-1080

Bill Smith  
Coastal Management  
P.O. Box 2726  
Midland, TX 79702

Donald S. Iverson, dec'd.  
C/o Susan Iverson Jones  
#1 Terrace Mountain Cove  
Austin, TX 78746

P.A.I. Inc.  
c/o Paul D. Iverson  
243 Walnut  
Newport Beach, CA 92663

Iverson III, Inc.  
c/o Steven Iverson  
3454 South Zunis  
Tulsa, OK 74105



# COASTAL MANAGEMENT CORPORATION

OIL AND GAS PROJECT MANAGEMENT

February 1, 1999

Mr. Wendell W. Iverson  
P. O. Box 1343  
Midland, Texas 79702-1343

Re: WI revisions - ESDU  
Eddy & Lea Counties, NM

Dear Mr. Iverson:


I have reviewed your letter dated January 21, 1999, and have made the changes set out therein to the appropriate unit exhibits. Due to the BLM's requirement that exact acreage amounts be used in our formula, the tract participation factors ("TPF") have changed very slightly. The original TPF were based on 600 acres, there is actually 604.12 acres within the unit boundaries. I have enclosed a copy of the pertinent unit exhibits for your review.

Our original interest allocations were based on title opinions acquired in early 1998. In making the requested changes, I find that we will need curative material to backup these changes. Please furnish me with the following documents or recording information in Eddy County, New Mexico.

1. New Mexico probate proceedings for S. J. Iverson, Jr.
2. Document creating the S. J. Iverson Trust, if different from the probate proceedings.
3. New Mexico probate proceedings for Donald S. Iverson.

Feel free to call me if you have any further questions.

Sincerely,

  
William F. Smith  
Land Manager

Enclosures

cc: B. Lynne Ellison  
St. Mary Land & Exploration Company  
1776 Lincoln Street, Suite 1100  
Denver, Colorado 80203-1080

*w/o enclosures*

*Faxed*



## United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
ROSWELL FIELD OFFICE  
2909 West Second Street  
Roswell, New Mexico 88201-2019

IN REPLY REFER  
NMNM101361X  
3180 (06200)

St. Mary Land & Exploration Company  
Attention: B. Lynne Ellison  
1776 Lincoln Street, Suite 1100  
Dallas, TX 80203-1080  
~~Denver, CO~~  
Gentlemen:

FEB 16 1999

Your application of January 11, 1999, filed with the BLM requests the designation of the East Shugart (Delaware) Unit area, embracing 604.12 acres, more or less, Eddy and Lea Counties, New Mexico, as logically subject to secondary recovery 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, St. Mary Land & Exploration Company, East Shugart (Delaware) Unit, Eddy and Lea Counties, New Mexico, is hereby designated as a logical unit area and has been assigned No. NMNM101361X. 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, the vertical limits of which extend from an upper limit described as the top of the Brushy Canyon Formation of the Delaware Mountain Group to the stratigraphic equivalent of 5600 feet within the Delaware Brushy Canyon Formation as determined by the Geronimo Federal No. 3 well log; the geologic markers having been previously found to occur at 5007 feet and 5600 feet, respectively, in the Geronimo Federal No. 3 well (located 890 feet FNL and 990 feet FEL of Section 24, T. 18 S., R. 31 E., Eddy County, New Mexico) as recorded on the Compensated Neutron Litho Density Log taken on September, 21, 1985.

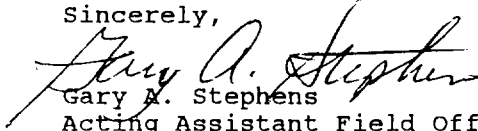
Your basis for allocation of unitized substances and your proposed form of unit agreement are acceptable. Corrections that need to be made to the enclosed Exhibit B are marked in red.

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. You will also need to submit an initial Plan of Operations and a list of wells showing the old well names and numbers and the new well names and numbers.

Sincerely,

A handwritten signature in cursive script, reading "Gary A. Stephens".

Gary A. Stephens  
Acting Assistant Field Office Manager,  
Lands and Minerals

Enclosure

1776 LINCOLN STREET, SUITE 1100

DENVER, COLORADO 80203-1080

303/861-8140

FAX 303/863-1040



**Certified Mail Return Receipt**

March 1, 1999

All Overriding Royalty Interest Owners  
Proposed East Shugart (Delaware) Unit  
Eddy and Lea Counties, NM

Re: Ratification and Joinder of Unit Agreement

Ladies and Gentlemen:

St. Mary Land & Exploration Company is proposing the unitization of certain lands in Eddy and Lea Counties, New Mexico for purposes of secondary recovery from the Brushy Canyon Formation of the Delaware Mountain Group. We propose to include 604.12 acres, more or less, within the Unit Area. These lands are depicted on the enclosed map of the Unit Area. You own an overriding royalty interest within these lands. We believe, and our research confirms, that we can improve the efficiency of the field and recover a substantial amount of oil by means of the secondary recovery process that would otherwise be unrecoverable under continued primary operations.

A secondary recovery program involves injecting water into the producing formation through selected wells to supplement the natural energy of the reservoir and force oil trapped in the rock into the wellbores of the producing wells. This process displaces oil across property lines, which makes it necessary to unitize all properties so that they can be treated and operated as a single property. Ownership within the unitized lands is based on a formula devised by our engineers to estimate the amount of recoverable oil attributable to each tract to allow equitable sharing of the increased unit production. (Each "tract" is comprised of a well currently producing from the Brushy Canyon Formation and the land attributable thereto.) In this case almost eighty-five percent (85%) of the working interest owners of the proposed Unit have given preliminary approval to the proposed formula. In addition the Bureau of Land Management has reviewed the formula and the Unit Agreement (a copy of which is enclosed) and has given its preliminary approval to our proposal. Exhibit "C" of the Unit Agreement shows the elements of the formula and the percentage of the unit's overall production allocated to the various tracts. Exhibit "D" sets out the net revenue interests of all owners within the proposed unit.

As a royalty or overriding royalty interest owner you will benefit from the projected increase in the amount of oil recovered, but you will not be responsible for any costs associated with the waterflood project.

We are presently contacting all overriding royalty interest owners within the Unit Area to invite you to commit your interest to this proposed Unit. Attached for your consideration are the following:

- Plat of the Unit Area
- A copy of the Unit Agreement for the East Shugart (Delaware) Unit with all Exhibits.
- Six (6) copies of a Ratification and Joinder of Unit Agreement (Ratification).

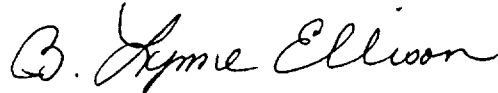
Please review the Exhibit "D" to the Unit Agreement and advise of any discrepancies regarding your ownership of the oil and gas rights within the Unit.

Please approve this unitization by executing all six (6) copies of the Ratification before a notary public. If you own this interest individually and if you are married, we ask that your spouse also execute these Ratifications and have his/her signature acknowledged by a Notary Public. Return five (5) copies to the attention of the undersigned at the letterhead address in the enclosed self-addressed pre-paid envelope. The sixth copy is for your files. We would appreciate having your signed Ratifications on or before March 19, 1999.

If you have any questions relative to our proposal, the purpose or process of secondary recovery, or any of the provisions of the Unit Agreement, or if you would like to review the geologic exhibits presented to the BLM, please contact Bob Bachman at 303/863-4327 or Lynne Ellison at 303/863-4317.

Very truly yours,

**St. Mary Land & Exploration Company**



B. Lynne Ellison  
Landman

/le  
Attachments



1776 LINCOLN STREET, SUITE 1100

DENVER, COLORADO 80203-1080

303/861-8140

FAX 303/863-1040



**Certified Mail Return Receipt**

March 5, 1999

All Working Interest Owners  
East Shugart (Delaware) Unit  
Eddy and Lea Counties, NM

Re: Ratification and Joinder of Unit Agreement  
and Unit Operating Agreement

Ladies and Gentlemen:

As you know, St. Mary Land & Exploration Company is proposing the unitization of certain lands in Eddy and Lea Counties, New Mexico for purposes of secondary recovery from the Brushy Canyon Formation of the Delaware Mountain Group. We believe, and our research confirms, that we can improve the efficiency of the field and recover a substantial amount of oil by means of the secondary recovery process that would otherwise be unrecoverable under continued primary operations.

We propose to include 604.12 acres, more or less, within the Unit Area described as:

Township 18 South, Range 31 East

Section 13: S/2SE/4  
Section 24: NE/4 and N/2SE/4  
Eddy County, New Mexico

Township 18 South, Range 32 East

Section 18: Lot 4 (SW/4SW/4)  
Section 19: Lots 1, 2 (W/2NW/4); Lot 3 (NW/4SW/4);  
E/2NW/4 and NE/4SW/4  
Lea County, New Mexico

The Bureau of Land Management has given preliminary approval for unitization under the terms of the Unit Agreement.

As a working interest owner in one or more of the wells within the proposed Unit Area, we hereby invite you to commit your interest to this proposed Unit. Attached for your consideration are the following:

- A copy of the Unit Agreement for the East Shugart (Delaware) Unit with all Exhibits. Exhibit "D" sets out the net revenue interests of all interest owners in the proposed Unit.
- A copy of the Unit Operating Agreement for the East Shugart (Delaware) Unit with all Exhibits. Exhibit "D" to this Agreement sets out the decimal working interests of the Working Interest Owners within the proposed Unit.

- Six (6) copies of a Ratification and Joinder of Unit Agreement and Unit Operating Agreement (Ratification).

Please review these instruments and the Exhibits attached thereto and advise of any discrepancies as to the interests you own. Then please execute all six (6) copies of the Ratification before a notary public. If your interest is owned individually (rather than being held in a company or partnership name), please have your spouse execute these Ratifications too. His/her signature must also be acknowledged before a notary public. Return five (5) of the copies to the attention of the undersigned at the letterhead address in the enclosed self-addressed pre-paid envelope. The remaining copy is for your files. We would appreciate having your signed Ratifications on or before March 31, 1999.

If you have any questions relative to our proposal or any of the provisions of the Unit Agreement or the Unit Operating Agreement, or if you would like to review the geologic exhibits presented to the BLM, please contact Bob Bachman at 303/863-4327 or Lynne Ellison at 303/863-4317.

We look forward to working with all of you in the formation of this Unit and in sharing the economic benefits of improved recovery from these lands.

Very truly yours,

**St. Mary Land & Exploration Company**

A handwritten signature in cursive script that reads "B. Lynne Ellison".

B. Lynne Ellison  
Landman

/le  
Attachments

ESDU

3/5/99 Mr. Wallrich 847 - 253 - 7907

Transfer from Eliz. Sivesend to

John Wallace Wallrich

2410 W. 79th Ave.

Anchorage, AK 99502

Approved by State? 2/8/99.

J.W. Wallrich handling paperwork  
for sister Eliz. He'll send cc.

There will be some other int. ownership  
changes. He'll send cc of paperwork  
when done.

~~ESDN~~

3/5

Don Federic 505/622-2700

Wife owns int. in Inca Fed Conso +  
Mokaut.

Geo Hunter owns identical interests but  
is not shown on Ex D w/int in Inca  
Fed.

Called Bill 3/5. He'll let me know.

LAW OFFICES OF  
**HUNKER-FEDRIC, P. A.**  
108 E. THIRD, SUITE 210  
POST OFFICE BOX 1837  
ROSWELL, NEW MEXICO 86202

GEORGE H. HUNKER, JR.  
DON M. FEDRIC

TAX ID. NO. 85-0214827

TELEPHONE (505) 622-2700  
FAX NUMBER (505) 622-2704

March 8, 1999

Via Telefax 1-303-863-1040

B. Lynne Ellison  
ST. MARY LAND & EXPLORATION COMPANY  
1776 Lincoln Street, Suite 1100  
Denver, Colorado 80203-1080

**Re: *Proposed East Shugart Delaware Unit  
Ratification and Joinder by ORRI Owners***

Dear Ms. Ellison:

I called you Friday, March 5, 1999, to advise of an apparent inaccuracy in the listed ORRI for George H. Hunker, Jr. in Exhibit D to your Unit Agreement. I had not attempted to calculate interests at that time, but simply noted that Mr. Hunker was not given any ORR interest under the Inca tract. I know he has a 1% ORRI under all of the lease NM 9016 acreage (Inca) as does my wife, Deborah Fedric.

This past weekend I calculated the interests on a tract participation factor basis. At page 4 of 5 on Exhibit D, Deborah Fedric is credited with a .0053399 ORRI under the Inca Tract 2 acreage. That interest is double what she should have. Deborah Fedric's interest under the Inca Tract should be .00266995. George H. Hunker, Jr.'s interest under the Inca tract should be .00266995.

The Exhibit D calculation for both Deborah Fedric and George H. Hunker, Jr. as to their respective interests under the Conoco 3 (Tract 3B) and Mohawk (Tract 4) appear to be correct. Deborah Fedric and George H. Hunker, Jr. should each have total unit participation interests of .00291381.

We would appreciate your concurrence.

Yours very sincerely,



Don M. Fedric

DMF/jw

March 10, 1999

Mr. Peter C. Iverson  
206 Bellemeade Circle  
Eufaula, Oklahoma 74432-2071

Re: Estate of Dorothy C. Monroe

Dear Mr. Iverson:

As discussed in our recent telephone conversations, St. Mary Land & Exploration Company ("St. Mary") is in the final stages of the unitization process for the East Shugart (Delaware) Unit (the "Unit") located in Eddy County, New Mexico. The recently acquired title opinions covering various tracts within the Unit credit interests to James B. Monroe, Trustee u/w/o Dorothy C. Monroe, for the benefit of Alvin Martin Iverson, Jr. Trust and the Peter Claxton Iverson Trust. You have indicated that James B. Monroe has been removed as Trustee and that these interests are being handled by you and Alvin Iverson as Executors of the Estate of Dorothy C. Monroe (the "Estate"). In fact, the Estate will be closed by the end of March, 1999, with all properties transferred to the individual devisees.

In order for St. Mary to properly credit the Estate interests in the Unit documents, we request that you furnish us with copies of the following documents and/or recording references where these documents are filed in Eddy County, New Mexico:

1. Probate proceedings for Dorothy C. Monroe.
2. Order removing James B. Monroe as trustee and terminating the trusts.
3. Affidavit of Heirship for the Estate if the Will was not probated in the State of New Mexico.
4. Conveyance documents from the Estate to the individual devisees. (When available)

Mr. Peter C. Iverson  
March 10, 1999  
Page 2

Your time and attention on this matter is greatly appreciated. Feel free to call me if you have any questions or require additional assistance.

Sincerely,

COASTAL MANAGEMENT CORPORATION  
(On behalf of St. Mary Land & Exploration Company)

William F. Smith  
Land Manager

cc: Richard Sullivan (via facsimile 918/747-3447)  
B. Lynne Ellison/St. Mary (via facsimile)

1776 LINCOLN STREET, SUITE 1100

DENVER, COLORADO 80203-1080

303/861-8140

FAX 303/863-1040



March 10, 1999

Mr. and Mrs. Don Fedric  
P. O. Box 1771  
Roswell, NM 88202-1771

George H. Hunker, Jr.  
P. O. Box 1837  
Roswell, NM 88202-1837

Re: E. Shugart (Delaware) Unit  
Eddy and Lea Counties, NM

Dear Mr. and Mrs. Fedric and Mr. Hunker:

Mr. Don Fedric has advised that the interest shown for Tract 2 on Exhibit "D" to the Unit Agreement for the captioned unit for George H. Hunker, Jr. and for Deborah Fedric is incorrect. This error was caused by an incorrect interpretation of a previous title opinion. We apologize for our error.

We have now corrected the Exhibit "D" and a copy is attached for each of you. Please incorporate this revised Exhibit "D" into your copies of the Unit Agreement. When the Unit Agreement is finalized and sent for final approval by the Bureau of Land Management, this revised Exhibit will be included.

We would appreciate Mr. Hunker and Mrs. Fedric's execution of the Ratification of Unit Agreement provided to you with our March 1, 1999 letter. Please return the executed, acknowledged instruments in the pre-paid envelope provided to you with that letter.

Our thanks for bringing this matter to our attention.

Very truly yours,

**St. Mary Land & Exploration Company**

A handwritten signature in cursive script that reads "B. Lynne Ellison".

B. Lynne Ellison  
Landman

/le  
Attachment



cc: Bill

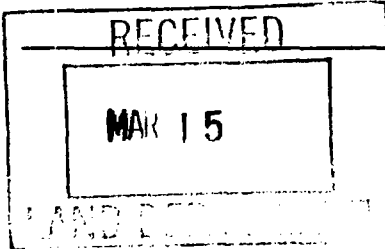
# ***RANDY G. PATTERSON***

***1705 WASHINGTON AVE.***

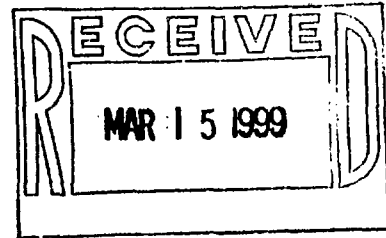
email:  
rpatterson@bulldogs.org

***ARTESIA, NEW MEXICO 88210-1650***

home: 505/746-4494  
work: 505/748-4355



March 10, 1999



ST. MARY LAND & EXPLORATION COMPANY  
1776 Lincoln Street, Suite 1100  
Denver, CO 80203-1080  
Attn: B. Lynne Ellison

RE: E. Shugart (Delaware) Unit  
Tracts 2, 3A, 3B, 4  
Dorothy G. Kemper interest

Dear Ms. Ellison:

Your Unit Agreement and Ratifications to the captioned unit were received by me this week. Please be advised that Dorothy G. Kemper died on April 12, 1998. I am here only heir. Please find enclosed a copy of the Order for Formal Probate of the Estate of Dorothy G. Kemper, and a copy of the Deed in Distribution conveying the properties and recorded in Lea County, New Mexico.

Please correct your unit documents to reflect the proper ownership in the Unit. Returned herewith are 5 Ratification and Joinder of Unit Agreement executed as you requested.

I have informed GPM, EOTT, and Conoco, whom I believe purchase production from these and other properties that St. Mary operates regarding my mother's estate and most have made changes to their division of interest. I would appreciate, however, if you would check to make sure there are no suspended or erroneously paid revenues attributable to this interest.

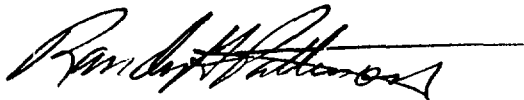
Page 2

ST. MARY LAND & EXPLORATION COMPANY

Should you need anything further or have questions concerning the title to the above estate please call me during business hours at 505/748-4355.

Thank you for you help in this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "Randy G. Patterson", with a long horizontal flourish extending to the right.

Randy G. Patterson

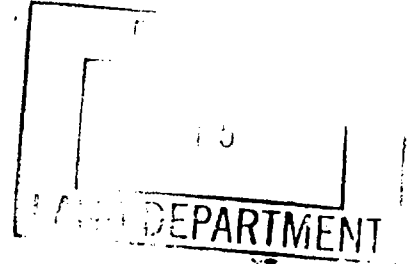
cc: Bill

LOFFLAND LIMITED PARTNERSHIP  
6300 RIDGLEA PLACE, SUITE 717  
FORT WORTH, TEXAS 76116-5765

(817) 738-6121

FAX (817) 738-2377

March 10, 1999



Ms. B. Lynne Ellison  
St. Mary Land & Exploration Company  
1776 Lincoln St., Ste. 1100  
Denver, CO 80203

Re: Ratification and Joinder of Unit Agreement

Dear Ms. Ellison:

With this letter we are returning five (5) copies of the Ratification and Joinder of Unit Agreement for purposes of secondary recovery from the Brushy Canyon Formation of the Delaware Mountain Group, which has been executed per your instructions.

Please change the ownership of the overriding interest under the name of John M. Loffland, Jr. to Loffland Limited Partnership. Mr. Loffland is deceased and all of his assets were transferred to the Loffland Limited Partnership (Tax I.D. #75-2683069) as evidenced by the enclosed Assignments of Overriding Royalty Interest which has been recorded in Lea County, New Mexico.

If you need further information, please let us know.

Sincerely,

Bonnie Rickerson  
Office Manager

Enclosures

1776 LINCOLN STREET, SUITE 1100

DENVER, COLORADO 80203-1080

303/861-8140

FAX 303/863-1040



March 16, 1999

Mr. Jim Charlesworth  
Route 4, Box 140B  
Hereford, TX 79045-9404

*Rec'd*

Re: East Shugart (Delaware) Unit  
Eddy and Lea Counties, NM

Dear Mr. Charlesworth:

Thank you for returning the Ratification and Joinder forms.

We were advised by Harvey E. Yates Company (HEYCO), the current operator of the S. Taylor 13 #2 and S. Taylor 13 #3 wells, that the interest owned by you in these two wells is owned in the name of Jimmie L. Charlesworth rather than Jim Charlesworth. However, you have signed the Ratification forms as Jim Charlesworth. In order for the all the records to be consistent with respect to record title, we ask that you sign the forms again exactly as the interest is owned. If the interest is owned in the name of Jimmie L. Charlesworth, please sign the Ratification forms in that manner. If the interest is owned in the name of Jim Charlesworth, please advise. Enclosed are six (6) more blank forms for this purpose.

There is a second problem with the Ratification forms too. Your wife signed the forms, but the notary did not acknowledge her signature. When you sign the attached forms, please have your wife sign the forms too and then have the notary acknowledge both signatures.

If you have any questions about our request, please call me at 303/863-4317.

Many thanks for your continued help in this matter. I know it is sometimes difficult to get out to a notary, and I apologize for asking you to do it twice.

Very truly yours,

**St. Mary Land & Exploration Company**

*B. Lynne Ellison*

B. Lynne Ellison  
Landman

/le  
Attachments

1776 LINCOLN STREET, SUITE 1100

DENVER, COLORADO 80203-1080

303/861-8140

FAX 303/863-1040



March 16, 1999

John William Wallrich  
416 N. Elmhurst Avenue  
Mt. Prospect, IL 60056-2012

Re: East Shugart (Delaware) Unit  
Eddy and Lea Counties, NM

Dear Mr. Wallrich:

We received the Ratification and Joinder forms signed by you today. I'm returning them because the notary forgot to sign his name and stamp the acknowledgement for your wife. Please take it back to him and ask him to do that. Also, our records show your name as J.W. Wallrich, Jr. You have signed the Ratification forms as John William Wallrich. How is your name set up on the instruments by which you acquired these interests? Should it be John William Wallrich? John William Wallrich, Jr.? or J. W. Wallrich, Jr.? Your signature on this instrument should be the same as the instrument by which you acquired the interest. Just in case you need to change how your name is signed on the Ratification forms, I'm sending six additional blank forms. If you need to sign these new forms, just throw the others away and have your wife sign the same forms you sign. I'm sorry we need to be so picky; but our attorney is, so we have to be too! Call if you have any questions. My number is 303/863-4317.

Many thanks for your continued help on all this.

By the way, we got some snow Sunday night! Thanks! It wasn't enough though. So send some more when you get a chance. I hear you've been getting plenty.

Very truly yours,

**St. Mary Land & Exploration Company**

A handwritten signature in cursive script that reads "Lynne Ellison".

B. Lynne Ellison  
Landman

/le  
Attachments

ESDU

3/18/99 Nelson Alpers 915/694-2372

Wants to sell everything.

3/22 Returned call to advise purchase  
offer of [REDACTED] He'll let us know if  
interested.

ESDU

3/16/99 Gerald Harrington -  
Requested cc of geologic exhibits  
also discussed on #4 low oil prices.

1776 LINCOLN STREET, SUITE 1100

DENVER, COLORADO 80203-1080

303/861-8140

FAX 303/863-1040



**Transmitted via Federal Express**

March 17, 1999

Mr. Leonard Kersh  
NationsBank of Texas  
901 Main Street, 17<sup>th</sup> Floor  
Dallas, TX 75202

Re: E. Shugart (Delaware) Unit  
Eddy and Lea Counties, NM

Dear Mr. Kersh:

Pursuant to your recent request, attached please find a copy of the Reservoir Simulation Study relative to the captioned unit and a set of the geologic exhibits used in our presentation to the BLM for same. If there is anything else you need, give us a call.

Very truly yours,

**St. Mary Land & Exploration Company**

A handwritten signature in cursive script that reads "B Lynne Ellison".

B. Lynne Ellison  
Landman

/le  
Attachments



1776 LINCOLN STREET, SUITE 1100

DENVER, COLORADO 80203-1080

303/861-8140

FAX 303/863-1040



**Transmitted via Federal Express**

March 17, 1999

Gerald E. Harrington  
114 E. 4<sup>th</sup> Street, Suite 200  
Roswell, NM 88201

Re: E. Shugart (Delaware) Unit  
Eddy and Lea Counties, NM

Dear Mr. Harrington:

Pursuant to your telephone request yesterday, attached please find a copy of the geologic exhibits used in our presentation to the BLM relative to the captioned unit. If there is anything else you need, give us a call.

I enjoyed visiting with you and will look forward to receiving information pertinent to overhead costs in the wells in which you own an interest.

Very truly yours,

**St. Mary Land & Exploration Company**

A handwritten signature in cursive script that reads "Lynne Ellison".

B. Lynne Ellison  
Landman

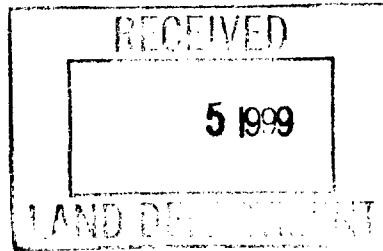
/le  
Attachments

Original: RDB

cc: Lynne Ellison  
Bob Bachman

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

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
MICHAEL H. FELDEWERT  
ANTHONY F. MEDEIROS  
PAUL R. OWEN  
KATHERINE M. MOSS  
  
JACK M. CAMPBELL  
OF COUNSEL



JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
FACSIMILE: (505) 983-6043  
E-MAIL: ccbspa@ix.netcom.com

March 17, 1999

St. Mary Land & Exploration Company  
1776 Lincoln Street, Suite 1100  
Denver, Colorado 80203-1080  
Attn: Mr. Ronald D. Boone  
Executive Vice President

Re: *East Shugart Delaware Unit*  
*Lea County, New Mexico*

Gentlemen:

Intoil, Inc. has sought my assistance in its efforts to secure changes in the participation formula for the East Shugart Delaware Unit which St. Mary Land & Exploration Company is proposing in Lea County, New Mexico.

Intoil's concerns were set out in the letter to you from Mr. Joseph R. Mazzola dated December 16, 1998. However, it is our understanding that since St. Mary has the support of owners of 82% of the unit working interest for this formula, you are unwilling to modify your proposal. We would prefer to resolve this matter by voluntary agreement with St. Mary's but unless there is a willingness to meet and amend the participation formula to allocate to Intoil its fair share of unit production, we will be forced to oppose the unit before the Oil Conservation Division.

We understand that St. Mary's seeks to bring Intoil's working interest into the unit and will therefore seek the statutory unitization of the proposed unit area. To do this St. Mary must obtain the approval of this unit and participation formula from the New Mexico Oil Conservation Division following a hearing before a Division Examiner. The Oil Conservation Division is charged with protecting the correlative rights of each interest owner in a pool and pursuant to the Statutory Unitization Act must find that a proposed unit participation formula is "fair, reasonable and equitable" to each interest owner prior to

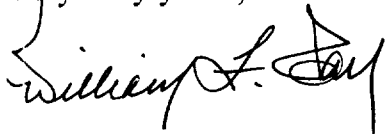
St. Mary Land & Exploration Company  
March 17, 1999  
Page 2

approving the unit.

If the current unit plan is presented to the Oil Conservation Division, Intoil will have no choice but to oppose the unit and ask the Division to (1) determine that the agreement does not allocate unitized hydrocarbons on a fair, reasonable and equitable basis, and (2) determine the relative value of all tracts in the unit area.

We remain interested in a voluntary resolution of this matter and can be available at your convenience to discuss modifications to the participation formula contained in the East Shugart Unit Agreement.

Very truly yours,

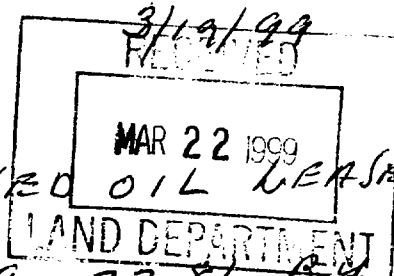
A handwritten signature in black ink, appearing to read "William F. Carr", written over a horizontal line.

WILLIAM F. CARR

WFC:mlh

cc: Joseph Mazzola  
Intoil, Inc.

LYNNIE ELLISON -  
RE: COPIES OF APPROVED OIL LEASES  
N.M. 184, 9016, 9017, 9019 + 2281 B4  
STATE AND COUNTY



QUESTIONS - OTHER WELLS LISTED  
ON LEASE 9017 SECTION 18  
CONOCO #2 - LOT 4 SW/4  
BUFFALO FED #2 - LOT 3 NW-SW

INCA FED #8 LEA OREDDY COUNTY  
PER NM 9016 IT LOCATED IN LEA  
COUNTY SECT 17 - TIPS - R32E.  
WILL ETT ISSUE A CORRECTION

OTHER TRANSFERS ON SAME LEASES  
ARE BEING SIGNED -

EUGENE WALLRICH TO WILLIAM JAMES  
WALLRICH

JOHN WILLIAM WALLRICH JR TO MARY (WALLRICH)  
(HE) DEBIC

I'LL FORWARD THEM SOON.

THANK YOU MAR 22 1999

J.W. Wallrich

1-800-254-7907



Mr. John Wallrich  
416 N. Elmhurst Ave.  
MT Prospect, IL 60056

GLOBAL NATURAL RESOURCES CORPORATION OF NEVADA

A Subsidiary of Seagull Energy Corporation  
1001 Fannin, Suite 1700 • Houston, Texas 77002-6794

25

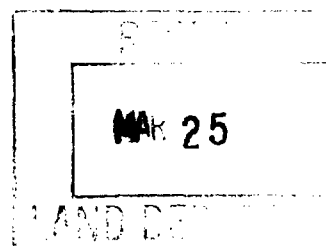
March 22, 1999

St. Mary Land & Exploration Company  
1776 Lincoln Street  
Suite 1100  
Denver, CO 80203-1080

Attention: B. Lynne Ellison

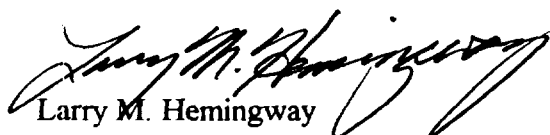
Gentlemen:

Subject: Proposed East Shugart (Delaware) Unit  
Lea and Eddy Counties, New Mexico



By letter dated March 1, 1999, St. Mary Land & Exploration Company requested that Global Natural Resources Corporation of Nevada review and sign a ratification and joinder of unit agreement covering the subject unit. After researching our files, it was determined that Global had sold all of its interest Tract 1A (SE/4SE/4 of Sec. 13-18S-31E), Tract 1B (SW/4SE/4 of Sec. 13-18S-31E) and Tract 4 (NE/4SW/4 of Sec. 19-18S-32E) effective November 1, 1998. Based on these findings, the unit package St. Mary provided is being enclosed herewith. Also enclosed are copies of the assignments covering the above mentioned tracts.

Very truly yours,

  
Larry M. Hemingway  
Staff Landman

Enclosures

ESDU

3/23

Elouise Justice called. Says they have  
ORR of .000375 in Conoco #1.  
505/625-0072

No ORR per T/O on Conoco #1 dtd 4/22/88

Called back & told her. She'll try to find  
cc of document.

4/5 Haven't heard from Mrs. Justice.  
Left message that unless I hear  
otherwise I'll assume EX is correct  
& they have no ORR in Conoco #1.

ESDU

3/23

L.E. Bearden, Jr., POA for Margaret Johnson  
McCurdy called. Noticed Gladys Shannon's  
name on Ex D. She's deceased. Gave  
me executor: George Shannon  
4124 Angus Dr  
Ft Worth 76116

1776 LINCOLN STREET, SUITE 1100

DENVER, COLORADO 80203-1080

303/861-8140

FAX 303/863-1040

March 23, 1999



George Shannon, Independent  
Executor of Gladys Shannon Estate  
4124 Angus Drive  
Fort Worth, Texas 76116

Re: East Shugart (Delaware) Unit  
Eddy and Lea Counties, NM

Dear Mr. Shannon:

We recently sent information about the captioned unit to the last address we had for Ms. Gladys Shannon. Someone else who received a similar packet called to advise us that Ms. Shannon is now deceased and that you are the Executor of her estate. It is possible that the packet sent to Ms. Shannon has been forwarded to you. However, we are enclosing another packet in case you have not received the original packet.

