APPLICATION FOR AUTHORIZATION TO INJECT VACA "13" FEDERAL NO.2

XI. CHEMICAL ANALYSIS OF WATER FROM FRESH WATER WELLS WITHIN ONE MILE OF INJECTION WELL

A phone conversation with Fred McMinn of the State Engineers Offices, State of New Mexico @ 3:55 p.m. on 4/4/2000 failed to identify any fresh water wells within one mile of the proposed injection well. However, a search of EOG Resources internal records shows a fresh water well with an approved permit number of C-2373-S located in the NE1/4,NW1/4,NW1/4 of section 13, township 25S, Range 33E in Lea County, New Mexico on land owned by Diamond & One-Half filed by Enron Oil & Gas Company (currently known as EOG Resources, Inc.) for the purpose of commercial oil and gas development. This well was drilled to a total depth of 642' with fresh water zone being encountered at a depth of 295' and 6-5/8" casing set and cemented at 636'. Please see attached fresh water analysis.

- XII. I have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the injection zone and any underground source of drinking water.
- XIII. See attached proof.

May-16-00 11:39A Martin Water Labs

F. O. BOX 1468 MONAHANS, TEXAS 78756 PH. \$43-3334 OR 563-1040

Martin Water Laboratories, inc.

708 W. INDIANA MIDLAND; TEXAS 78701 PHONE 885-6521

	result of wat	er analyses		Landack ampaigners
		LABORATORY NO.	50094	
TO: Mr. Randy Cate		SAMPLE RECEIVED	5-16-00	
P.O. Box 2267, Midland, TX 79702		- RESULTS REPORTED	5-16-00	
COMPANY EOG Resources, Inc.		Vana 11	Francis I	
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Chlorice as Ci	3,409			
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Form No. 3		. AL	ヘリ りゃときゅう	T

By

Waylen C. Martin, M.A.

#12329



January 26, 2001

EOG Resources, Inc.P O. Box 2267
Midland, TX 79732
(915) 686-3660

Bureau of Land Management 2901 West 2nd Street Roswell, NM 88201 Attention: Mr. Les Babyak

New Mexico State Land Office P. O. Box 1148 Santa Fe, NM 87504-1148 Attention: Mr. Pete Martinez



RE:

Amended Plan of Development Red Hills North (Bone Spring) Unit Lea County, New Mexico USA NMNM 104037X Red Hills North Prospect EOG K0012678

Gentlemen:

Reference is made to the captioned unit and the Initial Plan of Development for same dated June 12, 2000. EOG Resources, Inc. ("EOG") as Operator has completed the initial horizontal well (RHNU 211) as set forth in the initial plan. This well was drilled to TMD of 16,229' (TVD 12,259') and is currently producing 426 BOD and 953 MCFD.

EOG is preparing to drill a second horizontal unit well, the RHNU 212. This well is located at a surface location of 1750' FNL and 2475' FWL of Section 12, T25S, R33E. The well will be drilled to a bottom hole location of approximately 320' FNL and 2300' FWL of Section 7. The TVD will be 12,700' and the TMD will be 17,800'.

The Application to Drill has been approved and a copy is enclosed for your file. EOG anticipates being able to spud the RHNU 212 on or about March 8, 2001. Should there be any concerns or questions regarding this amended plan, please do not hesitate to contact the undersigned at (915) 686-3730.

Sincerely,

EOG RESOURCES, INC.

Larry D. Cunningham Project Landman

encl.

Bureau of Land Management New Mexico State Land Office January 26, 2001 Page 2

cc: New Mexico Oil Conservation Division

1220 South St. Francis Drive Santa Fe, New Mexico 87504 NMOCD Case No. 12329 Order No. R-11388

United States Department of the Interior



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

IN REPLY REFER TO: 3162.4 NM-14497-A

EOG Resources, Inc. Attn: Mike Francis P. O. Box 2267 Midland, TX 79702

NOV 0 9 2000

Dear Mr. Francis:

Your Application for Permit to Drill (APD), the Red Hills North Unit Well No. 212, 1750' FNL and 2475' FWL (SHL) and 320' FNL and 2300' FWL (BHL), Section 7, T. 25 S., R. 34 E., Lea County, New Mexico, Lease No. NM-14497-A was received November 8, 2000.

The APD has been reviewed pursuant to part III.B.2 of Oil and Gas Onshore Order No. 1, except for the Archaeological Survey Report, and is found to be:

<u> </u>	Adminia	stratively complete
	Admini	stratively deficient in the following items marked with an "X"
		Form 3160-3
		Survey Plat
	 	Bonding
		Drilling Plan
		BOP Diagram
		Choke Manifold Diagram
		H₂S Drilling Plan
		Surface Use Plan (including certification statement)
		Private Surface Owner's Agreement or Statement that an agreement has been reached concerning surface use
		Other:

Please submit six (6) copies of each of the above noted deficiencies, except for the Archaeological Survey Report. Technical adequacy of the APD will be determined during processing and you will be contacted if additional information is required.

If you would like to know whether the Archeological Survey Report has been filed with the BLM, call Rose Marie Havel in the Carlsbad Field Office at (505) 234-5917.

Sincerely,

Linda A. Askwig

Legal Instruments Examiner

OPERATOR'S COPY

Form 3160-3 (August 1999)			OMB No	APPROVED 1. 1004-0136 1ember 30, 2000	
UNITED STATES			5. Lease Serial No.	NM80400, NM14824	
DEPARTMENT OF THE IN	_NM18640-	Drillsite UM 14497			
BUREAU OF LAND MANG	EMENT		6. If Indian, Allottee or	Tribe Name	
APPLICATION FOR PERMIT TO D	RILL OR REENTER				
1a. Type of Work: X DRILL RE	ENTER		7. If Unit or CA Agreen	nent, Name and No.	
			8. Lease Name and We	ell No.	
1b. Type of Well: X Oll Well Gas Well Other	Single Zone Multi	ole Zone		orth Unit #212	
2, Name of Operator			9. API Well No.		
EOG Resources, Inc.	3b. Phone No. (Include area	onda)	40 Field and Fact on F		
3a. Address P.O. Box 2267, Midland, TX 79702	(915)686-3714	codej	10. Field and Pool, or E	•	
4. Location of Well (Report location clearly and in accorder	'' 	(s.*)	Red Hills Bo		
At surface SL 2,475' FWL & 1,750' FNL, Sec 12 At proposed prod. Zone BHL 2,300' FWL & 328	2	,	Sec 12, T25	5S, R33E (surface) 5, R34E (bottom hole)	
14. Distance in miles and direction from nearest town or pos			12. County or Parish	13. State	
19 miles west from Jai, NM			Lea	NM	
15. Distance from proposed*	16. No. of Acres in lease	17. Spacin	g Unit dedicated to this		
location to nearest		}	•		
property or lease line, ft.	See Exhibit 5		280 ac SE/4 NW/4-NE/4	Sec 12	
(Also to nearest drig. Unit line, if any) 320'			N/2 NW/4 - Sec 7		
18. Distance from proposed location* to nearest well, drilling, completed	19. Proposed Depth 20. BLM/E		BIA Bond No. on file		
applied for, on this lease, ft. 1000'	TMD 17,800		NM2308		
21. Elevations (Show whether DF, KDB, RT, GL, etc)	22. Approximate date work w	ill start*	23. Estimated duration		
GL-3399	1/6/2000		60 days	**************************************	
The state of C	24. Attachments				
The following completed in accordance with the requirements of O 1. Well plat certified by a registered surveyor.	CARLS	BAD CC	s unless covered by an exi		
2. A Drilling Plan.	item 20 above)			
3. A Surface Use Plan (if the location is on National Forest Sytem	Lands, the 5. Operator cert	Mcatlon.			
SUPC shall be filed with the appropriate Forest Service Office)	6. Such other si authorized off		ormation and/or plans as m	nay be required by the	
26. Signature / · 7	Name (Printed/Typed)		Date		
met dan	Mike Francis		11/6/200	10	
Title Agent					
Land D, Bray	Name (Printed/Typed) /S/LARRY [) HRAV	Date	A 17 pm	
Lucis And Minerals	Office ROSWELL FIL	-	n APP	ROVED FOR 1 YEAR	
Application approval does not warrant or certify the applicant holds legal of	or equitable title to those ngintes in the	subject lease	which would entitle the applic	ant to conduct	
operations theron. Conditions of approval, if any, are attached					
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a States any false, fictitious or fraudulent statements or representations as t		wilfully to make	to any department or agency	of the United	
*(Instructions on reverse)		***			
		APP	ROVAL SUBJECT	TO	

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

District I PO Box 1980, Hobbs, NM 88241-1980 District II PO Drawe: DD, Artesia, NM 88211-0719 District III 1000 Rio Braxos Rd., Axtec, NM 87410 District IV PO Box 2)88, Santa Fe, NM 87504-2088

State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088 Form C-1)
Revised February 21, 199
Instructions on bac
Submit to Appropriate District Offic
State Lease - 4 Copi
Fee Lease - 3 Copi-

__ AMENDED REPOR

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number		T	Pool Co	}	Red Hills Bon	Pool Name Spring	ne.		
*Property Code		J		Property				· w.	ll Number
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State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

Form C-10
Revised February 21, 199
Instructions on bac
Submit to Appropriate District Offic
State Lease - 4 Copie
Fee Lease - 3 Copie

AMENDED REPOR

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7377				10	EOG RESOL					3395
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EOG RESOURCES, INC. RED HILLS NORTH UNIT NO. 212

LEA COUNTY, NM

1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Rustler 1100'
Delaware Mt. Group 5150'
Bone Spring Lime 9275'
3rd Bone Spring Sand 12225'
TVD 12,700'
TMD 17,800'

3. ESTIMATED DEPTHS OF ANTICIPATED FRESH WATER, OIL OR GAS:

Upper Permian Sands 100' Fresh Water 3rd Bone Spring Sand 12400' Oil

No other formations are expected to give up oil, gas or fresh water in measurable quantities. The surface fresh water sands will be protected by setting 13-3/8" casing at 650' and circulating cement back to surface, and 9-5/8" casing will be set at 5200' with cement circulated back to surface.

4. CASING PROGRAM:

Hole Size	Interval	OD Casing	Weight Grade Jt. Cond. Type
17 ½"	0 -650 ' 1150	13 3/8"	48# H-40 A ST&C WITNESS
12 1/4"	0-5200'	9 5/8"	40# N-80 LT&C
8 3/4"	0-12700'	7 ''	26# P-110 LT&C
6 1/8"	0'-17800'	4 1/2"	11.6# P-110 Hydrill

Cementing Program:

17 1/2" Surface Casing: Cement to surface with 325 sx Premium Plus + 3%

Econolite + 2% Calcium Chloride + .25 lb/sk Flocele + 150

sx Premium Plus + 2% Calcium Chloride.

9 5/8" 1st Intermediate: Cement to surface with 1100 sx Interfill C + .25 lb/sk

Flocele + 250 sx Premium Plus + 2% Calcium Chloride

EOG RESOURCES, INC. RED HILLS NORTH UNIT NO. 212

LEA COUNTY, NM

7" 2nd Intermediate:

Cement with 800 sx Premium + 3% Econolite + 5 lb/sk Salt (3%) + .25 lb/sk Flocele + 250 sx Premium 50/50 Pozmix 'A' + 2% Halliburton-Gel First 2% + 0.5% Halad-322 +

0.2% HR-5

4-1/2" Production:

520 sx Premium + 0.3% Halad-344 + .3% Halad-413 + .3% Super CBL + .3% SCR-100. This cement slurry is designed

to bring TOC to 11,800'.

5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of a double ram-type (5000 psi WP) preventer and an annular preventer (5000 psi WP). Units will be hydraulically operated and the ram-type will be equipped with blind rams on top and drill pipe rams on bottom. All will be installed on the 11 3/4" surface casing and used continuously until TD is reached. accessory equipment will be tested to 600 psi before drilling out of surface casing. Before drilling out of intermediate casing, the ram-type BOP and accessory equipment will be tested to 5000 psi and the annular to 70% of rated working pressure (3500 psi).

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. A 2" kill line and 4" choke line will be included in the drilling spool located below the ram-type BOP. Other accessories to the BOP equipment will include a kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold with 5000 psi WP rating.

6. TYPES AND CHARACTERISTICS OF THE PROPOSED MUD SYSTEM:

The well will be drilled to TD with a combination of brine, cut brine, and polymer/KCL mud system. The applicable depths and properties of this system are as follows:

	Wt	Viscosity	Waterloss
Depth Type	(ppg)	(sec)	(cc)
0-650' 1150' Fresh Water (spud)	8.5	40-45	N.C.
1150'-650'-5200' Brine Water	10.0	30	N.C.
5200'- 12700' Cut Brine & Polymer/KCI	8.8-9.2	28	N.C.
12700'-17800'	8.33	28	N.C.

EOG RESOURCES, INC. RED HILLS NORTH UNIT NO. 212

LEA COUNTY, NM

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept at the wellsite at all times.

7. Auxillary Well Control and Monitoring Equipment:

- (A) A kelly cock will be kept in the drill string at all times.
- (B) A full opening drill pipe stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.
- (C) A mud logging unit complete with H2S detector will be continuously monitoring drilling penetration rate and hydrocarbon shows from 2000' to TD.

8. LOGGING, TESTING AND CORING PROGRAM:

(A) The electric logging program will consist of a GR-Compensated Neutron from 12,300' to Surface. LWD GR from 12,300' to 13,800'.

9. <u>ABNORMAL CONDITIONS, PRESSURES, TEMPERATURES AND POTENTIAL HAZARDS:</u>

No abnormal pressures or temperatures are anticipated. The estimated bottom hole temperature (BHT) at TD is 175 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 5000 psig. No hydrogen sulfide or other hazardous gases or fluids have been encountered, reported or are known to exist at this depth in this area. No major loss circulation zones have been reported in offsetting wells.

10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:

Road and location work will not begin until approval has been received from the BLM. Anticipated spud date is unknown at the present time. Once drilling has commenced, the drilling operation should be finished in approximately 60 days. If the well is productive, an additional 30 to 45 days will be required for the completion and testing before a decision is made to install permanent facilities.

EOG RESOURCES, INC. RED HILLS NORTH UNIT NO. 212

LEA COUNTY, NM

SURFACE USE AND OPERATIONS PLAN

1. EXISTING ROADS:

Access to location will be made as shown on Exhibit #2

Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on this lease.

2. PROPOSED ACCESS ROAD:

440' of new access road is required. Exhibit 2

No turnouts necessary.

No culverts, cattleguards, gates, low-water crossings, or fence cuts are necessary.

Surfacing material consists of native caliche to be obtained from the nearest BLM-approved caliche pit. Any additional materials required will be purchased from the dirt contractor.

3. LOCATION OF EXISTING WELLS:

Exhibit #3 shows all existing wells within a one-mile radius of this well.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

There are no existing production facilities. If production is encountered, a temporary facility will be established on the drill pad, and if warranted, a production facility would be built at a later date in the immediate area of the drill pad location. If the well is productive, the flowline would also be located on the drill-pad site and no additional disturbance will occur.

5. LOCATION AND TYPE OF WATER SUPPLY:

Water for drilling will be purchased from commercial sources and transported to the well site over the roads as shown on Exhibit #2.