Please sign the Ratification forms as Executor of the Estate of Gladys Shannon and have your signature acknowledged by a notary public. Also please provide us with copies of the Letters Testamentary naming you as Executor. If the estate is being probated in New Mexico, please provide us with a copy of the probate proceedings and the Judgment of Possession when they are available. If the estate is not being probated in New Mexico, please advise and we will send an Affidavit of Heirship form that you will need to have filled out and signed.

It appears that the current production purchasers under the Mohawk well are also unaware of the death of Ms. Shannon. I believe they are holding revenue from production from her share of this well for a correct address. You may want to contact both Conoco Inc. at P. O. Box 1267, Ponca City, Oklahoma 74602-1267, Attention: Ms. Debbie K. McGowan and EOTT Energy Operating Limited Partnership at P. O. Box 4666, Houston, Texas 77210-4666, Attention: Kelly A. Hermann, to advise them of Ms. Shannon's death and where to send her revenue.

If you have any questions about our requirements to change Ms. Shannon's ownership on this property or about the formation of the proposed unit, please do not hesitate to contact the undersigned at 303/863-4317.

Thank you for your assistance in this matter.

Very truly yours,  
St. Mary Land & Exploration Company

A handwritten signature in cursive script that reads "B. Lynne Ellison".

B. Lynne Ellison  
Landman

/le



1776 LINCOLN STREET, SUITE 1100  
DENVER, COLORADO 80203-1080  
303/861-8140  
FAX 303/863-1040



March 24, 1999

Mr. John Wallrich  
416 N. Elmhurst Ave.  
Mt. Prospect, IL 60056

Re: Transfer of Interests  
E. Shugart (Delaware) Unit  
Eddy and Lea Counties, NM

Dear Mr. Wallrich:

Thanks for providing us with copies of the recorded documents transferring the overriding royalty interest owned by Elizabeth Sivesind into John Wallace Wallrich. I'll look for copies of the other transfer instruments relative to your interests and those of Eugene Wallrich when they are available.

With respect to your questions, the Conoco #2 well is within the areal boundaries of the unit, but it produces from the Grayburg and Penrose formations rather than the Delaware formation. Our unit only includes production from the Delaware formation. The Buffalo Federal No. 1 and No. 2 wells are just outside the unit boundaries and also produce from the Grayburg and Penrose formations.

You are correct that the Inca Federal No. 8 well is in Lea County, rather than Eddy County. I doubt that EOTT will issue any corrections, though you might point out their error to them just to let them know you're keeping an eye on them.

I don't know how soon you'll accomplish the transfers of your interests and Eugene's interests. If they have already been signed, please give me addresses for William James Wallrich and Mary Wallrich Dedic so that I can send out Ratification forms directly to them. If you have not yet signed these transfers, we'd really appreciate it if you and Eugene Wallrich would execute the Ratifications of the unit sent to each of you earlier this month.

Thanks so much all your help in these matters. Take care.

Very truly yours,  
St. Mary Land & Exploration Company

A handwritten signature in cursive script that reads "Lynne Ellison".

B. Lynne Ellison  
Landman

/le

1776 LINCOLN STREET, SUITE 1100

DENVER, COLORADO 80203-1080

303/861-8140

FAX 303/863-1040



March 26, 1999

Mrs. Ella Belle Holeman  
1303 W. Avenue J  
Lovington, NM 88260

Re: E. Shugart (Delaware) Unit  
Eddy and Lea Counties, NM

Dear Mrs. Holeman:

Thank you for returning the Ratification and Joinder forms relative to the captioned unit.

We noticed that you signed the forms as a widowed individual. The records we received from Harvey E. Yates Company (HEYCO), current operator of the S. Taylor 13 #2 and #3 wells, indicate that this overriding royalty interest is in the names of the Cecil B. Holeman and Ella Belle Holeman Trust A and Trust B. Please advise us if the interest has been assigned by the Trusts into you, individually. If that is the case, please provide us with documentation relative to this change such as assignments and/or documents dissolving the Trusts and providing for ownership upon dissolution.

We are enclosing six (6) more copies of the Ratification and Joinder forms, which have been set up for execution by you as Trustee under each of the Trusts (twelve (12) forms in all). If the interests are still owned by the Trusts, please sign all 12 of these forms, have your signature acknowledged by a notary public and return ten (10) of the forms to us in the enclosed envelope for further handling.

If you have any questions, please do not hesitate to contact the undersigned at 303/863-4317.

We certainly appreciate your assistance in this matter.

Very truly yours,

**St. Mary Land & Exploration Company**

A handwritten signature in cursive script that reads "B. Lynne Ellison".

B. Lynne Ellison  
Landman

/le  
Attachments

1776 LINCOLN STREET, SUITE 1100

DENVER, COLORADO 80203-1080

303/861-8140

FAX 303/863-1040



March 26, 1999

All Overriding Royalty Interest Owners  
Proposed East Shugart (Delaware) Unit  
Eddy and Lea Counties, NM

Re: Ratification and Joinder of Unit Agreement

Ladies and Gentlemen:

On March 1, 1999, we sent each of the addressees of this letter certain documents relative to the proposed formation of the East Shugart (Delaware) Unit. In that letter we requested that you sign six (6) copies of a Ratification and Joinder of Unit Agreement. As of the date of this letter, we have not received your signed Ratifications. Even though your interest in the proposed unit may be relatively small, we urge you to sign the Ratification forms and return them.

Federal and state agencies in New Mexico require that seventy-five percent (75%) of the royalty and overriding royalty interest owners ratify the unit prior to final approval of the unit by these agencies. To date, we have only sixty-five percent (65%) of the royalty and overriding royalty interest owners' approvals in hand. Unless we obtain the required percentage of approvals, the unit will not be formed. As we explained in our earlier letter, certain engineering procedures can only be performed after the unit is approved. If the unit is not formed, oil that is recoverable by these procedures will be left in the ground reducing total revenue which would otherwise be payable to you.

Please take a moment to sign the Ratification forms provided to you with our March 1 letter. If our March 1 packet did not reach you, if you have mislaid your copy, or if you have any questions about unitization, please do not hesitate to contact the undersigned at 303/863-4317. Remember that your signature and that of your spouse (if your interest is owned individually and you are married) will need to be acknowledged by a notary public.

We sincerely appreciate your attention to this matter and look forward to hearing from you soon.

Very truly yours,

**St. Mary Land & Exploration Company**

*B. Lynne Ellison*

B. Lynne Ellison  
Landman

/le

ESDM

3/29/99

Sally Roberts ORPT 915 / 684-7122

Used to be geologist - HECO

Still need hers?

Has HECO signed yet?

Expect to get 75% - when?

How to calculate her interest in unit.

ESDU

3/29

Susan<sup>Holmes</sup> 505/746-6464  
1st Nat'l BK - Head of Trust Dept.  
She's approved Margaret Naylor +  
sinton to geologist. Chuck Joy

ESDU

3/31/99 Carl Glaze, attorney for 5 States.

214/696-5095

Requested chgs to OA:

- Art 6.2 Resig of Op. needs to conform more closely to Unit Agmt
- Art 6.3 Selection of successor chg 85% to 75% to conform to Unit Agmt.
- 12.8 Takeout that non-defaulting WTs pay share of defaulting party's bills.

Fax 214/696-5098

Wm Nicky

1289 La Fayette St

Cape May, NJ 08204-1708

609/884-0078<sup>92</sup>

Left message

Wm B

800 President St

Brooklyn, NY 11215-1329

718/638-1495

Left message

Wm B

2001 N. Adams St. #40

Arlington VA 22201-3751

703/524-9057

Left message

Wm D

1224 N. Elm St.

Muncie In 47303-3009

765/284-1829

Left message

Wm E

1214 Meigs Hollow Rd

Shippensburg, PA 17257-9479

717/530-8153

no answer  
no voice mail

Wm J

1245 Meadowood Ct

Steamboat Springs, CO 80487-1720

970/870-9832

No idea who  
it is.

Wm J

1 Kennedy Lane

Cold Spring Harbor, NY 11724-2002

Wm L.

203 Shann Rd

Glen Burnie, MD 21060 - 7435 Not him

410/768-3223

Wm R

6513 Belkview Dr

Columbia, MD 21046-1016

Not him

410/740-7121

Wm S.

Mechanicsville, MD 20659 (Leonardtown, MD 20650)

301/373-8157 - Not a good #

Wm S.

121 Phlegast Run Lane

Hamover, PA 17331-9180

Not him

717/633-7821

Wm

25350 Perdido Beach Boulevard

Orange Beach, AL 36561 - 3107

334/981-5078

Left message

Wm J.

3219 Coquelin Terrace

Chevy Chase, MD 20815 - 4840

308/951 ??

Wm A. Nicky

4190 City Ave

Philadelphia, PA 19131-1626

215/871-1907

busy signal



Wm A Nicky

1331 E. Wyoming Ave

Philadelphia, PA 19124 - 3806 *buggy*

215/744-2266

Wm

7 Barclay Ct.

Newtown, PA 18940-1555

N/A

Wm J.

1245 Meadow Ct

Philadelphia, PA 80482 1720

Wm M

~~205 S. 1st St~~ 155 N. Hancock Dr, Apt 9305

Chicago IL 60621-7324

Wm M

1700 S Wiggins Ave

Springfield, IL 62704-3333

## ESDU

4/5/99 Vernon Dyer, HEXCO  
505 / 623-6601

### OA Changes:

- 7.9 Second line chg "a" to "one"
- pg 9 8.1 No ad valorem taxes in NM -  
Take out.
- pg 11 Art 11.1 2nd ¶ 15 days
- 12.4 Chg to \$60,000
- 13.2.4 pg 15 - more than 2 completions  
- chg to accommodate
- Art 19.1 4th line - on well as determined  
by terms of COPAS?? or OAS?
- p 19. 21.12 - OA or COPAS again

CEPES - Method to determine used product  
prices - based on newest pricing for new  
- B = 25%  
\$500/yr & update every year

- OTH on wells aroundus?  
Check pumpin costs.

- COPAS # 3 \$60,000  
3. B - 30 days instead of 15

pg 2 #6 - 80% of average commercial  
rates

pg 4 #5 or affiliate

#6 80% or if use CEPS don't  
worry @ it.

pg 6 #2 Ecological + environ ??  
if like EA - OK to chg jt acct

Ex F - 2nd to last TP \$5mm  
common in area.

1776 LINCOLN STREET, SUITE 1100

DENVER, COLORADO 80203-1080

303/861-8140

FAX 303/863-1040



April 7, 1999

Richard D. Borgaard  
8882 NE Meadow Ridge Road  
Prineville, OR 97754

Re: East Shugart (Delaware) Unit  
Eddy and Lea Counties, NM

Dear Mr. Borgaard:

Pursuant to our recent conversation, attached is a copy of the Ratification and Joinder of Unit Agreement for the captioned unit. Note that I have added the words "dealing in his sole and separate property" beneath your name. I believe this should fulfill the New Mexico requirements under the community property laws.

Thanks for your help in this matter.

Very truly yours,

**St. Mary Land & Exploration Company**

A handwritten signature in cursive script that reads "B. Lynne Ellison".

B. Lynne Ellison  
Landman

/le  
Attachment

ESDU

4/8/99 Gerald Harrington 505/622-1550

Requested offer to buy his interests

4/23 Returned call advising purchase  
price of ~~100,000.00~~

1776 LINCOLN STREET, SUITE 1100

DENVER, COLORADO 80203-1080

303/861-8140

FAX 303/863-1040



April 12, 1999

All Working Interest Owners  
East Shugart (Delaware) Unit  
Eddy and Lea Counties, NM

Re: Revision of Unit Operating Agreement  
East Shugart (Delaware) Unit  
Eddy and Lea Counties, NM

Ladies and Gentlemen:

Five States and Harvey E. Yates Company (HEYCO) have requested that we make several changes to the Unit Operating Agreement (Unit OA) in the captioned area. We believe you will find that these changes do not materially affect the substance or purpose of the agreement, and will improve certain aspects of the Unit OA.

Please replace the attached pages for the similarly numbered pages of your copy of the Unit OA: pages 8, 9, 13, 16, 18 and 19 of the Unit OA; page 1 of the COPAS (Exhibit E); and Exhibit F. The changes made on each page are as follows:

Page 8. Article 6.2. Resignation and Removal of Unit Operator.

To conform this article more completely to the language in the Unit Agreement, the following words have been added at the beginning of the second sentence of Article 6.2: "Upon default or failure in the performance of its duties and obligations hereunder...."

Page 8. Article 6.3. Selection of Successor.

The percentage of remaining Working Interests required to select a successor operator in the event the current operator fails to vote or votes only to succeed itself has been changed from eighty-five percent (85%) to seventy-five percent (75%). This change, too, has been made to conform the Unit OA to the Unit Agreement.

Page 9. Article 7.9.

In line 2 the word "a" has been changed to "one".

Page 13. Article 12.4.

The dollar figure for advance billings has been changed from \$52,000 to \$60,000.

Page 16. Article 13.2.4.

The last sentence has been replaced by the following: "When charges cannot be directly attributed to either the Unitized Formation or to the other formation(s), such charges will be divided among the various completed formations equally. Those charges allocated to the Unitized Formation will be regarded as Unit Expense. Charges allocated to other formation(s) will be charged to the owners of such formation(s)." The purpose of this change is to provide for the possibility of completions in more than one formation outside the Unitized Formation to which expenses may need to be allocated.

Page 18. Article 19.1.

In lines 4 and 5, the words "by the Working Interest Owners of the Unit" have been replaced with "under the terms of Exhibit E attached hereto."

Page 19. Article 21.1.2.

In the third line, we have replaced "by Working Interest Owners" with "under the terms of Exhibit E attached hereto."

COPAS Page 1. Paragraph 3.A.

The amount filled in in the first line has been changed from \$52,000 to \$60,000.

COPAS Page 1. Paragraph 3.B.

In the first sentence, we have changed "15" to "30" and added the following at the end of the sentence: "with the exception of advance billings, which are due within 15 days of receipt pursuant to the previous paragraph."

Exhibit F.

In the penultimate paragraph of this Exhibit, "\$15,000,000" has been replaced with "\$3,000,000" with respect to the amount of Well Control coverage required to be carried by Non-Operators.


We believe you will find these changes acceptable. However, if any of you have objections, please contact the undersigned so that we may discuss your concerns.

If we have not already received your executed Ratification and Joinder of Unit Agreement and Unit Operating Agreement forms, we would very much appreciate your signing these forms and returning them to us in the next day or so. We are close to acquiring Ratifications by seventy-five percent (75%) of the Working Interest Owners and have already acquired more than seventy-five percent (75%) of the Royalty and Overriding Royalty Interest Owners as required by the state of New Mexico prior to Statutory Unitization. If your Ratifications are not returned to us prior to Statutory Unitization, and assuming that the Oil Conservation Division approves Statutory Unitization, your interest in the Unit will be included pursuant to the Statutory Unitization provisions and will be subject to the two hundred percent (200%) penalty allowed thereunder. We certainly do not want your interest to be subject to that penalty simply because you failed to sign and return the Ratification forms in a timely manner.

If you have any questions about the revisions we have made to the Unit Operating Agreement or about execution of the forms or any other matter relating to this unitization effort, please do not hesitate to contact the undersigned at 303/863-4317.

Thank you for your assistance in this matter.

Very truly yours,  
**St. Mary Land & Exploration Company**



B. Lynne Ellison  
Landman

/le  
Enclosures

ESDU

4/8/99 Gerald Harrington 505/622-1550

Requested offer to buy his interests

4/23 Returned call advising purchase  
price of ~~100,000.00~~



1776 LINCOLN STREET, SUITE 1100

DENVER, COLORADO 80203-1080

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April 12, 1999

All Working Interest Owners  
East Shugart (Delaware) Unit  
Eddy and Lea Counties, NM

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Eddy and Lea Counties, NM

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Thank you for your assistance in this matter.

Very truly yours,  
**St. Mary Land & Exploration Company**

  
B. Lynne Ellison  
Landman

/le  
Enclosures

ESDA

4/14

Lenny Schaen 972/386-4444

Discussed unit cost estimates & well expenses. Needs another packet.

Do we want to buy him out? Make offer.

4/23 Return call. Offered [REDACTED]

[REDACTED] Offer declined.

Re: Naylor Ratification

## FAX COVER SHEET

St. Mary Land & Exploration Company  
1776 Lincoln Street Suite 1100  
Denver, Colorado 80203-1080  
Phone (303) 861-8140 Fax (303) 863-1040

TO: Rebecca Campbell  
First National Bank

Fax #: 505 / 746 - 2607

Date: 4/15/99

Pages: 4 (Including this cover sheet)

FROM: Lynne Ellison

### COMMENTS:

Following info is for Mr. Charles Joy.

Mr. Joy,  
Page 5 of Drilling Title Opinion at bottom  
lists 3 assignments of ORRI pertaining  
to your client. Page 3 near the top  
shows the calculation for the Naylor  
interest.

Please advise if you still think we  
have a problem.

1776 LINCOLN STREET, SUITE 1100

DENVER, COLORADO 80203-1080

303/861-8140

FAX 303/863-1040



April 16, 1999

Mr. Norman Barker  
3208 Haynes Drive  
Midland, Texas 79705-4213

Re: East Shugart (Delaware) Unit  
Eddy and Lea Counties, NM

Dear Mr. Barker:

We have been informed that the copies of the Unit Agreement, Unit Operating Agreement and the Ratifications sent to you relative to the captioned unit have been misplaced by your attorney.

Attached please find copies of these agreements and the Ratifications. Please note that the revised pages sent out with our April 12 letter have been included in this copy of the Unit Operating Agreement.

Thank you for your time in consideration of this unit proposal.

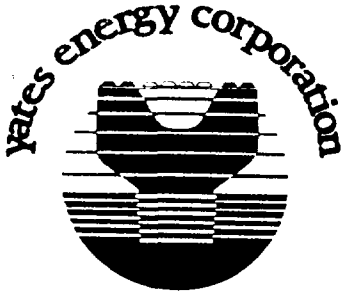
Very truly yours,

**St. Mary Land & Exploration Company**

A handwritten signature in cursive script that reads "B. Lynne Ellison".

B. Lynne Ellison  
Landman

/le  
Attachments



April 16, 1999

St. Mary Land & Exploration Company  
1776 Lincoln Street, Suite 1100  
Denver, Colorado 80203-1080

Attention: B. Lynne Ellison  
Landman

Re: East Shugart (Delaware) Unit  
Eddy and Lea Counties, NM

Dear Lynne:

Pursuant to our telephone conversation this date, we have noted a discrepancy in the net revenue interest listed for Yates Energy Corporation and Jalapeño Corporation in the Unit Agreement For The Development and Operation of the East Shugart (Delaware) Unit Area. On Exhibit "D", page 2, under Tract 1A, the interest should be as follows:

$.01209274 \times .677101 = .00818801$  for Yates Energy Corporation  
 $.01209274 \times .322899 = .00390473$  for Jalapeño Corporation

This correction will change the Total Unit Participation NRI, giving Yates Energy Corporation a .00997831 and Jalapeño Corporation a .0047585. The other interests stated for Yates and Jalapeño are correctly allocated between the two companies.

Thank you for your assistance in making this correction.

Yours very truly,

**YATES ENERGY CORPORATION**

Sharon R. Hamilton  
Landman

Cc: Jalapeño Corporation  
P. O. Box 1608  
Albuquerque, NM 87103-1608

NOPWELLS/EShugart.L1

1776 LINCOLN STREET, SUITE 1100  
DENVER, COLORADO 80203-1080  
303/861-8140  
FAX 303/863-1040



April 16, 1999

Mr. William F. Carr  
Campbell, Carr, Berge & Sheridan  
P. O. Box 2208  
Santa Fe, NM 87504-2208

Re: East Shugart (Delaware) Unit  
Eddy and Lea Counties, NM

Dear Mr. Carr:

We have received your March 17, 1999 letter relative to the concerns of Intoil, Inc. (Intoil) with respect to its interest under the terms of the proposed captioned unit.

The geologist responsible for this area met with Mr. Joseph Mazzola and Mr. Rolando Benevides in the offices of Intoil on two different occasions. It is also my understanding that there were a number of telephone conversations among these parties about the materials presented. We believe we have made good faith efforts to address their concerns. However, we would be happy to meet with you and your clients again if such a meeting would be helpful.

We plan to move forward with the hearing before the New Mexico Oil Conservation Division as soon as we have the signed Ratifications of the required number of working interest and royalty interest owners. We still expect the working interest support for this unit as recommended to exceed eighty percent (80%).

Please contact us if we can be of any further assistance in resolving this matter.

Very truly yours,

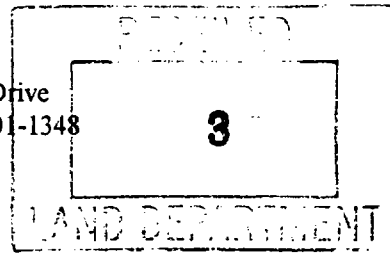
**St. Mary Land & Exploration Company**

A handwritten signature in cursive script that reads "B. Lynne Ellison".

B. Lynne Ellison  
Landman

/le

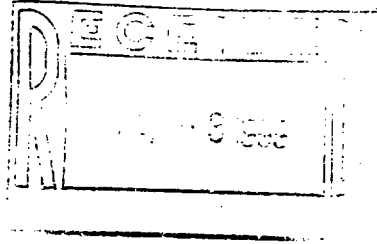
E&S, LLC  
3007 Riverside Drive  
Roswell, N M 88201-1348



April 20, 1999

Re: Owner No. 16965

St. Mary Land & Exploration Co.  
1776 Lincoln St. Suite 1080  
Denver, Colorado 80202-1080



Attn: B. Lynne Ellison

Dear Ms. Ellison

Our records show, for the year of 1998, that we have paid 61% (sixty one) of our revenue for expenses from our working interest in the properties which Coastal Management operates. We consider this to be a disproportionate amount.

Should St. Mary's want to purchase our working interest in these properties, we will seriously consider the offer. However, we expect a price commensurate to the one received by Don Fedric.

Sincerely,

A handwritten signature in cursive script that reads "Elouise H. Justice".

E&S, LLC  
Elouise H. Justice, Managing Partner



1776 LINCOLN STREET, SUITE 1100

DENVER, COLORADO 80203-1080

303/861-8140

FAX 303/863-1040



April 21, 1999

All Working Interest Owners  
East Shugart (Delaware) Unit  
Eddy and Lea Counties, NM

Re: April 12, 1999 Letter  
East Shugart (Delaware) Unit  
Eddy and Lea Counties, NM

Ladies and Gentlemen:

It has come to our attention that our letter of April 12, 1999 may have inadvertently created an impression among some parties that there will not be an opportunity to join the captioned unit once the New Mexico Oil Conservation Division approves Statutory Unitization. This is not correct.

In fact, when Statutory Unitization is approved, St. Mary Land & Exploration Company, as Operator of the proposed unit, plans to send all parties who have not voluntarily joined the unit another letter inviting them to join voluntarily at that time in order to avoid any non-consent penalty that may be approved in the Unit Operating Agreement and Statutory Unitization order.

Very truly yours,

**St. Mary Land & Exploration Company**

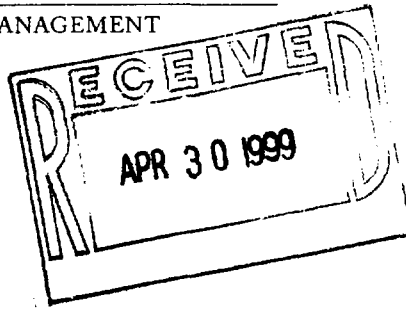
A handwritten signature in cursive script that reads "B. Lynne Ellison".

B. Lynne Ellison  
Landman

/le

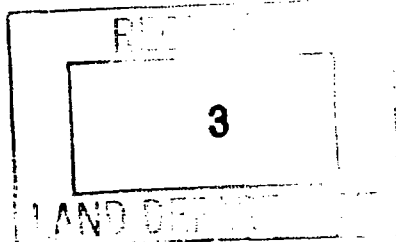


**COASTAL MANAGEMENT CORPORATION**  
OIL AND GAS PROJECT MANAGEMENT



April 21, 1999

18-31, Inc. Group  
(See Attached Distribution List)



Re: Offer to Acquire Oil and Gas Properties  
T-18-S, R-31-E, NMPM  
Section 24: E/2  
Eddy County, New Mexico

Ladies and Gentlemen:

This letter represents the offer of St. Mary Land & Exploration Company and Riverhill Energy Corporation (collectively "Buyer") to purchase all of the working interests and working interest back-in rights of the parties as set out on the attached Exhibit "A" (collectively "Seller") in and to the oil and gas properties described on Exhibit "A" attached hereto (the "Property"). The purchase price for the Property shall be [REDACTED] payable at Closing (as defined herein) in immediately available funds.

Buyer proposes to acquire all of the Property including, without limitation, all of Seller's interests in and to the operating rights, together with all easements, rights-of-way, surface agreements, wells, equipment, fixtures, field inventory and other interests, whether real or personal, owned or held by or for the benefit of Seller which are related, necessary or convenient to such operating rights or the exploration for, production, transportation or marketing of hydrocarbons from the Property. Seller is to retain all currently existing carried working interests and overriding royalty interests. Seller is to retain record title as to all depths and operating rights outside the depths covered by the Property.

The closing of the transaction proposed hereby and the conveyance of the Property from Seller to Buyer would occur on or before thirty (30) days after the execution of this letter agreement ("Letter Agreement") or at such other time as the parties can mutually agree (the "Closing"), but effective as of March 1, 1999, at 7:00 a.m., in the time zone where the individual properties are located (the "Effective Time").

This offer is subject to the following terms and conditions:

1. Seller shall be entitled to all credits and proceeds of production from and accruing to the interests covered hereby and shall be responsible for all costs, expenses, disbursements,

obligations, and liabilities attributable to said interests for all periods of time prior to the Effective Time. Seller agrees to indemnify, defend and hold Buyer free and harmless from and against any and all claims, liabilities, demands, obligations, losses, costs and expenses (including without limitation, court costs and reasonable attorneys' fees) that are attributable to the Properties with respect to periods prior to the Effective Time, regardless of when discovered.

2. Buyer shall be entitled to all credits and proceeds of production from and accruing to the interests covered hereby and shall be responsible for all costs, expenses, disbursements, obligations, and liabilities attributable to said interests for all periods of time on and after the Effective Time. Buyer agrees to indemnify, defend and hold Seller free and harmless from and against any and all claims, liabilities, demands, obligations, losses, costs and expenses (including without limitation, court costs and reasonable attorneys' fees) that are attributable to the Properties and that occur on or after the Effective Time.
3. Seller represents that Seller has "Marketable Title" to the oil and gas properties being conveyed. Marketable Title shall mean such title as (i) will enable Buyer to receive from the wells identified on Exhibit "A" at least the net revenue interest identified on Exhibit "A" as being associated with such oil and gas property, without reduction, suspension, or termination throughout the production life of the well, except for any reduction, suspension, or termination permitted pursuant to the terms of this Letter Agreement; (ii) will obligate Buyer to bear no greater working interest than the working interest for each of the wells identified on Exhibit "A" without increase throughout the productive life of such well except for increases permitted pursuant to the terms of this Letter Agreement; and (iii) is free and clear of all encumbrances, liens, claims, easements, rights, agreements, instruments, obligations, burdens, or defects except for the encumbrances permitted pursuant to this Letter Agreement. All title deficiencies will cause an adjustment to the purchase price. All adjustments will be presented by Buyer prior to the Closing.
4. The assignment of the Properties to Buyer shall include a warranty against the claims of any and all persons claiming by, through, or under Seller, but not otherwise.
5. Seller will furnish to Buyer such information as Buyer may reasonably request.
6. This offer is subject to approval of title by Buyer. In this regard, upon receipt of a fully executed Letter Agreement, Buyer shall commence its title examination, at its sole cost and expense, and shall notify Seller of any title curative requirements with regard to any defect or

18-31, Inc. Group

April 21, 1999

Page 3

irregularity of title that would cause title to the oil and gas properties not to be Marketable Title.

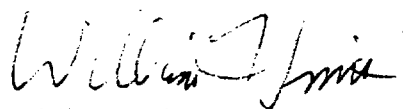
7. Buyer and Seller shall each be responsible for their own costs and expenses incurred in connection with this transaction.

If this offer is acceptable and this Letter Agreement accurately sets out your understanding of this transaction, please return to Buyer the original of this Letter Agreement, with a signature page from each party, on or before April 1, 1999.

Sincerely,

**COASTAL MANAGEMENT CORPORATION**

(On behalf of St. Mary Land & Exploration Company and Riverhill Energy Corporation)



William F. Smith  
Land Manager

AGREED and ACCEPTED this 28 day  
of April, 1999.

Entity: Dorothy C. Monroe, Ed.  
By: [Signature]  
Title: Co-Executor

P. C. IVERSON  
206 Belle Meade Cr.  
Eufaula, OK 74432

1776 LINCOLN STREET, SUITE 1100

DENVER, COLORADO 80203-1080

303/861-8140

FAX 303/863-1040



April 22, 1999

Linda L. and Walter E. Clemens  
17 Sutherland Road  
Manitou Springs, CO 80829

Re: William Nickey

Dear Mr. and Mrs. Clemens:

St. Mary Land & Exploration Company acquired the interests previously owned by Siete Oil & Gas Corporation (Siete) in Eddy and Lea Counties, New Mexico and now operates these properties. The records furnished to us by Siete indicated that William Nickey owned an interest in a number of these properties. However, their records had all of Mr. Nickey's interests in suspense for lack of an address.

Although we have searched diligently for an address for Mr. Nickey, we have not been able to find him. The records indicate that he acquired his interest from Petroleum Exchange, and that you were partners of that entity at the time of transfer. If you can offer any assistance in locating Mr. Nickey, we would surely appreciate your help. Any information such as current or previous address, Social Security Number, telephone number or even just a middle name or initial would help us in our search. If you have any information, please contact the undersigned at 303/863-4317 or at the address reflected on the letterhead.

Thank you for your help in this matter.

Very truly yours,

St. Mary Land & Exploration Company

*B. Lynne Ellison*

B. Lynne Ellison  
Landman

/le

*Ret'd 4/27  
Unable to forward  
Trying  
Dartmouth Pl  
Woodland PK. CO  
80863*

**ST. MARY LAND & EXPLORATION COMPANY**

1776 Lincoln Street, Suite 1100

Denver, Colorado 80203

Phone: (303)861-8140

Fax: (303) 863-1040

DATE: 4/28/99

TO: Sharon Hamilton, Yates Energy Corporation

FAX  
NUMBER: 505/623-4947

FROM: Lynne Ellison

MESSAGE:

Dear Sharry:

Per your recent phone call and letter, we have changed the Exhibit "D" to the Unit Agreement to reflect the corrected interests for Yates Energy Corporation and Jalapeno Corporation. Please note that our computer program rounded off the "1" in the 8<sup>th</sup> decimal place for Yates' interests. Hope that's all right. Attached is the revised Exhibit "D". I'll assume this is acceptable unless I hear back from you. Thanks for your help, Sharry.

Number of pages including cover page: 6

Please inform us immediately if you do not receive this facsimile in full.

ESDU Unit

4/28/99

Margaret Austin 949/831-1667

left message - call after 4 over time.  
moved 6 yrs ago!

Are these only properties in which they  
own interest that we operate? Told  
her revenue may be in suspense. Check.  
Garhev Shermates # in case they own  
under any properties still owned by  
Suite.

Call back 4/30 -

                     in suspense. Will be paid next ren.  
If not, she's to advise by 6/1 if no check by  
then.

ESDU

4/29/99

Carroll Trammell 925/686-5671  
Got 3/26 ltr from BK. Send 3/1 packet again direct  
to:

P.O. Box 5081

Walnut Creek, CA 94596-1081

Father's int

$\frac{1}{2}$  to Nations BK - David B Trammell Tr.  
 $\frac{1}{2}$  = { Margaret Ruth Trammell  
Trat Nations BK }  
 $\frac{1}{4}$  to Carroll Trammell individually.

Call Nations BK - Mildred Trammell Tr

Shd be Margaret Ruth

~~800-944-0404~~

314/244-6800

~~Barb Thornton 314/244-6852~~

Debbie Zetcher 314/466-1378

Personal Trusts -

Margaret Ruth Trammell

3336 Hamilton Ave.

Ft. Worth, TX

Acct 3016375

she can give me name + #

- Specialized Post Service

1-800-970-1370



ESDU

4/3/99

Left message on Clemens Companies phone  
719 / 686 9258

Need address for William Nicky

No response by 5/21/99

**ST. MARY LAND & EXPLORATION COMPANY**

1776 Lincoln Street, Suite 1100

Denver, Colorado 80203

Phone: (303)861-8140

Fax: (303) 863-1040

DATE: 5/3/99

TO: Anne Riggs

FAX  
NUMBER: 505/242-8501 Fax phone: 505/242-2050

FROM: Lynne Ellison

MESSAGE:

Dear Ms. Riggs:

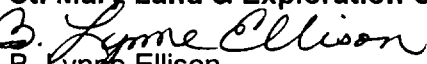
On March 26, 1999 St. Mary Land & Exploration Company sent certain documents and forms relative to formation of the East Shugart (Delaware) Unit in Eddy and Lea Counties, New Mexico to Jalapeno Corporation. Jalapeno Corporation owns certain interests in the proposed unit and was requested to execute and return five (5) Ratification of Unit Agreement and Unit Operating Agreement forms.