EOG RESOURCES, INC. RED HILLS NORTH UNIT NO. 212

LEA COUNTY, NM

6. PLANS FOR RESTORATION OF THE SURFACE:

After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Location will be cleaned of all trash and junk to leave the well in an aesthetically pleasing condition as possible.

Any unguarded pits containing fluid will be fenced until they are dry and back filled.

After abandonment of the well, surface restoration will be in accordance with current federal laws and regulations. Location will be cleaned, and the well pad removed to promote vegetation. Reseeding will be as per BLM specifications

7. METHODS OF HANDLING WASTE DISPOSAL:

A small reserve pit will be utilized. Reserve pit will be evacuated of drilling fluid within 10 days after the well is completed.

Drill cuttings will be encapsulated in plastic and buried 2' below ground level.

Water produced during tests and waste water will be saved and hualed to a disposal well. Oil produced during tests will be in test tanks until sold.

Current laws and regulations pertaining to the disposal of human waste will be complied with.

Trash, waste paper, garbage and junk will be hauled to an approved disposal site n an enclosed trash trailer.

All trash and debris will be removed from the well site within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES:

No airstrip, campsite, or other facilities will be built.

9. WELL SITE LAYOUT:

Exhibit #4 shows the relative location and dimensions of the well pad, steel mud pits, and location of major rig components. Pad area has been staked and flagged.

Only minor leveling of the well site will be required.

EOG RESOURCES, INC. RED HILLS NORTH UNIT NO. 212

LEA COUNTY, NM

10. OTHER INFORMATION:

The area around the well site is grassland and the top soil is duned and sandy. The vegetation is native scrub grasses with abundant sagebrush, yucca, and prickly pear.

There is no permanent or live water in the immediate area.

Cultural resources examination has been completed by Desert West Archaeology Consultants.

11. OPERATORS REPRESENTATIVE:

The field representative responsible for assuring compliance with the approved surface-use and operations plan is as follows:

Mr. Dewey Smeltzer

Phone: Business 1/915/686-3601

Home 1/915/520-9608

EOG RESOURCES, INC. RED HILLS NORTH UNIT NO. 212

LEA COUNTY, NM

12. CERTIFICATION:

I HEREBY CERTIFY that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Enron Oil & Gas Company and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

W. D. Smeltzer Drilling Manager

Date: 11-6-60

EOG RESOURCES, INC. RED HILLS NORTH UNIT NO. 212

LEA COUNTY, NM

ATTACHMENT TO EXHIBIT #1

- 1. Blow out preventer and all fittings must be in good condition, 5000 psi W.P. minimum.
- 2. All fittings to be flanged.
- 3. Safety valve must be available on rig floor at all times with proper connections, valve to be full bore 5000 psi W.P. minimum.
- 4. All choke and fill lines to be securely anchored, especially ends of choke lines.
- 5. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.
- 6. Kelly cock on kelly.
- 7. Extension wrenches and hand wheels to be properly installed.
- 8. Blow out preventer control to be located as close to driller's position as feasible.
- 9. Blow out preventer closing equipment to include minimum 40-gallon accumulator, two independent sources of pump power on each closing unit installation, and meet all API specifications.

EOG Resources, Inc.
Red Hills North Unit No. 212 well

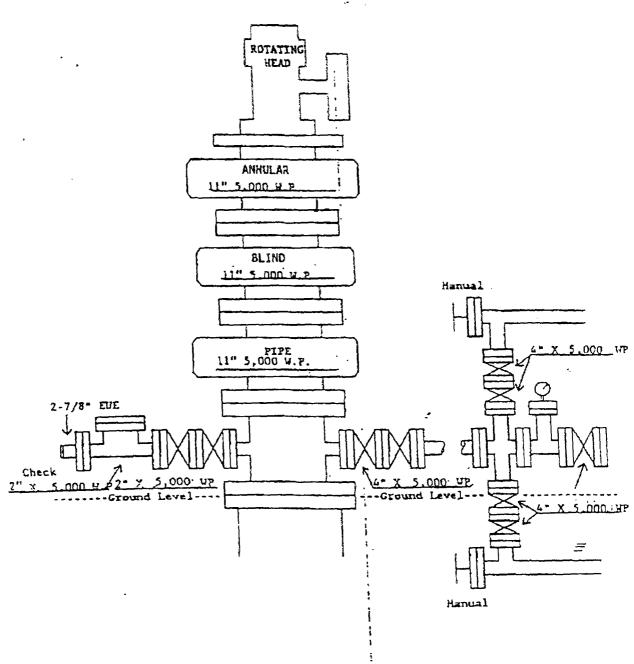
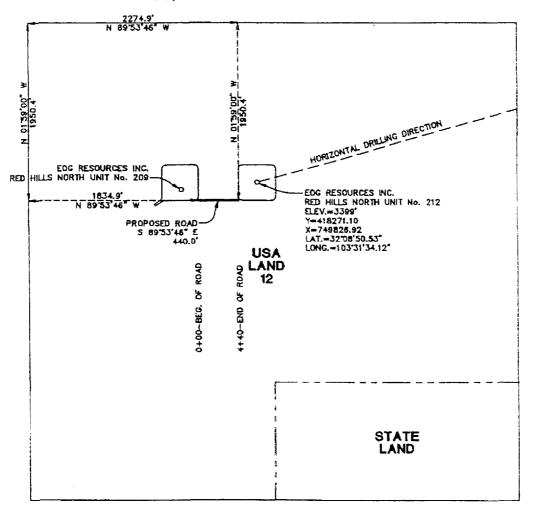


EXHIBIT #1

<u>-</u>-

SECTION 12. TOWNSHIP 25 SOUTH, RANGE 33 EAST, N.M.P.M. LEA COUNTY. **NEW MEXICO**



CENTERLINE DESCRIPTION OF A PROPOSED ROAD:

BEGINNING at a point in the southeast corner of a well pad for EOG Resources, Inc. RED HILLS NORTH UNIT No. 209, from which point the northwest corner of Section 12, T-25-S, R-33-E, N.M.P.M., Lea County, New Mexico, bears N 89° 53' 46" W, 1834.9 feet and N 01° 59' 00" W, 1950.4 feet;

THENCE S 89° 53' 46" E, with the centerline of proposed road, 440.0 feet to a point in the southwest corner of a well pad for EOG Resources, Inc. RED HILLS NORTH UNIT No. 212, for the end of this road, from which point the northwest corner of said Section 12 bears N 01° 59' 00" W, 1950.4 feet and N 89° 53' 46" W, 2274.9 feet.

I hereby certify that this plat was prepared from an actual survey made on the ground and meets or exceeds all requirements for land surveys as specified by the state of New Vexico.

E. TOMPKING

SURVEYOR

Exhibit 2 PROPOSED ROAD TO SERVE RED HILLS NORTH UNIT No. 212

EOG RESOURCES INC.

440.0 feet of proposed road in Section 12, T-25-S, R-33-E, N.M.P.M., Lea County, New Mexico

WEST TEXAS CONSULTANTS, INC.

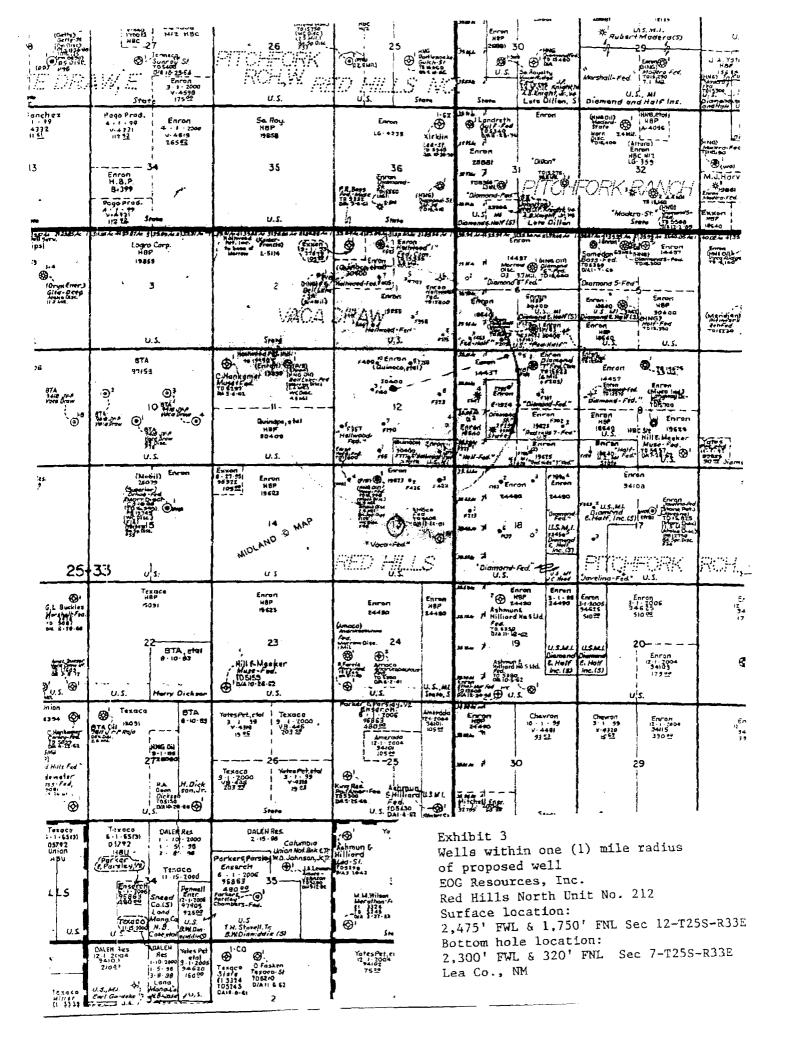
ENGINEERS-PLANNERS-SURVEYORS MIDLAND, TEXAS Survey Date: 10-19-00 Date: 10-20-00 Scale: 1" = 1000" WTC No.: 46048 Drawn By: JWD

Sheet 1

of 2

JAMES E. TOMPKINS

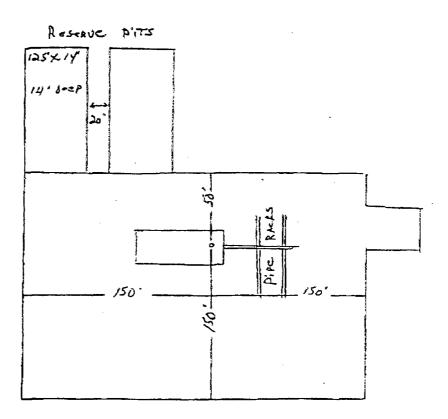
Registered Professional Surveyo New Mexico Certificate No. 14729



EOG Resources, Inc.

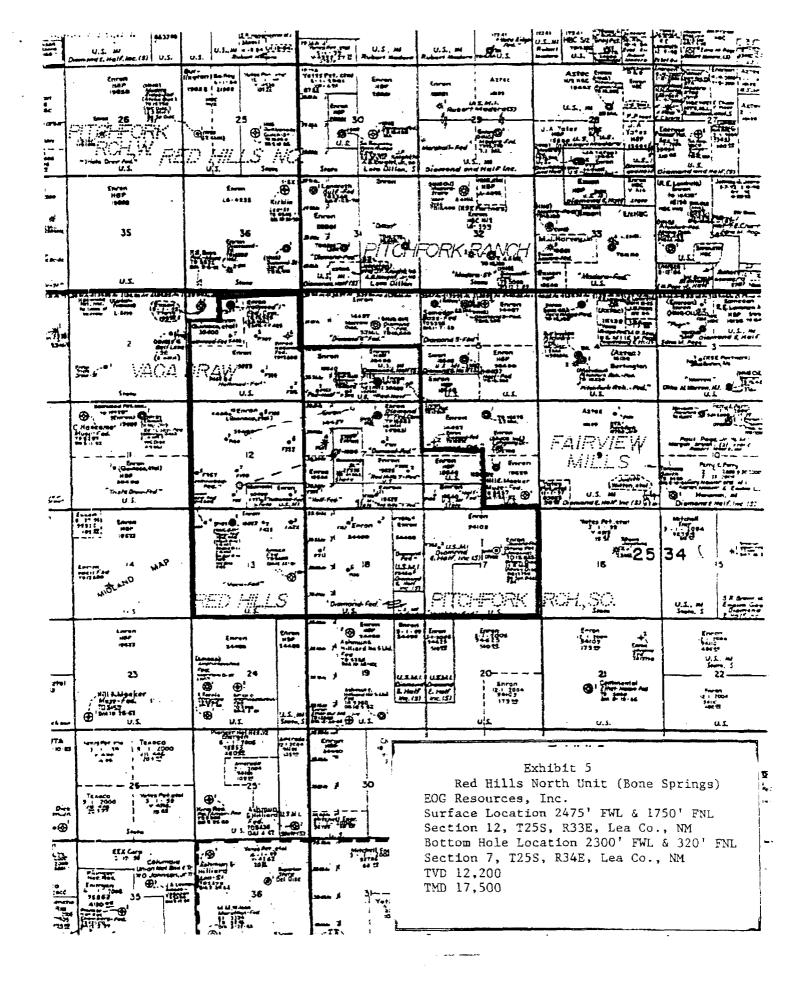
Red_Hills North Unit No. 212

Lea County, NM



200'x 300' well pad No Scale

EXHIBIT #4



Statement Accepting Responsibility For Operations

Operator Name:

EOG Resources, Inc.

Street or Box:

P.O. Box 2267

City, State:

Midland, TX

Zip Code:

79702

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion therof, as described below:

Lease No.:

NM18640

Legal Description of Land: Section 12, T25S, R33E, NMPM

Lea Co., NM

Formation(s) (if applicable):

Bond Coverage: (State If individually bonded or another's bond)

Individually

BLM Bond File No.: NM2308 with endorsement to State of NM

Authorized Signature:

Title: Agent

Date: 11/6/2000

SPECIAL DRILLING STIPULATIONS

THE FOLLOWING DATA IS REQUIRED ON THE WELL SIGN

() Other.

.)Locati	ators Name_		CES INC.		i Name & No.		TENED HORETH	UNII
-,	on <u>1750</u>	FN L & 24					<u>.</u> ,	
Lease	No. NM-14	1497-A	County	LEA	State New N	<u>Mexico</u>		
applica permiti Manag	ation to drill is tee should be jement office.	ons check marke conditioned upor familiar with the (EACH PERMITT RSUANT TO TITI	n compliance w General Requi IEE HAS THE	vith such stip rements, a c RIGHT OF	oulations in add copy of which is ADMINISTRAT	dition to the Ger s available from	neral Requireme a Bureau of La	ints. Th
	ermit is valld ever is shorte	for a period of or.	one year from	the date o	fapproval or u	ıntil lease expi	ration or termi	nation
J.	SPECIAL E	NVIRONMENT F	REQUIREMEN	TS				
		icken (stips attac (stips attached)		() Flood; () Other	olain (stips atta	ched)	÷	
11.	ON LEASE	- SURFACE REC	QUIREMENTS	PRIOR TO	DRILLING			
		itor construction 2, at least 3 work					605) 234-5972 (.	+Hobbs
(2) Ros	ids and the dri	ll pad for this wel	Il must be surfa	aced with 6	inches of comp	acted caliche.		
availab is appro	le for resurfac oximately	getation encounte ing of the disturb _ inches in depth	ed area after o . Approximate	ompletion on the cub	f the drilling op ic yards of top:	eration. Topsoi soil material will	il on the subject	location
(U)Oth	er. V~D 00	rsouth (#	lescre	1,43-40.	the east.).		
uı.		PLETION REQU						
		n Agreement cove the agreement m			ed to the well m	iust be filed for a	approval with th	e BLM.
will be resembled	reduced to a sile the original	on: If the well is a lope of 3:1 or less contours of the s n indicator (set at	s. All areas of surrounding ter	the pad not rain, and to	necessary for psoil must be re	production mus e-distributed and	st be re-contoure d re-seeded witl	ed to n a drill
(PLS), ((M) B. See	d Mixture 2 (San	dy Sites)		
()A.S	•	.oamy Sites) puteloua curtipendu robolus cryptandru	•	Sand D Sand Lo	ropseed (Sporob ovegrass (Eragos	olus cryptandrus)	1.0	

RESERVE PIT CONSTRUCTION STANDARDS

The reserve pit shall be constructed entirely in cut material and lined with 6 mil plastic.