On April 16, 1999 we were informed by Sharon Hamilton, with Yates Energy Corporation, that certain changes affecting the Jalapeno interest in the unit needed to be made to the interests on Exhibit "D" to the Unit Agreement. These changes were made and a copy of the revised Exhibit "D" is attached for your information.

I have been unable to reach Jalapeno Corporation by phone. Sharon Hamilton kindly provided me your fax number. Would you please give me a call and let me know when we might expect to get the signed Ratifications? My direct dial number is 303/863-4317.

I understand that the Yates family has suffered a recent death in the family and other family emergencies. St. Mary extends its sincere sympathy in these very difficult circumstances.

Thank you for your assistance in this matter.

Very truly yours,  
**St. Mary Land & Exploration Company**  
  
B. Lynne Ellison  
Landman

/le  
Attachments

*Gerald E. Harrington*

GEOLOGICAL CONSULTANT

P. O. BOX 216  
ROSWELL, NEW MEXICO 88202

114 EAST 4TH STREET, SUITE 200

PHONE  
(505) 622-1550

May 5, 1999

Ms. B. Lynne Ellison, Landman  
St. Mary Land & Exploration Co.  
1776 Lincoln Street - Suite 1100  
Denver, CO 80203 - 1080

Re: Gerald E. Harrington  
Working Interest Purchase Offer

Dear Ms. Ellison:

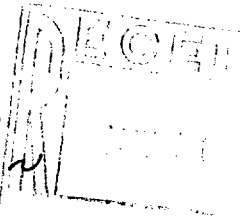
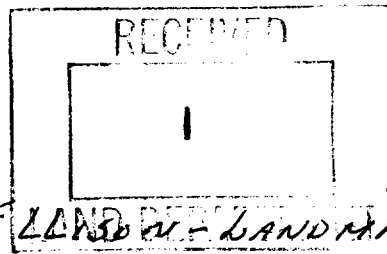
Following receipt of your FAX dated May 3, 1999, I have compared St. Mary's offer with my own evaluation (based on a combination of St. Mary's and my own reserve estimates) for my working interests under leases now owned by St. Mary Land & Exploration Company. I find that the value attributed to these properties by St. Mary varies considerably from my evaluation.

Based on my calculations, I would not consider selling my working interests in these properties for any sum less than [REDACTED]. Please consider this amount as my offer to sell my working interests in these properties.

Very truly yours,

*Gerald E. Harrington*

Gerald E. Harrington  
Trustee of the Gerald E. Harrington  
and Emma Patricia Harrington Trust



5/5/99

B. WYNN ELLISON-LANDMAN

EXCUSE THE DELAY - IN ANSWER TO YOUR  
LETTER DATED 3/16/99 REQUESTING ADDRESSES -  
FOR LEASE HOLDERS IN EAST SHUGART (DEL.) UNIT.  
EDDY AND LER COUNTIES, N.M.

FROM



Mr. John Wallrich  
416 N. Elmhurst Ave.  
Mt Prospect, IL 60056

1-800-254-7907

TRANSFER - EUGENE WALLRICH  
TO WILLIAM JAMES WALLRICH  
40210 N. LAKE VIEW  
ANTIOCH, IL. 60002

LEASES HAVE BEEN TRANSFERRED BY ST. + COUNTY  
BUT I DON'T HAVE COPIES TO SEND RIGHT NOW.

TRANSFER - JOHN W. WALLRICH JR.  
TO MARY (WALLRICH) DEDIC  
8989 HOOTRIDGE LN.  
SILVERDALE, WA. 98388  
MAIL TO P.O. BOX 1381

LEASES IN HER HANDS FOR SIGNATURE THEN TO  
ME, STATE, COUNTY THEN TO YOU. ?

LAST PICTURE I SAW - HOPE THEY GOT YOUR  
SEAT SHOVELED OUT AT THE BALL PARK.

THANKS FOR YOUR EFFORTS ON OUR  
PART OF THIS UNDERTAKING - HOPE  
WE CAN ALL TAKE HOME SOME \$.

John W. Wallrich Jr

1776 LINCOLN STREET, SUITE 1100

DENVER, COLORADO 80203-1080

303/861-8140

FAX 303/863-1040



**Transmitted via Facsimile and Regular Mail**

May 20, 1999

Gerald E. Harrington  
P. O. Box 216  
Roswell, NM 88202

Re: Gerald E. Harrington and Emma Patricia Harrington Trust  
Eddy and Lea Counties, NM

Dear Mr. Harrington:

Thank you for your counter offer relative to the sale of your working interests in those oil and gas properties operated by St. Mary Land & Exploration Company in the captioned area.

Our number crunchers have taken a second look at your properties with respect to your offer. Unfortunately, they were unable to find a way to value your interests for the amount for which you are willing to sell. Thank you for the time and consideration given to our earlier offer. Please keep us advised of any sale of these properties to a third party.

In the meantime, we look forward to your continued participation as a partner in these properties. As such, please let me know whether you will be ratifying the Unit Agreement and Unit Operating Agreement for the East Shugart (Delaware) Unit. Approximately eighty six percent (86%) of the working interest owners have now ratified these Agreements, and we plan to request a hearing before the New Mexico Oil Conservation Division for statutory unitization in June. Should you elect not to ratify the Agreements at this time, you will have one more opportunity to do so following the hearing.

Very truly yours,

**St. Mary Land & Exploration Company**

A handwritten signature in cursive script that reads "B. Lynne Ellison".

B. Lynne Ellison  
Landman

/le

1776 LINCOLN STREET, SUITE 1100

DENVER, COLORADO 80203-1080

303/861-8140

FAX 303/863-1040



May 21, 1999

Mr. Mark Robison  
Commerce Bank of Kansas City, Trustee  
Elyse S. Patterson Trust B  
P. O. Box 419248  
Kansas City, MO 64141-6248

Re: East Shugart (Delaware) Unit  
Eddy and Lea Counties, NM

Dear Mr. Robison:

Pursuant to our telephone conversation this afternoon, attached please find copies of the Unit Agreement and Unit Operating Agreement for the captioned unit along with copies of the transmittal letter sent to all working interest owners on March 5. Note that the revisions sent with our April 12 letter have been incorporated into the Unit Operating Agreement that is attached. Apparently the certified mail packet reached your bank; at least it was not returned to us.

The Ratification forms are right under this letter.

Should you have any questions about any of this, please do not hesitate to call.

Very truly yours,

St. Mary Land & Exploration Company

A handwritten signature in cursive script that reads "Lynne Ellison".

B. Lynne Ellison  
Landman

/le  
Attachments

1776 LINCOLN STREET, SUITE 1100

DENVER, COLORADO 80203-1080

303/861-8140

FAX 303/863-1040



**Certified Mail  
Return Receipt Requested**

May 27, 1999

To: See Attached List of Addressees

Re: East Shugart (Delaware) Unit  
Eddy and Lea Counties, NM

Ladies and Gentlemen:

Enclosed is a copy of an application for statutory unitization of the proposed East Shugart (Delaware) Unit filed with the New Mexico Oil Conservation Division by St. Mary Land & Exploration Company. Also enclosed is a related waterflood application.

This matter will be heard at 8:15 a.m. on Thursday, June 24, 1999 at the Division's offices at 2040 South Pacheco Street, Santa Fe, New Mexico 87505. Our records indicate that you own an interest in the unit area. As an interest owner in the unit area, you have the right to enter an appearance and participate in the hearing. Failure to appear at the hearing will preclude you from contesting this matter at a later date. If you will be appearing at the hearing, you are requested to notify the attorney for the applicant no later than Friday, June 18, 1999. Our attorney is James Bruce, P. O. Box 1056, Santa Fe, New Mexico 87504.

Very truly yours,

**St. Mary Land & Exploration Company**

A handwritten signature in cursive script that reads "B. Lynne Ellison".

B. Lynne Ellison  
Landman

/le  
Attachments

ADDRESS LIST

EAST SHUGART (DELAWARE) UNIT

RIVERHILL ENERGY CORPORATION  
PO BOX 2726  
MIDLAND TX 79702-2726

ST MARY LAND & EXPLORATION  
COMPANY  
1776 LINCOLN ST STE 1100  
DENVER CO 80203

MARY ELIZABETH BAISH-WESTIN  
513 POWELL AVE  
CRESSON PA 16630-1314

KAREN ELIZABETH CHARLES  
110 HUDSON AVE  
ALTOONA PA 16602-4914

HIGGINS TRUST INC  
PO BOX 2421  
GAINESVILLE GA 30503-2421

MARGARET MASTERS  
47 OAKWOOD DR  
WORMLEYSBURG PA 17043-1134

KATHERINE MARY SCOTT  
809 SHERIDAN ST  
ALTOONA PA 16602-5440

BETTY BAISH STROHMEYER  
ESTATE  
JAMES SCOTT STROHMEYER  
EXECUTOR  
5311 E 5TH ST  
TUCSON AZ 85711-2331

GEORGE WESTALL  
PO BOX 70  
RUIDOSO DOWNS NM 88346-0070

CENTENNIAL  
PO BOX 1837  
ROSWELL NM 88202

SELMA ANDREWS TRUST #5188-01  
FBO PEGGY BARRETT  
PO BOX 840738  
DALLAS TX 75284-0738

JOHN WALLACE WALLRICH  
2410 W 79TH AVE  
ANCHORAGE AK 99502

GRAHAM AUSTIN AND MARGARET  
AUSTIN  
CO-TRTEES OF THE AUSTIN FAMILY  
TRUST UTA 3/22/95  
24992 NELLIE GAIL  
LAGUNA BEACH CA 92653

NANCY CARTER  
PO BOX 386  
LEMON GROVE CA 91946-0386

RANDY G PATTERSON  
1705 WASHINGTON  
ARTESIA NM 88210-1650

JACK W MCCAOW  
PO BOX 127  
ARTESIA NM 88211-0127

WILLIAM C WHITE  
4200 AMISTAD DR  
MIDLAND TX 79707-3203

BRaille INSTITUTE OF AMERICA  
INC  
C/O NATIONSBANK OF TEXAS NA  
PO BOX 840738  
DALLAS TX 75248-0738

BEVERLY LE TOURNEAU  
PO BOX 487  
STOLLWATER MN 55082-0487

EUGENE WALLRICH  
6827 ELIOT VIEW RD  
MINNEAPOLIS MN 55426-2833

JW WALLRICH JR  
416 N ELMHURST AVE  
MT PROSPECT IL 60056-2012

LUCY MCCARLEY  
4463 SPRINGMOOR CIR  
RALEIGH NC 27615-5707

LOFFLAND LIMITED PARTNERSHIP  
6300 RIDGLEA PL STE 717  
FORT WORTH TX 76116-5733

FIVE STATES 1994-E LTD  
4925 GREENVILLE AVE STE 1220  
DALLAS TX 75206-4020

FIVE STATES 1995-B LTD  
4925 GREENVILLE AVE STE 1220  
DALLAS TX 75206-4020

FIVE STATES 1995-D LTD  
4925 GREENVILLE AVE STE 1220  
DALLAS TX 75206-4020

PAUL J ANDERSON  
728 GULL LAKE DR  
NISSWA NM 56468-9543

THOMAS R HOLLOWAY  
9993 ARCOLA COURT N  
STILLWATER MN 55082-9523



DEBORAH FEDRIC  
PO BOX 1771  
ROSWELL NM 88202-1771

TE BROWN JR  
PO BOX 68  
ARTESIA NM 88211-0068

ORION PROPERTIES INC  
11776 S 76TH E AVE  
BIXBY OK 74008-2022

KING PROPERTIES INC  
PO BOX 10  
BIXBY OK 74008-0010

CLIFTON EUGENE SHUMATE JR  
CUSTODIAL TRTEE  
FOR THE SHAREHOLDERS OF  
OIL ROYALTIES CORPORATION  
PO BOX 2473  
MIDLAND TX 79702-2473

JACK FOLKNER  
PO BOX 39  
LOLEETA CA 95551-0039

LOUISE FOLKNER LANE  
6206 84TH STREET E  
PUYALLUP WA 98371-6342

ROBERT L FOLKNER  
1807 W CANARY WY  
CHANDLER AZ 85248-3031

MARK RYAN FOLKNER  
7209 ARROYO DELOSO NE  
ALBUQUERQUE NM 87109-2922

CARL LEWIS FOLKNER JR  
9005 NW VOLCANO ROAD, #30  
ALBUQUERQUE NM 87121

STEPHEN FRANCIS FOLKNER  
213 CAMINO CUATRO SW  
ALBUQUERQUE NM 87105-7581

JOHN CHRISTOPHER FOLKNER  
8207 SAN JUAN RD NE  
ALBUQUERQUE NM 87108-2345

GEORGE H HUNKER JR  
PO BOX 1837  
ROSWELL NM 88202-1837

PATRICIA A BRUNSON  
PO BOX 1353  
SPRINGDALE AR 72764-1353

JIMMIE L CHARLESWORTH  
RT 4 BOX 140B  
HEREFORD TX 79045-9404

TOMMYE G EWING  
3130 SAN SEBASTIAN  
CARROLTON TX 75006

BETTE TAYLOR GARNER  
6118 EDITH NE #152  
ALBUQUERQUE NM 87107

ACME LAND COMPANY  
P. O. BOX 10280  
MIDLAND TX 79702

OLIN E GROVES  
2507 CIMMARON  
MIDLAND TX 79705

CECIL E & ELLA BELLE  
HOLEMAN TRUST A & B  
1303 W AVE J  
LOVINGTON NM 88260

PRIME ENERGY ASSET &  
INCOME FUND AA-3 & AA-4  
2900 WILCREST DR STE 475  
HOUSTON TX 77042-6009

SALLY MEADER ROBERTS  
704 DELMAR  
MIDLAND TX 79703-5536

VIVIAN C BRUNSON  
4205 LANKFORD  
SPRINGDALE AR 72762

GEORGE SHANNON  
IND EXECUTOR OF  
GLADYS SHANNON ESTATE  
3112 HALLMARK  
TYLER TX 75701

WILLIAM J CASEY  
500 THROCKMORTON  
FORT WORTH TX 76102-3708

NATIONSBANK  
TEXAS NA TRTEE UWO  
DAVID B TRAMMELL (#818)  
PO BOX 848703  
DALLAS TX 75284-8703

CAROL DAVID TRAMMELL  
PO BOX 5081  
WALNUT CREEK CA 94596-1081

NATIONSBANK TEXAS NA TRUSTEE  
OF MARGARET RUTH TRAMMELL  
TRUST  
PO BOX 848703  
DALLAS TX 75284-8703

RICHARD BORGAARD  
8882 NE MEADOW RIDGE ROAD  
PRINEVILLE OR 97754-9695

MARGARET JOHNSON MCCURDY  
TRTEE  
UTA 9/30/88  
2525 RIDGMAR BLVD STE 300  
FORT WORTH TX 76116-4583

E BERNARD JOHNSTON AND  
MARY ELLEN JOHNSTON  
2715 N KENTUCKY AVE #16  
ROSWELL NM 88201-5868

RAY F LEWIS JR  
1232 E AVITA AVE  
CASA GRANDE AZ 85222-1105

MICHAEL R MCGUIRE  
3209 ESTRELLITA  
ROSWELL NM 88201-1017

MARGARET H NAYLOR  
REVOCABLE TRUST  
PO BOX 1196  
ARTESIA NM 88211-1196

ROJO INC  
PO BOX 1120  
ROSWELL NM 88202-1120

RALPH A SHUGART TRUST  
c/o MICHAEL D MCCANNON  
300 S JACKSON ST STE 500  
DENVER CO 80209-3133

CLIFTON E SHUMATE AND  
HELEN C SHUMATE  
2201 VENTNOR CT  
ARLINGTON TX 76011

MYRTLE MYRA WESTALL  
REVOCABLE TRUST  
704 W BULLOCK AVE  
ARTESIA NM 88210-2337

HARMAC OIL & GAS INC  
221 E  
WORTH  
GRAPEVINE TX 76051

DNR OIL & GAS INC  
655 BROADWAY  
DENVER CO 80203

DAVID W TWOMEY  
CONOCO INC  
10 DESTA DR STE 100W  
MIDLAND TX 79705

EHW LLC  
A NM LIMITED LIABILITY COMPANY  
101 S FOURTH STREET  
ARTESIA NM 88210-2177

WILLA KATHRYN KENNEDY  
P. O. BOX 1121  
EDGEWOOD NM 87015-1121

MARY KENNEDY GORE  
4749 E MOHAVE AVENUE  
LAS VEGAS NV 89104-5826

BRANEX RESOURCES INC.  
P. O. BOX 2328  
ROSWELL NM 88202-2328

RIVERHILL ENERGY CORPORATION  
PO BOX 2726  
MIDLAND TX 79702-2726

HARE PRODUCTION COMPANY  
1601 E BLANCHO BLVD  
BLOOMFIELD NM 87413

TED E BACIL  
43513 OCASO CORTE  
FREMONT CA 94539-5633

NORMAN BARKER  
3208 HAYNES DR  
MIDLAND TX 79705-4213

FLOYD A BLAKENEY  
2603 N WASHINGTON  
ROSWELL NM 88201

BORICA OIL INC  
DRAWER H  
FT SUMNER NM 88119-1507

GERALD E & E PATRICIA  
HARRINGTON TRUSTEES OF THE  
HARRINGTON TRT  
PO BOX 216  
ROSWELL NM 88201

NM&T RESOURCES LLC  
PO BOX 10523  
MIDLAND TX 79702-7523

PAULA S CAMPBELL  
PO BOX 1018  
ROSWELL NM 88201

DR MICHAEL NORTON III  
688 COUNTY ST  
NEW BEDFORD MA 02740-6721

TROY OR SANDRA ONEY  
PO BOX 513  
MALAKOFF TX 75148

LEONARD SCHAEEN  
6004 HIGHCOURT PL  
DALLAS TX 75240

SCHATZ MANAGEMENT TRUST  
BARBARA A SCHATX TRUSTEE  
2817 W DENGAR  
MIDLAND TX 79705-6104

EDWIN G WALLACE  
133 SLEEPY HOLLOW LN  
ORINDA CA 94563-1340

RIVERHILL ENERGY CORPORATION  
FOR THE ACCT OF WILLIAM NICKEY  
PO BOX 2726  
MIDLAND TX 79702-2726

CHESTER FRANCIS CARTEL TRT  
FOR  
OLGA EUDORA TANNAHILL MILLER  
PO BOX 1 PLAZA ONE  
AMARILLO TX 79105-0001

CHESTER FRANCIS CARTEL TRT  
FOR  
THEODORE HERSCHEL CARTEL  
PO BOX 1 PLAZA ONE  
AMARILLO TX 79105-0001

DON L LEE  
PO BOX 149  
ALAMOGORDO NM 88311-0149

RICHARD E OCONNELL  
PO BOX 513  
PACIFIC GROVE CA 93950-0513

GWENDOLYN MANNING WILLIAMS  
905 W PINE CT  
MIDLAND TX 79705-6527

LESSIE FISHER  
PO BOX 301  
ALTO NM 88312

E & S LLC  
3007 RIVERSIDE DR  
ROSWELL NM 88201-1348

DEAN KINSOLVING  
PO BOX 325  
TATUM NM 88267

PATRICK J MORELLO  
598 WOODLAND DR  
PADUCAH KY 42001

DAVID J MOSSLER  
345 N MAPLE DR STE 105  
BEVERLY HILLS CA 90210-3854

JOHN & ALICE SHARP  
20 CONDESA RD  
SANTA FE NM 87505

STEVE OR LOLA BELL  
204 TIERRA BERRENDA  
ROSWELL NM 88201

NELSON B ALPERS TRTEE OF THE  
NELSON  
B ALPERS FAMILY TRT UTA 5/12/97  
4302 CRESTWOOD  
MIDLAND TX 79707

JOHN V FOX  
5012 LAKE CARLTON RD  
LOGANVILLE GA 30249

PATRICIA K JENNINGS  
3968 COTTONWOOD LN  
ROSWELL NM 88201

FIVE STATES 1994-E LTD  
4925 GREENVILLE AVE STE 1220  
DALLAS TX 75206-4020

FIVE STATES 1995-B LTD  
4925 GREENVILLE AVE STE 1220  
DALLAS TX 75206-4020

FIVE STATES 1995-D LTD  
4925 GREENVILLE AVE STE 1220  
DALLAS TX 75206-4020

J E CIESZINSKI  
PO BOX 3047  
ROSWELL NM 88202-3047

HARVEY E YATES COMPANY  
PO BOX 1933  
ROSWELL NM 88202-1933

JALAPENO CORPORATION  
PO BOX 1668  
ALBUQUERQUE NM 87103

NORTEX CORPORATION  
1415 LOUISIANA ST STE 3100  
HOUSTON TX 77002

YATES ENERGY CORPORATION  
PO BOX 2323  
ROSWELL NM 88202-2323

BRIAN D KANTOR  
5926 BIRDWOOD  
HOUSTON TX 77074

18-31 INC  
PO BOX 1120  
ROSWELL NM 88202-1120

JOHN MICHAEL FROST  
PO BOX 1120  
ROSWELL NM 88202-1120

MARIANNE KEOHANE FROST  
PO BOX 1120  
ROSWELL NM 88202-1120

MARK JAMES FROST  
PO BOX 1120  
ROSWELL NM 88202-1120

THERESA ANN FROST  
PO BOX 1120  
ROSWELL NM 88202-1120

SUE SAUNDERS GRAHAM  
PO BOX 987  
ROSWELL NM 88202-0987

DONALD S IVERSON ESTATE  
C/O SUSAN IVERSON  
1 TERRACE MOUNTAIN COVE  
AUSTIN TX 78746

IVERSON III INC  
C/O S IVERSON  
3454 S ZUNIS  
TULSA OK 74105

PAI INCORPORATED  
C/O PAUL IVERSON  
243 WALNUT ST  
NEWPORT BEACH CA 92663

JEWELL IVERSON INTERVIVOS  
TRUST  
R SULLIVAN SUCCESSOR  
4870 S LEWIS STE 200  
TULSA OK 74105

S J IVERSON JR  
2518 SINCLAIR  
MIDLAND TX 79705

WENDELL WELCH IVERSON  
PO BOX 1343  
MIDLAND TX 79702

JEANETTE Y KEOHANE  
13408 CLOUDVIEW NE  
ALBUQUERQUE NM 87123

PATSY ANN IVERSON PAGE  
1155 MURILAND VISTA WY  
LA JOLLA CA 92037

COMMERCE BANK OF KANSAS  
CITY TRTEE  
ELYSE S PATTERSON TRUST B  
ATTN MARK ROBISON  
PO BOX 419248  
KANSAS CITY MO 64199-3366

PIP 1990 TRUST  
C/O WENDELL W IVERSON  
TRUSTEE  
PO BOX 10508  
MIDLAND TX 79702

SJI JR 1990 TRUST  
C/O WENDELL W IVERSON  
TRUSTEE  
PO BOX 10508  
MIDLAND TX 79702

PHOEBE SHELTON  
PO BOX 430  
AMARILLO TX 79105

THE TOLES COMPANY  
PO BOX 1300  
ROSWELL NM 88202-1300

WWI 1990 TRUST  
C/O WENDELL W IVERSON  
TRUSTEE  
PO BOX 10508  
MIDLAND TX 79702

SPIRAL INC  
PO BOX 1933  
ROSWELL NM 88202-1933

HEYCO EMPLOYEE LTD  
PO BOX 1933  
ROSWELL NM 88202-1933

EXPLORER PETROLEUM CORP  
PO BOX 1933  
ROSWELL NM 88202-1933

GENE SHUMATE  
PO BOX 2473  
MIDLAND TX 79702

JOSEPH R MAZZOLA  
INTOIL INC  
9200 E MINERAL AVE  
ENGLEWOOD CO 80110

GREG HOLCOMB  
TRUSTEE  
SJ IVERSON TRUST  
PO BOX 830308  
DALLAS TX 75238

J DAVID WRATHER JR  
PO BOX 1788  
LONGVIEW TX 75605

PETER C IVERSON  
& ALVIN M IVERSON  
EXECUTORS OEO DOROTHY  
MONROE  
206 BELLEMEADE CIRCLE  
EUFAULA OK 74432-2071

**Certified Mail  
Return Receipt Requested**

May 27, 1999

To: See Attached List of Addressees

Re: East Shugart (Delaware) Unit  
Eddy and Lea Counties, NM

Ladies and Gentlemen:

Enclosed is a copy of an application for approval of a waterflood project for the proposed East Shugart (Delaware) Unit filed with the New Mexico Oil Conservation Division by St. Mary Land & Exploration Company.

This matter will be heard at 8:15 a.m. on Thursday, June 24, 1999 at the Division's offices at 2040 South Pacheco Street, Santa Fe, New Mexico 87505. Our records indicate that you are a surface owner or an offset operator/lessee. You have the right to enter an appearance and participate in the hearing. Failure to appear at the hearing will preclude you from contesting this matter at a later date. If you will be appearing at the hearing, you are requested to notify the attorney for the applicant no later than Friday, June 18, 1999. Our attorney is James Bruce, P. O. Box 1056, Santa Fe, New Mexico 87504.

Very truly yours,

**St. Mary Land & Exploration Company**



B. Lynne Ellison  
Landman

/le  
Attachments

ADDRESS LIST  
EAST SHUGART (DELAWARE) UNIT

RAY WESTALL  
BOX 4  
LOCO HILLS NM 88255

YATES PETROLEUM COMPANY  
105 S 4TH ST  
ARTESIA NM 88210

CONOCO INC  
10 DESTA DR #100W  
MIDLAND TX 79705

BOYLE & STOVALL BETTIS  
BOX 1240  
GRAHAM TX 76450-1240

THUNDERBOLT PETROLEUM LLC  
BOX 10523  
MIDLAND TX 79702

KEVIN O BUTLER & ASSOCIATES  
500 W TEXAS STE 955  
MIDLAND TX 79701

18-31 INC  
PO BOX 1120  
ROSWELL NM 88202

HARVEY E YATES CO  
PO BOX 1933  
ROSWELL NM 88202-1933

ARMANDO LOPEZ  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
ROSWELL FIELD OFFICE  
2909 W SECOND ST  
ROSWELL NM 88201-2019

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF ST. MARY LAND &  
EXPLORATION COMPANY FOR APPROVAL  
OF A WATERFLOOD PROJECT AND TO  
QUALIFY THE PROJECT FOR THE  
RECOVERED OIL TAX RATE, EDDY  
AND LEA COUNTIES, NEW MEXICO.

Case No. \_\_\_\_\_

APPLICATION

St. Mary Land & Exploration Company ("St. Mary") applies for an order approving a waterflood project, and qualifying the project for the recovered oil tax rate. In support thereof, St. Mary states:

1. St. Mary is the operator of the proposed East Shugart (Delaware) Unit Area, covering the following described federal lands located in Eddy and Lea Counties, New Mexico:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, N.M.P.M.

Section 13: S $\frac{1}{2}$ SE $\frac{1}{4}$

Section 24: NE $\frac{1}{4}$  and N $\frac{1}{2}$ SE $\frac{1}{4}$

TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.

Section 18: Lot 4

Section 19: Lots 1, 2, 3, E $\frac{1}{2}$ NW $\frac{1}{4}$ , and NE $\frac{1}{4}$ SW $\frac{1}{4}$

Containing 604.12 acres of land, more or less, as described in a related application filed herewith.

2. St. Mary proposes to institute a waterflood project in the unit area. St. Mary's address is Suite 1100, 1776 Lincoln Street, Denver, Colorado 80203 (Attention: Robert L. Bachman).

3. St. Mary proposes to inject water into the Brushy Canyon member of the Delaware Mountain Group (East Shugart-Delaware Pool) through the nine wells located in the unit area. A plat outlining



the project area, and marking the locations of the initial injection and producing wells, is attached hereto as Exhibit A.

4. St. Mary requests that the East Shugart (Delaware) Unit Area Waterflood Project be qualified for the recovered oil tax rate, pursuant to the Enhanced Oil Recovery Act (L. 1992, Ch. 38) and Division Order No. R-9708. Project data includes:

- (a) Number of initial producing wells: 15.
- (b) Number of initial injection wells: 9.
- (c) Capital cost of additional facilities: \$420,000.
- (d) Estimated total project cost: \$5,648,000
- (e) Estimated total value of incremental production recovered from the project: \$58,978,000.
- (f) Anticipated injection commencement date: September 1, 1999.
- (g) Type of fluid injected: Water.
- (h) Anticipated injection volumes: 2,700 BWPD maximum.

5. A Form C-108 for the project is attached hereto as Exhibit B.

6. The granting of this application is in the interests of conservation and the prevention of waste.

**WHEREFORE,** St. Mary requests that the Division approve the injection application and the East Shugart (Delaware) Unit Area Waterflood Project, qualify the project as an enhanced oil recovery project, and certify the project for the recovered oil tax rate.

Respectfully submitted,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in dark ink and is positioned above a horizontal line.

James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for St. Mary Land &  
Exploration Company

VERIFICATION

STATE OF TEXAS       )  
                              )  
COUNTY OF MIDLAND    )

Robert Lee, being duly sworn upon his oath, deposes and states: He is a consulting petroleum engineer employed by St. Mary Land & Exploration Company; he is familiar with the matters set forth in the foregoing application; and the statements therein are true and correct to the best of his knowledge.

*Robert Lee*

Robert Lee

SUBSCRIBED AND SWORN TO before me this 24<sup>th</sup> day of May, 1999  
by Robert Lee.

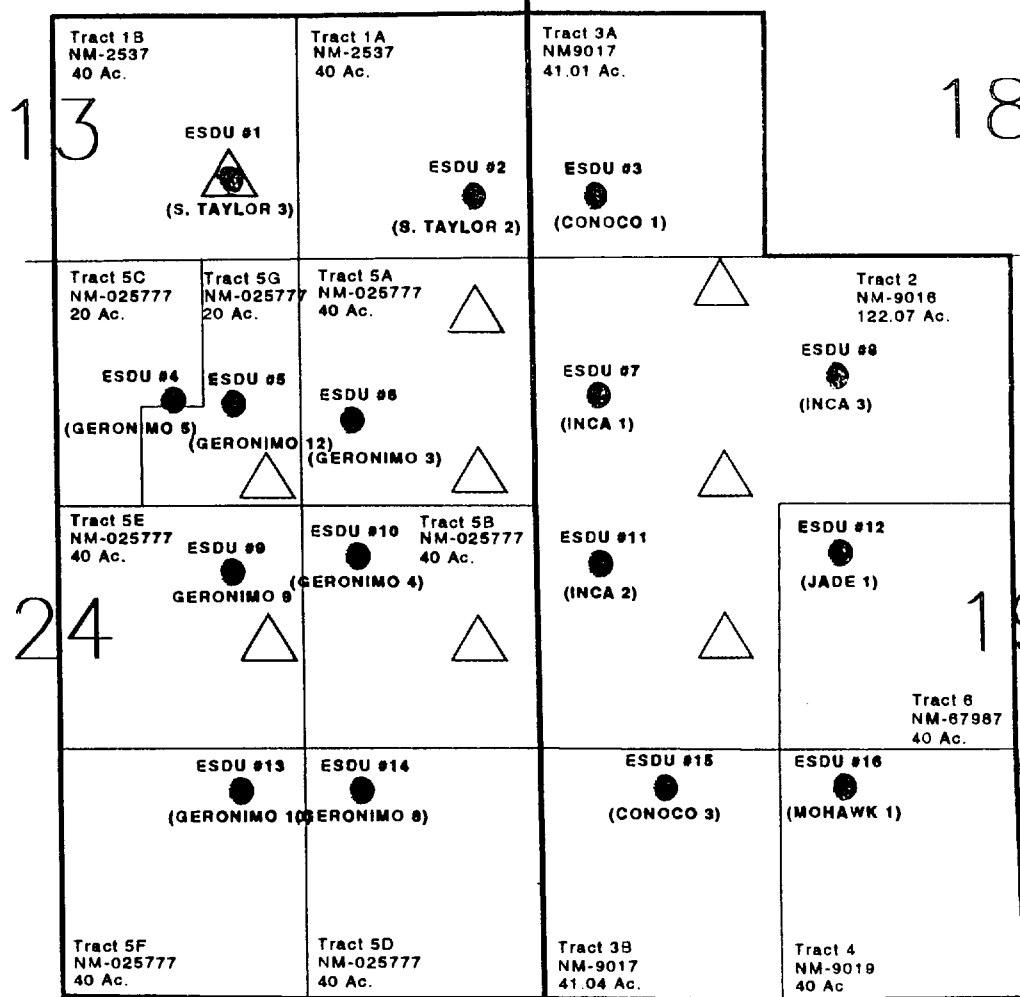


*Leah Gibson*  
Notary Public

My Commission Expires:  
\_\_\_\_\_

R 31 E

R 32 E



13

18

24

19

T  
18  
S

LEGEND

Proposed Well #  
(Former Well Name)



Delaware Producer



Proposed Conversion



Proposed D&C Injection Well

St. Mary Land & Exploration Co.