Mineral material extracted during construction of the reserve pit may be used for development of the pad and access road as needed. Removal of any additional material on location must be purchased from BLM.

<u>Reclamation</u>: Reclamation of this type of deep pit will consist of pushing the pit walls into the pit when sufficiently dry to support track equipment. The pit liner is NOT TO BE RUPTURED to facilitate drying; a ten month period after completion of the well is allowed for drying of the pit contents.

The pit area must be contoured to the natural terrain with all contaminated drilling mud buried with at least 3 feet of clean soil. The reclaimed area will then be seeded as specified in this permit.

OPTIONAL PIT CONSTRUCTION STANDARDS

The reserve pit may be constructed in predominantly fill material if:

- (1) Lined as specified above and
- (2) A borrow/caliche/gravel pit can be constructed immediately adjacent to the reserve pit and it capable of containing all reserve pit contents. The mineral material removed in the process can be used for pad and access road construction. However, a material sales contract must be purchased from the BLM prior to removal of the material.

Reclamation of the reserve pit consists of bulldozing all reserve pit contents and contaminants into the borrow pit and covering with a minimum of 3 feet of clean soil material. The entire area must be recontoured, all trash removed, and reseeded as specified in this permit.

CULTURAL

Whether or not an archaeological survey has been completed and notwithstanding that operations are being conducted as approved, the lessee/operator/grantee shall notify the BLM immediately if previously unidentified cultural resources are observed during surface disturbing operations. From the time of the observation, the lessee/operator/grantee shall avoid operations that will result in disturbance to these cultural resources until directed to proceed by BLM.

TRASH PIT STIPS

All trash, junk, and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

CONDITIONS OF APPROVAL - DRILLING

Operator's Name:

EOG Resources, Inc.

Well Name & No.

Red Hills North Unit #212

SHL Location:

2475' FWL, 1750' FNL, Section 12, T. 25 S., R. 33 E., Lea County, New Mexico 320' FNL, 2300' FWL, Section 7, T. 25 S., R. 34 E., Lea County, New Mexico

BHL Location:

Lease:

NM-14497A

I. DRILLING OPERATIONS REQUIREMENTS:

The Bureau of Land Management (BLM) is to be notified at the BLM Hobbs Satellite Office, 414 West Taylor, Hobbs, NM 88240, (505) 393-3612 for wells in Lea County, in sufficient time for a representative to witness:

- 1. Spudding
- 2. Cementing casing: 13-3/8 inch 9-5/8 inch 7 inch 4-1/2 inch
- 3. BOP tests
- 4. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
- 5. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.
- 6. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15 day time frame.

II. CASING:

- 1. The 13-3/8 inch surface casing shall be set at approximately 1150 feet into the top of the Rustler anhydrite and cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.
- 2. The minimum required fill of cement behind the <u>9-5/8</u> Inch first Intermediate casing is to be circulated to the <u>surface</u>.
- 3. The minimum required fill of cement behind the <u>7</u> inch second intermediate casing is <u>to tie at least 200 feet</u> <u>Into the first intermediate casing</u>.
- 4. The minimum required fill of cement behind the 5 Inch production casing is to be at least 200 feet above the top of the uppermost hydrocarbon bearing interval.

III. PRESSURE CONTROL:

1. The BOP and related equipment as described in Onshore Order No. 2 shall be installed and operational before drilling below the 13-3/8 inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced. The blowout preventer assembly shall consist of a minimum of: one annular preventer, or double ram, and two ram preventers with one being blind and one being a pipe ram. Additional equipment should include an upper kelly cock valve with handle available. Safety valves and subs to fit all drill strings in use must be available on the rig floor. Any equipment failing to test satisfactority shall be repaired or replaced.

- 2. Minimum working pressure of the blowout preventer and related equipment (BOPE) below the intermediate casing shall be 5000 psi.
- 3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.
- 4. Any wells that penetrate the Wolfcamp, the BOPE shall be tested:
- The tests shall be done by an independent service company.
- The results of the test shall be reported to the appropriate BLM office.
- Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for testing is not permitted since it can mask small leaks.
- Testing must be done in a safe workman like manner. Hard line connections shall be required.

IV. DRILLING MUD:

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the <u>Wolfcamp</u> formation, and shall be used until production casing is run and cemented. Monitoring equipment shall consist of the following:

- Recording pit level indicator to indicate volume gains and losses.
- Mud measuring device for accurately determining the mud volumes necessary to fill the hole during trips.
- Flow-sensor on the flow-line to warn of abnormal mud returns from the well.

acs 11/14/00

EXHIBIT A

BLM Serial Number: NM-14497-A

Company Reference: #212 RED HILLS NORTH UNIT

STANDARD STIPULATIONS FOR PERMANENT RESOURCE ROADS

The holder/grantee/permittee shall hereafter be identified as the holder in these stipulations. The Authorized Officer is the person who approves the Application for Permit to Drill (APD) and/or Right-of-Way (ROW).

GENERAL REQUIREMENTS

The holder shall minimize disturbance to existing fences and other improvements on public domain surface. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will make a documented good-faith effort to contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence.

Holder agrees to comply with the following stipulations:

ROAD WIDTH AND GRADE

The road will have a driving surface of 14 feet (all roads shall have a minimum driving surface of 12 feet, unless local conditions dictate a different width). The maximum grade is 10 percent unless the box below is checked. Maximum width of surface disturbance from construction will be 30 feet.

/_/ Those segments of road where grade is in excess of 10% for more than 300 feet shall be designed by a professional engineer.

2. CROWNING AND DITCHING

Crowning with materials on site and ditching on one side of the road on the uphill side will be required. The road cross-section will conform to the cross section diagrams in Figure 1. If conditions dictate, ditching may be required for both sides of the road; if local conditions permit, a flat-bladed road may be considered (if these conditions exist, check the appropriate box below). The crown shall have a grade of approximately 2% (i.e., 1" crown on a 12' wide road).

Ditching will be required on both sides of the roadway as shown on the attached map or as staked in the field.

/_/ Flat-blading is authorized on segment(s) delineated on the attached map.

DRAINAGE

Drainage control shall be ensured over the entire road through the use of borrow ditches, outsloping, insloping, natural rolling topography, lead-off (turnout) ditches, culverts, and/or drainage dips.

A. All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval for lead-off ditches shall be determined according to the following table, but may be amended depending upon existing soil types and centerline road slope (in %):

SPACING INTERVAL FOR TURNOUT DITCHES

Percent	slope	Spacing	interval
0% -	4%	400'	- 150'
44 -	6%	250'	- 125'
6% -	8%	200'	- 100'
8% - 3	10%	150 '	- 75'

A typical lead-off ditch has a minimum depth of 1 foot below and a berm 6 inches above natural ground level. The berm will be on the down-slope side of the lead-off ditch. The ditch end will tie into vegetation whenever possible.

For this road the spacing interval for lead-off ditches shall be at

- 400 foot intervals.

 /_/ __ foot intervals.

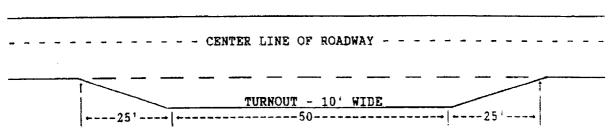
 /_/ locations staked in the field as per spacing intervals above.

 /_/ locations delineated on the attached map.
- 3. Culvert pipes shall be used for cross drains where drainage dips or low water crossings are not feasible. The minimum culvert diameter must be 18 inches. Any culvert pipe installed shall be of sufficient diameter to pass the anticipated flow of water. Culvert location and required diameter are shown on the attached map (Further details can be obtained from the Roswell District Office or the appropriate Resource Area Office).
- C. On road slopes exceeding 2%, drainage dips shall drain water into an adjacent lead-off ditch. Drainage dip location and spacing shall be determined by the formula:

Example: 4% slope: spacing interval = $\frac{400}{4}$ + 100 = 200 feet

4. TURNOUTS

Unless otherwise approved by the Authorized Officer, vehicle turnouts will be required. Turnouts will be located at 2000-foot intervals, or the turnouts will be intervisible, whichever is less. Turnouts will conform to the following diagram:



STANDARD TURNOUT - PLAN VIEW

SURFACING

Surfacing of the road or those portions identified on the attached map may, at the direction of the Authorized Officer, be required, if necessary, to maintain traffic within the right-of-way with caliche, gravel, or other surfacing material which shall be approved by the Authorized Officer. When surfacing is required, surfacing materials will be compacted to a minimum thickness of six inches with caliche material. The width of surfacing shall be no less than the driving surface. Prior to using any mineral materials from an existing or proposed Federal source, authorization must be obtained from the Authorized Officer.

6. CATTLEGUARDS

Where used, all cattleguard grids and foundation designs and construction shall meet the American Association of State Highway and Transportation Officials (AASHTO) Load Rating H-20, although AASHTO U-80 rated grids shall be required where heavy loads (exceeding H-20 loading), are anticipated (See BLM standard drawings for cattleguards). Cattleguard grid length shall not be less than 8 feet and width of not less than 14 feet. A wire gate (16-foot minimum width) will be provided on one side of the cattleguard unless requested otherwise by the surface user.

7. MAINTENANCE

The holder shall maintain the road in a safe, usable condition. A maintenance program shall include, but not be limited to blading, ditching, culvert installation, culvert cleaning, drainage installation, cattleguard maintenance, and surfacing.

8. PUBLIC ACCESS

Public access along this road will not be restricted by the holder without specific written approval being granted by the Authorized Officer. Gates or cattleguards on public lands will not be locked or closed to public use unless closure is specifically determined to be necessary and is authorized in writing by the Authorized Officer.

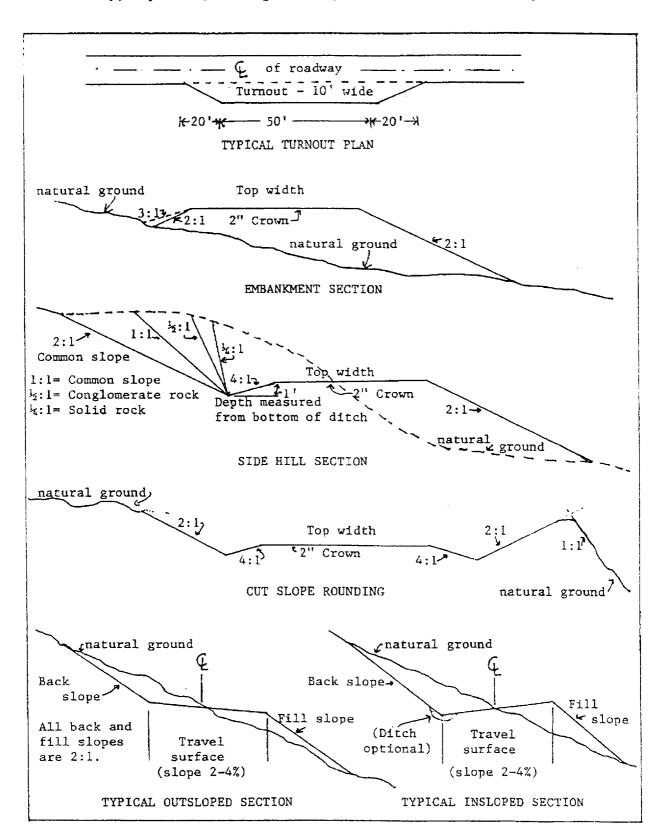
9. CULTURAL RESOURCES

Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the authorized officer. The holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the authorized officer after consulting with the holder.

10. SPECIAL STIPULATIONS: Long.

FIGURE 1: CROSS-SECTIONS AND PLANS FOR TYPICAL ROAD CONSTRUCTION REPRESENTATIVE OF BLM RESOURCE, AND HIGHER CLASS, ROADS.

(Travel way, top width, driving surface, and travel surface are synonomous.)



UNIT NAME: RED HILLS NORTH UNIT OPERATOR: EOG RESOURCES

COUNTY: LEA

EFFECTIVE 07/01/2000	DATE APPROVED
CASE NO. 12329 CASE NO. 12399 ORDER NO. R-11388 ORDER NO. R-11389	OCC CASE NO.
3,555.84	TOTAL ACREAGE
80.00	STATE
3,475.84	FEDERAL
0	INDIAN FEE
MODIFIED	SEGREGATION CLAUSE
SO LONG AS	TERM

APPROVALS

OCD--05-26-2000 SLO--06-20-2000

BLM--06-20-2000

TOWNSHIP 25 SOUTH, RANGE 33 EAST

SECTION 1: LOTS 2, 3, SW/4NE/4, SE/4NW/4, S/2

SECTION 12: ALL SECTION 13: N/2, E/2SE/4

TOWNSHIP 25 SOUTH, RANGE 34 EAST

SECTION 6: LOTS 6, 7, E/2SW/4, W/2SE/4, SECTION 7: LOTS, 1, 2, 3, 4, E/2, E/2W/2 SECTION 8: W/2SW/4 SECTION 17: W/2, SW/4NE/4, W/2SE/4

SECTION 18: LOTS 1, 2,3, 4, E/2, E/2W/2

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MM- 30400	6_ ② 78	5	4	3
(5) NM-19859	NM- 30400 NM-18640-A			
7 <u>9</u> 12	NM-14497-A 9 NM-19625 STATE 2	2 NM 18540-A	9	11
NM-30400	(2) NM-18640-A	<u></u>		
3 NM-19623 13	® 18	17 8	16 _{25\$}	1:
	NM-24490	NM-94108	34E	i
24	19	20	21	2
25	30	29	28	2

RED HILLS NORTH EXHIBIT "A"

 Federal
 3475.84

 State
 80.00

 Total
 3555.84

 Unit Outline
 - - -

O Tract Numbers as Listed on Exhibit "B"

Seogresources

Exhibit "B"

Schedule Showing All Lands and Leases Within the Red Hills North Unit Lea County, New Mexico