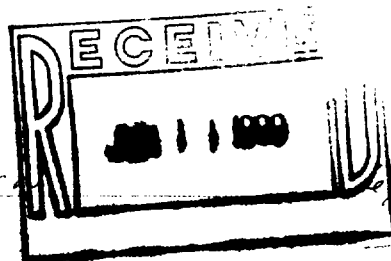
EAST SHUGART DELAWARE UNIT  
PROPOSED WATERFLOOD  
Drill 8 Injectors Convert 1 Producer

Scale 1:12745.58

EXHIBIT

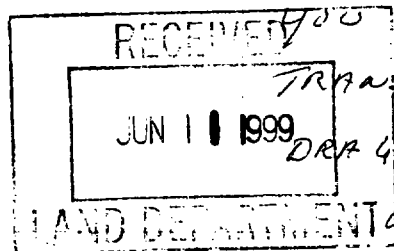
A

ATTN. B. LYNN ELLISON



6/8/99

SORRY IM MAKING EXTRA WORK FOR  
YOU BY DRABING MY PERT BRITING THESE  
TRANSFERS FINISHED. MY KIDS LEARNED TO  
DRAG THEIRS FROM ME.



WE STILL HAVE ONE SET OF TRANSFERS  
TO GO - JOHN W. WALLRICH JR. (MR) TO  
MARY (WALLRICH) DEDIC.

I RECEIVED NOTICE OF MEETING IN N. MEX.  
I SEE GENE WALLRICH ALSO RECEIVED ONE.  
SHOULD I HAVE HIM SEND IT TO WILLIAM  
WALLRICH OR WILL YOU SEND HIM ONE?

JW Wallrich

GOOD TO SEE →  
INSTEAD OF  
SNOW.



J. W. Wallrich  
416 N Elmhurst Ave  
Mt Prospect IL 60056-2012

1-800 354-7907

1776 LINCOLN STREET, SUITE 1100

DENVER, COLORADO 80203-1080

303/861-8140

FAX 303/863-1040



June 22, 1999

Selected Working Interest Owners  
See Attached List of Addressees

Re: East Shugart (Delaware) Unit  
Eddy and Lea Counties, NM

Ladies and Gentlemen:

The hearing for statutory unitization of the captioned area, previously scheduled for June 24, has been postponed until July 22, 1999. Intoil, Inc. has advised that they will oppose this unitization at the hearing based on their objections to the proposed participation formula. The expert witness they will use is unavailable on June 24, thus the change in the hearing date.

By our letter dated January 13, 1999, we advised you of Intoil's concerns and provided you with a copy of their December 16, 1998 letter detailing their objections to the participation formula. We are enclosing copies of both letters for your reference. The factors in greatest dispute are remaining primary and original oil in place (OOIP). The current formula weights OOIP 40% and remaining primary 15%. Intoil's proposal reverses the emphasis weighting remaining primary at 35% and OOIP at 5%. Using the formula proposed by Intoil, its working interest in the unit would increase by twenty percent (20%) from 4.54525% to 5.468%. Such an increase in Intoil's interest would be at the expense of the other working interest owners. We continue to believe that the formula we are using now is based on the best science available to us at this time, that OOIP as modeled is indicative of future secondary reserves, and that the unit should be approved as proposed.

We now have approval of the unit, using the current formula, from more than 92% of all royalty and overriding royalty interests and almost 88% of all working interest owners. Any revisions in the formula would cause further delays in implementing this waterflood.

You are experienced and knowledgeable operators and/or working interest participants in numerous oil and gas operations in New Mexico, and you have expressed your support for the East Shugart (Delaware) Unit by ratifying the Unit Agreement and the Unit Operating Agreement as proposed. The purpose of this letter is to request your further support for the current formula in the form of a letter addressed to the New Mexico Oil Conservation Division, 2040 South Pacheco Street, Santa Fe, New Mexico 87505. We believe this would be helpful in our presentation before the Division. Please address your letter to the Division, but send it to James Bruce (our attorney in this matter), at P. O. Box 1056, Santa Fe, New Mexico 87504. Or you may fax a copy to Mr. Bruce at 505/982-2151. We need to have your letters in hand by July 15.

We appreciate your support of the unit to date and any additional support you are able to provide.

Very truly yours,  
St. Mary Land & Exploration Company

*B. Lynne Ellison*  
B. Lynne Ellison  
Landman

/le  
Attachment

ADDRESS LIST FOR  
LETTER DATED JUNE 22, 1999

WILLIAM F. SMITH  
RIVERHILL ENERGY CORPORATION  
PO BOX 2726  
MIDLAND TX 79702-2726

NORMAN BARKER  
3208 HAYNES DR  
MIDLAND TX 79705-4213

ANN MCCONVILLE  
FIVE STATES ENERGY COMPANY  
4925 GREENVILLE AVE STE 1220  
DALLAS TX 75206-4020

VERNON DYER  
HARVEY E YATES COMPANY  
PO BOX 1933  
ROSWELL NM 88202-1933

ROBERT W. KENT  
NORTEX CORPORATION  
1415 LOUISIANA ST STE 3100  
HOUSTON TX 77002

SHARI HAMILTON  
YATES ENERGY CORPORATION  
SUNSET CENTRE STE 1010  
ROSWELL NM 88202-2323

1776 LINCOLN STREET, SUITE 1100

DENVER, COLORADO 80203-1080

303/861-8140

FAX 303/863-1040

June 24, 1999



Elouise H. Justice  
E&S, L.L.C.  
3007 Riverside Drive  
Roswell, NM 88201-1348

Re: Offer to Acquire Oil and Gas Properties  
Eddy and Lea Counties, NM

Dear Mrs. Justice:

We have received your April 20, 1999 letter requesting an offer for your oil and gas interests in certain properties in Eddy and Lea Counties, New Mexico. I apologize for not getting back to you more quickly.

St. Mary Land & Exploration Company and Riverhill Energy Corporation (collectively "Buyer") hereby offer to purchase all of your working interests in the oil and gas properties, whether developed or undeveloped, (the "Properties") set out on the attached Exhibit "A". (Please note that the working interests and respective net revenue interests recited on this Exhibit are taken from our records. If your records differ from these interests in any way, please advise immediately.) The purchase price for the Properties shall be [REDACTED] payable at Closing (as defined herein) in immediately available funds.

Buyer proposes to acquire all of the interests, whether real or personal, owned by E&S, L.L.C. ("Seller") in the Properties **(with the exception of any overriding royalty interests owned by Seller)** including, without limitation, all leasehold interests, operating rights, working interests and the corresponding net revenue interests, reversionary interests and contractual interests in the lands comprising the Properties, together with your interest in all easements, rights-of-way, surface agreements, wells, equipment, fixtures and field inventory necessary or convenient to such oil, gas and mineral interests or the exploration for, production, transportation or marketing of hydrocarbons from the Properties. It is the intention of Buyer to acquire, all right, title and interest of Seller of every nature and kind in and to the Properties, whether correctly or incorrectly described on Exhibit "A" **with the exception of any overriding royalty interests owned by Seller.**

Closing of the transaction proposed hereby and the conveyance of the Properties from Seller to Buyer would occur on or before thirty (30) days after the execution of this letter agreement or at such other time as the parties can mutually agree (the "Closing"), but it shall be effective for all purposes as of June 1, 1999 at 7:00 a.m. in the time zone where the individual properties are located (the "Effective Time").

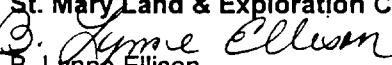
This offer is subject to the following terms and conditions:

- Seller shall be entitled to all credits and proceeds of production from and accruing to the interests covered hereby and shall be responsible for all costs, expenses, disbursements, obligations, and liabilities attributable to said interests for all periods of time prior to the Effective Time. Seller agrees to indemnify, defend and hold Buyer free and harmless from and against any and all claims, liabilities, demands, obligations, losses, costs and expenses including without limitation, court costs and reasonable attorneys' fees, that are attributable to the Properties with respect to periods prior to the Effective Time, regardless of when discovered.



- Buyer shall be entitled to all credits and proceeds of production from and accruing to the interests covered hereby and shall be responsible for all costs, expenses, disbursements, obligations, and liabilities attributable to said interests for all periods of time after the Effective Time. Buyer agrees to indemnify, defend and hold Seller free and harmless from and against any and all claims, liabilities, demands, obligations, losses, costs and expenses including without limitation, court costs and reasonable attorneys' fees, that are attributable to the Properties with respect to periods after the Effective Time.
- Seller represents that Seller has "Marketable Title" to the interests being conveyed in the oil and gas properties. Marketable Title shall mean such title as (i) will enable Buyer to receive from a particular oil and gas property at least the net revenue interest identified on Exhibit "A" as being associated with Seller's working interest in such oil and gas property, without reduction, suspension, or termination throughout the productive life of the well, except for any reduction, suspension or termination permitted pursuant to the terms of this letter agreement; (ii) will obligate Buyer to bear no greater working interest than the working interest for each of the wells identified on Exhibit "A" without increase throughout the productive life of such well except for increases permitted pursuant to the terms of this letter agreement; and (iii) is free and clear of all encumbrances, liens, claims, easements, rights, instruments, obligations, burdens, or defects except for encumbrances permitted pursuant to this letter agreement. Title deficiencies will cause an adjustment to the purchase price. Buyer will present all adjustments prior to the Closing. With respect to the Geronimo Federal No. 8 well only, the parties acknowledge that payout has not yet occurred under the terms of that certain Farmout Agreement dated October 10, 1985 from 18-31 Inc. to Siete Oil & Gas Corporation. Any changes of interest pursuant to the terms of said Agreement shall be permitted under the terms of this agreement and shall not be considered title defects.
- The assignment of Properties to Buyer shall include a warranty against the claims of any and all persons claiming by, through, or under Seller, but not otherwise.
- Seller will furnish to Buyer such information as Buyer may reasonably request.
- Sale is also subject to the terms and conditions of a mutually acceptable Assignment and Bill of Sale to be prepared by Buyer for Seller's review.
- Buyer shall prepare a Closing Statement prior to Closing for Seller's review and acceptance.
- Buyer and Seller shall each be responsible for their own costs and expenses incurred in connection with this transaction.

If this offer is acceptable, please sign in the space provided below and return one copy of this letter to the attention of the undersigned at the letterhead address on or before July 15, 1999.

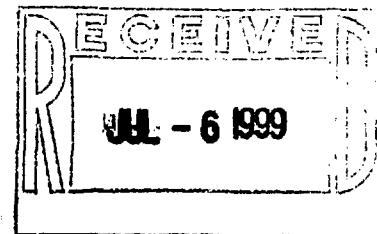
Very truly yours,  
**St. Mary Land & Exploration Company**  
  
 B. Lynne Ellison  
 Landman

**E&S, L.L.C. accepts and agrees** to this offer this \_\_\_\_\_ day of \_\_\_\_\_, 1999.

By: \_\_\_\_\_

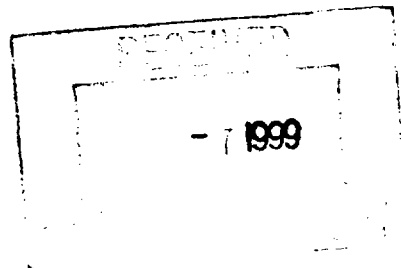
Title: \_\_\_\_\_

E & S, LLC  
3007 Riverside Drive  
Roswell, New Mexico 88201  
505-625-0072



July 2, 1999

St. Mary Land & Exploration Co.  
1776 Lincoln Street, Suite 1100  
Denver, CO 80203 1080



Attn: B. Lynne Ellison

Dear Ms. Ellison:

Please find enclosed the signed purchase offers on E&S,LLC's and Elouise H. Justice's properties managed by Coastal Manangement Corp.

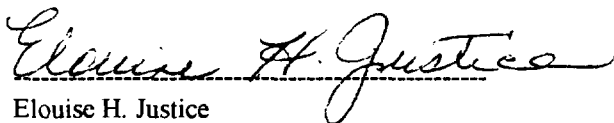
We were offered a price of \$ [REDACTED] for these properties in the latter part of 1996 by St. Mary. Since that time, we have acquired more interest in some of the leases, therefore, we feel that our counter of \$ [REDACTED] for the E&S, LLC properties is reasonable.

We find the other terms to be acceptable.

Sincerely,

E&S, LLC

By:

A handwritten signature in cursive script that reads "Elouise H. Justice". The signature is written over a horizontal dashed line.

Elouise H. Justice  
Managing Partner

1776 LINCOLN STREET, SUITE 1100

DENVER, COLORADO 80203-1080

303/861-8140

FAX 303/863-1040



July 9, 1999

Mr. William James Wallrich  
40210 N. Lake View  
Antioch, IL 60002

Re: East Shugart (Delaware) Unit  
Eddy and Lea Counties, NM

Dear Mr. Wallrich:

Mr. J.W. Wallrich has provided me with copies of the federal form transfers of interest relative to leases within the captioned unit from Eugene Wallrich to you.

As you may know, St. Mary Land & Exploration Company is in the process of forming a secondary recovery unit relative to the Brushy Canyon formation underlying some of the lands covered by these leases. For your files, we are enclosing copies of certain correspondence regarding this matter and a copy of the Unit Agreement pertinent to this proposed unit. Eugene Wallrich has previously committed this interest to the unit by signing a Ratification and Joinder of Unit Agreement. As you may note on page 3 of both Exhibit Ds, we are now showing ownership of this interest under your name as successor to Eugene Wallrich.

We are also attaching six unsigned copies of the Ratification and Joinder of Unit Agreement. We ask that you execute all six of these forms and return five of them to the attention of the undersigned at the letterhead address. If we receive these executed forms prior to recording the Unit Agreement, we will replace Eugene Wallrich's signature pages with yours and change the owner name to take out the reference to Eugene Wallrich.

As you can see from the copy of the letter dated May 27, 1999, the hearing to statutorily unitize these lands was originally scheduled for June 24. However, one of the working interest owners requested a change in the hearing date. The hearing is now scheduled for July 22. After final approval of the unit by the New Mexico Oil & Gas Division and the Bureau of Land Management, we will file the Unit Agreement and other documents of record and the unit will become effective.

If you have any questions regarding unitization or your interest in the unit, please give me a call at 303/863-4317.

Thank you for your assistance in this matter.

Very truly yours,  
**St. Mary Land & Exploration Company**

A handwritten signature in cursive script that reads "B. Lynne Ellison".

B. Lynne Ellison  
Landman

/le

Attachments

cc: Mr. J.W. Wallrich

\*\*\*\*\*  
\*\*\* TX REPORT \*\*\*  
\*\*\*\*\*

TRANSMISSION OK

TX/RX NO	0823	
CONNECTION TEL		15056270276
SUBADDRESS		
CONNECTION ID		
ST. TIME	07/12 22:08	
USAGE T	00'51	
PGS. SENT	2	
RESULT	OK	

**ST. MARY LAND & EXPLORATION COMPANY**

1776 Lincoln Street, Suite 1100

Denver, Colorado 80203

Phone: (303)861-8140

Fax: (303) 863-1040

DATE: 7/13/99

TO: Armando Lopez

FAX  
NUMBER: 505/627-0276

FROM: Lynne Ellison

MESSAGE:

Attached please find a copy of the letter sent to interest owners within the East Shugart (Delaware) Unit advising them of the statutory unitization hearing for this unit. The hearing has been postponed until July 22, 1999. We'll let you know when we have approval.

Thanks again for all your help.

EXHIBIT 11

**Affidavit of Notice Regarding Hearing  
for Statutory Unitization of the  
East Shugart (Delaware) Unit**

State of New Mexico                    )  
Counties of Eddy and Lea            ) ss.

B. Lynne Ellison, being first duly sworn, upon oath deposes and says:

I am of legal age and have personal knowledge of the matters stated herein. By letter dated May 27, 1999, I, as Landman for St. Mary Land & Exploration Company, Operator of the proposed East Shugart (Delaware) Unit covering 604.12 acres, more or less, described as:

Township 18 South, Range 31 East, NM Meridian

Section 13: S/2SE/4  
Section 24: NE/4 and N/2SE/4  
Eddy County, New Mexico

Township 18 South, Range 32 East, NM Meridian

Section 18: Lot 4 (SW/4SW/4)  
Section 19: Lots 1, 2 (W/2NW/4);  
              Lot 3 (NW/4SW/4); E/2NW/4  
              and NE/4SW/4  
Lea County, New Mexico

sent notice to all owners of royalty, overriding royalty and working interests within the unitized formation that a hearing has been scheduled before the New Mexico Oil Conservation Division on June 24, 1999 related to an application for statutory unitization of the Brushy Canyon Formation of the Delaware Mountain Group. Copies of the application and of the related waterflood application were attached to the notices. The notices were delivered by certified mail, return receipt requested. A copy of the letter along with copies of the signed return receipts are attached to this Affidavit.

Further Affiant sayeth not.

B. Lynne Ellison  
B. Lynne Ellison

Subscribed and sworn to before me this 13<sup>th</sup> day of July, 1999.

My Commission Expires:

May 15, 2003

Patricia Spanigan  
Notary Public for the State of Colorado  
Residing at 1776 LINCOLN ST, STE 1100  
DENVER CO 80203

**Certified Mail  
Return Receipt Requested**

May 27, 1999

To: See Attached List of Addressees

Re: East Shugart (Delaware) Unit  
Eddy and Lea Counties, NM

Ladies and Gentlemen:

Enclosed is a copy of an application for statutory unitization of the proposed East Shugart (Delaware) Unit filed with the New Mexico Oil Conservation Division by St. Mary Land & Exploration Company. Also enclosed is a related waterflood application.

This matter will be heard at 8:15 a.m. on Thursday, June 24, 1999 at the Division's offices at 2040 South Pacheco Street, Santa Fe, New Mexico 87505. Our records indicate that you own an interest in the unit area. As an interest owner in the unit area, you have the right to enter an appearance and participate in the hearing. Failure to appear at the hearing will preclude you from contesting this matter at a later date. If you will be appearing at the hearing, you are requested to notify the attorney for the applicant no later than Friday, June 18, 1999. Our attorney is James Bruce, P. O. Box 1056, Santa Fe, New Mexico 87504.

Very truly yours,

**St. Mary Land & Exploration Company**



B. Lynne Ellison  
Landman

/le  
Attachments

ADDRESS LIST

EAST SHUGART (DELAWARE)

IIT

RIVERHILL ENERGY CORPORATION  
PO BOX 2726  
MIDLAND TX 79702-2726

ST MARY LAND & EXPLORATION  
COMPANY  
1776 LINCOLN ST STE 1100  
DENVER CO 80203

MARY ELIZABETH BAISH-WESTIN  
513 POWELL AVE  
CRESSON PA 16630-1314

KAREN ELIZABETH CHARLES  
110 HUDSON AVE  
ALTOONA PA 16602-4914

HIGGINS TRUST INC  
PO BOX 2421  
GAINESVILLE GA 30503-2421

MARGARET MASTERS  
47 OAKWOOD DR  
WORMLEYSBURG PA 17043-1134

KATHERINE MARY SCOTT  
809 SHERIDAN ST  
ALTOONA PA 16602-5440

BETTY BAISH STROHMEYER  
ESTATE  
JAMES SCOTT STROHMEYER  
EXECUTOR  
5311 E 5TH ST  
TUCSON AZ 85711-2331

GEORGE WESTALL  
PO BOX 70  
RUIDOSO DOWNS NM 88346-0070

CENTENNIAL  
PO BOX 1837  
ROSWELL NM 88202

SELMA ANDREWS TRUST #5188-01  
FBO PEGGY BARRETT  
PO BOX 840738  
DALLAS TX 75284-0738

JOHN WALLACE WALLRICH  
2410 W 79TH AVE  
ANCHORAGE AK 99502

GRAHAM AUSTIN AND MARGARET  
AUSTIN  
CO-TRTEES OF THE AUSTIN FAMILY  
TRUST UTA 3/22/95  
24992 NELLIE GAIL  
LAGUNA BEACH CA 92653

NANCY CARTER  
PO BOX 386  
LEMON GROVE CA 91946-0386

RANDY G PATTERSON  
1705 WASHINGTON  
ARTESIA NM 88210-1650

JACK W MCCAW  
PO BOX 127  
ARTESIA NM 88211-0127

WILLIAM C WHITE  
4200 AMISTAD DR  
MIDLAND TX 79707-3203

BRAILLE INSTITUTE OF AMERICA  
INC  
C/O NATIONSBANK OF TEXAS NA  
PO BOX 840738  
DALLAS TX 75248-0738

BEVERLY LE TOURNEAU  
PO BOX 487  
STOLLWATER MN 55082-0487

EUGENE WALLRICH  
6827 ELIOT VIEW RD  
MINNEAPOLIS MN 55426-2833

JW WALLRICH JR  
416 N ELMHURST AVE  
MT PROSPECT IL 60056-2012

LUCY MCCARLEY  
4463 SPRINGMOOR CIR  
RALEIGH NC 27615-5707

LOFFLAND LIMITED PARTNERSHIP  
6300 RIDGLEA PL STE 717  
FORT WORTH TX 76116-5733

FIVE STATES 1994-E LTD  
4925 GREENVILLE AVE STE 1220  
DALLAS TX 75206-4020

FIVE STATES 1995-B LTD  
4925 GREENVILLE AVE STE 1220  
DALLAS TX 75206-4020

FIVE STATES 1995-D LTD  
4925 GREENVILLE AVE STE 1220  
DALLAS TX 75206-4020

PAUL J ANDERSON  
728 GULL LAKE DR  
NISSWA NM 56468-9543

THOMAS R HOLLOWAY  
9993 ARCOLA COURT N  
STILLWATER MN 55082-9523

DEBORAH FEDRIC  
PO BOX 1771  
ROSWELL NM 88202-1771

TE BROWN JR  
PO BOX 68  
ARTESIA NM 88211-0068

ORION PROPERTIES INC  
11776 S 76TH E AVE  
BIXBY OK 74008-2022

KING PROPERTIES INC  
PO BOX 10  
BIXBY OK 74008-0010

CLIFTON EUGENE SHUMATE JR  
CUSTODIAL TRTEE  
FOR THE SHAREHOLDERS OF  
OIL ROYALTIES CORPORATION  
PO BOX 2473  
MIDLAND TX 79702-2473

JACK FOLKNER  
PO BOX 39  
LOLEETA CA 95551-0039

LOUISE FOLKNER LANE  
6206 84TH STREET E  
PUYALLUP WA 98371-6342

ROBERT L FOLKNER  
1807 W CANARY WY  
CHANDLER AZ 85248-3031

MARK RYAN FOLKNER  
7209 ARROYO DE LOSO NE  
ALBUQUERQUE NM 87109-2922

CARL LEWIS FOLKNER JR  
9005 NW VOLCANO ROAD, #30  
ALBUQUERQUE NM 87121

STEPHEN FRANCIS FOLKNER  
213 CAMINO CUATRO SW  
ALBUQUERQUE NM 87105-7581

JOHN CHRISTOPHER FOLKNER  
8207 SAN JUAN RD NE  
ALBUQUERQUE NM 87108-2345

GEORGE H HUNKER JR  
PO BOX 1837  
ROSWELL NM 88202-1837

PATRICIA A BRUNSON  
PO BOX 1353  
SPRINGDALE AR 72764-1353

JIMMIE L CHARLESWORTH  
RT 4 BOX 140B  
HEREFORD TX 79045-9404

TOMMYE G EWING  
3130 SAN SEBASTIAN  
CARROLTON TX 75006

BETTE TAYLOR GARNER  
6118 EDITH NE #152  
ALBUQUERQUE NM 87107

ACME LAND COMPANY  
P. O. BOX 10280  
MIDLAND TX 79702

OLIN E GROVES  
2507 CIMMARON  
MIDLAND TX 79705

CECIL E & ELLA BELLE  
HOLEMAN TRUST A & B  
1303 W AVE J  
LOVINGTON NM 88260

PRIME ENERGY ASSET &  
INCOME FUND AA-3 & AA-4  
2900 WILCREST DR STE 475  
HOUSTON TX 77042-6009

SALLY MEADER ROBERTS  
704 DELMAR  
MIDLAND TX 79703-5536

VIVIAN C BRUNSON  
4205 LANKFORD  
SPRINGDALE AR 72762

GEORGE SHANNON  
IND EXECUTOR OF  
GLADYS SHANNON ESTATE  
3112 HALLMARK  
TYLER TX 75701

WILLIAM J CASEY  
500 THROCKMORTON  
FORT WORTH TX 76102-3708

NATIONSBANK  
TEXAS NA TRTEE UWO  
DAVID B TRAMMELL (#818)  
PO BOX 848703  
DALLAS TX 75284-8703

CAROL DAVID TRAMMELL  
  
PO BOX 5081  
WALNUT CREEK CA 94596-1081

NATIONSBANK TEXAS NA TRUSTEE  
OF MARGARET RUTH TRAMMELL  
TRUST  
PO BOX 848703  
DALLAS TX 75284-8703

RICHARD BORGAARD  
8882 NE MEADOW RIDGE ROAD  
PRINEVILLE OR 97754-9695

MARGARET JOHNSON MCCURDY  
TRTEE  
UTA 9/30/88  
2525 RIDGMAR BLVD STE 300  
FORT WORTH TX 76116-4583



E BERNARD JOHNSTON AND  
MARY ELLEN JOHNSTON  
2715 N KENTUCKY AVE #16  
ROSWELL NM 88201-5868

RAY F LEWIS JR  
1232 E AVITA AVE  
CASA GRANDE AZ 85222-1105

MICHAEL R MCGUIRE  
3209 ESTRELLITA  
ROSWELL NM 88201-1017

MARGARET H NAYLOR  
REVOCABLE TRUST  
PO BOX 1196  
ARTESIA NM 88211-1196

ROJO INC  
PO BOX 1120  
ROSWELL NM 88202-1120

RALPH A SHUGART TRUST  
c/o MICHAEL D MCCANNON  
300 S JACKSON ST STE 500  
DENVER CO 80209-3133

CLIFTON E SHUMATE AND  
HELEN C SHUMATE  
2201 VENTNOR CT  
ARLINGTON TX 76011

MYRTLE MYRA WESTALL  
REVOCABLE TRUST  
704 W BULLOCK AVE  
ARTESIA NM 88210-2337

HARMAC OIL & GAS INC  
221 E  
WORTH  
GRAPEVINE TX 76051

DNR OIL & GAS INC  
655 BROADWAY  
DENVER CO 80203

DAVID W TWOMEY  
CONOCO INC  
10 DESTA DR STE 100W  
MIDLAND TX 79705

EHW LLC  
A NM LIMITED LIABILITY COMPANY  
101 S FOURTH STREET  
ARTESIA NM 88210-2177

WILLA KATHRYN KENNEDY  
P. O. BOX 1121  
EDGEWOOD NM 87015-1121

MARY KENNEDY GORE  
4749 E MOHAVE AVENUE  
LAS VEGAS NV 89104-5826

BRANEX RESOURCES INC.  
P. O. BOX 2328  
ROSWELL NM 88202-2328

RIVERHILL ENERGY CORPORATION  
PO BOX 2726  
MIDLAND TX 79702-2726

HARE PRODUCTION COMPANY  
1601 E BLANCHO BLVD  
BLOOMFIELD NM 87413

TED E BACIL  
43513 OCASO CORTE  
FREMONT CA 94539-5633

NORMAN BARKER  
3208 HAYNES DR  
MIDLAND TX 79705-4213

FLOYD A BLAKENEY  
2603 N WASHINGTON  
ROSWELL NM 88201

BORICA OIL INC  
DRAWER H  
FT SUMNER NM 88119-1507

GERALD E & E PATRICIA  
HARRINGTON TRUSTEES OF THE  
HARRINGTON TRT  
PO BOX 216  
ROSWELL NM 88201

NM&T RESOURCES LLC  
PO BOX 10523  
MIDLAND TX 79702-7523

PAULA S CAMPBELL  
PO BOX 1018  
ROSWELL NM 88201

DR MICHAEL. NORTON III  
688 COUNTY ST  
NEW BEDFORD MA 02740-6721

TROY OR SANDRA ONEY  
PO BOX 513  
MALAKOFF TX 75148

LEONARD SCHAEN  
6004 HIGHCOURT PL  
DALLAS TX 75240

SCHATZ MANAGEMENT TRUST  
BARBARA A SCHATX TRUSTEE  
2817 W DENGAR  
MIDLAND TX 79705-6104

EDWIN G WALLACE  
133 SLEEPY HOLLOW LN  
ORINDA CA 94563-1340

RIVERHILL ENERGY CORPORATION  
FOR THE ACCT OF WILLIAM NICKEY  
PO BOX 2726  
MIDLAND TX 79702-2726

CHESTER FRANCIS CARTHEL TRT  
FOR  
OLGA EUDORA TANNAHILL MILLER  
PO BOX 1 PLAZA ONE  
AMARILLO TX 79105-0001

CHESTER FRANCIS CARTHEL TRT  
FOR  
THEODORE HERSCHEL CARTHEL  
PO BOX 1 PLAZA ONE  
AMARILLO TX 79105-0001

DON L LEE  
PO BOX 149  
ALAMOGORDO NM 88311-0149

RICHARD E OCONNELL  
PO BOX 513  
PACIFIC GROVE CA 93950-0513

GWENDOLYN MANNING WILLIAMS  
905 W PINE CT  
MIDLAND TX 79705-6527

LESSIE FISHER  
PO BOX 301  
ALTO NM 88312

E & S LLC  
3007 RIVERSIDE DR  
ROSWELL NM 88201-1348

DEAN KINSOLVING  
PO BOX 325  
TATUM NM 88267

PATRICK J MORELLO  
598 WOODLAND DR  
PADUCAH KY 42001

DAVID J MOSSLER  
345 N MAPLE DR STE 105  
BEVERLY HILLS CA 90210-3854

JOHN & ALICE SHARP  
20 CONDESA RD  
SANTA FE NM 87505

STEVE OR LOLA BELL  
204 TIERRA BERRENDA  
ROSWELL NM 88201

NELSON B ALPERS TRTEE OF THE  
NELSON  
B ALPERS FAMILY TRT UTA 5/12/97  
4302 CRESTWOOD  
MIDLAND TX 79707

JOHN V FOX  
5012 LAKE CARLTON RD  
LOGANVILLE GA 30249

PATRICIA K JENNINGS  
3968 COTTONWOOD LN  
ROSWELL NM 88201

FIVE STATES 1994-E LTD  
4925 GREENVILLE AVE STE 1220  
DALLAS TX 75206-4020

FIVE STATES 1995-B LTD  
4925 GREENVILLE AVE STE 1220  
DALLAS TX 75206-4020

FIVE STATES 1995-D LTD  
4925 GREENVILLE AVE STE 1220  
DALLAS TX 75206-4020

J E CIESZINSKI  
PO BOX 3047  
ROSWELL NM 88202-3047

HARVEY E YATES COMPANY  
PO BOX 1933  
ROSWELL NM 88202-1933

JALAPENO CORPORATION  
PO BOX 1668  
ALBUQUERQUE NM 87103

NORTEX CORPORATION  
1415 LOUISIANA ST STE 3100  
HOUSTON TX 77002

YATES ENERGY CORPORATION  
PO BOX 2323  
ROSWELL NM 88202-2323

BRIAN D KANTOR  
5926 BIRDWOOD  
HOUSTON TX 77074

18-31 INC  
PO BOX 1120  
ROSWELL NM 88202-1120

JOHN MICHAEL FROST  
PO BOX 1120  
ROSWELL NM 88202-1120

MARIANNE KEOHANE FROST  
PO BOX 1120  
ROSWELL NM 88202-1120

MARK JAMES FROST  
PO BOX 1120  
ROSWELL NM 88202-1120

THERESA ANN FROST  
PO BOX 1120  
ROSWELL NM 88202-1120

SUE SAUNDERS GRAHAM  
PO BOX 987  
ROSWELL NM 88202-0987

DONALD S IVERSON ESTATE  
C/O SUSAN IVERSON  
1 TERRACE MOUNTAIN COVE  
AUSTIN TX 78746

IVERSON III INC  
C/O S IVERSON  
3454 S ZUNIS  
TULSA OK 74105

PAI INCORPORATED  
C/O PAUL IVERSON  
243 WALNUT ST  
NEWPORT BEACH CA 92663

JEWELL IVERSON INTERVIVOS  
TRUST  
R SULLIVAN SUCCESSOR  
4870 S LEWIS STE 200  
TULSA OK 74105

S J IVERSON JR  
2518 SINCLAIR  
MIDLAND TX 79705

WENDELL WELCH IVERSON  
PO BOX 1343  
MIDLAND TX 79702

JEANETTE Y KEOHANE  
13408 CLOUDVIEW NE  
ALBUQUERQUE NM 87123

PATSY ANN IVERSON PAGE  
1155 MURILAND VISTA WY  
LA JOLLA CA 92037

COMMERCE BANK OF KANSAS  
CITY TRTEE  
ELYSE S PATTERSON TRUST B  
ATTN MARK ROBISON  
PO BOX 419248  
KANSAS CITY MO 64199-3366

PIP 1990 TRUST  
C/O WENDELL W IVERSON  
TRUSTEE  
PO BOX 10508  
MIDLAND TX 79702

SJI JR 1990 TRUST  
C/O WENDELL W IVERSON  
TRUSTEE  
PO BOX 10508  
MIDLAND TX 79702

PHOEBE SHELTON  
PO BOX 430  
AMARILLO TX 79105

THE TOLES COMPANY  
PO BOX 1300  
ROSWELL NM 88202-1300

WWI 1990 TRUST  
C/O WENDELL W IVERSON  
TRUSTEE  
PO BOX 10508  
MIDLAND TX 79702

SPIRAL INC  
PO BOX 1933  
ROSWELL NM 88202-1933

HEYCO EMPLOYEE LTD  
PO BOX 1933  
ROSWELL NM 88202-1933

EXPLORER PETROLEUM CORP  
PO BOX 1933  
ROSWELL NM 88202-1933

GENE SHUMATE  
PO BOX 2473  
MIDLAND TX 79702

JOSEPH R MAZZOLA  
INTOIL INC  
9200 E MINERAL AVE  
ENGLEWOOD CO 80110

GREG HOLCOMB  
TRUSTEE  
SJ IVERSON TRUST  
PO BOX 830308  
DALLAS TX 75238

J DAVID WRATHER JR  
PO BOX 1788  
LONGVIEW TX 75605

PETER C IVERSON  
& ALVIN M IVERSON  
EXECUTORS OEO DOROTHY  
MONROE  
206 BELLEMEADE CIRCLE  
EUFAULA OK 74432-2071

Is your RETURN ADDRESS completed on the reverse?