Section 7: Lots 1 & 2, NE/4, NE/4 NW/4 Township 25 South, Range 34 East Section 6: Lots 6, 7, E/2 SW/4 Section 7: Lots 3, 4, SE/4 SW/4 Section 8: W/2 SW/4	1 Township 25 South, Range 34 East	Tract No. Description of Lands
279.05 358.41		Total Acres
HBP HBP	NM 14497 A	Serial Number and Expiration Date
12.50% USA 12.50%	USA . 3-1	Basic Royalty Owne and Percentage
· · · · · · · · · · · · · · · · · · ·	EOG Resources, Inc	
100% Trust Robert N. Enfield 5 1 0,25000000% Roden Participants Ltd. Sunshine Company Ann Hutchinson Krull O,250000000% 4 - 6 10 - 10 - 20 - 20 - 20 - 20 - 20 - 20 -	EOG Resources, Inc. Alan Jochimsen 4-1-200% Ben B. Hutchinson Estate 4-4-4-0	Overriding Royalty and Percentage
0.25000000% Roden Participants 1.025000000% EOG Resources, I 1.00000000% 4-6 12000 0.250000000% 4-6 12000 0.50000000% 4-10 1000 0.50000000% 4-10 1000 0.50000000% 4-10 1000 0.500000000% 3-1-1-000 0.12500000% BOG Resources, I 0.30555600% Roden Participants 0.30555700% 3-14-1000 0.30555700% 3-14-1000 0.21870000% 5-10-1000 0.32555700% 3-11-1000 0.32500000% 3-11-1000 0.32555700% 3-11-1000 0.32500000% 3-11-1000	0.66666700% R ate 4-4-4-6-6-7	and Percentage
	0.66666700% Roden Associates Ltd? 0.780 (4) - キャートゥピー 0.780	Working Interest and Percentage
3.90140000% 3-1-2000 95.31830000% 3-1-200 0.78030000% 3.90140000% 95.31830000% 3-1-200	0.78030000%	age

Exhibit "B"

Schedule Showing All Lands and Leases Within the Red Hills North Unit Lea County, New Mexico

7A Township 25 South, Range 33 East Section 1: Lot 3, SE/4 NW/4 Section 12: All	6 Township 25 South, Range 34 East Section 18: Lots 1-4, E/2 and E/2 W/2	5 Township 25 South Range 33 East Section 1: Lot 2, S/2, SW/4 NE/4	4 Township 25 South, Range 34 East Section 7: SE/4	Tract No. Description of Lands 3 Township 25 South, Range 33 East Section 13: N/2, E/2 SE/4
719.89	638.56	399.93	160	Total Acres
NM 30400 HBP	NM 24490 HBP	NM 19859 HBP	NM 19625 HBP	Serial Number and Expiration Basic Royalty Owner and Percentage NM 19623 USA 3-1-4 HBP 12.50%
USA	USA	USA	USA	Basic Royalty Owr and Percentage USA عرام 12.50
7.1.20% EOG	3-1 EOC 12.50%	12.50% Ph	3.1.2.50% EOG F	
Resources, In	EOG Resources, Inc. Estelle 100% Kelly R James John G Judy K Janice Dorothy A. G. A Resour	Phillips Petro. Co. 100%	ير مر EOG Resources, Inc. Estate 100%	Lessee of Record OG Resources, In: 100%
Jarmila Vrana 1989 3	Kelly Revocable Trust James W. Haefele John G. Andrikopoulos Judy K. Andrikopoulos Janice A. Kruzich Dorothy J. Tucker Trust A. G. Andrikopoulos Resources, Inc.	Erik C. Batemen 1.56250000% Hallwood Petroleum Inc. 9.91500000% Mortimer M. Merritt 0.49997000% Roden Associates Ltd. 0.70310000% Glenda Christian Youngh 1.56250000% Roden Participants Ltd. 3.51510000% James H. Stone, Inc. 3-131250000% Michael Shearn 3-13-2-0.31210000% Chapman H. Snodgross 3-131250000% Sol West III 3-2	of Lillie M. Yate	Lessee of Record Overriding Royally and Percentage Working Interest EOG Resources, Inc. The Beveridge Company 1.87500000% EOG Resources, Inc. 100% Armadillo Prego 1.87500000% & 12.44-1-2-20
3.0000000% Ha 3.0000000% Ra 3-21-1-0 Mi	0.11718800% EOG Resources, In 0.23437500% 3-11-1-0-0 0.11718700% 3-11-1-0-0 0.05859400% 5-11-1-0-0 0.25000000% 5-11-1-0-0 0.23437500% 5-15-1-0-0 0.234375000 5-15-1-0-0-0 0.234375000 5-15-1-0-0-0 0.234375000 5-15-1-0-0-0 0.234375000 5-15-1-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0	1.56250000% Ha 0.49997000% Ro 1.56250000% Ro 1.31250000% Mi 1.31250000% Sc	2-14-100 85 6.25000000% EC	Percentage Working Inte
	0.11718800% EOG Resources, Inc. 0.23437500% 3-11 0.11718700% 3-11 0.05859400% 5-11 0.05859400% 5-11 0.25000000% 311 0.23437500% 5-15 0.23437500% 4	1.56250000% Hallwood Petroleum Inc. 0.49997000% Roden Associates Ltd. 1.56250000% Roden Participants Ltd. 1.31250900% Michael Sheam 3 17 7 13 1.31250000% Sol West III 3 13 - 14	ナイ・トゥッ 6.25000000% EOG Resources, Inc.	Working Interest and Percentage DG Resources, Inc. 100.000000
C. 9.91500000% 3 - 10 - 10 - 10 - 10 - 10 - 10 - 10 -	100.00000000% \$ -1-22-0-2	\ w	100.00000000%	d Percentage 100.00000000% } √ √ √ √ √ √ √ √
1. 10. 20.	-1-1000	1	3-1-200	6000

Exhibit "B"

Schedule Showing All Lands and Leases Within the Red Hills North Unit Lea County, New Mexico

9 Township 25 South, Range 34 East	8 Township 25 South, Range 34 East Section 17: W/2, SW/4 NE/4, W/2 SE/4 440	7B Township 25 South, Range 34 East V N Section 6: W/2 SE/4 80	Sel Tract Total and No. Description of Lands Acres
W NME 1924 2 S 80 6/10/58	NM 94108 U HBP	NM 30400 USA	Serial Number and Expiration (Date
3-1-200 ○ NM E 1924 2 State of New Mexico EOG Resources, Inc. 6/10/58 12.50% 100%	タートコセロ い USA EOG Resources, Inc. 12.50% 100%	3 -1 -2 6 0 0 EOG Resources, Inc. 12.50% 100%	Serial Number and Expiration Basic Royalty Owner Date and Percentage Lessee of Record
		89 3- Trust	Overriding Royalty and Percentage
Roden Associates Ltd. Roden Participants Ltd. EOG Resources, Inc.	EOG Resources, Inc.	23 - 2.00 O 0.30000000% Roden Associates Ltd. 0.30000000% Roden Participants Ltd. EOG Resources, Inc.	Working Interest and Percentage
・3-20-200 td. 0.7803000%・ Ltd. 3.90140000% 3-シウン000 c. 95.31830000% 3-1-200	100.00000000% 3 - 1-2000	3-20 -ఎ00 ల ates Ltd. 0.78030000% 5-20-20లు es, Inc. 95.31840000% నె-1-ఎంల	nd Percentage

Recapitulation

3475.84	80
3475.84 Acres of Bureau of Land Management Lands	80 Acres of State of New Mexico Lands
٠,	

3555.84 Total Unit Acres

2.249829% 97.750171%

Red Hilfs North Ut LDC Waterflood UT carr 6-16-00.xls

NEW MEXICO STATE LAND OFFICE OIL GAS AND MINERALS DIVISION
RAY POWELL, M.S. D.V.M. COMMISSIONER OF PUBLIC LANDS POST OFFICE BOX 1148 SANTAFE, NEW MEXICO
87604
FAX: (505) 827-5744
FACSIMIE MESSAGE COVERSIBLE
DATE: 8-10-2000
TO: ROY JOHNSON
FIRM: NMOCL
FAX NUMBER: 827-8/77
FROM: PETE MANTINEZ
SUBJECTMESSAGE: UNIT TRACT PARTICIPATION
for RED HILLS NONTH (BS) UNIT
NUMBER OF PAGES THIS TRANSMISSION INCLUDING THIS COVER
2
IF YOU DO NOT RECEIVE ALL OF THIS TRANSMISSION PLEASE CALL:
RETE MANTINEZ 827-5791

para 1000 THO 10029 AM MINERAL RESOURCED THE COURS NO. 50082. Incl

Exhibit 'C'

Red Hills North (Bone Spring) Unit Tract Participation

	Tract Par	ticipation for Unit P	arameters	Tract Participation in Unit Based on Formula
Tract	Rem. Prim. Prod. (a)	June/July '99 Prod. (b)	Net Acre-Ft. (c)	1/3a + 1/3b + 1/3c
Tract 1	0.09974461	0.10277577	0.07794363	0.09348800
Tract 2	0 13604230	0.10848436	0.13156166	0.1253 6 277
Tract 3	0.05903063	0.06582912	0.07485770	0.06657248
Tract 4	0.04971111	0.05888969	0.05933064	0.05597715
Tract 5	0.11901635	0.11956199	0.08593490	0.10817108
Tract 6	0.15367646	0.16344807	0.17711445	0.16474633
Tract 7A	0.27997336	0.30276728	0.30644542	0.29639536
Tract 7B	0.00861499	0.00621790	0.01921108	0.01134799
Tract 8	0.05638583	0.03845338	0.02974557	0.04152826
Tract 9	0.03780436	0.03357243	0.03785494	0.03641058
TOTALS	1.00000000	1.00000000	1.00000000	1.0000000



June 16, 2000

ล้า**นี้ ก็**อธิกรายลา (คน) การ การ

19

Mr. Michael E. Stogner New Mexico Oil Conservation Division 2040 South Pacheco Santa Fe, New Mexico 87505

RE: Application for Unit Approval

Red Hills North Unit Lea County, New Mexico

Dear Mr. Stogner:

The Mexico State Land Office has requested a change to Exhibit "B" of the Unit Agreement to show EOG Resources, Inc. as Lessee of Record for State Lease No. E-1924-2.

Please replace Exhibit "B" of the Unit Agreement sent to you on June 14, 2000, with the corrected copy being furnished to you with this letter.

Should there be any questions or comments, please do not hesitate to contact the undersigned at (915) 686-3730.

Sincerely,

EOG RESOURCES, INC.

Larry D. Cunningham Project Landman

Exhibit "B" Schedule Showing All Lands and Leases Within the Red Hills North Unit

Lea County, New Mexico

Section 7: Lots 1 & 2, NE/4, NE/4 NW/4

1 Township 25 South, Range 34 East

No. Description of Lands

ıtage	0.78030000%	3.90140000%	95.31830000%									/9000000 C	0200000	3.90140000%	95.31830000%																			
Percer	0.78	3.90	95.31									1	0.70	3.90	95.31																			
Working Interest and Percentage	0.66666700% Roden Associates Ltd.	0.25000000% Roden Participants Ltd.	0.25000000% EOG Resources, Inc.					.0	.0	.0		CHI COMPLETE A SERVEL AGOUTHOUSE OF	Nodell Associates Lid.	0.30555600% Roden Participants Ltd.	6 EOG Resources, Inc.		.0	.0								.0	.0				.0			.0
Percentage	0.66666700%	0.25000000%	0.250000000%	1.00000000%	0.25000000%	0.25000000%	1	0.500000000.0	0.50000000%	0.33333300%	0.60000000	80010000	0.0000001007	0.30555600%	0.12500000%	0.30555700%	0.40635000%	0.30555700%	0.21870000%		0.30555600%		0.25000000%	0.25000000%	0.12500000%	0.30555700%	0.12500000%	0.32812500%	0.32812500%	0.91666000%	0.20370500%	0.21870000%	0.12500000%	0.43518500%
Overriding Royalty and Percentage	. Alan Jochimsen Ben B. Hutchinson Estate	Trust	Robert N. Enfield	Sunshine Company	Ann Hutchinson Krull	Mona L. Coffield	Bryan Bell Family Limited	Partnership #1 Marilvn J. Clifford	Individual Retirement	States Inc.	EOG Resources, Inc.		. Alan Journalsen	Barbara Ann Woods	Boley B. Embrey	Danielle Hannifin	Edward R. Hudson, Jr.	Holly Schertz	Josephine T. Hudson	Kathleen Hannifin Bullard	Estate	Shanee Oil Company,	lnc.	David L.Schmidt	David H. Pace	Barbara E. Hannifin	Bob Bales	Lindy's Living Trust	Delmar H. Lewis	Roxy A. Burkfield	Monty D. McLane	Mary Hudson Ard	Rhonda Pace	States Inc.
Lessee of Record	EOG Resources, Inc. Alan Jochimsen Ben B. Hufchins	100%										secondary and A secondary CO	EOG Nesodices, IIIC	100%																				
Serial Number and Expiration Basic Royalty Owner Date and Percentage		12.50%												12.50%																				
Basic	USA											9																						
Serial Number and Expiration Date	NM 14497 A	НВР										A 400.40	C Ottool Inini	HBP																				
Total Acres		279.05												358.41																				

2 Township 25 South, Range 34 East

Section 6: Lots 6, 7, E/2 SW/4
Section 7: Lots 3, 4, SE/4 SW/4
Section 8: W/2 SW/4

Exhibit "B" Schedule Showing All Lands and Leases Within the Red Hills North Unit Lea County, New Mexico

			Lea	Lea County, New Mexico			
	ŀ	Serial Number	1				
Fract No Description of Lands	l otal Acres	and Expiration Date	Basic Royalty Owner and Percentage	vner le Lessee of Record	Overriding Royalty and Percentage	Derrentage Morking Interest and Percentage	4 Dercentage
3 Township 25 South, Range 33 East		NM 19623	USA		EOG Resources, Inc. The Beveridge Company	% EOG Resources, Inc.	100.00000000%
Section 13: N/2, E/2 SE/4	400	НВР	12.50%		Armadillo Prego Bravo-I LLC	1.87500000% 3.75000000%	
4 Township 25 South, Range 34 East	ı	NM 19625	USA	EOG Resources, Inc	EOG Resources, Inc. Estate of Lillie M. Yates	6.25000000% EOG Resources, Inc.	100.00000000%
Section 7: SE/4	160	НВР	12.50%	100% 100%			
5 Township 25 South Range 33 East	ı	NM 19859	USA	Phillips Petro. Co.	Erik C. Batemen	1.56250000% Hallwood Petroleum Inc.	9.91500000%
Section 1: Lot 2, S/2, SW/4 NE/4	399.93	НВР	12.5	12.50% 100%	Mortimer M. Merritt Glenda Christian Young James H. Stone, Inc. Chapman H. Snodgross	0.49997000% Roden Associates Ltd. 1.56250000% Roden Participants Ltd. 1.31250000% Sol West III EOG Resouces, Inc.	0.70310000% 3.51510000% 0.31210000% 1.24850000% 84.30620000%
6 Township 25 South, Range 34 East		NM 24490	USA	EOG Resources, Inc. Estelle C. Haefele	: Estelle C. Haefele	0.11718800% EOG Resources, Inc.	100.00000000%
	638.56		12.50%		Kelly Revocable Trust James W. Haefele John G. Andrikopoulos Judy K. Andrikopoulos Janice A. Kruzich Dorothy J. Tucker Trust A. G. Andrikopoulos Resources, Inc.	0.23437500% 0.11718700% 0.05859400% 0.25000000% 0.23437500% 3.92968700%	
7A Township 25 South, Range 33 East Section 1: Lot 3, SE/4 NW/4 Section 12: All	719.89	NM 30400 HBP	USA 12.5	Jarmila Vrana 19 EOG Resources, Inc. Revocable Trust 12.50% 100% Serba Revocable	Jarmila Vrana 1989 Serba Revocable Trust Serba Revocable Trust A	3.00000000% Hallwood Petroleum Inc. 3.00000000% Roden Associates Ltd. Roden Participants Ltd. Michael Shearn Sol West III EOG Resouces, Inc.	9.91500000% 0.70310000% 3.51510000% 0.31210000% 1.24850000% 84.30620000%