**INSTRUCTIONS:**  
Complete items 1 and/or 2 for additional services.  
Complete items 3, 4a, and 4b.  
Print your name and address on the reverse of this form so that we can return this card to you.  
Attach this form to the front of the mailpiece, or on the back if space does not permit.  
Write "Return Receipt Requested" on the mailpiece below the article number.  
The Return Receipt will show to whom the article was delivered and the date delivered.

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:  
RIVERHILL ENERGY CORPORATION  
PO BOX 2726  
MIDLAND TX 79702-2726


4a. Article Number  
2238 822 358

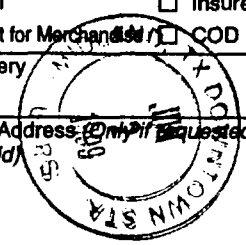
4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)  




Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse?

**INSTRUCTIONS:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

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:

HARE PRODUCTION COMPANY  
1601 E BLANCHO BLVD  
BLOOMFIELD NM 87413

## 4a. Article Number

2 159 888 511

## 4b. Service Type

- |   |   |
|---|---|
| <input type="checkbox"/> Registered                     | <input checked="" type="checkbox"/> Certified |
| <input type="checkbox"/> Express Mail                   | <input type="checkbox"/> Insured              |
| <input type="checkbox"/> Return Receipt for Merchandise | <input type="checkbox"/> COD                  |

## 7. Date of Delivery

5-8-99

## 5. Received By: (Print Name)

## 6. Signature (Addressee or Agent)

X *[Signature]*

## 8. Addressee's Address (Only if requested and fee is paid)

April 1995 (Reverse)

Is your RETURN ADDRESS completed on the reverse?

- Complete items 1 and/or 2 for additional services.  
Complete items 3, 4a, and 4b.  
Print your name and address on the reverse of this form so that we can return this card to you.  
■ Attach this form to the front of the mailpiece, or on the back if space does not permit.  
■ Write "Return Receipt Requested" on the mailpiece below the article number.  
■ The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:

TED E BACIL  
43513 OCASO CORTE  
FREMONT CA 94539-5633

4a. Article Number

2659-888 521

4b. Service Type

- ☒ Registered ☒ Certified  
☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X [Signature]

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address  
2. ☐ Restricted Delivery

Consult postmaster for fee.

Thank you for using Return Receipt Service.

000, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the reverse?

PS Form 3811, December 1994

Complete items 1 and/or 2 for additional services.  
Complete items 3, 4a, and 4b.

- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

NORMAN BARKER  
3208 HAYNES DR  
MIDLAND TX 79705-4213

4a. Article Number

P 554 486 695

4b. Service Type

- |   |                                    |
|---|------------------------------------|
| <input type="checkbox"/> Registered                     | <input type="checkbox"/> Certified |
| <input type="checkbox"/> Express Mail                   | <input type="checkbox"/> Insured   |
| <input type="checkbox"/> Return Receipt for Merchandise | <input type="checkbox"/> COD       |

7. Date of Delivery

6-1-99

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X Mrs N.K. Barker

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.



PS Form 3811, April 1995 (Reverse)

PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the back of the mailpiece?

Items 1 and/or 2 for additional services.  
Items 3, 4a, and 4b.  
Attach this form to the front of the mailpiece, or on the back if space does not permit.  
Write "Return Receipt Requested" on the mailpiece below the article number.  
The Return Receipt will show to whom the article was delivered and the date delivered.

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:  
  
FLOYD A BLAKENEY  
2603 N WASHINGTON  
ROSWELL NM 88201

4a. Article Number  
2159 888 512  
4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD  
7. Date of Delivery  
5-29-95

5. Received By: (Print Name)  
PAT BLAKENEY  
6. Signature: (Addressee or Agent)  
X Pat Blakene

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

to article to cover First-Class postage, certified mail fee, and  
optional services (See front).  
this receipt postmarked, stick the gummed stub to the right of the return  
the receipt attached, and present the article at a post office service  
and it to your rural carrier (no extra charge).  
3. If you want a return receipt, write the certified mail number and your name and address  
on a return receipt card, Form 3811, and attach it to the front of the article by means of the  
gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article  
**RETURN RECEIPT REQUESTED** adjacent to the number.  
4. If you want delivery restricted to the addressee, or to an authorized agent of the  
addressee, endorse **RESTRICTED DELIVERY** on the front of the article.  
5. Enter fees for the services requested in the appropriate spaces on the front of this  
receipt. If return receipt is requested, check the applicable blocks in item 1 of Form 3811.  
6. Save this receipt and present it if you make an inquiry.

ADDRESS completed on the reverse side?

### SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

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:

BORICA OIL INC  
DRAWER H  
FT SUMNER NM 88119-1507

### 4a. Article Number

2159 888 522

### 4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

### 7. Date of Delivery

6-2-99

### 5. Received By: (Print Name)

Signature: (Addressee or Agent)

### 8. Addressee's Address (Only if requested and fee is paid)

Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt

cover First-Class postage, certified mail fee, and services (See front).

marked, stick the gummed stub to the right of the return attached, and present the article at a post office service carrier (no extra charge).

receipt postmarked, stick the gummed stub to the right of the date, detach, and retain the receipt, and mail the article.

receipt, write the certified mail number and your name and address on the front of the article by means of the appropriate spaces on the front of this Form 3811, and attach it to the front of the article. Endorse front of article with **RESTRICTED DELIVERY** on the front of the article.

delivery restricted to the addressee, or to an authorized agent of the addressee, check the applicable blocks in item 1 of Form 3811. For the services requested in the appropriate spaces on the front of this return receipt is requested, check the applicable blocks in item 1 of Form 3811. This receipt and present it if you make an inquiry.

(Reverse) April 1991 595 (Reverse)

ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4, and 5 for additional services.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

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:**

NM&T RESOURCES LLC  
PO BOX 10523  
MIDLAND TX 79702-7523

**4a. Article Number**

2159 888 513

**4b. Service Type**

- ☐ Registered ☒ Certified
- ☐ Express Mail ☐ Insured
- ☐ Return Receipt for Merchandise ☐ COD

**7. Date of Delivery**

JUN - 1 1999

**5. Received By: (Print Name)**

**8. Addressee's Address (Only if requested and fee is paid)**

**6. Signature (Addressee or Agent)**

X *Lam Lo*

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the

1. Write items 1 and/or 2 for additional services.  
2. Write items 3, 4a, and 4b.  
3. Attach this form to the front of the mailpiece, or on the back if space does not permit.  
4. Write "Return Receipt Requested" on the mailpiece below the article number.  
5. The Return Receipt will show to whom the article was delivered and the date delivered.

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:  
  
PAULA S CAMPBELL  
PO BOX 1018  
ROSWELL NM 88201

4a. Article Number  
2159 888 523  
4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery  
6-1-99

5. Received By: (Print Name)  
Jane Andrews

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)  
X Jane Andrews

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

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:

BRIAN D KANTOR  
5926 BIRDWOOD  
HOUSTON TX 77074

4a. Article Number

2159 888 553

4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

5-29-99

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X

B D Kantor

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

PS Form 3800, April 1995 (Rev. 10-2-95) 97-B-0179

in authorized agent of the  
the article.  
in spaces on the front of this  
blocks in item 1 of Form 3811.

to the right of the  
all the article.  
ur name and address  
article by means of the  
Endorse front of article

of the return  
office service

1 fee.

is your RETURN ADDRESS completed on

1. Write items 1 and/or 2 for additional services.  
2. Write items 3, 4a, and 4b.  
3. Write your name and address on the reverse of this form so that we can return this  
4. Attach this form to the front of the mailpiece, or on the back if space does not  
5. permit.  
6. Write "Return Receipt Requested" on the mailpiece below the article number.  
7. The Return Receipt will show to whom the article was delivered and the date  
8. delivered.

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:

DR MICHAEL NORTON III  
688 COUNTY ST  
NEW BEDFORD MA 02740-6721

4a. Article Number

2159 888 504

4b. Service Type

- ☐ Registered ☐ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

6-4-99

5. Received By: (Print Name)

Barbara A. Norton

6. Signature: (Addressee or Agent)

X

8. Addressee's Address (Only if requested  
and fee is paid)

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the reverse?

**INSTRUCTIONS:**  
Complete items 1 and/or 2 for additional services.  
Complete items 3, 4a, and 4b.  
Print your name and address on the reverse of this form so that we can return this card to you.  
Attach this form to the front of the mailpiece, or on the back if space does not permit.  
Write "Return Receipt Requested" on the mailpiece below the article number.  
The Return Receipt will show to whom the article was delivered and the date delivered.

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:

TROY OR SANDRA ONEY  
PO BOX 513  
MALAKOFF TX 75148

4a. Article Number

2159 888 514

4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

6-1-99 25

5. Received By: (Print Name)

JIM R SEEKER

6. Signature: (Addressee or Agent)

Jim R Seeker

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-97-8-0179

Domestic Return Receipt

Thank you for using Return Receipt Service

article to cover First-Class postage, certified mail fee, and optional services (See front).  
 receipt postmarked, stick the gummed stub to the right of the return address of the article, date, detach, and retain the receipt, and mail the article.  
 if you want a return receipt, write the certified mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed stubs if space permits. Otherwise, affix to back of article. Endorse front of article with "RETURN RECEIPT REQUESTED" adjacent to the number.  
 4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.  
 5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in item 1 of Form 3811.  
 6. Save this receipt and present it if you make an inquiry.

102595-97-B-0179  
 Form 3811, December 1994  
 102595-97-B-0179

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

SCHATZ MANAGEMENT TRUST  
 BARBARA A SCHATX TRUSTEE  
 2817 W DENGAR  
 MIDLAND TX 79705-6104

4a. Article Number

2159 888 505

4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

6-1-99

Received By: (Print Name)

Barbara Scharz

Signature: (Addressee or Agent)

Barbara Scharz

8. Addressee's Address (Only if requested and fee is paid)

3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt



380/381 **AN ADDRESS completed on the reverse side?**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

1. ☐ Addressee's Address  
2. ☐ Restricted Delivery  
Consult postmaster for fee.

EDWIN G WALLACE  
133 SLEEPY HOLLOW LN  
ORINDA CA 94563-1340

4a. Article Number  
Z159 888 515

☐ Registered      ☒ Certified  
☐ Express Mail      ☐ Insured  
☐ Return Receipt for Merchandise      ☐ COD

7. Date of Delivery  
June 1-1999

E. G. WALLACE

XE, G. Wallace

8. Addressee's Address (Only if requested and fee is paid)

102595-97-B-0179

## Domestic Return Receipt

**Thank you for using Return Receipt Service.**

1. Attach this form to the front of the mailpiece, or on the back if space does not permit.  
2. Write "Return Receipt Requested" on the mailpiece below the article number.  
3. The Return Receipt will show to whom the article was delivered and the date delivered.

Is your RETURN ADDRESS completed?

PS Form 3800, April 1995 (Rev. 11-25-95)

3. Article Addressed to:  
  
CHESTER FRANCIS CARTEL TRT  
FOR OLGA EUDORA TANNAHILL  
MILLER  
PO BOX 1 PLAZA ONE  
AMARILLO TX 79105-0001

4a. Article Number  
2 159 888 506  
4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD  
7. Date of Delivery  
JUN - 1 1999

5. Received By: (Print Name)  
Gabriel Jaramillo

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)  
X [Signature]

Thank you for using Return Receipt Service

PS Form 3800, April 1995 (Reverse)

is your RETURN ADDRESS completed on the reverse of this form so that we can return this card to you.

1. Write items 1 and/or 2 for additional services.  
2. Write items 3, 4a, and 4b.  
3. Write your name and address on the reverse of this form so that we can return this card to you.  
4. Attach this form to the front of the mailpiece, or on the back if space does not permit.  
5. Write "Return Receipt Requested" on the mailpiece below the article number.  
6. The Return Receipt will show to whom the article was delivered and the date delivered.

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:

CHESTER FRANCIS CARTEL TRT  
FOR THEODORE HERSCHEL  
CARTEL  
PO BOX 1 PLAZA ONE  
AMARILLO TX 79105-0001

4a. Article Number

2159 888 516

4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

JUN - 2 1999

5. Received By: (Print Name)

Gabriel Jaramillo

6. Signature: (Addressee or Agent)

X

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3844, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service

mail fee. **PS Form 3811, December 1994**  
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appropriate spaces on the front of this  
cable blocks in item 1 of Form 3811.  
102595-97-B-0179

PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed

**PS Form 3811, December 1994**  
Write items 1 and/or 2 for additional services.  
Write items 3, 4a, and 4b.  
your name and address on the reverse of this form so that we can return this  
to you.  
Attach this form to the front of the mailpiece, or on the back if space does not  
permit.  
Write "Return Receipt Requested" on the mailpiece below the article number.  
The Return Receipt will show to whom the article was delivered and the date  
delivered.

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:

DON L LEE  
PO BOX 149  
ALAMOGORDO NM 88311-0149

4a. Article Number

2159 888 526

4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

5. Received By: (Print Name)

6. Signature (Addressee or Agent)

*Charles T. Lee*

8. Addressee's Address (Only if requested  
and fee is paid)

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

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PS Form 3800, April 1995 (Reverse)

ER:

Complete items 1 and/or 2 for additional services.  
Complete items 3, 4a, and 4b.  
Print your name and address on the reverse of this form so that we can return this card to you.  
■ Attach this form to the front of the mailpiece, or on the back if space does not permit.  
■ Write "Return Receipt Requested" on the mailpiece below the article number.  
■ The Return Receipt will show to whom the article was delivered and the date delivered.

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:

RICHARD E O'CONNELL  
PO BOX 513  
PACIFIC GROVE CA 93950-0513

4a. Article Number

2159 888 507

4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

3  
1000

5. Received By: (Print Name)

RICHARD E. O'CONNELL

6. Signature: (Addressee or Agent)

X Richard E O'Connell

8. Addressee's Address (Only if requested and fee is paid)

USPS

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Is your RETURN ADDRESS completed on the reverse?

Thank you for using Return Receipt Service.

article to cover First-Class postage, certified mail fee, and optional services (See front).  
3. If you want a return receipt, write the certified mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article with "RETURN RECEIPT REQUESTED" adjacent to the number.  
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse "RESTRICTED DELIVERY" on the front of the article.  
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in item 1 of Form 3811.  
6. Save this receipt and present it if you make an inquiry.

ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

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:**

GWENDOLYN MANNING WILLIAMS  
905 W PINE CT  
MIDLAND TX 79705-6527

**4a. Article Number**

2159 888 517

**4b. Service Type**

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

**7. Date of Delivery**

Dec 01-95

**5. Received By: (Print Name)**

**Signature (Addressee or Agent)**

X Gwendolyn Williams

**8. Addressee's Address (Only if requested and fee is paid)**

Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt

102595-97-B-0145

PS Form 3800, April 1995 (Reverse)

Print your name and address on the reverse of this form so that we can return this card to you.

Attach this form to the front of the mailpiece, or on the back if space does not permit.

Write "Return Receipt Requested" on the mailpiece below the article number.

The Return Receipt will show to whom the article was delivered and the date delivered.

Complete items 1 and/or 2 for additional services.

Complete items 3, 4a, and 4b.

Print your name and address on the reverse of this form so that we can return this card to you.

Attach this form to the front of the mailpiece, or on the back if space does not permit.

Write "Return Receipt Requested" on the mailpiece below the article number.

The Return Receipt will show to whom the article was delivered and the date delivered.

Complete items 1 and/or 2 for additional services.

Complete items 3, 4a, and 4b.

Print your name and address on the reverse of this form so that we can return this card to you.

Attach this form to the front of the mailpiece, or on the back if space does not permit.

Write "Return Receipt Requested" on the mailpiece below the article number.

The Return Receipt will show to whom the article was delivered and the date delivered.

Complete items 1 and/or 2 for additional services.

Complete items 3, 4a, and 4b.

Print your name and address on the reverse of this form so that we can return this card to you.

Attach this form to the front of the mailpiece, or on the back if space does not permit.

Write "Return Receipt Requested" on the mailpiece below the article number.

The Return Receipt will show to whom the article was delivered and the date delivered.

Complete items 1 and/or 2 for additional services.

Complete items 3, 4a, and 4b.

Print your name and address on the reverse of this form so that we can return this card to you.

Attach this form to the front of the mailpiece, or on the back if space does not permit.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address  
2. ☐ Restricted Delivery

Consult postmaster for fee.

Is your RETURN ADDRESS completed on the reverse of this form?

3. Article Addressed to:

LESSIE FISHER  
PO BOX 301  
ALTO NM 88312

4a. Article Number

2159 888 527

4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

6/7/99

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X [Signature]

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

PS Form 3800, April 1995 (Reverse)

PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the reverse?

**Return Receipt:**  
Complete items 1 and/or 2 for additional services.  
Complete items 3, 4a, and 4b.  
Print your name and address on the reverse of this form so that we can return this card to you.  
■ Attach this form to the front of the mailpiece, or on the back if space does not permit.  
■ Write "Return Receipt Requested" on the mailpiece below the article number.  
■ The Return Receipt will show to whom the article was delivered and the date delivered.

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:

E & S LLC  
3007 RIVERSIDE DR  
ROSWELL NM 88201-1348

4a. Article Number

2 159 888 508

4b. Service Type

- |   |   |
|---|---|
| <input type="checkbox"/> Registered                     | <input checked="" type="checkbox"/> Certified |
| <input type="checkbox"/> Express Mail                   | <input type="checkbox"/> Insured              |
| <input type="checkbox"/> Return Receipt for Merchandise | <input type="checkbox"/> COD                  |

7. Date of Delivery

6-1-99

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X 

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.



PS Form 3800, April 1995 (Reverse)

PS Form 3811, December 1994

PS Form 3811, December 1994

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PS Form 3811, December 1994

PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the reverse of this form?

1. Complete items 1 and/or 2 for additional services.  
2. Complete items 3, 4a, and 4b.  
3. Print your name and address on the reverse of this form so that we can return this card to you.  
4. Attach this form to the front of the mailpiece, or on the back if space does not permit.  
5. Write "Return Receipt Requested" on the mailpiece below the article number.  
6. The Return Receipt will show to whom the article was delivered and the date delivered.

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:  
DEAN KINSOLVING  
PO BOX 325  
TATUM NM 88267  
  
5. Received By: (Print Name)  
  
6. Signature: (Addressee or Agent)  
X *Danda Kinsolving*

4a. Article Number  
*2 159 888 518*  
4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD  
7. Date of Delivery  
*6-1-99*  
8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service

102595-97-B-0179

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PS Form 3800, April 1995 (Reverse)

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1. Write items 1 and/or 2 for additional services.  
2. Write items 3, 4a, and 4b.  
3. Write your name and address on the reverse of this form so that we can return this card to you.  
4. Attach this form to the front of the mailpiece, or on the back if space does not permit.  
5. Write "Return Receipt Requested" on the mailpiece below the article number.  
6. The Return Receipt will show to whom the article was delivered and the date delivered.

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:  
  
PATRICK J MORELLO  
598 WOODLAND DR  
PADUCAH KY 42001

4a. Article Number  
**2159 888 528**  
4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD  
7. Date of Delivery  
**6-2-99**

5. Received By: (Print Name)  
**PATRICK MORELLO**

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)  
**X/ [Signature]**

Thank you for using Return Receipt Service

PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the reverse of this form?

**RETURN:**  
Complete items 1 and/or 2 for additional services.  
Complete items 3, 4a, and 4b.  
Print your name and address on the reverse of this form so that we can return this card to you.  
■ Attach this form to the front of the mailpiece, or on the back if space does not permit.  
■ Write "Return Receipt Requested" on the mailpiece below the article number.  
■ The Return Receipt will show to whom the article was delivered and the date delivered.

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:

DAVID J MOSSLER  
345 N MAPLE DR STE 105  
BEVERLY HILLS CA 90210-3854

4a. Article Number

2159 888 509

4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

6-1

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X M. Taylor

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

102595-97-B-0179  
Use spaces on the front of this  
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Endorse front of article  
your name and address  
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PS Form 3800, April 1995 (Rev. 11/94)

Is your RETURN ADDRESS completed?

Items 1 and/or 2 for additional services.  
Items 3, 4a, and 4b.  
your name and address on the reverse of this form so that we can return this  
to you.  
Attach this form to the front of the mailpiece, or on the back if space does not  
permit.  
Write "Return Receipt Requested" on the mailpiece below the article number.  
The Return Receipt will show to whom the article was delivered and the date  
delivered.

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:

JOHN & ALICE SHARP  
20 CONDESA RD  
SANTA FE NM 87505

4a. Article Number

2159 888 519

4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

JUN 3 1999

5. Received By: (Print Name)

JOHN SHARP

6. Signature: (Addressee or Agent)

X

8. Addressee's Address (Only if requested  
and fee is paid)

CO

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

102595-97-E-0145

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PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the

1. **Return Receipt Requested:**  
Complete items 1 and/or 2 for additional services.  
Complete items 3, 4a, and 4b.  
Print your name and address on the reverse of this form so that we can return this card to you.  
■ Attach this form to the front of the mailpiece, or on the back if space does not permit.  
■ Write "Return Receipt Requested" on the mailpiece below the article number.  
■ The Return Receipt will show to whom the article was delivered and the date delivered.

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:

STEVE OR LOLA BELL  
204 TIERRA BERRENDA  
ROSWELL NM 88201

4a. Article Number

2159888529

4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

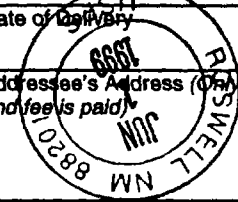
7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X [Signature]



PS Form 3811, December 1994

102595-97-8-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on

<p>Write items 1 and/or 2 for additional services. Write items 3, 4a, and 4b. Write your name and address on the reverse of this form so that we can return this to you. Attach this form to the front of the mailpiece, or on the back if space does not permit. Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered.</p>		<p>I also wish to receive the following services (for an extra fee):</p> <p>1. <input type="checkbox"/> Addressee's Address</p> <p>2. <input type="checkbox"/> Restricted Delivery</p> <p>Consult postmaster for fee.</p>
<p>3. Article Addressed to:</p> <p>NELSON B ALPERS TRTEE OF THE NELSON B ALPERS FAMILY TRT UTA 5/12/97 4302 CRESTWOOD MIDLAND TX 79707</p>	<p>4a. Article Number</p> <p>2159 888 510</p> <p>4b. Service Type</p> <p><input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD</p> <p>7. Date of Delivery</p> <p>JUN - 3 1999</p>	
<p>5. Received By: (Print Name)</p> <p>N. B. ALPERS</p> <p>6. Signature: (Addressee or Agent)</p> <p>X N. B. ALPERS</p>	<p>8. Addressee's Address (Only if requested and fee is paid)</p>	

Thank you for using Domestic Return Receipt

to cover First-Class postage, certified mail fee, and  
nal services (See front).

marked, stick the gummed stub to the right of the return  
attached, and present the article at a post office service  
ral carrier (no extra charge).

receipt postmarked, stick the gummed stub to the right of the  
article, date, detach, and retain the receipt, and mail the article.

n receipt, write the certified mail number and your name and address  
ard, Form 3811, and attach it to the front of the article by means of the  
ace permits. Otherwise, affix to back of article. Endorse front of article  
T REQUESTED DELIVERY on the front of the article.

delivery restricted to the addressee, or to an authorized agent of the  
endorse RESTRICTED DELIVERY on the front of the article.

es for the services requested in the appropriate spaces on the front of this  
return receipt is requested, check the applicable blocks in item 1 of Form 3811.

this receipt and present it if you make an inquiry.

102595-97-B-31:5

3800, April 1995 (Reverse)

### SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

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:

JOHN V FOX  
5012 LAKE CARLTON RD  
LOGANVILLE GA 30249

### 4a. Article Number

2 159 888 520

### 4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☒ Insured  
☐ Return Receipt for Merchandise ☐ COD

### 7. Date of Delivery

April 6, 1999

### 5. Received By: (Print Name)

### 6. Signature: (Addressee or Agent)

X *[Signature]*

### 8. Addressee's Address (Only if requested and fee is paid)

Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

cover First-Class postage, certified mail fee, and  
al services (See front).  
postmarked, stick the gummed stub to the right of the return  
slip, attached, and present the article at a post office service  
your rural carrier (no extra charge).  
want this receipt postmarked, stick the gummed stub to the right of the  
of the article, date, detach, and retain the receipt and mail the article.  
RETURN RECEIPT REQUESTED adjacent to the number. Endorse front of article  
4. If you want delivery restricted to the addressee, or to an authorized agent of the  
addressee, endorse RESTRICTED DELIVERY on the front of the article.  
5. Enter fees for the services requested in the appropriate spaces on the front of this  
receipt. If return receipt is requested, check the applicable blocks in item 1 of Form 3811.  
6. Save this receipt and present it if you make an inquiry.

3800 April 1995 11/08  
RETURN ADDRESS completed on the reverse side?

#### SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

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:

PATRICIA K JENNINGS  
3968 COTTONWOOD LN  
ROSWELL NM 88201

#### 4a. Article Number

2159 888 530

#### 4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

#### 7. Date of Delivery

6-29-9

#### 5. Received By: (Print Name)

#### 8. Addressee's Address (Only if requested and fee is paid)

#### 6. Signature: (Addressee or Agent)

Patricia Jennings

Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.



SEND ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

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:**

J DAVID WRATHER JR  
PO BOX 1788  
LONGVIEW TX 75605

**4a. Article Number**

E159 888 567

**4b. Service Type**

- ☐ Registered ☒ Certified
- ☐ Express Mail ☐ Insured
- ☐ Return Receipt for Merchandise ☐ COD

**7. Date of Delivery**

JUN 21 1999

**5. Received By: (Print Name)**

**6. Signature: (Addressee or Agent)**

X

**8. Addressee's Address (Only if requested and fee is paid)**

Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

1. Slip to article to cover First-Class postage, certified mail fee, and selected optional services (See front).
2. If you do not want this receipt postmarked, stick the gummed stub to the right of the return address of the article, date, detach, and retain the article at a post office service window or hand it to your rural carrier (no extra charge).
3. If you want a return receipt, write the certified mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in item 1 of Form 3811.
6. Save this receipt and present it if you make an inquiry.

102595-97-B-0145

Thank you for using Domestic Return Receipt Service

3800, April 1995 (Reverse)

the return  
service  
mail fee

Is your RETURN ADDRESS completed on the reverse?

Items 1 and/or 2 for additional services.  
Items 3, 4a, and 4b.  
your name and address on the reverse of this form so that we can return this  
card to you.  
■ Attach this form to the front of the mailpiece, or on the back if space does not  
permit.  
■ Write "Return Receipt Requested" on the mailpiece below the article number.  
■ The Return Receipt will show to whom the article was delivered and the date  
delivered.

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:

GENE SHUMATE  
PO BOX 2473  
MIDLAND TX 79702

4a. Article Number

2 159 888 5dp

4b. Service Type

☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

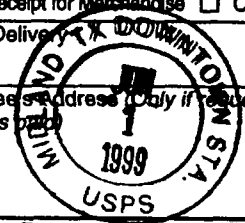
7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

*Gene Shumate*



PS Form 3811, December 1994

102595-97-8-0179 Domestic Return Receipt

PS Form 3811, December 1994  
B-0145

PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the reverse of this form?

all fee, and  
items 1 and/or 2 for additional services.  
items 3, 4a, and 4b.  
Print your name and address on the reverse of this form so that we can return this card to you.  
■ Attach this form to the front of the mailpiece, or on the back if space does not permit.  
■ Write "Return Receipt Requested" on the mailpiece below the article number.  
■ The Return Receipt will show to whom the article was delivered and the date delivered.

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:  
FIVE STATES 1994-E LTD  
4925 GREENVILLE AVE STE 1220  
DALLAS TX 75206-4020

4a. Article Number  
2159 888 531

4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery  
6/1/99

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)  
\* [Signature]

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

PS Form 3800, April 1995 (Reverse)

**USER:**  
Complete items 1 and/or 2 for additional services.  
Complete items 3, 4a, and 4b.  
Print your name and address on the reverse of this form so that we can return this card to you.  
Attach this form to the front of the mailpiece, or on the back if space does not permit.  
Write "Return Receipt Requested" on the mailpiece below the article number.  
The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):  
1. ☐ Addressee's Address  
2. ☐ Restricted Delivery  
Consult postmaster for fee.

Is your RETURN ADDRESS completed on the reverse?

3. Article Addressed to:  
  
FIVE STATES 1995-B LTD  
4925 GREENVILLE AVE STE 1220  
DALLAS TX 75206-4020

4a. Article Number  
**2238 822 324**  
4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

5. Received By: (Print Name)

7. Date of Delivery  
**6/11/99**

6. Signature: (Addressee or Agent)  
**\*Loren Crow**

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

**Thank you for using Return Receipt Service**

PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the reverse?

**ORDER:**  
Complete items 1 and/or 2 for additional services.  
Complete items 3, 4a, and 4b.  
Print your name and address on the reverse of this form so that we can return this card to you.  
Attach this form to the front of the mailpiece, or on the back if space does not permit.  
Write "Return Receipt Requested" on the mailpiece below the article number.  
The Return Receipt will show to whom the article was delivered and the date delivered.

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:  
J E CIESZINSKI  
PO BOX 3047  
ROSWELL NM 88202-3047

4a. Article Number  
2159 888 534  
4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD  
7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)  
*J E Cieszynski*

PS Form 3811, December 1994

102595-97-B-0179 Domestic Return Receipt

Thank you for using Return Receipt Service

102595-97-B-0145  
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Form 3811.  
PS Form 3800, April 1995 (Reverse)

PS Form 3800, April 1995 (Reverse)

PS Form 3800, April 1995 (Reverse)

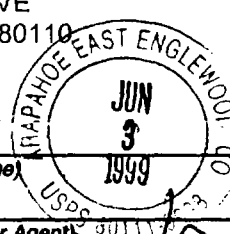
1. ☐ Registered  
2. ☐ Express Mail  
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4. ☐ Certified  
5. ☐ Insured  
6. ☐ COD  
7. Date of Delivery  
8. Addressee's Address (Only if requested and fee is paid)

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:  
JOSEPH R MAZZOLA  
INTOIL INC  
9200 E MINERAL AVE  
ENGLEWOOD CO 80110

4a. Article Number  
2159 888 562  
4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD  
7. Date of Delivery  
8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)  
6. Signature: (Addressee or Agent)  
X P. M. Mazzola



Thank you for using Return Receipt Service

April 1995 (Reverse)

Article  
Number

Postage  
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Is your RETURN ADDRESS completed on the reverse?

- Complete Items 1 and/or 2 for additional services.  
Complete Items 3, 4a, and 4b.  
Print your name and address on the reverse of this form so that we can return this card to you.  
Attach this form to the front of the mailpiece, or on the back if space does not permit.  
Write "Return Receipt Requested" on the mailpiece below the article number.  
The Return Receipt will show to whom the article was delivered and the date delivered.

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:

NORTEX CORPORATION  
1415 LOUISIANA ST STE 3100  
HOUSTON TX 77002

4a. Article Number

Z 159 888 535

4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

06/01/99

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

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PS Form 3811, April 1995 (Reverse)

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Attach this form to the front of the mailpiece, or on the back if space does not

permit.

Write "Return Receipt Requested" on the mailpiece below the article number.

The Return Receipt will show to whom the article was delivered and the date

delivered.

I also wish to receive the

following services (for an

extra fee):

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

PS Form 3800, April 1995 (Reverse)

is your RETURN ADDRESS completed on the

3. Article Addressed to:

HARVEY E YATES COMPANY  
PO BOX 1933  
ROSWELL NM 88202-1933

4a. Article Number

2159 888 543

4b. Service Type

☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

6-1-99

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X *[Signature]*

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using this service.

PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the

**RETURN:**  
Complete Items 1 and/or 2 for additional services.  
Complete Items 3, 4a, and 4b.  
Print your name and address on the reverse of this form so that we can return this card to you.  
■ Attach this form to the front of the mailpiece, or on the back if space does not permit.  
■ Write "Return Receipt Requested" on the mailpiece below the article number.  
■ The Return Receipt will show to whom the article was delivered and the date delivered.

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:  
  
SPIRAL INC  
PO BOX 1933  
ROSWELL NM 88202-1933

4a. Article Number  
**2159 888 560**  
4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD  
7. Date of Delivery  
**6-1-99**

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)  
**X [Signature]**

PS Form 3811, December 1994

102595-97-B-0179 Domestic Return Receipt

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Write "Return Receipt Requested" on the mailpiece below the article number.

The Return Receipt will show to whom the article was delivered and the date  
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following services (for an  
extra fee):1. ☐ Addressee's Address2. ☐ Restricted Delivery

Consult postmaster for fee.

## 3. Article Addressed to:

HEYCO EMPLOYEE LTD  
PO BOX 1933  
ROSWELL NM 88202-1933

## 4a. Article Number

2159 888 561

## 4b. Service Type

☐ Registered☒ Certified☐ Express Mail☐ Insured☐ Return Receipt for Merchandise☐ COD

## 7. Date of Delivery

6-7-99

## 5. Received By: (Print Name)

## 6. Signature: (Addressee or Agent)

X *Samuel L. Lill*8. Addressee's Address (Only if requested  
and fee is paid)

PS Form 3811, December 1994

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Domestic Return Receipt

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PS Form 3800, April 1995 (Reverse)

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PS Form 3811, December 1994

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102595-97-B-0145  
PS Form 3800, April 1995 (Rev. 10/94)  
is in item 1 of Form 3811.  
authorized agent of the  
article.  
name and address  
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the right of the  
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if the return  
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is your RETURN ADDRESS completed on

1. Write items 1 and/or 2 for additional services.  
2. Write items 3, 4a, and 4b.  
3. Write your name and address on the reverse of this form so that we can return this to you.  
4. Attach this form to the front of the mailpiece, or on the back if space does not permit.  
5. Write "Return Receipt Requested" on the mailpiece below the article number.  
6. The Return Receipt will show to whom the article was delivered and the date delivered.

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:  
JALAPENO CORPORATION  
PO BOX 1668  
ALBUQUERQUE NM 87103

4a. Article Number  
2159 888 552

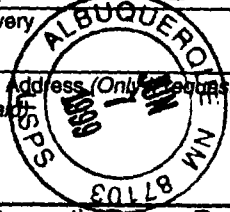
4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Addressee or Agent)  
X [Signature]



PS Form 3811, December 1994

102595-97-B-0179 Domestic Return Receipt

Thank you for using Return Receipt Service

to cover First-Class postage, certified mail fee, and  
onal services (See front).  
postmarked, stick the gummed stub to the right of the return  
st, attached, and present the article at a post office service  
r rural carrier (no extra charge).  
nt this receipt postmarked, stick the gummed stub to the right of the  
ne article, date, detach, and retain the receipt, and mail the article.  
a return receipt, write the certified mail number and your name and address  
-cept card, Form 3811, and attach it to the front of the article by means of the  
nds if space permits. Otherwise, affix to back of article. Endorse front of article  
RECEIPT REQUESTED adjacent to the number.  
you want delivery restricted to the addressee, or to an authorized agent of the  
ressee, endorse RESTRICTED DELIVERY on the front of the article.  
Enter fees for the services requested in the appropriate spaces on the front of this  
receipt. If return receipt is requested, check the applicable blocks in item 1 of Form 3811.  
6. Save this receipt and present it if you make an inquiry.

ADDRESS completed on the reverse side?

### SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

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:

RIVERHILL ENERGY CORPORATION  
FOR THE ACCT OF WILLIAM NICKEY  
PO BOX 2726  
MIDLAND TX 79702-2726

### 4a. Article Number

2 159 888 525

### 4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

### 7. Date of Delivery:

### 8. Addressee's Address (Only if requested and fee is paid)

### 5. Received By: (Print Name)

Signature: (Addressee or Agent)

X *[Signature]*

Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service

PS Form 3800, April 1995 (Reverse)  
102595-97-B-0145  
authorized agent of the  
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102595-97-B-0145  
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ER:  
complete items 1 and/or 2 for additional services.  
complete items 3, 4a, and 4b.  
Print your name and address on the reverse of this form so that we can return this  
card to you.  
Attach this form to the front of the mailpiece, or on the back if space does not  
permit.  
Write "Return Receipt Requested" on the mailpiece below the article number.  
The Return Receipt will show to whom the article was delivered and the date  
delivered.

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:  
MARY ELIZABETH BAISH-WESTIN  
513 POWELL AVE  
CRESSON PA 16630-1314  
5. Received By: (Print Name)  
R. J. Weaver  
6. Signature: (Addressee or Agent)  
R. J. Weaver  
X

4a. Article Number  
Z 238 822 316  
4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD  
7. Date of Delivery  
C/1/99  
8. Addressee's Address (Only if requested  
and fee is paid)

Thank you for using Return Receipt Service



PS Form 3800, April 1995 (Reverse)

is your RETURN ADDRESS completed on the reverse of this form

Items 1 and/or 2 for additional services.  
Items 3, 4a, and 4b.  
your name and address on the reverse of this form so that we can return this  
to you.  
■ Attach this form to the front of the mailpiece, or on the back if space does not permit.  
■ Write "Return Receipt Requested" on the mailpiece below the article number.  
■ The Return Receipt will show to whom the article was delivered and the date delivered.

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:  KAREN ELIZABETH CHARLES 110 HUDSON AVE ALTOONA PA 16602-4914		4a. Article Number <b>2238 822 356</b>
5. Received By: (Print Name)  <b>KAREN CHARLES</b>		4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> CQD
		7. Date of Delivery <b>6/3/99</b>
6. Signature: (Addressee or Agent) <b>X Karen Charles</b>		8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

PS Form 3811, April 1995 (Reverse)

PS Form 3811, April 1995 (Reverse)

PS Form 3811, April 1995 (Reverse)

PS Form 3811, April 1995 (Reverse)

PS Form 3811, April 1995 (Reverse)

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PS Form 3811, April 1995 (Reverse)

PS Form 3811, April 1995 (Reverse)

PS Form 3811, April 1995 (Reverse)

PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the reverse?

**INSTRUCTIONS:**  
Complete Items 1 and/or 2 for additional services.  
Complete Items 3, 4a, and 4b.  
Print your name and address on the reverse of this form so that we can return this card to you.  
Attach this form to the front of the mailpiece, or on the back if space does not permit.  
Write "Return Receipt Requested" on the mailpiece below the article number.  
The Return Receipt will show to whom the article was delivered and the date delivered.

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:  
GERALD E & E PATRICIA  
HARRINGTON TRUSTEES OF THE  
HARRINGTON TRT  
PO BOX 216  
ROSWELL NM 88201

4a. Article Number  
**2 159 888 503**

4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery  
**6-1-99**

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)  
**X Gerald E. Harrington**

PS Form 3811, December 1994

102595-97-8-0179 Domestic Return Receipt

Thank you for using Return Receipt Service

PS Form 3800, April 1995 (Rev. 10-94)  
Write "Return Receipt Requested" on the mailpiece below the article number.  
The Return Receipt will show to whom the article was delivered and the date delivered.

PS Form 3811, December 1994

1. ☐ Registered  
2. ☐ Express Mail  
3. ☐ Return Receipt for Merchandise  
4. ☐ Certified  
5. ☐ Insured  
6. ☐ COD

7. Date of Delivery

8. Addressee's Address (if different from address on mailpiece)

9. Signature of Addressee or Agent

10. Signature of Postmaster or Agent

11. Signature of Addressee or Agent

12. Signature of Addressee or Agent

13. Signature of Addressee or Agent

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50. Signature of Addressee or Agent

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:

HIGGINS TRUST INC  
PO BOX 2421  
GAINESVILLE GA 30503-2421

4a. Article Number

0554 486 692

4b. Service Type

☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

8. Addressee's Address (if different from address on mailpiece)

9. Signature of Addressee or Agent

10. Signature of Postmaster or Agent

11. Signature of Addressee or Agent

12. Signature of Addressee or Agent

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44. Signature of Addressee or Agent

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102595-97-B-0145  
an inquiry.  
PS Form 3800, April 1995 (Rev.)

is your RETURN ADDRESS completed

3. Article Addressed to:  
E BERNARD JOHNSTON AND  
MARY ELLEN JOHNSTON  
2715 N KENTUCKY AVE #16  
ROSWELL NM 88201-5868

5. Received By: (Print Name)

E. Bernard Johnson

6. Signature: (Addressee or Agent)

E. Bernard Johnson

PS Form 3811, December 1994

Write items 1 and/or 2 for additional services.  
Write items 3, 4a, and 4b.  
your name and address on the reverse of this form so that we can return this  
to you.  
each this form to the front of the mailpiece, or on the back if space does not  
permit.  
Write "Return Receipt Requested" on the mailpiece below the article number.  
The Return Receipt will show to whom the article was delivered and the date  
delivered.

I also wish to receive the  
following services (for an  
extra fee):

1. ☐ Addressee's Address  
2. ☐ Restricted Delivery

Consult postmaster for fee.

4a. Article Number

2159 888 488

4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

5-27-99

8. Addressee's Address (Only if requested  
and fee is paid)

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

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:**

Ray F. Lewis  
1748 Seneca Cir.  
Casa Grande AZ  
85222

**4a. Article Number**

E 300 038 250

**4b. Service Type**

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

**7. Date of Delivery**

6-9-99

**5. Received By: (Print Name)**

**6. Signature: (Addressee or Agent)**

X *Ray F. Lewis*

**8. Addressee's Address (Only if requested and fee is paid)**

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt

1 of Form 3811  
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form

PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the reverse?

**INSTRUCTIONS:**  
Complete items 1 and/or 2 for additional services.  
Complete items 3, 4a, and 4b.  
Print your name and address on the reverse of this form so that we can return this card to you.  
■ Attach this form to the front of the mailpiece, or on the back if space does not permit.  
■ Write "Return Receipt Requested" on the mailpiece below the article number.  
■ The Return Receipt will show to whom the article was delivered and the date delivered.

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:

MARGARET MASTERS  
47 OAKWOOD DR  
WORMLEYSBURG PA 17043-1134

4a. Article Number

2238 822 317

4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

06-01-99

5. Received By: (Print Name)

Margaret B. Masters

6. Signature: (Addressee or Agent)

X MARGARET MASTERS

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service

**UNDER:**

Complete items 1 and/or 2 for additional services.

■ Complete items 3, 4a, and 4b.

■ Print your name and address on the reverse of this form so that we can return this card to you.

■ Attach this form to the front of the mailpiece, or on the back if space does not permit.

■ Write "Return Receipt Requested" on the mailpiece below the article number.

■ The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address2. ☐ Restricted Delivery

Consult postmaster for fee.

Is your RETURN ADDRESS completed on the reverse.

## 3. Article Addressed to:

MICHAEL R MCGUIRE  
3209 ESTRELLITA  
ROSWELL NM 88201-1017

## 4a. Article Number

E159 888 498

## 4b. Service Type

☐ Registered☐ Express Mail☐ Return Receipt for Merchandise☒ Certified☐ Insured☐ COD

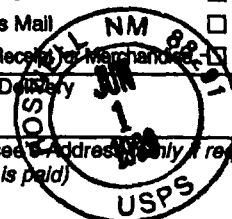
## 7. Date of Delivery

## 5. Received By: (Print Name)

## 6. Signature: (Addressee or Agent)

X *Michael McGuire*

8. Addressee's Address (only if requested and fee is paid)



PS Form 3800, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

395 (Reverse)

301 Unit

Postage

Is your RETURN ADDRESS completed on the reverse?

Complete items 1 and/or 2 for additional services.  
Complete items 3, 4a, and 4b.  
■ Print your name and address on the reverse of this form so that we can return this card to you.  
■ Attach this form to the front of the mailpiece, or on the back if space does not permit.  
■ Write "Return Receipt Requested" on the mailpiece below the article number.  
■ The Return Receipt will show to whom the article was delivered and the date delivered.

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:  
MARGARET H NAYLOR  
REVOCABLE TRUST  
PO BOX 1196  
ARTESIA NM 88211-1196

4a. Article Number  
Z159 888 489

4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery  
6-1-99

5. Received By: (Print Name)  
Forrest NAYLOR

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)  
(X) Forrest Naylor

Thank you for using Return Receipt Service.



Is your RETURN ADDRESS completed on the reverse?

**INSTRUCTIONS:**  
 Complete items 1 and/or 2 for additional services.  
 Complete items 3, 4a, and 4b.  
 ■ Print your name and address on the reverse of this form so that we can return this card to you.  
 ■ Attach this form to the front of the mailpiece, or on the back if space does not permit.  
 ■ Write "Return Receipt Requested" on the mailpiece below the article number.  
 ■ The Return Receipt will show to whom the article was delivered and the date delivered.

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:

ROJO INC  
 PO BOX 1120  
 ROSWELL NM 88202-1120

4a. Article Number

2159 888 494

4b. Service Type

- |   |   |
|---|---|
| <input type="checkbox"/> Registered                     | <input checked="" type="checkbox"/> Certified |
| <input type="checkbox"/> Express Mail                   | <input type="checkbox"/> Insured              |
| <input type="checkbox"/> Return Receipt for Merchandise | <input type="checkbox"/> COD                  |

7. Date of Delivery

6-1-95

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

*[Signature]*

8. Addressee's Address (Only if requested and fee is paid)

(Reverse)

due

Is your RETURN ADDRESS completed on the reverse

**OVER:**  
Complete items 1 and/or 2 for additional services.  
■ Complete items 3, 4a, and 4b.  
■ Print your name and address on the reverse of this form so that we can return this card to you.  
■ Attach this form to the front of the mailpiece, or on the back if space does not permit.  
■ Write "Return Receipt Requested" on the mailpiece below the article number.  
■ The Return Receipt will show to whom the article was delivered and the date delivered.

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:  
  
KATHERINE MARY SCOTT  
809 SHERIDAN ST  
ALTOONA PA 16602-5440

4a. Article Number  
2 238 822 357

4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery  
6/1/99

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)  
X Katherine Scott

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

PS Form 3811, December 1994  
102595-97-B-0179  
Domestic Return Receipt

PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the reverse?

- INSTRUCTIONS:**
- Complete items 1 and/or 2 for additional services.
  - Complete items 3, 4a, and 4b.
  - Print your name and address on the reverse of this form so that we can return this card to you.
  - Attach this form to the front of the mailpiece, or on the back if space does not permit.
  - Write "Return Receipt Requested" on the mailpiece below the article number.
  - The Return Receipt will show to whom the article was delivered and the date delivered.

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:

RALPH A SHUGART TRUST  
c/o MICHAEL D MCCANNON  
300 S JACKSON ST STE 500  
DENVER CO 80209-3133

4a. Article Number

2159 888 499

4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

5/28/99

5. Received By: (Print Name)

6. Signature: Addressee or Agent

*[Signature]*

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt

PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the reverse?

Complete items 1 and/or 2 for additional services.  
Complete items 3, 4a, and 4b.  
Print your name and address on the reverse of this form so that we can return this card to you.  
■ Attach this form to the front of the mailpiece, or on the back if space does not permit.  
■ Write "Return Receipt Requested" on the mailpiece below the article number.  
■ The Return Receipt will show to whom the article was delivered and the date delivered.

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:

CLIFTON E SHUMATE AND  
HELEN C SHUMATE  
2201 VENTNOR CT  
ARLINGTON TX 76011

4a. Article Number

2159 888 490

4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

6-1-99

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

PS Form 3811, December 1994  
Domestic Return Receipt  
102595-97-B-0179

PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the reverse?

**INSTRUCTIONS:**  
• Complete items 1 and/or 2 for additional services.  
• Complete items 3, 4a, and 4b.  
• Print your name and address on the reverse of this form so that we can return this card to you.  
• Attach this form to the front of the mailpiece, or on the back if space does not permit.  
• Write "Return Receipt Requested" on the mailpiece below the article number.  
• The Return Receipt will show to whom the article was delivered and the date delivered.

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:

BETTY BAISH STROHMEYER  
ESTATE  
JAMES SCOTT STROHMEYER  
EXECUTOR  
5311 E 5TH ST  
TUCSON AZ 85711-2331

4a. Article Number

2554 486 693

4b. Service Type

- ☐ Registered ☒ Certified
- ☐ Express Mail ☐ Insured
- ☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

05 29 99

5. Received By: (Print Name)

JIM STROHMEYER

8. Addressee's Address (Only if requested and fee is paid)

same

6. Signature: (Addressee or Agent)

X Jim Strohmeyer

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.



PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the reverse of this form?

Fill in items 1 and 2 for additional services.  
Fill in items 3, 4a, and 4b.  
Print your name and address on the reverse of this form so that we can return this card to you.  
■ Attach this form to the front of the mailpiece, or on the back if space does not permit.  
■ Write "Return Receipt Requested" on the mailpiece below the article number.  
■ The Return Receipt will show to whom the article was delivered and the date delivered.

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:  
  
GEORGE WESTALL  
PO BOX 70  
RUIDOSO DOWNS NM 88346-0070

4a. Article Number  
2238 822 318  
4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery  
6-3-99

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)  
George Westall

PS Form 3811, December 1994

102595-97-B-0179 Domestic Return Receipt

Thank you for using Return Receipt Service

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PS Form 3800, April 1995 (Reverse)

**INSTRUCTIONS:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

**3. Article Addressed to:**

CENTENNIAL  
PO BOX 1837  
ROSWELL NM 88202

**4a. Article Number**

**Z 238 822 362**

**4b. Service Type**

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

**7. Date of Delivery**

**5. Received By: (Print Name)**

**6. Signature (Addressee or Agent)**

*[Signature]*

**8. Addressee's Address (Only if requested and fee is paid)**

PS Form 3811, December 1994

102595-97-8-0179

Domestic Return Receipt

Is your RETURN ADDRESS completed on the reverse?

Thank you for using Return Receipt Service



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PS Form 3800, April 1995 (Rev)

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Items 1 and/or 2 for additional services.  
Items 3, 4a, and 4b.  
your name and address on the reverse of this form so that we can return this  
to you.  
Attach this form to the front of the mailpiece, or on the back if space does not  
permit.  
Write "Return Receipt Requested" on the mailpiece below the article number.  
The Return Receipt will show to whom the article was delivered and the date  
delivered.

I also wish to receive the  
following services (for an  
extra fee):  
1. ☐ Addressee's Address  
2. ☐ Restricted Delivery  
Consult postmaster for fee.


Is your RETURN ADDRESS completed on the

3. Article Addressed to:  
SELMA ANDREWS TRUST #5188-01  
FBO PEGGY BARRETT  
PO BOX 840738  
DALLAS TX 75284-0738

4a. Article Number  
P554 486 694  
4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD  
7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested  
and fee is paid)

6. Signature: (Addressee or Agent)  


PS Form 3811, December 1994

102595-97-8-0179 Domestic Return Receipt

Thank you for using

**Thank you for using Return Receipt Service.**

PS Form 3800, April 1995 (Reverse)  
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the blocks in item 1 of Form 3811.

Is your RETURN ADDRESS completed on

EN:  
Complete items 1 and/or 2 for additional services.  
Complete items 3, 4a, and 4b.  
Print your name and address on the reverse of this form so that we can return this card to you.  
Attach this form to the front of the mailpiece, or on the back if space does not permit.  
Write "Return Receipt Requested" on the mailpiece below the article number.  
The Return Receipt will show to whom the article was delivered and the date delivered.

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:  NANCY CARTER PO BOX 386 LEMON GROVE CA 91946-0386		4a. Article Number <b>0554 486 695</b>
5. Received By: (Print Name)		4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD
		7. Date of Delivery <b>6-4-99</b>
6. Signature: (Addressee or Agent) <b>X Kelly D. [Signature]</b>		8. Addressee's Address (Only if requested and fee is paid)
PS Form 3811, December 1994		

Thank you for using Return Receipt Service.

PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the reverse?

DER:  
Complete items 1 and/or 2 for additional services.  
Complete items 3, 4a, and 4b.  
Print your name and address on the reverse of this form so that we can return this card to you.  
Attach this form to the front of the mailpiece, or on the back if space does not permit.  
Write "Return Receipt Requested" on the mailpiece below the article number.  
The Return Receipt will show to whom the article was delivered and the date delivered.

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:  RANDY G PATTERSON 1705 WASHINGTON ARTESIA NM 88210-1650		4a. Article Number <b>E 238 822 370</b>
5. Received By: (Print Name) <b>Randy G Patterson</b>		4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD
6. Signature: (Addressee or Agent) <b>X [Signature]</b>		7. Date of Delivery <b>6-2-99</b>
		8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the reverse?

3. Article Addressed to:

JACK W MCCA  
PO BOX 127  
ARTESIA NM 88211-0127

5. Received By: (Print Name)

JACK W MCCA

6. Signature: (Addressee or Agent)

X [Signature]

PS Form 3811, December 1994

1. Mark items 1 and/or 2 for additional services.  
2. Mark items 3, 4a, and 4b.

Print your name and address on the reverse of this form so that we can return this card to you.

- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

4a. Article Number

P554 486 697

4b. Service Type

- ☐ Registered ☒ Certified
- ☐ Express Mail ☐ Insured
- ☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

6-1-99

8. Addressee's Address (Only if requested and fee is paid)

102595-97-8-0179

Domestic Return Receipt

Thank you for using Return Receipt Service

**Is your RETURN ADDRESS complete?**

WILLIAM C WHITE  
4200 AMISTAD DR  
MIDLAND TX 79707-3203

**8. Signature: (Addressee or Agent)**

x William P. White

4a. Article Number  
Z 238 822 321

☐ Registered                      ☒ Certified  
☐ Express Mail                      ☐ Insured  
☐ Return Receipt for Merchandise   ☐ COD

6-2-94

8. Addressee's Address (Only if requested and fee is paid)

1. ☐ Addressee's Address  
2. ☐ Restricted Delivery  
Consult postmaster for fee.

**Thank you for using Return Receipt Service.**

Stick postage stamps to article to cover First-Class postage, certified mail fee, and charges for any selected optional services (See front).

- 1 If you want this receipt postmarked, stick the gummed stub to the right of the return address leaving the receipt attached, and present the article at a post office service window or hand it to your retail carrier (no extra charge).
- 2 If you do not want this receipt postmarked, stick the gummed stub to the right of the return address of the article, date, detach, and retain the receipt and mail the article on a return receipt card, Form 3811, and attach it to the front of the article by means of the RETURN RECEIPT REQUESTED adjacent to the number.
- 3 If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
- 4 Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in item 1 of Form 3811.
- 5 Save this receipt and present it if you make an inquiry.

3800, April 1995 (Reverse)

Return Address completed on the reverse side?

#### SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

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:

MARY KENNEDY GORE  
4749 E MOHAVE AVENUE  
LAS VEGAS NV 89104-5826

#### 4a. Article Number

2159 888 497

#### 4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

#### 7. Date of Delivery

#### 8. Addressee's Address (Only if requested and fee is paid)

#### 5. Received By: (Print Name)

Signature: (Addressee or Agent)

Mary Kennedy Gore

3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service

article to cover First-Class postage, certified mail fee, and optional services (See front).  
 receipt postmarked, stick the gummed stub to the right of the return receipt attached, and present the article at a post office service or rural carrier (no extra charge).  
 nt this receipt postmarked, stick the gummed stub to the right of the article, date, detach, and retain the receipt, and mail the article.  
 return receipt, write the certified mail number and your name and address on card, Form 3811, and attach it to the front of the article by means of the space permits. Otherwise, affix to back of article. Endorse front of article **POST REQUESTED** adjacent to the number.  
 if delivery restricted to the addressee, or to an authorized agent of the addressee, **RESTRICTED DELIVERY** on the front of this receipt.  
 es for the services requested in the appropriate spaces on the front of this return receipt is requested, check the applicable blocks in item 1 of Form 3811.  
 s receipt and present it if you make an inquiry.

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
  - ☐ Restricted Delivery
- Consult postmaster for fee.

**3. Article Addressed to:**

WILLA KATHRYN KENNEDY  
 P. O. BOX 1121  
 EDGEWOOD NM 87015-1121



**4a. Article Number**

159 888 492

**4b. Service Type**

- |  |   |
|--|---|
| <input type="checkbox"/> Registered                                | <input checked="" type="checkbox"/> Certified |
| <input type="checkbox"/> Express Mail                              | <input type="checkbox"/> Insured              |
| <input checked="" type="checkbox"/> Return Receipt for Merchandise | <input type="checkbox"/> COD                  |

**7. Date of Delivery**

6/2/99

**5. Received By: (Print Name)**

**6. Signature: (Addressee or Agent)**

X *[Signature]*

**8. Addressee's Address (Only if requested and fee is paid)**

Form 3811, December 1994

102595-97-B-0179 Domestic Return Receipt

Thank you for using Return Receipt Service.



**Consult postmaster for fee.**

ARTESIA NM 88210-2177

2159 888 501

**7. Date of Delivery**

SARA W SENE

X *Lawrence*

8. Addressee's Address (Only if requested and fee is paid)

102595-97-B-0179

## Domestic Return Receipt

PS Form 3800,

**Thank you for using Return Receipt Service.**

PS Form 3800, April 1995 (Reverse)

Items 1 and/or 2 for additional services.  
Items 3, 4a, and 4b.

your name and address on the reverse of this form so that we can return this  
to you.

Attach this form to the front of the mailpiece, or on the back if space does not  
permit.

Write "Return Receipt Requested" on the mailpiece below the article number.

The Return Receipt will show to whom the article was delivered and the date  
delivered.

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:

BRAILLE INSTITUTE OF AMERICA  
INC

C/O NATIONSBANK OF TEXAS NA  
PO BOX 840738

DALLAS TX 75248-0738

4a. Article Number

1554 486 116

4b. Service Type

☐ Registered

☒ Certified

☐ Express Mail

☐ Insured

☐ Return Receipt for Merchandise

☐ COD

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested  
and fee is paid)

6. Signature (Addressee or Agent)

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt

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return  
service  
right of the  
article.  
name and address  
by means of the  
front of article  
authorized agent of the  
article.  
spaces on the front of this  
locks in item 1 of Form 3811.  
102595-97-B-0145  
PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the reverse?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

**3. Article Addressed to:**

JOHN WALLACE WALLRICH  
2410 W 79TH AVE  
ANCHORAGE AK 99502

**4a. Article Number**

2 238 822 319

**4b. Service Type**

- ☐ Registered ☒ Certified
- ☐ Express Mail ☐ Insured
- ☐ Return Receipt for Merchandise ☐ COD

**7. Date of Delivery**

6-1-99

**5. Received By: (Print Name)**

**6. Signature: (Addressee or Agent)**

X John Wallace

**8. Addressee's Address (Only if requested and fee is paid)**

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service

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cable blocks in item 1 of Form 3811.  
102595-97-B-0145  
PS Form 3800, April 1995 (Reverse)

is your RETURN ADDRESS completed on the

**INSTRUCTIONS:**  
Complete items 1 and/or 2 for additional services.  
Complete items 3, 4a, and 4b.  
Print your name and address on the reverse of this form so that we can return this card to you.  
Attach this form to the front of the mailpiece, or on the back if space does not permit.  
Write "Return Receipt Requested" on the mailpiece below the article number.  
The Return Receipt will show to whom the article was delivered and the date delivered.

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:  
BEVERLY LE TOURNEAU  
PO BOX 487  
STOLLWATER MN 55082-0487

4a. Article Number  
**2238 822 322**  
4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

5. Received By: (Print Name)

7. Date of Delivery  
**6-1-99**

6. Signature: (Addressee or Agent)  
**X Beverly Le Tourneau**

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

PS Form 3800, April 1995 (Reverse)

is your RETURN ADDRESS completed on the reverse of this form?

1. Complete items 1 and/or 2 for additional services.  
2. Complete items 3, 4a, and 4b.  
3. Print your name and address on the reverse of this form so that we can return this card to you.  
4. Attach this form to the front of the mailpiece, or on the back if space does not permit.  
5. Write "Return Receipt Requested" on the mailpiece below the article number.  
6. The Return Receipt will show to whom the article was delivered and the date delivered.

1. Complete items 1 and/or 2 for additional services.  
2. Complete items 3, 4a, and 4b.  
3. Print your name and address on the reverse of this form so that we can return this card to you.  
4. Attach this form to the front of the mailpiece, or on the back if space does not permit.  
5. Write "Return Receipt Requested" on the mailpiece below the article number.  
6. The Return Receipt will show to whom the article was delivered and the date delivered.

<p><b>RETURN RECEIPT REQUESTED:</b></p> <p>1. Complete items 1 and/or 2 for additional services. 2. Complete items 3, 4a, and 4b. 3. Print your name and address on the reverse of this form so that we can return this card to you. 4. Attach this form to the front of the mailpiece, or on the back if space does not permit. 5. Write "Return Receipt Requested" on the mailpiece below the article number. 6. The Return Receipt will show to whom the article was delivered and the date delivered.</p>		<p>I also wish to receive the following services (for an extra fee):</p> <p>1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery</p> <p>Consult postmaster for fee.</p>
<p>3. Article Addressed to:</p> <p>EUGENE WALLRICH 6827 ELIOT VIEW RD MINNEAPOLIS MN 55426-2833</p>	<p>4a. Article Number P 554 486 689</p>	
	<p>4b. Service Type</p> <p><input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD</p>	
	<p>7. Date of Delivery 6/11/99</p>	
<p>5. Received By: (Print Name)</p>	<p>8. Addressee's Address (Only if requested and fee is paid)</p>	
<p>6. Signature: (Addressee or Agent)</p> <p>X Eugene Wallrich</p>		

PS Form 3800, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service

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of Form 3811.

PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the

1. Write item 1 and/or 2 for additional services.  
2. Write item 3, 4a, and 4b.  
3. Write your name and address on the reverse of this form so that we can return this  
4. Attach this form to the front of the mailpiece, or on the back if space does not  
5. Write "Return Receipt Requested" on the mailpiece below the article number.  
6. The Return Receipt will show to whom the article was delivered and the date  
7. delivered.

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:  
  
JW WALLRICH JR  
416 N ELMHURST AVE  
MT PROSPECT IL 60056-2012

4a. Article Number  
P554 486 698  
4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD  
7. Date of Delivery  
6/1/94

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Addressee or Agent)  
X [Signature]

Thank you for using Return Receipt

PS Form 3800, April 1995 (Reverse)

is your RETURN ADDRESS completed on the reverse

due to

Complete items 1 and/or 2 for additional services.

Complete items 3, 4a, and 4b.

Print your name and address on the reverse of this form so that we can return this card to you.

Attach this form to the front of the mailpiece, or on the back if space does not permit.

Write "Return Receipt Requested" on the mailpiece below the article number.

The Return Receipt will show to whom the article was delivered and the date delivered.

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:

LUCY MCCARLEY  
4463 SPRINGMOOR CIR  
RALEIGH NC 27615-5707

4a. Article Number

238 822 323

4b. Service Type

☐ Registered

☒ Certified

☐ Express Mail

☐ Insured

☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

6/1/99

5. Received By: (Print Name)

Lucy Mc Carley

6. Signature: (Addressee or Agent)

X

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service

April 1995 (Reverse)

Is your RETURN ADDRESS completed on the reverse

**INSTRUCTIONS:**

- Complete Items 1 and/or 2 for additional services.
- Complete Items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

**3. Article Addressed to:**

LOFFLAND LIMITED PARTNERSHIP  
6300 RIDGLEA PL STE 717  
FORT WORTH TX 76116-5733

**4a. Article Number**

P554 486 690

**4b. Service Type**

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

**7. Date of Delivery**

6-7-99

**5. Received By: (Print Name)**

GARY S. LOFFLAND

**6. Signature: (Addressee or Agent)**

X [Signature]

**8. Addressee's Address (Only if requested and fee is paid)**

PS Form 3811, December 1994

102595-97-8-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.



PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the reverse?

**REVERSE:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

**3. Article Addressed to:**

FIVE STATES 1994-E LTD  
4925 GREENVILLE AVE STE 1220  
DALLAS TX 75206-4020

**4a. Article Number**

P554 486 699

**4b. Service Type**

- |   |   |
|---|---|
| <input type="checkbox"/> Registered                     | <input checked="" type="checkbox"/> Certified |
| <input type="checkbox"/> Express Mail                   | <input type="checkbox"/> Insured              |
| <input type="checkbox"/> Return Receipt for Merchandise | <input type="checkbox"/> COD                  |

**7. Date of Delivery**

6/1/99

**5. Received By: (Print Name)**

**6. Signature: (Addressee or Agent)**

X *[Signature]*

**8. Addressee's Address (Only if requested and fee is paid)**

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

To cover First-Class postage, certified mail fee, and  
 additional services (See front).  
 Postmarked, stick the gummed stub to the right of the return  
 receipt attached, and present the article at a post office service  
 counter (no extra charge).  
 This receipt postmarked, stick the gummed stub to the right of the  
 article, date, detach, and retain the receipt, and mail the article.  
 On return receipt, write the certified mail number and your name and address  
 in the appropriate spaces on the front of this Form 3811.  
 Endorse **RESTRICTED DELIVERY** on the front of the article.  
 If return receipt is requested, check the applicable blocks in item 1 of Form 3811.  
 Give this receipt and present it if you make an inquiry.

(Reverse)  
 APR 11 1995  
 1008C

SENDER: completed on the reverse side?

<b>SENDER:</b> ■ Complete items 1 and/or 2 for additional services. ■ Complete items 3, 4a, and 4b. ■ Print your name and address on the reverse of this form so that we can return this card to you. ■ Attach this form to the front of the mailpiece, or on the back if space does not permit. ■ Write "Return Receipt Requested" on the mailpiece below the article number. ■ The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.
3. Article Addressed to:  FIVE STATES 1995-B LTD 4925 GREENVILLE AVE STE 1220 DALLAS TX 75206-4020	4a. Article Number <b>7159 888 532</b>	
	4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
	7. Date of Delivery <b>6/11/99</b>	
5. Received By: (Print Name)	8. Addressee's Address (Only if requested and fee is paid)	
6. Signature (Addressee or Agent) <b>X Karen Crow</b>		
Form 3811, December 1994		102595-97-B-0179 Domestic Return Receipt

<p><b>INSTRUCTIONS:</b></p> <p>Complete items 1 and/or 2 for additional services.</p> <p>Complete items 3, 4a, and 4b.</p> <p>Print your name and address on the reverse of this form so that we can return this card to you.</p> <p>Attach this form to the front of the mailpiece, or on the back if space does not permit.</p> <p>Write "Return Receipt Requested" on the mailpiece below the article number.</p> <p>The Return Receipt will show to whom the article was delivered and the date delivered.</p>		<p>I also wish to receive the following services (for an extra fee):</p> <p>1. <input type="checkbox"/> Addressee's Address</p> <p>2. <input type="checkbox"/> Restricted Delivery</p> <p>Consult postmaster for fee.</p>
<p>3. Article Addressed to:</p> <p>FIVE STATES 1995-D LTD 4925 GREENVILLE AVE STE 1220 DALLAS TX 75206-4020</p>	<p>4a. Article Number</p> <p><b>2159 888 533</b></p>	
	<p>4b. Service Type</p> <p><input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified</p> <p><input type="checkbox"/> Express Mail <input type="checkbox"/> Insured</p> <p><input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD</p>	
	<p>7. Date of Delivery</p> <p><b>6/11/99</b></p>	
<p>5. Received By: (Print Name)</p>	<p>8. Addressee's Address (Only if requested and fee is paid)</p>	
<p>6. Signature: (Addressee or Agent)</p> <p><i>X [Signature]</i></p>		
<p>PS Form 3811, December 1994</p>		

Is your RETURN ADDRESS completed on the reverse?

Thank you for using Return Receipt Service.

95 (Reverse)

201  
une  
plus '99

Is your RETURN ADDRESS completed on the reverse

Complete items 1 and/or 2 for additional services.  
Complete items 3, 4a, and 4b.  
Print your name and address on the reverse of this form so that we can return this card to you.  
Attach this form to the front of the mailpiece, or on the back if space does not permit.  
Write "Return Receipt Requested" on the mailpiece below the article number.  
The Return Receipt will show to whom the article was delivered and the date delivered.

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:  
  
PAUL J ANDERSON  
728 GULL LAKE DR  
NISSWA NM 56468-9543

4a. Article Number  
2 238 822 365  
4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD  
7. Date of Delivery  
6-1-99

5. Received By: (Print Name)  
Paul J Anderson

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)  
X Paul J Anderson

is your RETURN ADDRESS completed on the reverse

**INSTRUCTIONS:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

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:

THOMAS R HOLLOWAY  
9993 ARCOLA COURT N  
STILLWATER MN 55082-9523

4a. Article Number

7238 822 325

4b. Service Type

- ☐ Registered ☒ Certified
- ☐ Express Mail ☐ Insured
- ☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

6-1-99

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X *DM Holloway*

PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the reverse?

1. Complete items 1 and/or 2 for additional services.  
2. Complete items 3, 4a, and 4b.  
3. Print your name and address on the reverse of this form so that we can return this card to you.  
4. Attach this form to the front of the mailpiece, or on the back if space does not permit.  
5. Write "Return Receipt Requested" on the mailpiece below the article number.  
6. The Return Receipt will show to whom the article was delivered and the date delivered.

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:

DEBORAH FEDRIC  
PO BOX 1771  
ROSWELL NM 88202-1771

4a. Article Number

238 822 326

4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

5. Date of Delivery

NOV 1 1995  
USPS

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X [Signature]

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service

SE)

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

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. Article Number
TE BROWN JR PO BOX 68 ARTESIA NM 88211-0068	<u>E 238 822 337</u>
5. Received By: (Print Name)	4b. Service Type
<u>Archie R. Spencer</u>	<input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified
6. Signature: (Addressee or Agent)	<input type="checkbox"/> Express Mail <input type="checkbox"/> Insured
<u>Archie R. Spencer</u>	<input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD
	7. Date of Delivery
	<u>6-1-99</u>
	8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 102595-97-B-0179 Domestic Return Receipt

Thank you for using Return Receipt Service

PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the reverse?

**INSTRUCTIONS:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

**3. Article Addressed to:**

ORION PROPERTIES INC  
11776 S 76TH E AVE  
BIXBY OK 74008-2022

**4a. Article Number**

2159 888 478

**4b. Service Type**

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ On

**7. Date of Delivery**

6/11/98

**5. Received By: (Print Name)**

**6. Signature: (Addressee or Agent)**

X

**8. Addressee's Address (Only if request and fee is paid)**

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt



Is your RETURN ADDRESS completed on the reverse?

**INSTRUCTIONS:**  
 Complete items 1 and/or 2 for additional services.  
 Complete items 3, 4a, and 4b.  
 Print your name and address on the reverse of this form so that we can return this card to you.  
 Attach this form to the front of the mailpiece, or on the back if space does not permit.  
 Write "Return Receipt Requested" on the mailpiece below the article number.  
 The Return Receipt will show to whom the article was delivered and the date delivered.

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:

KING PROPERTIES INC  
 PO BOX 10  
 BIXBY OK 74008-0010

4a. Article Number

2238 822 327

4b. Service Type

☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

6-01-99

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X *Donald W. [Signature]*

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

102595-97-8-0145  
PS Form 3800, April 1995 (Reverse)  
is your RETURN ADDRESS completed on the reverse of this form so that we can return this to you.  
Write "Return Receipt Requested" on the mailpiece below the article number.  
The Return Receipt will show to whom the article was delivered and the date delivered.

is your RETURN ADDRESS completed on the reverse of this form so that we can return this to you.

1. ☐ Registered  
2. ☐ Express Mail  
3. ☐ Return Receipt for Merchandise  
4. ☐ Certified  
5. ☐ Insured  
6. ☐ COD  
7. Date of Delivery  
8. Addressee's Address (Only if requested and fee is paid)

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:  
CLIFTON EUGENE SHUMATE JR  
CUSTODIAL TRTEE  
FOR THE SHAREHOLDERS OF  
OIL ROYALTIES CORPORATION  
PO BOX 2473  
MIDLAND TX 79702-2473

4a. Article Number  
2238 822 338

4b. Service Type  
☐ Registered  
☐ Express Mail  
☐ Return Receipt for Merchandise  
☒ Certified  
☐ Insured  
☐ COD

7. Date of Delivery  
JUN 1999

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)  
X Clifton Shumate

PS Form 3811, December 1994 102595-97-8-0179 Domestic Return Receipt

Thank you for using Return Receipt Service

PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the reverse?

- INSTRUCTIONS:**
- Complete items 1 and/or 2 for additional services.
  - Complete items 3, 4a, and 4b.
  - Print your name and address on the reverse of this form so that we can return this card to you.
  - Attach this form to the front of the mailpiece, or on the back if space does not permit.
  - Write "Return Receipt Requested" on the mailpiece below the article number.
  - The Return Receipt will show to whom the article was delivered and the date delivered.

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:

JACK FOLKNER  
PO BOX 39  
LOLEETA CA 95551-0039

4a. Article Number

2 159 888 479

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☒ Certified
- ☐ Insured
- ☐ COD

7. Date of Delivery

6/2/99

5. Received By: (Print Name)

6. Signature (Addressee or Agent)

*John Seach*

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

102595-97-B-0145

1 of Form 3811.

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Items 1 and/or 2 for additional services.

Items 3, 4a, and 4b.

your name and address on the reverse of this form so that we can return this

to you.

Attach this form to the front of the mailpiece, or on the back if space does not

permit.

Write "Return Receipt Requested" on the mailpiece below the article number.

The Return Receipt will show to whom the article was delivered and the date

delivered.

PS Form 3800, April 1995 (Reverse)

is your RETURN ADDRESS completed on the

3. Article Addressed to:

LOUISE FOLKNER LANE  
6206 84TH STREET E  
PUYALLUP WA 98371-6342

4a. Article Number

7238 822 329

4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

5/4/99 OS

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

*[Signature]*

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Domestic Return Receipt.

**Is your RETURN ADDRESS completed on all**

~~X~~ Robert C. Lawrence

## Domestic Return Receipt

**Consult postmaster for fee.**

**Thank you for using Return Receipt Service.**

PS Form 3800, April 1995 (Reverse)  
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Form 3811.  
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article.  
the return  
service

**INSTRUCTIONS:**  
• Complete items 1 and/or 2 for additional services.  
• Complete items 3, 4a, and 4b.  
• Print your name and address on the reverse of this form so that we can return this card to you.  
• Attach this form to the front of the mailpiece, or on the back if space does not permit.  
• Write "Return Receipt Requested" on the mailpiece below the article number.  
• The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):  
1. ☐ Addressee's Address  
2. ☐ Restricted Delivery  
Consult postmaster for fee.

is your RETURN ADDRESS completed on the

3. Article Addressed to:  
  
MARK RYAN FOLKNER  
7209 ARROYO DELOSO NE  
ALBUQUERQUE NM 87109-2922

4a. Article Number  
**2159 888 480**  
4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

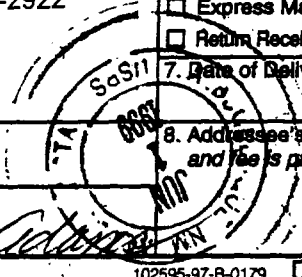
5. Received By: (Print Name)

7. Date of Delivery

6. Signature: (Addressee or Agent)

8. Addressee's Address (Only if requested and fee is paid)

**X Mary Ann Cardenas**



Thank you for using Return Receipt

PS Form 3800, April 1995 (Reverse)

**is your RETURN ADDRESS completed on the re**

**ERB**

Complete items 1 and/or 2 for additional services.  
Complete items 3, 4a, and 4b.

Print your name and address on the reverse of this form so that we can return this card to you.

- Attach this form to the front of the mailpiece, or on the back if space does not permit.

Write "Return Receipt Requested" on the mailpiece below the article number.

- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

**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:**

CARL LEWIS FOLKNER JR  
9005 NW VOLCANO ROAD, #30  
ALBUQUERQUE NM 87126

4a. Article Number

7. Article Number: E 238 822 330

4b. Service Type

- ☐ Registered      ☒ Certified  
☐ Express Mail      ☐ Insured  
☐ Return Receipt for Merchandise      ☐ COD

**7. Date of Delivery**

**5. Received By: (Print Name)**

**6. Signature: (Addressee or Agent)**

X Carol Felt

8. Addressee's Address (Only if requested and fee is paid)

P.O. BOX 53017

Pinos A/bs NM

PS Form 3811, December 1994

102595-97-B-0179

## Domestic Return Receipt

88053-3017

**Thank you for using Return Receipt Service.**

PS Form 3800, April 1995 (Reverse)  
102595-97-B-0145  
is your RETURN ADDRESS completed on the reverse of the article?  
1. The return office service  
2. The right of the article  
3. Your name and address  
4. The article by means of the article  
5. Endorse front of article  
6. An authorized agent of the article  
7. Please spaces on the front of this article blocks in item 1 of Form 3811.  
8. PS Form 3811, December 1994

is your RETURN ADDRESS completed on the reverse of the article?

**INSTRUCTIONS:**  
1. Complete items 1 and/or 2 for additional services.  
2. Complete items 3, 4a, and 4b.  
3. Print your name and address on the reverse of this form so that we can return this card to you.  
4. Attach this form to the front of the mailpiece, or on the back if space does not permit.  
5. Write "Return Receipt Requested" on the mailpiece below the article number.  
6. The Return Receipt will show to whom the article was delivered and the date delivered.

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:  
  
STEPHEN FRANCIS FOLKNER  
213 CAMINO CUATRO SW  
ALBUQUERQUE NM 87105-7581

4a. Article Number  
2 238 822 340  
4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD  
7. Date of Delivery  
6/2/99

5. Received By: (Print Name)  
Stephen F. Folkner

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)  
X

Thank you for using Return Receipt Service.



1. To an authorized agent of the  
2. Your name and address  
3. To the right of the  
4. Mail the article.  
5. Endorse front of article  
6. To the right of the  
7. Office service  
8. Fee, and  
9. of the return  
10. PS Form 3800, April 1995 (Reverse)  
11. To an authorized agent of the  
12. Your name and address  
13. To the right of the  
14. Mail the article.  
15. Endorse front of article  
16. To the right of the  
17. Office service  
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24. Mail the article.  
25. Endorse front of article  
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35. Endorse front of article  
36. To the right of the  
37. Office service  
38. Fee, and  
39. of the return  
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42. Your name and address  
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44. Mail the article.  
45. Endorse front of article  
46. To the right of the  
47. Office service  
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51. To an authorized agent of the  
52. Your name and address  
53. To the right of the  
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55. Endorse front of article  
56. To the right of the  
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63. To the right of the  
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67. Office service  
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69. of the return  
70. PS Form 3800, April 1995 (Reverse)  
71. To an authorized agent of the  
72. Your name and address  
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74. Mail the article.  
75. Endorse front of article  
76. To the right of the  
77. Office service  
78. Fee, and  
79. of the return  
80. PS Form 3800, April 1995 (Reverse)  
81. To an authorized agent of the  
82. Your name and address  
83. To the right of the  
84. Mail the article.  
85. Endorse front of article  
86. To the right of the  
87. Office service  
88. Fee, and  
89. of the return  
90. PS Form 3800, April 1995 (Reverse)  
91. To an authorized agent of the  
92. Your name and address  
93. To the right of the  
94. Mail the article.  
95. Endorse front of article  
96. To the right of the  
97. Office service  
98. Fee, and  
99. of the return  
100. PS Form 3800, April 1995 (Reverse)

# ORDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

## 3. Article Addressed to:

JOHN CHRISTOPHER FOLKNER  
8207 SAN JUAN RD NE  
ALBUQUERQUE NM 87108-2345

## 4a. Article Number

2159 888 481

## 4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☒ Certified
- ☐ Insured
- ☐ COD

## 7. Date of Delivery

## 8. Addressee's Address (Only if requested and fee is paid)

## 5. Received By: (Print Name)

John C. Folkner

## 6. Signature: (Addressee or Agent)

X John C. Folkner

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

mail fee, and  
the right of the return  
at a post office service  
gummed stub to the right of the  
the receipt, and mail the article.  
mail number and your name and address  
it to the front of the article by means of the  
back of article. Endorse front of article  
to the addressee, or to an authorized agent of the  
appropriate spaces on the front of this  
check the applicable blocks in item 1 of Form 3811.  
102595-97-B-0145  
PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the reverse?

### SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

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:

DAVID W TWOMEY  
CONOCO INC  
10 DESTA DR STE 100W  
MIDLAND TX 79705

### 4a. Article Number

2 159 888 496

### 4b. Service Type

- |   |   |
|---|---|
| <input type="checkbox"/> Registered                     | <input checked="" type="checkbox"/> Certified |
| <input type="checkbox"/> Express Mail                   | <input type="checkbox"/> Insured              |
| <input type="checkbox"/> Return Receipt for Merchandise | <input type="checkbox"/> COD                  |

### 7. Date of Delivery

6/1

### 5. Received By: (Print Name)

### 6. Signature: (Addressee or Agent)

X Anita Gonzalez

### 8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service

PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the reverse?

- Put in items 1 and/or 2 for additional services.  
Complete items 3, 4a, and 4b.  
Print your name and address on the reverse of this form so that we can return this card to you.  
■ Attach this form to the front of the mailpiece, or on the back if space does not permit.  
■ Write "Return Receipt Requested" on the mailpiece below the article number.  
■ The Return Receipt will show to whom the article was delivered and the date delivered.

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:

GEORGE H HUNKER JR  
PO BOX 1837  
ROSWELL NM 88202-1837

4a. Article Number

7238 822 331

4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt service

PS Form 3800, April 1995 (Reverse)  
102595-97-B-0175  
1. Complete items 1 and/or 2 for additional services.  
2. Complete items 3, 4a, and 4b.  
3. Attach this form to the front of the mailpiece, or on the back if space does not permit.  
4. Write "Return Receipt Requested" on the mailpiece below the article number.  
5. The Return Receipt will show to whom the article was delivered and the date delivered.

is your RETURN ADDRESS completed on the reverse of this form?

3. Article Addressed to:

GEORGE SHANNON EXECUTOR  
OF EST OF GLADYS SHANNON  
3112 HALLMARK  
TYLER TX 75701

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X *Janette Hoban*

PS Form 3811, December 1994

4a. Article Number

*2159 888 485*

4b. Service Type

☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

*6-1-99*

8. Addressee's Address (Only if requested and fee is paid)

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address  
2. ☐ Restricted Delivery

Consult postmaster for fee.

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

102595 97-B-0145  
PS Form 3800, April 1995 (Rev. 10/94)  
Authorized agent of the  
Post Office  
Name and address  
to be by means of the  
Post Office

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the article  
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recipient to return  
the article

PS Form 3800, April 1995 (Rev. 10/94)

Is your RETURN ADDRESS completed on a separate sheet of paper?

Items 1 and/or 2 for additional services.  
Items 3, 4a, and 4b.  
Your name and address on the reverse of this form so that we can return this to you.  
Attach this form to the front of the mailpiece, or on the back if space does not permit.  
Write "Return Receipt Requested" on the mailpiece below the article number.  
The Return Receipt will show to whom the article was delivered and the date delivered.

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:  
NATIONS BANK  
TEXAS NA TRTEE UWO  
DAVID B TRAMMELL (#818)  
PO BOX 848703  
DALLAS TX 75284-8703

4a. Article Number  
2238 822 345

4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Addressee or Agent)  
[Signature]

PS Form 3811, December 1994

102595-97-B-0179 Domestic Return Receipt

Thank you for using Return Receipt Service

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and mail the article.  
and your name and address  
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article. Endorse front of article  
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appropriate spaces on the front of this  
PS Form 3811.  
102595-97-8-0145  
inquiry.

PS Form 3800, April 1995 (Rev. 10/94)  
is your RETURN ADDRESS complete

<p>Items 1 and/or 2 for additional services. Items 3, 4a, and 4b. Your name and address on the reverse of this form so that we can return this to you. Attach this form to the front of the mailpiece, or on the back if space does not permit. Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered.</p>		<p>I also wish to receive the following services (for an extra fee):</p> <p>1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.</p>
<p>3. Article Addressed to:</p> <p>CAROL DAVID TRAMMELL PO BOX 5081 WALNUT CREEK CA 94596-1081</p>	<p>4a. Article Number 2 159 888 486</p> <p>4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD</p> <p>7. Date of Delivery JUN 08 1999</p>	
<p>5. Received By: (Print Name) C D TRAMMELL</p> <p>6. Signature: (Addressee or Agent) X C D Trammell</p>	<p>8. Addressee's Address (Only if requested and fee is paid)</p>	

PS Form 3811, December 1994 102595-97-8-0179 Domestic Return Receipt

Thank you for using Return Receipt Service



PS Form 3811, December 1994

102595-97-B-0145

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PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the reverse?

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3. Article Addressed to:  
RICHARD BORGAARD  
8882 NE MEADOW RIDGE ROAD  
PRINEVILLE OR 97754-9695

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X

PS Form 3811, December 1994

4a. Article Number

2238 822 364

4b. Service Type

☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

6-1-99

8. Addressee's Address (Only if requested and fee is paid)

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address  
2. ☐ Restricted Delivery

Consult postmaster for fee.

102595-97-B-0179 Domestic Return Receipt

Thank you for using Return Receipt



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PS Form 3800, April 1995 (Reverse)

**INSTRUCTIONS:**

- Complete items 1 and/or 2 for additional services.  
 Complete items 3, 4a, and 4b.  
 Print your name and address on the reverse of this form so that we can return this card to you.  
 Attach this form to the front of the mailpiece, or on the back if space does not permit.  
 Write "Return Receipt Requested" on the mailpiece below the article number.  
 The Return Receipt will show to whom the article was delivered and the date delivered.

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:**

MARGARET JOHNSON MCCURDY  
 TRTEE UTA 9/30/88  
 2525 RIDGMAR BLVD STE 300  
 FORT WORTH TX 76116-4583

**4a. Article Number**

E 159 888 487

**4b. Service Type**

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

**7. Date of Delivery**

6/1/91

**5. Received By: (Print Name)****8. Addressee's Address (Only if requested and fee is paid)****6. Signature: (Addressee or Agent)**

X M. Johnson

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

102595-97-B-0145  
PS Form 3800, April 1995 (Rev. 10/94)  
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to you.  
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permit.  
Write "Return Receipt Requested" on the mailpiece below the article number.  
The Return Receipt will show to whom the article was delivered and the date  
delivered.

I also wish to receive the  
following services (for an  
extra fee):  
1. ☐ Addressee's Address  
2. ☐ Restricted Delivery  
Consult postmaster for fee.

is your RETURN ADDRESS completed?

3. Article Addressed to:

HARMAC OIL & GAS INC  
221 E WORTH  
GRAPEVINE TX 76051

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X

4a. Article Number  
Z 159 888 500

4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery  
6-3-99

8. Addressee's Address (Only if requested  
and fee is paid)

Thank you for using Return Receipt Service

PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the reverse?

**INSTRUCTIONS:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

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:**

DNR OIL & GAS INC  
655 BROADWAY  
DENVER CO 80203

**4a. Article Number**

2 159 888 491

**4b. Service Type**

- ☐ Registered ☒ Certified
- ☐ Express Mail ☐ Insured
- ☐ Return Receipt for Merchandise ☐ COD

**7. Date of Delivery**

5-25-96

**5. Received By: (Print Name)**

**6. Signature: (Addressee or Agent)**

X C. W. W. W.

**8. Addressee's Address (Only if requested and fee is paid)**

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service

PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the reverse?

1. ☐ Item 1 and/or 2 for additional services.  
2. ☐ Items 3, 4a, and 4b.  
3. ☐ Attach this form to the front of the mailpiece, or on the back if space does not permit.  
4. ☐ Write "Return Receipt Requested" on the mailpiece below the article number.  
5. ☐ The Return Receipt will show to whom the article was delivered and the date delivered.

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:

JIMMIE L CHARLESWORTH  
RT 4 BOX 140B  
HEREFORD TX 79045-9404

4a. Article Number

2 159 888 482

4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

6-1-99

5. Received By (Print Name)

Charlesworth

6. Signature: (Addressee or Agent)

James Charlesworth

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-97-8-0179

Domestic Return Receipt

Thank you for using Return Receipt Service

102595-97-B-0179  
PS Form 3811, April 1995 (Reverse)  
1. Write "Return Receipt Requested" on the mailpiece below the article number.  
2. The Return Receipt will show to whom the article was delivered and the date delivered.  
3. Article Addressed to:  
4a. Article Number  
4b. Service Type  
5. Received By: (Print Name)  
6. Signature: (Addressee or Agent)  
7. Date of Delivery  
8. Addressee's Address (Only if requested and fee is paid)  
9. I also wish to receive the following services (for an extra fee):  
10. Consult postmaster for fee.

PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the back of the mailpiece?

1. Write "Return Receipt Requested" on the mailpiece below the article number.  
2. The Return Receipt will show to whom the article was delivered and the date delivered.  
3. Article Addressed to:  
4a. Article Number  
4b. Service Type  
5. Received By: (Print Name)  
6. Signature: (Addressee or Agent)  
7. Date of Delivery  
8. Addressee's Address (Only if requested and fee is paid)  
9. I also wish to receive the following services (for an extra fee):  
10. Consult postmaster for fee.

3. Article Addressed to:  
  
TOMMYE G EWING  
3130 SAN SEBASTIAN  
CARROLTON TX 75006

4a. Article Number  
Z 238 822 332  
4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD  
7. Date of Delivery  
6/7/99

5. Received By: (Print Name)  
X JIM SEWING  
6. Signature: (Addressee or Agent)  
X JIM SEWING

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt

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Form 3811

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PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the reverse?

1. Complete items 1 and/or 2 for additional services.  
2. Complete items 3, 4a, and 4b.  
3. Print your name and address on the reverse of this form so that we can return this card to you.  
4. Attach this form to the front of the mailpiece, or on the back if space does not permit.  
5. Write "Return Receipt Requested" on the mailpiece below the article number.  
6. The Return Receipt will show to whom the article was delivered and the date delivered.

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:  
  
BETTE TAYLOR GARNER  
6118 EDITH NE #152  
ALBUQUERQUE NM 87107

4a. Article Number  
2238 822 342  
4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD  
7. Date of Delivery  
5-29-99

5. Received By: (Print Name)  
Bette T. Garner

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)  
X BETTE GARNER

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.



PS Form 3800, April 1995 (Reverse)

1. Write **"Return Receipt Requested"** on the mailpiece below the article number.  
 2. The Return Receipt will show to whom the article was delivered and the date delivered.

**I also wish to receive the following services (for an extra fee):**

1. ☐ Addressee's Address  
2. ☐ Restricted Delivery

**Consult postmaster for fee.**

**Is your RETURN ADDRESS completed on the**

**3. Article Addressed to:**  
BRANEX RESOURCES INC.  
P. O. BOX 2328  
ROSWELL NM 88202-2328

4a. Article Number  
Z 159 888 502

- 4b. Service Type
- |   |   |
|---|---|
| <input type="checkbox"/> Registered                     | <input checked="" type="checkbox"/> Certified |
| <input type="checkbox"/> Express Mail                   | <input type="checkbox"/> Insured              |
| <input type="checkbox"/> Return Receipt for Merchandise | <input type="checkbox"/> COD                  |

7. Date of Delivery	08/01/2010
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**5. Received By: (Print Name)**

8. Addressee's Address (Only if requested and fees paid)

6. Signature: (Addressed or Agent)

PS Form 3811, December 1994

102595-97-8-0179 Domestic Return Receipt

**Thank you for using Return Receipt Service.**



April 1995 (Reverse)

is your RETURN ADDRESS completed on the reverse

**ORDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

**3. Article Addressed to:**

OLIN E GROVES  
2507 CIMMARON  
MIDLAND TX 79705

**4a. Article Number**

**Z 238 822 333**

**4b. Service Type**

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

**7. Date of Delivery**

**2 6-1-99**

**5. Received By: (Print Name)**

**8. Addressee's Address (Only if requested and fee is paid)**

**6. Signature: (Addressee or Agent)**

**XX [Signature]**

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

**Thank you for using Return Receipt Service.**

**Thank you for using Return Receipt Service**

- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

1. ☐ Addressee's Address  
2. ☐ Restricted Delivery  
Consult postmaster for fee.

4a. Article Number	
Z 238 822 334	
4b. Service Type	
<input type="checkbox"/> Registered	<input checked="" type="checkbox"/> Certified
<input type="checkbox"/> Express Mail	<input type="checkbox"/> Insured
<input type="checkbox"/> Return Receipt for Merchandise	<input type="checkbox"/> COD

8. Addressee's Address: (Only if requested and fee is paid)

X Sally Made - Robert

**Thank you for using Return Receipt Service.**

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
- 2. ☐ Restricted Delivery

Consult postmaster for fee.

Is your RETURN ADDRESS completed on the reverse

**3. Article Addressed to:**

VIVIAN C BRUNSON  
4205 LANKFORD  
SPRINGDALE AR 72762

**4a. Article Number**

**7238 822 344**

**4b. Service Type**

- ☐ Registered ☒ Certified
- ☐ Express Mail ☐ Insured
- ☐ Return Receipt for Merchandise ☐ COD

**7. Date of Delivery**

**5-25-99**

**5. Received By: (Print Name)**

**8. Addressee's Address (Only if requested and fee is paid)**

**6. Signature: (Addressee or Agent)**

**X Vivian C Brunson**

Is your RETURN ADDRESS completed on the reverse?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

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:**

18-31 INC  
PO BOX 1120  
ROSWELL NM 88202-1120

**4a. Article Number**

7159 888 536

**4b. Service Type**

- ☐ Registered ☒ Certified
- ☐ Express Mail ☐ Insured
- ☐ Return Receipt for Merchandise ☐ COD

**7. Date of Delivery**

6-1-99

**5. Received By: (Print Name)**

**6. Signature: (Addressee or Agent)**

X

**8. Addressee's Address (Only if requested and fee is paid)**

Thank you for using Return Receipt Service.

102595-97-8-0179  
PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the

1. ☐ Registered  
2. ☐ Restricted Delivery  
Consult postmaster for fee.

3. Article Addressed to:  
JOHN MICHAEL FROST  
PO BOX 1120  
ROSWELL NM 88202-1120

5. Received By: (Print Name)  
6. Signature: (Addressee or Agent)

4a. Article Number  
2159888545

4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery  
6-1-99

8. Addressee's Address (Only if requested and fee is paid)

April 1995 (Reverse)

is your RETURN ADDRESS completed on the reverse

- Complete items 1 and/or 2 for additional services.  
Complete items 3, 4a, and 4b.  
Print your name and address on the reverse of this form so that we can return this card to you.  
Attach this form to the front of the mailpiece, or on the back if space does not permit.  
Write "Return Receipt Requested" on the mailpiece below the article number.  
The Return Receipt will show to whom the article was delivered and the date delivered.

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:

MARIANNE KEOHANE FROST  
PO BOX 1120  
ROSWELL NM 88202-1120

4a. Article Number

2159 888 554

4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

6-1-99

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X [Signature]

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

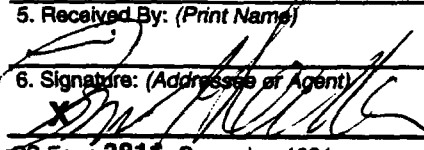
102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service



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<b>PS Form 3800, April 1995 (Reverse)</b>	
<b>1. Article Addressed to:</b> MARK JAMES FROST PO BOX 1120 ROSWELL NM 88202-1120	
<b>2. Article Number:</b> 2159 888 537	
<b>3. Service Type:</b> <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
<b>4. Date of Delivery:</b> 6-1-99	
<b>5. Addressee's Address (Only if requested and fee is paid):</b>	
<b>6. Signature: (Addressee or Agent)</b> 	
<b>7. Received By: (Print Name)</b>	
<b>8. Signature: (Addressee or Agent)</b>	
<b>9. PS Form 3811, December 1994</b>	
<b>10. 102595-97-B-0179 Domestic Return Receipt</b>	

Thank you for using Return Receipt

102595-97-B-0145

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PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the reverse?