Exhibit "B" Schedule Showing All Lands and Leases Within the Red Hills North Unit Lea County, New Mexico

		Serial Number						
Tract No. Description of Lands	l otal Acres	l otal and Expiration 4cres Date	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royalty and Percentage	Percentage	Working Interest and Percentage	l Percentage
7B Township 25 South, Range 34 East Section 6: W/2 SE/4	. 80	NM 30400 HBP	USA 12.50%	Jarmila Vrana 19 EOG Resources, Inc. Revocable Trust 100% Serba Revocable	Jarmila Vrana 1989 Revocable Trust Serba Revocable Trust	0.30000000% R ₁ 0.30000000 R E	0.30000000% Roden Associates Ltd. 0.30000000% Roden Participants Ltd. EOG Resources, Inc.	0.78030000% 3.90140000% 95.31840000%
8 Township 25 South, Range 34 East Section 17: W/2, SW/4 NE/4, W/2 SE/4	440	NM 94108 HBP	USA 12.50%	EOG Resources, Inc. 100%		Ш	EOG Resources, Inc.	100.0000000%
9 Township 25 South, Range 34 East Section 7: NE/4 SW/4, SE/4 NW/4	. 80	NM E 1924 2 6/10/58	State of New Mexico 12.50%	State of New Mexico EOG Resources, Inc. 12.50% 100%		<u> </u>	Roden Associates Ltd. Roden Participants Ltd. EOG Resources, Inc.	0.78030000% 3.90140000% 95.31830000%

Recapitulation

2.249829% 97.750171%	100.00000%
80 Acres of State of New Mexico Lands 3475.84 Acres of Bureau of Land Management Lands	3555.84 Total Unit Acres



Interoffice Memorandum

To:

Myron Hoffman

Houston

AC558

From:

Karen Cook

Department:

Land - Midland

Subject:

Red Hills North Unit

Date:

06/16/00

K0012678

We received a letter from the New Mexico State Land Office requesting that we make a change to Exhibit "B" of the Unit Agreement for the captioned unit for State Lease No. E-1924-2 to show Lessee of Record as EOG Resources, Inc.

Please replace Exhibit "B of the Unit Agreement for Development and Operation of the Red Hills North Unit sent to you on 6/14/00 with the enclosed corrected Exhibit "B" enclosed.

Karen

0.12500000% 0.43518500%

Rhonda Pace States Inc.

Exhibit "B"

Schedule Showing All Lands and Leases Within the Red Hills North Unit Lea County, New Mexico

			Lea O	Lea County, New Mexico				
		Serial Number						
Tract	Total	and Expiration	Basic Royalty Owner					
No. Description of Lands	Acres	Date	and Percentage	Lessee of Record	Overriding Royalty and Percentage	Percentage Working Interest and Percentage	est and Perc	entage
1 Township 25 South, Range 34 East		NM 14497 A	USA	EOG Resources, Inc. Alan Jochimsen	Alan Jochimsen	0.66666700% Roden Associates Ltd.		0.78030000%
Section 7: Lots 1 & 2, NE/4, NE/4 NW/4	279.05	HBP	12.50%	100%	Ben B. Hutchinson Estate Trust	0.25000000% Roden Participants Ltd.		3.90140000%
					Robert N. Enfield	0.25000000% EOG Resources, Inc.	6	95.31830000%
					Sunshine Company	1.00000000%		
					Ann Hutchinson Krull	0.25000000%		
					Mona L. Coffield	0.25000000%		
					Bryan Bell Family Limited Partnership #1	0.50000000%		
					Marilyn J. Clifford Individual Retirement	0.5000000%		
					Ctotos las	0.3333300%		
					States Inc. EOG Resources, Inc.	0.60000000%		
2 Township 25 South, Range 34 East		NM 18640 A	USA	EOG Resources, Inc. Alan Jochimsen	Alan Jochimsen	0.66666700% Roden Associates Ltd.		0.78030000%
Section 6: Lots 6, 7, E/2 SW/4	358.41	НВР	12.50%	400%	Barbara Ann Woods	0.30555600% Roden Participants Ltd.		3.90140000%
Section 7: Lots 3, 4, SE/4 SW/4					Boley B. Embrey	0.12500000% EOG Resources, Inc.		95.31830000%
Section 8: W/2 SW/4					Danielle Hannifin	0.30555700%		
					Edward R. Hudson, Jr.	0.40635000%		
					Holly Schertz	0.30555700%		
					Josephine T. Hudson	0.21870000%		
					Kathleen Hannifin Bullard			
					Estate	0.30555600%		
					Shanee Oil Company,			
					Inc.	0.25000000%		
					David L.Schmidt	0.25000000%		
					David H. Pace	0.12500000%		
					Barbara E. Hannifin	0.30555700%		
					Bob Bales	0.12500000%		
					Lindy's Living Trust	0.32812500%		
					Delmar H. Lewis	0.32812500%		
					Roxy A. Burkfield	0.91666000%		
					Monty D. McLane	0.20370500%		
					Mary Hudson Ard	0.21870000%		

Exhibit "B"

Schedule Showing All Lands and Leases Within the Red Hills North Unit Lea County, New Mexico

Tract		Total	Serial Number and Expiration	1	Basic Royalty Owner				
No.	Description of Lands	Acres	Date	and Pe	and Percentage	Lessee of Record	Overriding Royalty and Percentage		Working Interest and Percentage
m	Township 25 South, Range 33 East Section 13: N/2, E/2 SE/4	400	NM 19623 HBP	USA	12.50%	EOG Resources, Inc. 100%	EOG Resources, Inc. The Beveridge Company 100% Armadillo Prego Bravo-I LLC	1.85700000% EOG Resources, Inc. 1.87500000% 3.75000000%	100.0000000%
4	Township 25 South, Range 34 East Section 7: SE/4	160	NM 19625 HBP	USA	12.50%	EOG Resources, Inc. 100%	EOG Resources, Inc. Estate of Lillie M. Yates 100%	6.25000000% EOG Resources, Inc.	. 100.0000000%
ro I	Township 25 South Range 33 East Section 1: Lot 2, S/2, SW/4 NE/4	399.93	NM 19859 HBP	USA	12.50%	Phillips Petro. Co. 100%	Erik C. Batemen Mortimer M. Merritt Glenda Christian Young James H. Stone, Inc. Chapman H. Snodgross	1.56250000% Hallwood Petroleum Inc. 0.49997000% Roden Associates Ltd. 1.56250000% Roden Participants Ltd. 1.31250000% Michael Shearn 1.31250000% Sol West III EOG Resouces, Inc.	Inc. 9.91500000% d. 0.70310000% .td. 3.51510000% 0.31210000% 1.24850000% 84.30620000%
φ	Township 25 South, Range 34 East Section 18: Lots 1-4, E/2 and E/2 W/2	638.56	NM 24490 HBP	USA	12.50%	EOG Resources, Inc. Estelle C. Haefele 100% Kelly Revocable T James W. Haefele John G. Andrikopo Judy K. Andrikopo Janice A. Kruzich Dorothy J. Tucker A. G. Andrikopoulc	Estelle C. Haefele Kelly Revocable Trust James W. Haefele John G. Andrikopoulos Judy K. Andrikopoulos Janice A. Kruzich Dorothy J. Tucker Trust A. G. Andrikopoulos Resources, Inc.	0.11718800% EOG Resources, Inc. 0.23437500% 0.11718700% 0.05859400% 0.25000000% 0.25437500% 3.92968700%	100.00000000%
₹	7A Township 25 South, Range 33 East Section 1: Lot 3, SE/4 NW/4 Section 12: All	719.89	NM 30400 HBP	USA	12.50%	Jarmila Vrana 19 EOG Resources, Inc. Revocable Trust 100% Serba Revocable	Jarmila Vrana 1989 Revocable Trust Serba Revocable Trust A	3.00000000% Hallwood Petroleum Inc. 3.00000000% Roden Associates Ltd. Roden Participants Ltd. Michael Shearn Sol West III EOG Resouces, Inc.	Inc. 9.91500000% d. 0.70310000% td. 3.51510000% 0.31210000% 1.24850000% 84.30620000%

Exhibit "B"

Schedule Showing All Lands and Leases Within the Red Hills North Unit Lea County, New Mexico

		Serial Number					
Tract	Total	and Expiration	Basic Royalty Owner				
No. Description of Lands	Acres	Date	and Percentage	Lessee of Record	Overriding Royalty and Percentage	tage Working Interest and Percentage	nd Percentage
7B Township 25 South, Range 34 East		NM 30400	USA	Jarmila Vrana 19 EOG Resources, Inc. Revocable Trust	68	0.30000000% Roden Associates Ltd.	0.78030000%
Section 6: W/2 SE/4	80	НВР	12.50%	100%	Serba Revocable Trust 0.3000	0.3000000% Roden Participants Ltd. EOG Resources, Inc.	3.90140000% 95.31840000%
8 Township 25 South Range 34 East		NM 94108	USA	EOG Resources. Inc.		EOG Resources. Inc.	100.0000000%
	440		12.50%	100%			
9 Township 25 South, Range 34 East		NM E 1924 2		State of New Mexico EOG Resources, Inc.		Roden Associates Ltd.	0.78030000%
Section 7: NE/4 SW/4, SE/4 NW/4	. 80	6/10/58	12.50%	100%		Roden Participants Ltd.	3.90140000%
						EOG Resources, Inc.	95.31830000%

Recapitulation

2.249829% 97.750171%	100.00000%
80 Acres of State of New Mexico Lands 3475.84 Acres of Bureau of Land Management Lands	3555.84 Total Unit Acres



POS Ruse word for a

June 15, 2000

Mr. Michael E. Stogner
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe. New Mexico 87505

RE: NMOCD Case No. 12329

Order No. R-11388
Red Hills North Unit
Lea County, New Mexico

Dear Mr. Stogner:

Reference is made to the captioned case and the approval of EOG Resources, Inc.'s (EOGR) application. Pursuant to that order dated May 25, 2000, please find enclosed the following items:

- (1) Copy of completely executed Unit Agreement. This agreement has been corrected as to Exhibits "A" and "B" as directed by the State Land Office and Bureau of Land Management.
- (2) An Initial Plan of Operations as required by the agreement and the captioned order.
- (3) A list of unit wells showing the old well names/numbers and the new well names/numbers as required by all parties.

The above described items have been furnished to the Bureau of Land Management and the New Mexico State Land Office for their final approval. Division Case No. 12399, which was consolidated with the captioned case, for the pilot injection project is ready to begin subject to EOGR receiving NMOCD's order approving same.

Mr. Michael E. Stogner New Mexico Oil Conservation Division June 15, 2000 Page 2

The Examiner's time, consideration and rapid approval of this application has been greatly appreciated by EOGR. Should there be any questions or comments, please do not hesitate to contact the undersigned at (915) 686-3730.

Sincerely,

EOG RESOURCES, INC.

LangCon

Larry D. Cunningham Project Landman

enclosures

STATE/FEDERAL/FEE WATERFLOOD UNIT

UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE

Red Hills North		_ UNIT AREA
Lea	_ COUNTY,	NEW MEKICO
NO.	·	•

3300

UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE

Red Hills North COUNTY NEW YEST

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UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE Red Hills North Unit UNIT Lea COUNTY, NEW MEXICO

	THIS	AGREEMENT,	entered	into 1s	of	the	1 st	day	oř	March .	20 00	ъy	and	Denvesh	ne	parties
subscabini	· mar	ving, or consenua	ig hereto.	and her	ein	rete	erred to as t	ne ibardes	hereto.							,

WITNESSETH:

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

WHERAS, the Mineral Leasing Act of February 25, 1920, 41 Stat. 437, as amended, 30 U.S.C. Sec. (3) et seq., authorizes Federal, lessees and their representatives to unite with each other, or jointly or separately with others, in sollectively adopting and spenting 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 property conserving the natural resources thereof whenever determined and serviced by the Secretary of the Interior to be necessary or advisable in the queric interior, and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature. Section Chapter 38, Laws 1943, as amended by Section 1 of Chapter 176, Laws of 1961) (Chapter 19, Article 10, Section 45, New Mexico State 1975, Annotated), to consent to and approve the development or operation of State lands under agreements made by lessees of State land prints of severally with other lessees where such agreements provide for the unit operation or development of part of or all of any oil or gas book made area; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature Section Chapter 38, Laws 1943, as amended by Section 1, Chapter 162, Laws of 1951) (Chapter 19, Article 19, Section 47, New Mexico Dianue 7, Annotated) to amend with the approval of lessee, evidenced by the lessee's execution of such agreement or otherwise, any on and gas after empracing State lands so that the length of the term of said lease may coincide with the term of such agreements for the unit operation and development of part or all of any oil or gas pool, field or area; and

WHEREAS, the Oil Conservation Division of the State of New Mexico (hereinatter referred to its the "Division" is authorized by an Act of the Legislature (Chapter 72, Laws of 1935 as amended) (Chapter 70, Amide 2, Section 2 et seq., New Mexico Statutes 1973, Annualed) to approve this Agreement and the conservation provisions hereof; and

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

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

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

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

SECTION 1. <u>ENABLING ACT AND REGULATIONS</u>. The Mineral Leasing Act of February 25, 1920, is amended and all valid perturent regulations, including operating and unit plan regulations, deretofore issued increased in raid, network and regulations hereafter issued differented are accepted and made a part of this Agreement as to Federal lands, provided lach regulations are not inconsistent with the terms of this Agreement, and as to non-Federal lands, the oil and gas operating regulations in effect lack in the Bifetine Date mereof governing Initing and producing operations, not inconsistent with the terms needed or the laws of the state of which the state of which the state of which the state of which the state of the state of which the state of the state of which the state of the state of which the state of the state of which the state of the state of which the state of the state of which the state of the

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

	Township 25 So	uth , Range 33	B East, N.M.P.M.
	Section:	12	
	Section	13	N/2, E/2 SE/4
Ber. 1/92	Section:	1	Lots 2, 3, SE/4 NW/4, SW//4 NE.4 S.2
5.0 / / 32	Township 25 So	uth, Range 34	East, N.M.P.M.
	Section:	18	
	Section .	17	W/2, SW/4 NE/4 W/2 SE 4
	Section:	7	
	Section	6	SW/4, W/2 SE/4
	Section	8	WIZ SWI4

- (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 3,555.84 acres, more or less, in Lea County, New Mexico.
- (b) "Land Commissioner", is defined as the Commissioner of Public Lands of the State of New Mexico.
- (c) "Division" is defined as the Oil Conservation Division of the Department of Energy and Minerals of the State of New Mexico.
- (d) "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.
- (e) "Secretary" is defined as the Secretary of the Interior of the United States of America, or his duly authorized delegate.
- (f) "Department" is defined as the Department of the Interior of the United States of America.
- (g) "Proper BLM Office" is defined as the Bureau of Land Management office having jurisdiction over the federal lands included in the Unit Area.
- (h) "Unitized Formation" shall mean that interval underlying the Unit Area, the vertical limits of which extend from an upper limit described as at the top of the Third Bone Spring Sand, to a lower limit at the base of the Third Bone Spring Sand; the geologic markers having been previously found to occur at 12,233 feet and 12,408 feet, respectively, in EOG Resources Inc.'s Hallwood "12" Federal No. 6 well (located 660 feet FEL and 1,980 feet FNL of Section 12, T-25-S, R-33-E, Lea County, New Mexico) as recorded on the EOG Resources, Inc.'s Hallwood "12" Federal No. 6 Atlas Wireline Service Compensated Density Neutron Log run on June 25, 1994, said log being measured from a kelly drive bushing elevation of 3,430 feet above sea level.
- (i) "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.
- (j) "Tract" is each parcel of land described as such and given a Tract number in Exhibit "B"
- (k) "Tract Participation" is defined as the percentage of participation shown on Exhibit "B" for allocating Unitized Substances to a Tract under this agreement.
- (1) "Unit Participation" is the sum of the percentages obtained by multiplying the Working Interest of a Working Interest Owner in each Tract by the Tract Participation of such Tract.
- "Working Interest" is the right to search for, produce and acquire Unitized Substances whether held as an incident of ownership of immeral fee simple title, under an oil and gas lease, operating agreement, or otherwise held, which interest is chargeable with and obligated to pay or bear, either in cash or out of production, or otherwise, all or a portion of the cost of drilling, developing and producing the Unitized Substances from the Unitized Formation and operations thereof hereunder. Provided that any royalty interest created out of a working interest subsequent to the execution of this Agreement by the owner of the working interest shall continue to be subject to such working interest burdens and obligations.
- (a) "Working Interest Owner" is any party hereto owning a Working Interest, including a carried working interest owner, holding an interest in Unitized Substances by virtue of a lease, operating agreement, fee title or otherwise. The owner of oil and gas rights that are free of lease or other instrument creating a Working Interest in another shall be regarded as a Working Interest Owner to the extent of seven-eighths (7/8) of his interest in Unitized Substances, and as a Royalty Owner with respect to his remaining one-eighth (1/8) interest therein.
- (ii) "Royalty Interest" or "Royalty" is an interest other than a Working Interest in or right to receive a portion of the Unitized Substances or the proceeds thereof and includes the royalty interest reserved by the lessor or by an oil and gas lease and any overriding royalty interest, oil payment interest, net profit contracts, or any other payment or burden which does not carry with it the right to search for and produce unitized substances.
- (p) "Royalty Owner" is the owner of a Royalty Interest.
- (q) "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. Red Hills North Unit, Lea County, New Mexico.

- (r) "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.
- (s) "Outside Substances" is any substance obtained from any source other than the Unitized Formation and injected into the Unitized Formation.
- (t) "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.
- (u) "Unit Operator" is the party designated by Working Interest Owners under the Unit Operating Agreement to conduct Unit Operations.
- (v) "Unit Operations" is any operation conducted pursuant to this Agreement and the Unit Operating Agreement.
- (w) "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.
- (x) "Unit Expense" is all cost, expense, or indebtedness incurred by Working Interest Dwners or Unit Operation pursuant to this Agreement and the Unit Operating Agreement for or on account of Unit Operations.
- (v) "Effective Date" is the date determined in accordance with Section 24, or is re-determined in accordance with Section 30
- EXHIBITS. The following exhibits are incorporated herein by reference: Exhibit "A" attached hereto is a made 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 3 armohed hereto is a schedule showing, to the extent known to the Unit Operator, the acreage comprising such Tract, percentages and kind is ownerstup of oil and gas interests in all land in the Unit Area, and Tract Participation of each Tract. However, nothing perein or in said schedule in map shall be construed as a representation by any party hereto as to the ownership of any interest other man such interests or interests as are so, which said map or schedule as owned by such party. The shapes and descriptions of the respective Tracts have been instablished by using the bend information available. Each Working Interest Owner is responsible for supplying Unit Operator with locaritie information returning to each Allinguity. Interest Owner's interest. If it subsequently appears that any Tract, because of inverse royally or working interest owner, and on the Enterpre City 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 man 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 small 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 filting 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. Copies of such revision shall be filed with the Land Commissioner, and 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. <u>EXPANSION</u> The above described Unit Area may, with the approximatione A.D. and Land Immissioner, when practicable be expanded to include therein any additional Tract or Tracts regarded us reasonably necessary or advisable for the numbers of this Agreement provided, however, in such expansion there shall be no retroactive allocation or adjustment of Unit Expense or or 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 in 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 Truct proposed to be included in the unit, setting out the basis for admission, the Truct Participation to he issigned to each Tract in the entirest. Unit Area and other permient data. After negotiation fat Working Interest Owners, meeting or interest of its each times Working Interest Owners having in the aggregate seventy-five percent (75%), of the Unit Participation men in effect davie agreed to declarate such Tract or Tracts in the Unit Area, then Unit Operator shall:
 - 1. After obtaining preliminary concurrence by the A.O. and Land Commissioner, prepara a natice of the mean examining describing the contemplated changes in the boundaries of the Unit Area, the reason meretar, the hasts for Junio a of the additional Tract or Tracts, the Tract Participation to be assigned thereto and the proposed effective date meretar and

- 2. Deliver copies of said notice to Land Commissioner, the A.O. at the proper BEM Office, each Working Interest Owner and to the last known address of each lessee and lesser whose interests are affected, advising such parties that thirty 300 days will be allowed for submission to the Unit Operator of any objection to such proposed expansion; and
- 3. File, upon the expiration of said thirty (30) day period as set out in (2) immediately above with the Land Commissioner and A.O. the following: (a) evidence of mailing or delivering copies of said notice of expansion: (b) an application for approval of such expansion: (c) an instrument containing the appropriate joinders in compliance with the participation requirements of Section (4) and Section 34, infra; and (d) a copy of all objections received along with the Unit Operator's response thereto.

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

SECTION 5. <u>UNITIZED LAND.</u> All land committed to this Agreement as to the Unitized Formation shall constitute land referred to herein as "Unitized Land" or "Land subject to this Agreement". Nothing herein shall be constitued 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 1 (b) of this Agreement.

SECTION 6. <u>UNIT OPERATOR</u>. <u>FOR Pescurpos, no.</u> is derent, designated the Unit Operator, agrees and consents to accept the duties and doilgations of Unit Operator for the cheration, development, and production of Unitized Substances as nerein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator accing in that capacity and not as an owner of interests in Unitized Substances, when such interest are twiced by it and the term "Wirking Interest Owner" when used herein shall include or refer to the Unit Operator as the owner of a Working Interest when such an interest is twiced by the owner of a Working Interest when such an interest is twiced by

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

SECTION 7. RESIGNATION OR REMOVAL OF UNIT OPERATOR. Unit Operator shall have the right to resign to a second of the part of resignation shall not recome effective so as to release Unit Operator from the duties and sociations of Thir Therm is not a new Unit Operator's rights as such for a period of six (o) months after written notice of intention to resign has been given by Unit Operator. Working Interest Owners, the Land Commissioner and the A.O. unless a new Unit Operator shall have taken over and assumed the duties are obligations of Unit Operator prior to the expiration of said period.

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

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

The resignation or removal of Unit Operator under this Agreement shall not terminate its right, title or interest is the lowner of a Working Interest or other interest in Unitized Substances, but upon the resignation or removal of Unit Operator becoming effective, such Unit Operator shall deliver possession of all wells, equipment, books and records, materials, appurtenances and any other assets used in connection with the Unit Operator is 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 tereunder from in hability or duties accruing or performable by it prior to the effective date of such resignation or removal.

SECTION 3. SUCCESSOR UNIT OPERATOR. Whenever the Unit Operator shall tender its resignation is flor freeding of additional removed as dereinabove provided, the Working Interest Owners shall seteet a successor Unit Operator to tending the unit flor is selected shall accept in writing the duties and responsibilities of Unit Operator so selected shall accept in writing the duties and responsibilities of Unit Operator is used to be selection shall have been approved by the Land Commissioner and the A.O. If no successor Unit Operator is Unit Manager to a runs and it is nerein provided, the Land Commissioner and/or the A.O., at their election, may declare this Agreement reminated

In selecting a successor Unit Operator, the affirmative vote of three or more Working Interest Owners having it was in the enterior of 5.5 per more of the total Unit Participation shall prevail; provided that if any one Working Interest Owner has a Unit Participation of the horse made thirty-five percent (35%), its negative vote or failure to vote shall not be regarded as sufficient unless supported by the wire of the control of the cont

Working Interest Owners having a total Unit Participation of at least five percent (5%). If the Unit Operator who is removed votes only to pursued toelf 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%] if 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 in conducting Unit Operations hereunder shall be paid, apportioned among and borne by the Working Interest Owners in accordance with the Unit Operating Agreement. Such Unit Operating Agreement shall also provide the imanner in which the Working Interest Owners shall be entitled to receive their respective proportionate and allocated share of the benefits accruing hereto in conforming with their underlying operating agreements, leases or other contracts and such other rights and obligations as between Unit Operator and the Working Interest Owners as may be agreed upon by the Unit Operator and the Working Interest Owners; however, no such Unit Operating Agreement shall be deemed either to modify any of the terms and conditions of this Agreement or to relieve the Unit Operator of any light or obligation established under this Agreement, and in case of any inconsistency or conflict between this Agreement and the Unit Operating Agreement, this Agreement shall prevail. Copies of any Unit Operating Agreement executed pursuant to this Section shall be filed with the Land Commissioner and with the A.O. at the Proper BLM Office as required prior to approval of this Agreement.

SECTION 10. <u>RIGHTS AND OBLIGATIONS OF ENTIT OPERATOR</u>. Except is interwise 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 nereby delegated to and shall be exercised by the Unit Chemitar is herein provided. Upon reduest, acceptable evidence of ade to said rights shall be denosted with said. Unit Operator, and together with this Agreement, shall constitute and define the rights, privileges and obligations of Unit Operator. Nothing derein, newever, shall be constitued in transfer ride to any land on to any lease or operating agreement, it being understood that under this Agreement the Unit Operator. In its another, a Unit Operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes derein specified.

SECTION 11. PLAN OF OPERATIONS. It is recognized and agreed by the parties hereto that all or the land subject to the Agreement is reasonably proved to be productive of Unitized Substances and that the object and purpose of this Agreement is to formulate and to the street and improved recovery project in order to effect additional recovery of Unitized Substances, prevent waste and conserve natural recovery. One Operator shall have the right to inject into the Unitized Formation any substances for secondary recovery or enhanced recovery purposes a decordance with a plan of operation approved by the Working Interest Owners, the A.O., the Land Commissioner and the Division, recall it is required in the Unitized Formation wells on the Unitized Land and completed in the Unitized Formation, and to use analytic of the producing from the Unitized Formation for said purpose. Subject to like approval, the Plan of Operation has the revised is conditional to a conditional transfer.

The initial Plan of Operation shall be filled with the A.O., the Land Commissioner and the Division concurrency with the name 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. The Land Commissioner 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 Commissioner, 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 tiny 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 that to commence Unit Operators for the economic recovery of Unitized Substances from the Unit Area within eighteen (13) months after the effective line of this Agreement, or an invention here to approved by the A.O., this Agreement shall terminate automatically us of the date of default.

SECTION 12. <u>USE OF SURFACE AND USE OF WATER.</u> The parties to the extent of their rights and other to, terrory from a Unit Operator the right to use as much of the surface, including the water thereunder, of the Unitized Land as may reasonately 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 vince ike living in ringation of a surface owner, unless approval for occurs is granted by the surface owner.

Unit Operator shall pay the surface owner for damages to growing crops, fences, improvements and structures in the Unitage Land and result from Unit Operations, and such payments shall be considered as items at unit expense to be normally unitage. Where it is well as subject herein.

SECTION 13. TRACT PARTICIPATION. In Exhibit 181 attached herest mere are used and number at the continuous states within the Unit Area, and set form apposite each Tract are figures which represent the Tract Participation, during Unit Description of each Tract is shown in Exhibit 181 was determined in the change with the following formula:

- A = the Tract Net acre porosity -feet of the Unitized Formation as of July 31, 1999.
- B = the Unit Total Net acre porosity-feet from the Unitized Formation as of July 31, 1999.
- C = the Remaining Primary Oil Equivalent Reserves from the Unitized Formation for the Tract, beginning August 1,1999, as agreed to by the Working Interest Owners on ______
- D = the Remaining Primary Oil Reserves from the Unitized Formation for all Unit Tracts, beginning October 1, 1982, as determined by the Technical Committee on February 25, 1983.
- 5 = the amount of oil produced from the Unitized Formation by the Tract from June 1, 1999, through July 31, 1999.
- F = the amount of oil produced from the Unitized Formation by all Unit Tracts from June 1, 1999, through July 31, 1999.

This tract participation formula will be used for both primary and secondary phases of the Red Hills North Unit.

In the event less than all Tracts are qualified on the Effective Date hereof, the Tract Participation shall be statemented 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 participating described in Exhibit 181 that corner or have a common boundary (Tracts separated only by a public road or a military highly shall be considered to have a common boundary), and that otherwise qualify as follows:

- (a) Each Tract its 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 litterest Owners owning one hundred percent (100%) of the Working litterest have become puries or dus Agreement, and as to which Royalty Owners owning less than seventy-five percent 75% or the Royalty litterest have become parties to this Agreement, and as to which (1) the Working Interest Owner who operates the Tract and Working litterest Owners, whining at least seventy-five percent (75%) of the remaining Working Interest in such Tract have joined in a request for the unclusion 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.
- The Each Tract as to which Working Interest Owners owning less than one hundred percent (100%) of the Working Interest have percent parties to this Agreement, regardless of the percentage of Royalty Interest therein that is committed nervice; and its to which 10 the Working Interest Owner who operates the Tract and Working Interest Owner owning at least seventy-five percent (75%) of the remaining Working Interest in such Tract who have become parties to this Agreement have joined in a request for inclusion of such Tract, and have executed and delivered, or obligated themselves to execute and deliver an indentury agreement indemnitying and agreeing to hold harmless the other owners of committed Working Interests, their successors and assigns, against all claims and demands that may by 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 non-substituting owners of Working Interest in such Tract, had they become parties to this Agreement and the Unit Operating Agreement, shall be attributed to the Working Interest Owners in such Tract who have become parties to such agreements, and joined in the indemnity agreement, in proportion to their respective Working Interests in the Tract.

If on the Effective Date of this Agreement there is any Tract or Tracts which have not been effectively committed to in muce publics: It this Agreement by qualifying as above provided, then such Tract or Tracts shall not be enutled to participate hereunder. Unit Operator that, when submitting this Agreement for final approval by the Land Commissioner and the A.O., file therewith a schedule or mose tract which have been committed and made subject to this Agreement and are entitled to participate in Unitated Substances. Said schedule shall set form indexise each such committed Tract the lease number or assignment number, the owner of record of the lease, and the percentage participation of said the computed according to the participation formula set forth in Section 13 (Tract Participation) above. This schedule of participation main be revised Exhibit 131 and upon approval thereof by the Land Commissioner and the A.O., shall become a part of this Agreement and shall govern the allocation of production of Unitated Substances until a new schedule is approved by the Land Commissioner and A.O.