**INSTRUCTIONS:**  
Complete items 1 and/or 2 for additional services.  
Complete items 3, 4a, and 4b.  
Print your name and address on the reverse of this form so that we can return this card to you.  
■ Attach this form to the front of the mailpiece, or on the back if space does not permit.  
■ Write "Return Receipt Requested" on the mailpiece below the article number.  
■ The Return Receipt will show to whom the article was delivered and the date delivered.

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:

THERESA ANN FROST  
PO BOX 1120  
ROSWELL NM 88202-1120

4a. Article Number

2159888 546

4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

6-1-99

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service

PS Form 3800, April 1995 (Reverse)

is your RETURN ADDRESS completed on the front of this form 3811.

PS Form 3811, December 1994

102595-97-8-0179 Domestic Return Receipt

<p>3. Article Addressed to:</p> <p>SUE SAUNDERS GRAHAM PO BOX 987 ROSWELL NM 88202-0987</p>		<p>4a. Article Number</p> <p>2159 888 555</p>
<p>5. Received By: (Print Name)</p>		<p>4b. Service Type</p> <p><input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified</p> <p><input type="checkbox"/> Express Mail <input type="checkbox"/> Insured</p> <p><input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD</p>
<p>6. Signature: (Addressee or Agent)</p> <p>X <i>[Signature]</i></p>		<p>7. Date of Delivery</p> <p>6-1-99</p>
<p>8. Addressee's Address (Only if requested and fee is paid)</p>		

Thank you for using Return Receipt Service

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PS Form 3811  
PS Form 3811

PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the reverse?

1. Complete items 1 and/or 2 for additional services.  
2. Complete items 3, 4a, and 4b.  
3. Print your name and address on the reverse of this form so that we can return this card to you.  
4. Attach this form to the front of the mailpiece, or on the back if space does not permit.  
5. Write "Return Receipt Requested" on the mailpiece below the article number.  
6. The Return Receipt will show to whom the article was delivered and the date delivered.

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:  
DONALD S IVERSON ESTATE  
C/O SUSAN IVERSON  
1 TERRACE MOUNTAIN COVE  
AUSTIN TX 78746

4a. Article Number  
2159 888 538  
4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD  
7. Date of Delivery  
6-7-95

5. Received By: (Print Name)  
SUSAN IVERSON

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)  
X [Signature]

Thank you for using Return Receipt

April 1995 (Reverse)

Is your RETURN ADDRESS completed on the reverse?

PS Form 3811, December 1994

- INSTRUCTIONS:**
- Complete items 1 and/or 2 for additional services.
  - Complete items 3, 4a, and 4b.
  - Print your name and address on the reverse of this form so that we can return this card to you.
  - Attach this form to the front of the mailpiece, or on the back if space does not permit.
  - Write "Return Receipt Requested" on the mailpiece below the article number.
  - The Return Receipt will show to whom the article was delivered and the date delivered.

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:

IVERSON III INC  
C/O S IVERSON  
3454 S ZUNIS  
TULSA OK 74105

4a. Article Number

Z 159 888 547

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☒ Certified
- ☐ Insured
- ☐ Registered Mail

7. Date of Delivery

04 1999

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X

8. Addressee's Address (Only if requested and fee is paid)

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PS Form 3811, December 1994

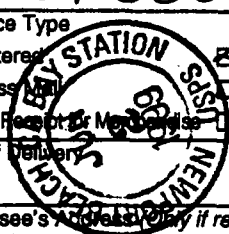
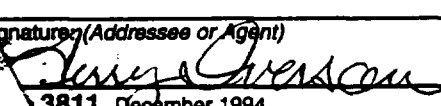
102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service

1. You want this receipt postmarked, stick the gummed stub to the right of the return address leaving the receipt attached, and present the article at a Post Office service window or hand it to your rural carrier (no extra charge).  
 2. If you do not want this receipt postmarked, stick the gummed stub to the right of the return address of the article, date, detach and retain the receipt, and mail the article.  
 3. If you want a return receipt, write the certified mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Emburse front of article.  
 4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, emburse **RESTRICTED DELIVERY** on the front of the article.  
 5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in item 1 of Form 3811.  
 6. Save this receipt and present it if you make an inquiry.

ADDRESS completed on the reverse side?

<b>SENDER:</b> • Complete items 1 and/or 2 for additional services. • Complete items 3, 4a, and 4b. • Print your name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece, or on the back if space does not permit. • Write "Return Receipt Requested" on the mailpiece below the article number. • The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.
3. Article Addressed to: PAI INCORPORATED C/O PAUL IVERSON 243 WALNUT ST NEWPORT BEACH CA 92663		4a. Article Number E 159 888 556
4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD		
5. Received By: (Print Name) Paul Iverson		
6. Signature (Addressee or Agent) 		
7. Date of Delivery 3811, December 1994		8. Addressee's Address (only if requested and fee is paid)

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service

PS Form 3811, April 1995 (Reverse)

PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the front of this Form 3811.

3. Article Addressed to:  
JEWELL IVERSON INTERVIEWS  
TRUST  
R SULLIVAN SUCCESSOR  
4870 S LEWIS STE 200  
TULSA OK 74105

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X

PS Form 3811, December 1994

4a. Article Number

E 154 888 539

4b. Service Type

☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

1999

8. Addressee's Address (Only if requested and fee is paid)

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address  
2. ☐ Restricted Delivery

Consult postmaster for fee.

102595-97-8-0179 Domestic Return Receipt

Thank you for using Return Receipt Service

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PS Form 3800, April 1995 (Reverse)

**INSTRUCTIONS:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
- 2. ☐ Restricted Delivery

Consult postmaster for fee.

Is your RETURN ADDRESS completed on the reverse?

3. Article Addressed to:  
GREG HOLCOMB  
TRUSTEE  
SJ IVERSON TRUST  
PO BOX 830308  
DALLAS TX 75238

4a. Article Number

2159 888 565

4b. Service Type

- ☐ Registered ☒ Certified
- ☐ Express Mail ☐ Insured
- ☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

APR 14 1995

5. Received By: (Print Name)  
Chad Miller

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Addressee's Signature)

X

PS Form 3811, December 1994

102595-97-8-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.



Article to cover First-Class postage, certified mail fee, and optional services (See front).

1. If you want a return receipt, write the certified mail number and your name and address on the front of the article by means of the return receipt card, Form 3811, and attach it to the front of the article. Endorse front of article with "RETURN RECEIPT REQUESTED" adjacent to the number.

2. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse RESTRICTED DELIVERY on the front of the article.

3. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in item 1 of Form 3811.

4. Save this receipt and present it if you make an inquiry.

102595-97-B-0145

ADDRESS completed on the reverse side?

# SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

## 3. Article Addressed to:

S J IVERSON JR  
2518 SINCLAIR  
MIDLAND TX 79705

## 4a. Article Number

2159 888 548

## 4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

## 7. Date of Delivery

6-7-99

## 5. Received By: (Print Name)

S. J. IVERSON, JR.

Signature (Addressee or Agent)

X [Signature]

## 8. Addressee's Address (Only if requested and fee is paid)

Form 3811 December 1994

102595-97-B-0179

Domestic Return Receipt

Article to cover First-Class postage, certified mail fee, and optional services (See front).

1. If you want a return receipt, attach the return receipt to the article, date, detach, and retain the receipt, and mail the article.

2. If you want a return receipt, write the certified mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, attach to back of article. Endorse front of article with "RETURN RECEIPT REQUESTED DELIVERY" on the front of the article.

3. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse RESTRICTED DELIVERY in the appropriate spaces on the front of the article. If return receipt is requested, check the applicable blocks in item 1 of Form 3811.

4. Save this receipt and present it if you make an inquiry.

102595-97-B-0145

ADDRESS completed on the reverse side?

<b>SENDER:</b> ■ Complete items 1 and/or 2 for additional services. ■ Complete items 3, 4a, and 4b. ■ Print your name and address on the reverse of this form so that we can return this card to you. ■ Attach this form to the front of the mailpiece, or on the back if space does not permit. ■ Write "Return Receipt Requested" on the mailpiece below the article number. ■ The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee):  1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to:  WENDELL WELCH IVERSON PO BOX 1343 MIDLAND TX 79702		4a. Article Number 7159 888 557 4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise 7. Date of Delivery JUN 2 1999 USPS	
5. Received By: (Print Name)  Signature: (Addressee or Agent) [Signature]		8. Addressee's Address (Only if requested and fee is paid)	
Form 3811, December 1994		102595-97-B-0179 Domestic Return Receipt	

Thank you for using Return Receipt Service

PS Form 3800, April 1995 (Reverse)

Is your **RETURN ADDRESS** completed on the re

**Return Receipt Requested:**

- Check this box if you want a Return Receipt for this order.
- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

**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:**

JEANETTE Y KEOHANE  
13408 CLOUDVIEW NE  
ALBUQUERQUE NM 87123

4a. Article Number

a. Article Number  
Z159 888 540

4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

**7. Date of Delivery**

615X

**5. Received By: (Print Name)**

8. Addressee's Address (Only if requested and fee is paid)

**6. Signature: (Addressee or Agent)**

X Joanette Kohane

PS Form 3811, December 1994

102595-97-8-0179

## Domestic Return Receipt

**Thank you for using Return Receipts!**

Stick postage stamps to article to cover First-Class postage, certified mail fee, and charges for any selected optional services (See front).

1. If you want this receipt postmarked, stick the gummed stub to the right of the return address leaving the receipt attached, and present the article at a post office service window or hand it to your rural carrier (no extra charge).

2. If you do not want this receipt postmarked, stick the gummed stub to the right of the return address of the article, date, detach, and retain the receipt, and mail the article.

3. If you want a return receipt, write the certified mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.

4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.

5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in item 1 of Form 3811.

6. Save this receipt and present it if you make an inquiry.

3800, April 1995 (Reverse)

TURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

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:**

PETER C IVERSON  
& ALVIN M IVERSON  
EXECUTORS OEO DOROTHY  
MONROE  
206 BELLEMEADE CIRCLE  
EUFAULA OK 74432-2071

**4a. Article Number**

2159 888 56

**4b. Service Type**

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☒ Certified
- ☐ Insured
- ☐ COD

**7. Date of Delivery**

6-1-99

**8. Addressee's Address (Only if requested and fee is paid)**

**5. Received By: (Print Name)**

**Signature: (Addressee or Agent)**

PETER C IVERSON

3811, December 1994

102595-97-B-0179

Domestic Return Receipt

**Thank you for using Return Receipt Service**

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PS Form 3800, April 1995 (Reverse)

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1. Write items 1 and/or 2 for additional services.  
2. Write items 3, 4a, and 4b.  
3. Write your name and address on the reverse of this form so that we can return this  
4. Attach this form to the front of the mailpiece, or on the back if space does not  
5. permit.  
6. Write "Return Receipt Requested" on the mailpiece below the article number.  
7. The Return Receipt will show to whom the article was delivered and the date  
8. delivered.

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:  
  
COMMERCE BANK OF KANSAS CITY  
ELYSE S PATTERSON TRT B  
ATTN MARK ROBISON  
PO BOX 419248  
KANSAS CITY MO 64141-6248

4a. Article Number  
Z159 888 558  
4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD  
7. Date of Delivery  
JUL 1 - 1999

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: Addressee or Agent  
X Mont Hargent

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service

1. Attach this receipt to the article to cover First-Class postage, certified mail fee, and selected optional services (See front).

2. If you do not want this receipt postmarked, stick the gummed stub to the right of the return address of the article, date, detach, and present the article at a post office service window or hand it to your rural carrier (no extra charge).

3. If you want a return receipt, write the certified mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends, if space permits. Otherwise, affix to back of article. Endorse front of article with "RETURN RECEIPT REQUESTED" adjacent to the number.

4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.

5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in item 1 of Form 3811.

6. Save this receipt and present it if you make an inquiry.

ADDRESS completed on the reverse side?

#### SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

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:

PIP 1990 TRUST  
C/O WENDELL W IVERSON  
TRUSTEE  
PO BOX 10508  
MIDLAND TX 79702

#### 4a. Article Number

2159 888 541

#### 4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

#### 7. Date of Delivery

#### 8. Addressee's Address (Only if requested and fee is paid)

#### 5. Received By: (Print Name)

Signature (Addressee or Agent)

on 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service

PS Form 3800, April 1995 (Reverse)  
 102595-97-8-0175  
 Attach this form to the front of the mailpiece, or on the back if space does not permit.  
 Write "Return Receipt Requested" on the mailpiece below the article number.  
 The Return Receipt will show to whom the article was delivered and the date delivered.

is your RETURN ADDRESS completed on the reverse of this form

PS Form 3811, December 1994  
 102595-97-8-0179  
 Domestic Return Receipt

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:  
 SJI JR 1990 TRUST  
 C/O WENDELL W IVERSON  
 TRUSTEE  
 PO BOX 10508  
 MIDLAND TX 79702

4a. Article Number  
 2159 888 550  
 4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD  
 7. Date of Delivery  
 JUN 1995  
 8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)  
 6. Signature: (Addressee or Agent)  
 X Pam Burke

Thank you for using Return Receipt Service



102595-97-B-0179  
PS Form 3800, April 1995 (Rev. 11/94)  
is your RETURN ADDRESS completed on the back of the mailpiece?  
If the return address is not on the back of the mailpiece, write it on the back of this form so that we can return this to you.  
Write "Return Receipt Requested" on the mailpiece below the article number.  
The Return Receipt will show to whom the article was delivered and the date delivered.

is your RETURN ADDRESS completed on the back of the mailpiece?

PS Form 3800, April 1995 (Rev. 11/94)  
is your RETURN ADDRESS completed on the back of the mailpiece?  
If the return address is not on the back of the mailpiece, write it on the back of this form so that we can return this to you.  
Write "Return Receipt Requested" on the mailpiece below the article number.  
The Return Receipt will show to whom the article was delivered and the date delivered.

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:  
PHOEBE SHELTON  
PO BOX 430  
AMARILLO TX 79105

4a. Article Number  
2159 888 559  
4b. Service Type  
☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery  
JUN 2 1999

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

PS Form 3811, December 1994  
102595-97-B-0179 Domestic Return Receipt

Thank you for using Return Receipt Service.

Article to cover First-Class postage, certified mail fee, and optional services (See front).

Receipt postmarked, stick the gummed stub to the right of the return receipt attached, and present the article at a post office service unit to your rural carrier (no extra charge).

If you want a return receipt, write the certified mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Emborse front of article.

**RETURN RECEIPT REQUESTED** adjacent to the number.

4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, emborse **RESTRICTED DELIVERY** on the front of the article.

5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in item 1 of Form 3811.

6. Save this receipt and present it if you make an inquiry.

ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

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:**

THE TOLES COMPANY  
PO BOX 1300  
ROSWELL NM 88202-1300

**4a. Article Number**

2159 888 542

**4b. Service Type**

- |   |   |
|---|---|
| <input type="checkbox"/> Registered                     | <input checked="" type="checkbox"/> Certified |
| <input type="checkbox"/> Express Mail                   | <input type="checkbox"/> Insured              |
| <input type="checkbox"/> Return Receipt for Merchandise | <input type="checkbox"/> COD                  |

**7. Date of Delivery**

**8. Addressee's Address (Only if requested and fee is paid)**

**5. Received By: (Print Name)**

Signature: (Addressee or Agent)

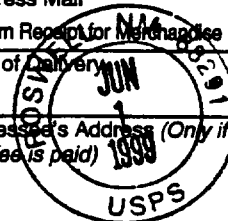
X

*Francis Bero*

Form 3811, December 1994

102595-97-8-0179

Domestic Return Receipt



Thank you for using Return Receipt Service

PS Form 3800, April 1995 (Reverse)

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PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the

1. ☐ Registered  
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3. ☐ Return Receipt for Merchandise  
4. ☐ Certified  
5. ☐ Insured  
6. ☐ COD  
7. ☐ Restricted Delivery  
8. ☐ Consult postmaster for fee.

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:  
WWI 1990 TRUST  
C/O WENDELL W IVERSON  
TRUSTEE  
PO BOX 10508  
MIDLAND TX 79702

4a. Article Number  
Z 159 888 551

4b. Service Type  
☐ Registered  
☐ Express Mail  
☐ Return Receipt for Merchandise  
☒ Certified  
☐ Insured  
☐ COD

7. Date of Delivery  
JUN 2 1999

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)  
X [Signature]

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

## Affidavit of Publication

No 19885

State of New Mexico,  
County of Eddy, ss.

Amy McKay,  
being first duly sworn, on oath says:

That she is Business Manager  
of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the state wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

June 1, 19 99  
\_\_\_\_\_, 19\_\_\_\_  
\_\_\_\_\_, 19\_\_\_\_  
\_\_\_\_\_, 19\_\_\_\_  
\_\_\_\_\_, 19\_\_\_\_  
\_\_\_\_\_, 19\_\_\_\_

That the cost of publication is \$ 43.45,  
and that payment thereof has been made and will  
be assessed as court costs.

*Amy McKay*

Subscribed and sworn to before me this

2nd day of June, 19 99  
*Patricia M. [Signature]*

My commission expires 1/27/01  
Notary Public

June 1, 1999

St. Mary Land & Exploration Company has applied to the New Mexico Oil Conservation Division for statutory unitization of all mineral interests in the Brushy Canyon formation of the Delaware Mountain Group, East Shugart - Delaware Pool, underlying the following federal lands located in Eddy and Lea Counties, New Mexico:

Township 18 South, Range 31 East, NMPM  
Section 13: S1/2SE1/4  
Section 24: NE1/4, N1/2SE1/4

Township 18 South, Range 32 East, NMPM  
Section 18: Lot 4  
Section 19: Lots 1 -3, E1/2NW1/4, NE1/4SW1/4

containing 604.12 acres, more or less. The unit will be designated the East Shugart (Delaware) Unit, which is being formed for the purpose of establishing an enhanced recovery project. This application is filed under the New Mexico Statutory Unitization Act, NMSA 1978 §§70-7-1 et seq. (1996). The unit area is located approximately 11.5 miles southeast of Loco Hills, New Mexico. Among the interest owners sought to be unitized are the following persons, or their unknown heirs or devisees: William Nickay, William J. Casey, Carl Lewis Folkner, Jr. The application will be heard at 8:15 a.m. on Thursday, June 24, 1999 at the offices of the Oil Conservation Division, 2040 South Pacheco Street, Santa Fe, New Mexico 87505. Failure to appear at the hearing will preclude you from contesting this matter at a later date. The address of the applicant is Suite 1100, 1776 Lincoln Street, Denver, Colorado 80203 (Attention: B. Lynne Ellison), phone number (303) 863-4317.

## AFFIDAVIT OF PUBLICATION

State of New Mexico,  
County of Lea.

I,

Publisher

of the Hobbs Daily News-Sun, a daily newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period.

of 1

weeks.

Beginning with the issue dated

June 2 1999

and ending with the issue dated

June 2 1999

*[Signature]*

Publisher

Sworn and subscribed to before

me this 1st day of

June 1999

*[Signature]*

Notary Public.

My Commission expires  
October 18, 2000  
(Seal)

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

## LEGAL NOTICE

June 2, 1999

## NEWSPAPER

## ADVERTISEMENT

St. Mary Land & Exploration Company has applied to the New Mexico Oil Conservation Division for statutory unitization of all mineral interests in the Brushy Canyon formation of the Delaware Mountain Group, East Shugart - Delaware Mountain Group, East Shugart - Delaware Pool, underlying the following federal lands located in Eddy and Lea Counties, New Mexico:

Township 18 South, Range 31 East, NMPM

Section 13: S1/2SE1/4

Section 24: NE1/4, N1/2SE1/4

Township 18 South, Range 32 East, NMPM

Section 18: Lot 4

Section 19: Lots 1 - 3, E1/2NW1/4, NE1/4SW1/4

containing 604.12 acres, more or less. The unit will be designated the East Shugart (Delaware) Unit, which is being formed for the purpose of establishing an enhanced recovery project. This application is filed under the New Mexico Statutory Unitization Act, NMSA 1978 §§70-1 et seq. (1996). The unit area is located approximately 11.5 miles southeast of Loco Hills, New Mexico. Among the interest owners sought to be unitized are the following person, or their unknown heirs or devisees: William Nickey, William J. Casey, Carl Lewis Folkner, Jr. The application will be heard at 8:15 a.m. on Thursday, June 24, 1999 at the offices of the Oil Conservation Division, 2040 South Pacheco Street, Santa Fe, New Mexico 87505. Failure to appear at the hearing will preclude you from contesting this matter at a later date. The address of the applicant is Suite 1100, 1776 Lincoln Street, Denver, Colorado 80203 (Attention: B. Lynne Ellison), phone number (303) 863-4317.

#16670

01104557000

01532805

St. Mary Land & Exploration Co  
1776 Lincoln Street, Suite 1100  
DENVER, CO 80203

EXHIBIT 14

**Affidavit of Notice Regarding Hearing  
for Approval of Waterflood Project  
East Shugart (Delaware) Unit**

State of New Mexico                    )  
Counties of Eddy and Lea            ) ss.

B. Lynne Ellison, being first duly sworn, upon oath deposes and says:

I am of legal age and have personal knowledge of the matters stated herein. By letter dated May 27, 1999, I, as Landman for St. Mary Land & Exploration Company, Operator of the proposed East Shugart (Delaware) Unit covering 604.12 acres, more or less, described as:

Township 18 South, Range 31 East, NM Meridian

Section 13: S/2SE/4  
Section 24: NE/4 and N/2SE/4  
Eddy County, New Mexico

Township 18 South, Range 32 East, NM Meridian

Section 18: Lot 4 (SW/4SW/4)  
Section 19: Lots 1, 2 (W/2NW/4);  
              Lot 3 (NW/4SW/4); E/2NW/4  
              and NE/4SW/4  
Lea County, New Mexico

sent notice to all surface owners within the area covered by the proposed unit and to the operators or lessees of offsetting acreage that a hearing has been scheduled before the New Mexico Oil Conservation Division on June 24, 1999 relative to an application for approval of a waterflood project. Copies of the application were attached to the notices. The notices were delivered by certified mail, return receipt requested. A copy of the letter along with copies of the signed return receipts are attached to this Affidavit.

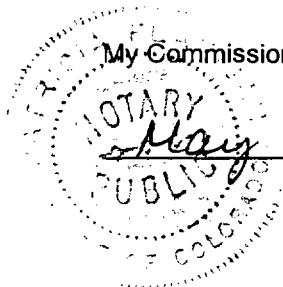
Further Affiant sayeth not.

B. Lynne Ellison  
B. Lynne Ellison

Subscribed and sworn to before me this 13<sup>th</sup> day of July, 1999.

My Commission Expires:

May 15, 2003



Dorricia Hanejar  
Notary Public for the State of Colorado  
Residing at 1776 LINCOLN ST, STE 1100  
DENVER CO 80203

**Certified Mail  
Return Receipt Requested**

May 27, 1999

To: See Attached List of Addressees

Re: East Shugart (Delaware) Unit  
Eddy and Lea Counties, NM

Ladies and Gentlemen:

Enclosed is a copy of an application for approval of a waterflood project for the proposed East Shugart (Delaware) Unit filed with the New Mexico Oil Conservation Division by St. Mary Land & Exploration Company.

This matter will be heard at 8:15 a.m. on Thursday, June 24, 1999 at the Division's offices at 2040 South Pacheco Street, Santa Fe, New Mexico 87505. Our records indicate that you are a surface owner or an offset operator/lessee. You have the right to enter an appearance and participate in the hearing. Failure to appear at the hearing will preclude you from contesting this matter at a later date. If you will be appearing at the hearing, you are requested to notify the attorney for the applicant no later than Friday, June 18, 1999. Our attorney is James Bruce, P. O. Box 1056, Santa Fe, New Mexico 87504.

Very truly yours,

**St. Mary Land & Exploration Company**

A handwritten signature in cursive script that reads "B. Lynne Ellison".

B. Lynne Ellison  
Landman

/le  
Attachments

ADDRESS LIST  
EAST SHUGART (DELAWARE) UNIT

RAY WESTALL  
BOX 4  
LOCO HILLS NM 88255

YATES PETROLEUM COMPANY  
105 S 4TH ST  
ARTESIA NM 88210

CONOCO INC  
10 DESTA DR #100W  
MIDLAND TX 79705

BOYLE & STOVALL BETTIS  
BOX 1240  
GRAHAM TX 76450-1240

THUNDERBOLT PETROLEUM LLC  
BOX 10523  
MIDLAND TX 79702

KEVIN O BUTLER & ASSOCIATES  
500 W TEXAS STE 955  
MIDLAND TX 79701

18-31 INC  
PO BOX 1120  
ROSWELL NM 88202

HARVEY E YATES CO  
PO BOX 1933  
ROSWELL NM 88202-1933

ARMANDO LOPEZ  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
ROSWELL FIELD OFFICE  
2909 W SECOND ST  
ROSWELL NM 88201-2019



Stick postage stamps to article to cover First-Class postage, certified mail fee, and charges for any selected optional services (See front).

1. If you want this receipt postmarked, stick the gummed stub to the right of the return address leaving the receipt attached, and present the article at a post office service window or hand it to your rural carrier (no extra charge).
2. If you do not want this receipt postmarked, stick the gummed stub to the right of the return address of the article, date, detach, and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in item 1 of Form 3811.
6. Save this receipt and present it if you make an inquiry.

102595-99-M-0079

PS Form 3800, April 1995 (Reverse)

Is your RETURN ADDRESS completed on the reverse?

3. Article Addressed to:  
RAY WESTALL  
BOX 4  
LOCO HILLS NM 88255

4a. Article Number  
2 300 038 010

4b. Service Type  
☒ Certified  
☐ Insured  
☐ COD  
☐ Registered  
☐ Express Mail  
☐ Return Receipt for Merchandise  
☐ Return Receipt for Delivery

5. Received By: (Print Name)  
RAY WESTALL

6. Signature of Addressee  
RAY WESTALL

7. Date of Delivery  
6-2-99

8. Addressee's Address (Only if requested and fee is paid)  
RAY WESTALL  
BOX 4  
LOCO HILLS NM 88255

102595-99-M-0079

Domestic Return Receipt

Thank you for using Return Receipt Service.

I also wish to receive the following services (for an extra fee):  
 1. ☐ Addressee's Address  
 2. ☐ Restricted Delivery  
 Consult postmaster for fee.

Stick postage stamps to article to cover First-Class postage, certified mail fee, and charges for any selected optional services (See front).

1. If you want this receipt postmarked, stick the gummed stub to the right of the return address leaving the receipt attached, and present the article at a post office service window or hand it to your rural carrier (no extra charge).
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PS Form 3800, April 1995 (Reverse)

is your RETURN ADDRESS completed on the reverse

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<p>4a. Article Number</p> <p>2 300 038 070</p>		<p>4b. Service Type</p> <p><input checked="" type="checkbox"/> Certified</p> <p><input type="checkbox"/> Registered</p> <p><input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> COD</p>	
<p>3. Article Addressed to:</p> <p>YATES PETROLEUM COMPANY</p> <p>105 S 4TH ST</p> <p>ARTESIA NM 88210</p>		<p>7. Date of Delivery</p>	
<p>5. Received By: (Print Name)</p> <p>Nancy Stall</p>		<p>8. Addressee's Address (Only if requested and fee is paid)</p>	
<p>6. Signature: (Addressee or Agent)</p> <p>X Nancy Stall</p>		<p>Thank you for using Return Receipt Service.</p>	

102595-97-B-0179

Domestic Return Receipt

PS Form 3811, December 1994

Stick postage stamps to article to cover First-Class postage, certified mail fee, charges for any selected optional services (See front).

1. If you want this receipt postmarked, stick the gummed stub to the right of the return address leaving the receipt attached, and present the article at a post office service window or hand it to your rural carrier (no extra charge).
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4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in item 1 of Form 3811.
6. Save this receipt and present it if you make an inquiry.

102595-99-M-0079

PS Form 3800, April 1995 (Reverse)

I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: CONOCO INC 101 DESTA DR #100W MIDLAND TX 79705		4a. Article Number 2300 038019	
4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD		<input checked="" type="checkbox"/> Certified <input type="checkbox"/> Insured	
5. Received By: (Print Name) Antonio Gonzalez		7. Date of Delivery 6/1	
6. Signature: (Addressee or Agent) X Antonio Gonzalez		8. Addressee's Address (Only if requested and fee is paid)	

Thank you for using Return Receipt Service.

is your RETURN ADDRESS completed on the

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

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4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse RESTRICTED DELIVERY on the front of the article.

5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in item 1 of Form 3811.

6. Save this receipt and present it if you make an inquiry.

ER:

Complete items 1 and/or 2 for additional services.

1. ☐ Print your name and address on the reverse of this form so that we can return this card to you.

2. ☐ Attach this form to the front of the mailpiece, or on the back if space does not permit.

3. ☐ Write "Return Receipt Requested" on the mailpiece below the article number.

4. ☐ The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

4a. Article Number

2300038023

4b. Service Type

☐ Registered

☐ Express Mail

☐ Return Receipt for Merchandise

☒ Certified

☐ Insured

☐ COD

7. Date of Delivery

6-1-89

8. Addressee's Address (Only if requested and fee is paid)

3. Article Addressed to:

BOYLE & STOVALL BETTIS

BOX 1240

GRAHAM TX 76450-1240

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X *Andrew G. Gable*

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

PS Form 3800, April 1995 (Reverse)

Stick postage stamps to article to cover First-Class postage, certified mail fee, and charges for any selected optional services (See front).

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6. Save this receipt and present it if you make an inquiry.

102595-99-M-0079

**PS Form 3800, April 1995 (Reverse)**

**IS YOUR RETURN ADDRESS COMPLETED ON THE REVERSE?**

**IF YES:**  
 Complete items 1 and/or 2 for additional services.  
 ■ Print your name and address on the reverse of this form so that we can return this card to you.  
 ■ Attach this form to the front of the mailpiece, or on the back if space does not permit.  
 ■ Write "Return Receipt Requested" on the mailpiece below the article number.  
 ■ The Return Receipt will show to whom the article was delivered and the date delivered.

**3. Article Addressed to:**  
 THUNDERBOLT PETROLEUM  
 LLC  
 BOX 10523  
 MIDLAND TX 79702

**4a. Article Number**  
 300 038 022

**4b. Service Type**  
☐ Registered  
☐ Express Mail  
☐ Return Receipt for Merchandise  
☐ COD  
☒ Certified  
☐ Insured

**5. Received By: (Print Name)**  
 JUN - 1 1999

**6. Signature: (Addressee or Agent)**  
 X *Jano-ja*

**7. Date of Delivery**  
 JUN - 1 1999

**8. Addressee's Address (Only if requested and fee is paid)**

**I also wish to receive the following services (for an extra fee):**  
 1. ☐ Addressee's Address  
 2. ☐ Restricted Delivery  
 Consult postmaster for fee.

**Thank you for using Return Receipt Service.**

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

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6. Save this receipt and present it if you make an inquiry.

102595-99-M-0079

PS Form 3800, April 1995 (Reverse)

<b>4. Article Addressed to:</b> KEVIN O BUTLER & ASSOCIATES 500 W TEXAS STE 955 MIDLAND TX 79701		<b>4a. Article Number</b> 2300 038 021
<b>4b. Service Type</b> <input type="checkbox"/> Registered <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Certified <input type="checkbox"/> Insured <input type="checkbox"/> COD		<b>4c. Date of Delivery</b> 6-1-99
<b>5. Received By: (Print Name)</b> X <i>[Signature]</i>		<b>8. Addressee's Address (Only if requested and fee is paid)</b>
<b>6. Signature (Addressee or Agent)</b> X <i>[Signature]</i>		

Thank you for using Return Receipt Service.

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

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6. Save this receipt and present it if you make an inquiry.

102595-99-M-0079

PS Form 3800, April 1995 (Reverse)

permit.

Write "Return Receipt Requested" on the mailpiece below the article number.

The Return Receipt will show to whom the article was delivered and the date delivered.

attach this form to the front of the mailpiece, or on the back if space does not permit.

our name and address on the reverse of this form so that we can return this to you.

Items 1 and/or 2 for additional services.

Items 3, 4a, and 4b.

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:

HARVEY E YATES CO  
PO BOX 1933  
ROSWELL NM 88202-1933

4a. Article Number

2300 038 024

4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

6-1-95

5. Received By: (Print Name)

6. Signature: Addressee or Agent

X *Samuel*

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

Stick postage stamps to article to cover First-Class postage, certified mail fee, and charges for any selected optional services (See front).

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6. Save this receipt and present it if you make an inquiry.

102595-99-M-0079

**ORDER:**

Complete items 1 and/or 2 for additional services.

- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
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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:

18-31 INC  
PO BOX 1120  
ROSWELL NM 88202

4a. Article Number

7300 038 025

4b. Service Type

- ☒ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☐ COD
- ☒ Certified
- ☐ Insured

7. Date of Delivery

6-1-93

5. Received By: (Print Name)

X. Signature: (Addressee or Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

is your RETURN ADDRESS completed on the reverse.

PS Form 3800, April 1995 (Reverse)

Thank you for using Return Receipt Service.