SECTION 15.A. <u>ALLOCATION OF UNITIZED SUBSTANCES</u>. All Unitized Substances produced and saved less, save and except any part of such Unitized Substances used in conformity with good operating practices on unitized fand for drilling, operating, camp and other production or development purposes and for injection or unavoidable loss in accordance with a Plan of Operation approved by the A.O. and Land Commissioner) shall be apportioned among and allocated to the qualified Tracts in accordance with the respective Pract Participations effective hereunder during the respective periods such Unitized Substances were produced, as set forthin 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, he 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 enuded 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 unliked with respect to separate parcets or portions of such Tract and owned now or hereafter in severalty by different persons, the Tract Participation shall in the unsence of a reportance instrument executed by an owners in such Tract and furnished to Unit Operator fixing the divisions of ownership, be divided inving seat participal in property in the number of surface acres in each.

SECTION IS 3. <u>ENCESS IMPUTED NEWLY DISCOVERED PRIVE Not.</u> Each That this relations in an Excess incured newly discovered crude oil in the proportion that its Timet Participation bears to the total in the Timet Participations of all located the total number of barrels of crude oil allocable to these Tracts out of unit production in accordance with the Timet Participations of allocated to each such Timet, when added to the rotal number of times of imputed newly discovered crude oil allocated to it, shall not exceed, in any month, the rotal number of marries of in allocative of unit production in accordance with its Timet Participation.

SECTION 15.C. EXCESS IMPUTED STRIPPER CRUDE OIL Each Tract statiline adjected any incert important oil in the proportion that its Tract Participation bears to the total of the Tract Participations of all Tracts but of resolution in accordance with the Tract Participations of each Tracts out of unit production in accordance with the Tract Participations of each Tract, in which is excess imputed stripper crude oil allocated to each such Tract, when added to the total number of barrels of initiated stripper crude oil allocated to it, shall not exceed, in any month, the total number of barrels of oil allocable to it out of unit production in accordance with its Tract Participation.

TAKING UNITIZED SUBSTANCES IN KIND. The Unitized Substances infocated to sacin Trict small be SECTION 15.D. 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 expensitions required by Thin Operations is about of the delivery in kind of any portion of the Unitized Substances shall be borne by the party taking delivery. In the event inv. Working littles a viving interest of where and ful to take or otherwise adequately dispose of its proportionate share of the production from the Lindaud Formation went to with Londing in 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 operation of the Unit Area, may, but shall not be required to, self or otherwise association for the Unit Area, may, but shall not be required to, self or otherwise association for the Unit Area, may, but shall not be required to, self or otherwise association for the Unit Area, may, but shall not be required to, self or otherwise association for the Unit Area, may, but shall not be required to. provided that all contracts of sale by Unit Operator of any other party's share of Unitized Substances sital, he only for such remonante personal of time as are consistent with the minimum needs of the industry under the directinistances, but in no event shall any such contract he for a period of excess of one year, and at not less than the prevailing market price in the area for like production, and the account or usen Wirking Interest Owner shall be charged therewith as liaving received such production. The net proceeds, if any, of the Chitized Substances to apposed in will but Chemistry shall be paid to the Working Interest Owner of the Tract or Tracts concerned. Notwithstanding the pregrang, Unit Desertion and not make a later into interstate commerce of any Working Interest Owner's share of gas production without first giving sites Working interest Owner's commerce of any Working interest Owner's share of gas production without first giving sites Working interest Owner's commerce of any Working Interest Owner's share of gas production without first giving sites Working interest Owner's share of gas production without first giving sites Working interest Owner's share of gas production without first giving sites Working interest Owner's share of gas production without first giving sites without the gas production without first giving sites with the gas production without first giving sites with the gas production without first giving sites with the gas production without first giving sites with the gas production without first giving sites with the gas production without first giving sites with the gas production without first giving sites with the gas production without the gas production without giving sites with the gas production with the gas nonce of such intended sale.

Any Working Interest Owner receiving in kind or separately disposing of all or involution me [condition of the condition of the same is sold or purchased by Unit Operator, small be recoverable for the numerical condition overriding royalty and production payments due thereon, and each such party small foold each other Working Interest [Condition of the condition If, after the Effective Date of this Agreement, there is any Tract or Tracts that are subsequently commutated term of the lead in Jection 4. Expansion, hereof, or any Tract or Tracts within the Unit Area not committed hereto as of the Effective Date here of our kind of insequently committed hereto under the provisions of Section 14 (Tracts Qualified for Participation) and Section 32. Non-linder the provisions of Section 14 (Tracts Qualified for Participation) and Section 32. Non-linder the provisions of Section 14 (Tracts Qualified for Participation) and Section 32. Non-linder the provisions of Section 14 (Tracts Qualified for Participation) and Section 32. Non-linder the provisions of Section 14 (Tracts Qualified for Participation) and Section 32. Non-linder the provisions of Section 14 (Tracts Qualified for Participation) and Section 32. Non-linder the provisions of Section 14 (Tracts Qualified for Participation) and Section 32. Non-linder the provisions of Section 14 (Tracts Qualified for Participation) and Section 32. Non-linder the provisions of Section 14 (Tracts Qualified for Participation) and Section 32. Non-linder the provisions of Section 14 (Tracts Qualified for Participation) and Section 32. Non-linder the provisions of Section 14 (Tracts Qualified for Participation) and Section 32. Non-linder the provisions of Section 14 (Tracts Qualified for Participation) and Section 32. Non-linder the provisions of Section 14 (Tracts Qualified for Participation) and Section 32. Non-linder the provisions of Section 14 (Tracts Qualified for Participation) and Section 32. Non-linder the provisions of Section 14 (Tracts Qualified for Participation) and Section 32. Non-linder the provisions of Section 14 (Tracts Qualified for Participation) and Section 32. Non-linder the provisions of Section 14 (Tracts Qualified for Participation) and Section 32. Non-linder the provisions of Section 14 (Tracts Qualified for Participation) and Section 32. Non-linder the provision and Section 32. Non-linder the provision and Section

any Tract is excluded from this Agreement as provided for in Section 21 (Loss of Title), the schedule of participation as shown in Exhibit "B" shall be revised by the Unit Operator; and the revised Exhibit "B", upon approval by the Land Commissioner and the A.O., shall govern the allocation of production on and after the effective date thereof until a revised schedule is approved as necessable provided.

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

SECTION 17. <u>ROYALTY SETTLEMENT.</u> The State of New Mexico and 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 unitated hereunder, shall continue to be entitled to such right to take in kind their share of the Unitated Substances allocated to such Tract, and Unit Operator shall make deliveres 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 of Working Interest Owners responsible dierefor under existing contracts, laws and regulations on or before the last day of sach month for Unitated Substances produced during the preceding calendar month provided, however, that nothing herein contained shall operate to refleve the lesses or any land from their respective lease obligations for the payment of any Royalty due under the leases, except that such Royalty shall be computed to Unitated Substances as allocated to each Tract in accordance with the terms of this Agreement. With respect to Federal leases committed agreed to 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 accoung to any Royalty Owner rescent the United States of America. In a Trace depends upon the average production per well or the average pipeline runs per well from such Trace during any period of time, then such periodicing shall be determined from and after the effective date hereof by dividing the quantity of Unitated Substances allocated hereunder to such Trace accounts such period of time by the number of wells located thereon capable of producing Unitated Substances as of the Effective Date hereof small be considered as having the latter of the provision.

All Royalty due the State of New Mexico and the United States of America and the other Royalty Owners percentled small reformation and paid on the basis of all Unitized Substances allocated to the respective Tract or Tracts commuted hereto, in field of feducal production from such Tract or Tracts.

With the exception of Federal and State requirements to the contrary. Working Interest Owners may use or consume Unitazed 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.

Bach Royalty Owner (other than the State of New Mexico and the United States of America) that executes this Agreement represents and warrants that it is the owner of a Royalty Interest in a Tract of Tracts within the Unit Acea as its interest appears in Exhibit 18.1 attached service 15 any Royalty Interest in a Tract of Tracts should be lost by title railure in interests in appears in part, during the term of this Agreement, then the Royalty Interest of the party representing himself to be the owner thereof shall be reduced proportionately and the interest in all narries shall be adjusted accordingly.

SECTION 18. RENTAL SETTLEMENT. Remais or minimum Royalities due on the leases committed nervic shall be paid by Working Interest Owners responsible therefor under existing contracts, laws and regulations provided that nothing nervic contained shall operate to relieve the lessees of any land from their respective lease obligations for the payment of any rental or minimum Royality in lieu mercer), due under their leases. Rental for lands of the State of New Mexico subject to this Agreement shall be paid at the rate specified in the respective leases to in the State of New Mexico. Rental or minimum Royality for lands of the United States of America subject to this Agreement shall be paid at specified in the respective leases from the United States of America, unless such rental or minimum Royality is waived, suspended or reduced by a reby approval of the Secretary or his duly authorized representative.

SECTION 19 CONSERVATION. Operations persuader and production of Unitized Substances shall be conducted to provide the the most economical and efficient recovery of said substances without whate, as defined by in purpose to Bederal and professional regulation.

SECTION 20. DRAINAGE. The Unit Operator shall take all reasonable and prident measures to pre-ent trainage of 1 units: Substances from unitized land by wells on land not subject to this Agreement.

The Unit Operator, upon approval by the Working interest Owners, the A.O. and the Land Commissioner, 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 ride to any Tract of unitized land shall fail and the true owner cannot be induced to join in this Agreement, such Tract shall be automatically regarded as not committed hereto, and there shall be such readjustment of future costs and benefits as may be required on account of the loss of such title. In the event of a dispute as to title to any Royalty. Working Interest, or other interests subject thereto, payment or delivery on account thereof may be withheld without liability for interest until the dispute is finally settled; provided, that, as to State or Federal lands or leases, no payments of funds due the United States or the State of New Mexico shall be withheld, but such funds shall be deposited as directed by the A.O. or Land Commissioner (as the case may be) 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 different 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 small either:

- a) require that the party to whom such Unitized Substance are delivered or to whom the proceeds thereof are hald firmish 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 tide or right is in dispute, and impound the proceeds thereof until such time as the title or right thereto is established by a final judgement of a court of competent jurisdiction or otherwise to the satisfaction of Working Interest Owners, whereupon the proceeds so impounded shall be paid to the party rightfully entitled thereto.

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

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

SECTION 22. LEASES AND CONTRACTS CONFORMED AND EXTENDED. The ferms, conditions and provisions of all leases, subleases and other continues relating to exploration, drilling, development or operation for oil or gas on aircs committed to this Agreement are hereby expressly modified and amended to the extent necessary to make the same conform to the provisions hereof out otherwise a majority full force and effect, and the parties hereto hereby consent that the Secretary and the Land Commissioner, respectively, shall and by their provisions hereof, or by the approval hereof by their duly authorized representatives, do hereby establish, after, analog or relock the amount, in colonial rental, minimum Royalty and Royalty requirements of Federal and State leases committed hereto and the regulations in respect thereto. The said requirements to the provisions of this Agreement.

Without limiting the generality of the foregoing, all leases, sucleases 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 small be deemed half nerrormance of an obligations for development and operation with respect to each Tract subject to this Agreement, regardless of whether there is any leavelopment of the Unit Area, notwithstanding anything to the contrary in any leave, operating agreement or other contrary by and between the parties hereto, or their respective predecessors in interest, or any of ment
- (b) Orilling, producing or improved recovery operations performed hereunder shall be deemed to be performed upon and for the penefit of each Tract, and no lease shall be deemed to expire by reason of failure to drill or produce wells situated on the land meretic empraced.
- (a) Suspension of drilling or producing operations within the Unit Area pursuant to direction or consent of the Land. I ministroner and the A.O., or their duly authorized representatives, shall be deemed to constitute such suspension pursuant to standard execution to each Tract within the Unitized Area.
- (d) Each lease, sublease, or contract relating to the exploration, drilling, development, or operation for all and gas which has a resmanding prior to the termination of this Agreement, is hereby extended beyond any such term to provided ment of that is shall be continued in full force and effect for and during the term of this Agreement.
- the Any lease embracing lands of the State of New Mexico which is made subject to this Agreement shall, it must be term provided therein as to the lands committed hereto until the termination hereof.
- of Any lease embracing lands of the State of New Mexico having only a portion of its land commuted here. Shall be a conguent to the particular portion commuted and that not commuted, and the terms of such lease shall apply separately to their experiences.

1)

continuous as of the Effective Date hereof. Provided, however, that nonwithstanding any of the provisions of this Agreement to the contrary, such lease (including both segregated portions) shall continue in full force and effect beyond the term provided therein as to all lands embraced in such lease if oil or gas is, or has heretofore been discovered in paying quantities on some part of the lands embraced in such lease committed to this Agreement or, so long as a portion of the Unitized Substances produced from the Unit Area is, under the terms of this Agreement, allocated to the portion of the lands covered by such lease committed to this Agreement, or, at any time during the term hereof, as to any lease that is then valid and subsisting and upon which the lessee or the Unit Operator is then engaged in bona fide drilling, reworking, or improved recovery operations on any part of the lands embraced in such lease, then the same as to till lands embraced therein shall remain in full force and effect so long as such operations are diligently prosecuted, and if they result in the production of oil or gas, said lease shall continue in full force and effect as to all of the lands embraced therein, so long thereafter as oil or gas in paying quantities is being produced from any portion of said lands.

(g) The segregation of any Federal lease committed to this Agreement is governed by the following provision in the fourth paragram of Section 17 (j) of the Mineral Leasing Act, as amended by the Act of September 2, 1960-74 Stat, 731-734.6 "Any Federal Tease heretofore or hereafter committed to any such (unit) plan embracing lands that are in part within and in part butside 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 non-unitated portion shall commute 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. <u>COVENANTS RUN WITH LAND.</u> 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, and any grant, transfer or conveyance of interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all principles and interestions tereunder by the grantee, transferre or other successor in interest. No assignment or transfer it into A rising interest subject hereto shall be singuing upon Unit Operator until the first day of the calendar month after Unit Operator is turnished with the original, or acceptable photostatic in carried copy, of the recorded instrument or transfer; and no assignment or transfer of any Royalty Interest subject hereto shall be singuing upon the Winding Interest Owner responsible therefor until the first day of the calendar month after said Working Interest Owner is numished with the inclinal acceptable photostatic or certified copy, of the recorded instrument or transfer.

SECTION 24. <u>EFFECTIVE DATE AND TERM.</u> This Agreement shall become binding upon much pairs, who execute in rauffes it as of the date of execution or matification by such party and shall become effective on the first day of the unionital month text the long the approval of this Agreement by the A.O., the Land Commissioner and the Commission.

Unit Operator shall file for record within thirty (30) days after the Effective Date of this Agreement, in the orfice or the 2 kinds of the 2 kinds of the County, New Mexico, where a counterpart of this Agreement has become effective according to its terms and starting turner the affective date.

The terms of this Agreement shall be for and during the time that Unitized Substances are produced from the intriced and indication of the characteristic and drilling, reworking or other operations (including improved recovery operations) are prosecuted thereon without cessation of more man runery (90) consecutive days unless sooner terminated as herein provided.

This Agreement may be reminated with the approval of the Land Commissioner and the A.O. by Working Interest Owners swing eightly percent 30%; 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 affective as at the first day in the month after and Tomac Interest Owners' determination. Notice of any such termination shall be filed by Unit Operator in the office of the Johnson Percentage Lea County, New Mexico, within thirty 30) days of the effective date of termination.

Upon termination of this Agreement, the parties hereto shall be governed by the terms and provisions of the leader, and a titracts streamed the separate Tracts just as if this Agreement had never been entered into.

Norwithstanding any other provisions in the leases unitized under this Agreement, Royary Owners hereby arrors A 15, 12 interest. Owners a period of six months after termination of this Agreement in which to sturage, sell, distribute to otherwise dispose of the learning months and facilities used in connection with Unit Operations.

SECTION 25. RATE OF PROSPECTING. DEVELOPMENT & PRODUCTION. All production and the disposal thereof small be in conformity with allocations and quotas made or fixed by any duly authorized person or regulatory body under any. Federal or State Statute. The A.O. is hereby vested with authority to alter or modify from time to time, in his discretion, the rate of prospecting and development and within the limits made or fixed by the Division to alter or modify the quantity and rate of production under this Agreement, such authority being hereby limited to alteration or modification in the public interest, the purpose thereof and the public interest to be served thereby to be stated in the order of alteration or modification; provided, further, that no such alteration or modification shall be effective as to any land of the State of New Mexico as to the rate of prospecting and development in the absence of the specific written approval thereof by the Land Commissioner and as to any lands in the State of New Mexico or privately-owned lands subject to this Agreement or to the quantity and rate of production from such lands in the absence of specific written approval thereof by the Division.

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

- SECTION 26. NONDISCRIMINATION. Unit Operator in connection with the performance of work under this Agreement relating to leases of the United States, agrees to comply with all of the provisions of Section 202 (1) to 17 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 it on itematic interests infected hereoverfore the Land Commissioner, the Department, and the Division, and to appear from any order issued under the rates and regulations at the Land Commissioner, the Department or the Division, or to apply for rener from any of said rules, and regulations or in any proceedings reliable to operations before the Land Commissioner, the Department or the Division or any other legality constituted authority, and reduced however, must unother 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 the given or rendered to the party or parties or sent by costnaud certified or reasserts, mail, addressed to such party or parties at their last known address set forth in connection with the signatures hereto or to the mitification or acceptable hereof or to such other address as any such party or parties may have numished in writing to the party sending the notice. Lemand or statement
- SECTION 29. NO WAIVER OF CERTAIN RIGHT. Nothing in this Agreement continued and he construed is a substrained appropriate in the right to assert any legal or constitutional right or detense as to the validativiar as waster or the Sate strate. Our Unitized Lands are located, or regulations issued thereunder in any way affecting such party, or as a waster or now additionally in the control his or its authority to waive; provided, however, each party hereto covenants that it will not resort to any action to partition the unitized land. The Unit Equipment.
- SECTION 30. <u>EQUIPMENT AND FACILITIES NOT FIXTURES ATTACHED TO REALTY</u> Each Working Interest. Note: has heretofore placed and used on its Tract or Tracts committed to this Agreement various well and lease squimment and inner property additional equipment and facilities may hereafter be placed and used upon the Unitized Land is now in hereafter constituted. Therefore, for all purposes of this Agreement, any such equipment shall be considered to be personal property and but fixture attached to reality. Accordingly, said well and lease equipment and personal property is hereby severed from the inneral estate, affected by an Agreement, and it is agreed that any such equipment and personal property shall be and remain personal property or the Working Interest Diviners for all purposes.
- SECTION 31. <u>UNAVOIDABLE DELAY.</u> All obligations under this Agreement requiring the Unit Cheritor to commence of distinctional 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 committee obligations, in whole or in part, by strikes, acts of God, Federal, State or municipal law or agency, anavoidable accident, uncontributed delays in transportation, inability to obtain necessary materials or equipment in open market, or other matters, legend the reasonable units of the Unit Operator whether similar to matters berein enumerated or not.
- SECTION 32. NONIOINDER AND SUBSEQUENT IOINDER. Joinder by any Royalo, Owder at all time made the accompanied by appropriate joinder of the corresponding Working Interest Owner in order for the interest of seen Royalo. Owner to be instanced affectively commuted. Joinder to this Agreement by a Working Interest Owner, at any time, must be accompanied by accommanded industry and the order of the 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 such issue. If this is greened to the Unit is called and the A.O. for final approval may thereafter be committed hereto upon compliance with the applicable provisions of the product and it sections of Tracts Qualified for Participation) hereof, at any time up to the Effective Date hereof on the same has a strate Participation to missing an additional to the owner or owners thereof subscribing, ratifying, or consenting in writing to this Agreement and, if the interest is a Alice of interest, the owner of such interest subscribing also to the Unit Operating Agreement.

It is understood and agreed, however, that from and after the Effective Date hereof the right of subsequent joinder as provided in dis 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 Land Commissioner and A.O. Such subsequent joinder by a proposed Working Interest Owner must be evidenced by its execution or rainfeation of this Agreement and the Unit Operating Agreement and where State or Federal land is involved, such joinder must be approved by the Land Commissioner or A.O. Such joinder by a proposed Royalty Owner must be evidenced by his execution, rainfeation 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 benalf 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 Land Commissioner and A.O. of duly executed counterparts of any and all documents necessary to establish effective commutation of any Tract or interest to this Agreement, unless objection to such joinder by the Land Commissioner or the A.O., is duly made sixty .60) days after such filing.

- SECTION 33. 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 in interest in the land writing the effect. Unit Area, Furthermore, this Agreement shall extend to and be binding on the parties hereto, their successors, theirs and assigns.
- SECTION 34. <u>IOINDER IN DUAL CAPACITY</u> Execution as series provided by any party as either a Working Interest Owner of a Royalty Owner small commit all interests owned or controlled by such party; provided, that if the party is the lawner 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 makes levied against in measured by the amount or value of the Unitized Substances produced from the unitized land; provided, however, that if it is required on it is to determined that the Unit Operator or the several Working Interest Owners must pay or advance said makes for the account of the parties hereto it hereby expressly agreed that the parties so paying or advancing said taxes shall be reimbursed therefor by the parties hereto, including Rivers Cwners, who may be responsible for the taxes on their respective allocated share of said Unitized Substances. No taxes shall be charged in the United States or to the State of New Mexico, nor to any lessor who has a contract with a lessee which requires his lessee to have such taxes.
- SECTION 36. NO PARTNERSHIP The duties, obligations and applitude of the parties deferoure intended to be let an about a joint or collective. This Agreement is not intended to create, and small not be construed to create, an association or tradition for the movie and improved duty, obligation for liability with regard to any one or more of the parties dereto. Each party hereto shall be individually removable to a colligation as herein provided.
- SECTION 37. PRODUCTION AS OF THE EFFECTIVE DATE. Unit Operator shall make a proper and times gauge of a leases and other tanks within the Unit Area in order to ascertain the amount of merchantable oil above the pipeline connection, in atom anks as if 7:00 a.m. on the Effective Date hereof. All such oil which has been produced in accordance with established allowancies shall be and remain maproperty of the Working Interest Owner entitled thereto, the same as if the unit had not been formed; and the responsible Working Interest Owner shall promptly remove said oil from the unitized land. Any such oil not so removed shall be sold by Unit Operator for the account it 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 allowance in 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 are impount 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 account tract.

- SECTION 38. NO SHARING OF MARKET. This Agreement is not intended to provide and shall not be a distributed to prov
- SECTION 39. STATUTORY UNITIZATION If and when Working Interest Owners owning at least revents-five percent 75%. Unit Participation and Royalty Owners owning at least seventy-five percent 75%. Royalty Interest take become parties in the Agreement in writing and such Working Interest Owners have also become parties to the Unit Decreting Agreement Into Operating Agreement Into Operating Agreement Into Operating Agreement Into Operating Agreement 35%. Annotated if such application is made and statutory unitization, supproved by the Division's order approving statutory unitization, this Agreement and/or the Unit Operating Agreement shall informationally fee for all line amended in accordance with the following:
 - 1) Section 14 of this Agreement small be revised by substituting for the entire said section the following

Unit Area shall be entitled to participation in the production of Unitized S	<u>EPATION</u> . On and after the Effective Date hereof, all Tracts within the ubstances."
(2) Section 24 of this Agreement shall be revised by st	abstituting for the first three paragraphs of said section the following:
(if any amendment is necessary) to conform to the Division's order; app the A.O. and the filing by Unit Operator of this Agreement or notice County, New Mexico. Unit Operator shall not file this Agreement or notice	ce thereof for record, and hence this Agreement shall not become effective, ectiveness of this Agreement have been satisfied such filling in
"Unit Operator shall, within thirty (30) days after the Effective of Lea County, New Mexico, a certificate to the effect that identifying the Division's order approving statutory unitization and stating	e Date of this Agreement, file for record in the office of the County Clerk this Agreement has become effective in accordance with its terms, therein the Effective Date."
(3) This Agreement and/or the Unit Operating Agreement Division's order approving statutory unitization.	shall be amended in any and all respects necessary to conform to the
Any and all amendments of this Agreement and/or the Unit of Division's order approving statutory unitization shall be deemed to be further approval by said parties, except as follows:	Operating Agreement that are necessary to conform said agreements to the sereby approved in writing by the parties hereto without any necessity for
(a) If any amendment of this Agreement has the effect of r Substances, such Royalty Owner shall not be deemed to have approval in writing by said Royalty Owner; and	reducing any Royalty Owner's participation in the production of Unitized a hereby approved the amended agreement without the necessity of further
participation in the production of Unitized Substances or incre	rating Agreement has the effect of reducing any Working Interest Owner's asing such Working Interest Owner's share of Unit Expense, such Working the amended agreements without he necessity of further approval in writing
Executed as of the day and year first above written.	EOG RESOURCES, INC.
	By: William R. Thomas, Senior Vice President
	Date of Execution:
	March 1, 2000
STATE OF Texas)	
COUNTY OF Midland) ss.	
The foregoing instrument was acknowledged before me this	1.21 day of March . 20 00 by
William R. Thomas, for/of EOG Reso	purces, Inc.
illikaniku corporation, on behalf of s	
My Commission Expires: PEGGY C. LAVINE Notary Public Notary Public, State of Texas	_
My Commission Expires 12-04-02	

Rev. 1/92

In consideration of the execution of the URE RECORD UNITAR	Init Agreement for EA, County of	the Development and Lea	Operation of the
New Mexico, dated March 1 .1% 2	000, in form approve	d on behalf of the Secretary	of the Interior and the
Commissioner of Public Lands, and in consideration of the execution	in or ratification by other	er working interest owners of	the contemporary Unit
Operating Agreement which relates to said Unit Agreement the under	rsigned hereby express	ly ratifies, approves and adop	is said Unit Agreement
as fully as though the undersigned had executed the original agreen	nent.		•
This Ratification and Joinder shall be effective as to the royalties presently held or which may arise under existing option agon the Unit Area in which the undersigned may be found to have an o	reements or other inter	ts in any lands and leases, o ests in unitized substances, co	r interests therein, and vering the lands within
This Ratification and Joinder of Unit Agreement shall be	binding upon the unde	rsigned, his, or her or its heir	rs, devisees, executore
assigns or successors in interest.	,	• • • • • • • • • • • • • • • • • • • •	, , , , , , , , , , , , , , , , , , , ,
EXECUTED this 17 day of _	MArcH	.₩ <u>2000</u> .	
Richard E. Monroe, Jr., V.P. Tiltex Co., Managing Partner		Recon Ascoc	<u> </u>
TRACT (S)		1000 LOUISI	1101 # 3600
		HOUSTON, TX	77002
STATE OF TEXAS		,	
70107105 // 10015) ES.		
COUNTY OF HARRIS			
On this 20 day of _	MARCH	to 2000 . but room described in and who	efore me personally
CICHARD E. MON LOE, JR. lo m	e known to be the pe	rson described in and who	executed the foregoing
instrument, and acknowledged that (s) he executed the same as his	wher tree act and deed.		
My Commission Expires: 5-24-2000	Sawa Notary Public	lighy	
(SEAL)			
DAWN RIGBY Notary Public, State of Texas My Commission Expires 5/24/2000			

In consideration of the execution of the Red Hills North UNIT A	Unit Agreement REA, County of	for the	Development Lea	and Ope	ration	of the State of
New Mexico, dated <u>March 1</u> .1%	2000, in form appr	oved on be	half of the Sec	recury of the	Interio	r and the
Commissioner of Public Lands, and in consideration of the execut						
Operating Agreement which relates to said Unit Agreement the un		ressly ratifi	es, approves and	d adopts said	Unit A	greement
as fully as though the undersigned had executed the original agree	ement.					
This Ratification and Joinder shall be effective as to royalties presently held or which may arise under existing option the Unit Area in which the undersigned may be found to have an	agreements or other is					
This Ratification and Joinder of Unit Agreement shall	be binding upon the t	indersigned	his, or her or	its heirs, dev	visces, c	xecutors,
assigns or successors in interest.						
	11/1/2011	V/	MM			
EXECUTED thisday of	MAYCH		000			
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Richard E. Monroe, Jr., V.P.		Address: _	oden Par	ticipa	A.J.	· ·
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STATE OF TEXAS		•		•		
) 43.					
COUNTY OF HARRIS)					
On this 2011 day of	MARCH		-2 am	he fore		naeronally.
	me known to be the					
instrument, and acknowledged that (s) he executed the same as h		-				
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My Commission Expires: 5-24-2000	sau	ca),	rigay		_	
	Notary Public		0 0			
(SEAL) DAWN RIGBY Notary Public, State of Te My Commission Expires 5/24	exas					

Red	In consider Hills N	ation of the lorth	execution of	the I	Jnit REA,	Agreement County of _	for	the	Development Lea	and	Operation	of the State of
New Mex	uco, dated	March	1	.1% 2	000	, in form ap	proved	on be	half of the Sec	retary o	of the Interio	or and the
Commissi	oner of Public	Lands, and in co	nsideration of the	execution	on or	ratification b	y other	work	ing interest own	ers of 1	the contempo	onary Unit
			d Unit Agreement									
as fully as	s though the un	ndersigned had e	recuted the origina	il agreen	nent.							
			shall be effective									
			se under existing (sts in t	initized substan	ces, co	vering the las	nds within
the Unit A	Area in which t	the undersigned	may be found to h	ave an c	oil an	d gas interest	١.					
			of Unit Agreemen	t shall be	e bin	ding upon the	under	signed	, his, or her or	its heir	s, devisees,	executors,
assigns or	r successors in	interest.										
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î	On this	17	day	of			he per		escribed in and			
instrumen	nt, and acknow	viedged that (s) h	e executed the sar									101050/115
		<u>-</u>		-								
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My Com	unission Expir	_ ,	MAKA LARSEN	4 K	=	otary Public				de		•
		In and	TARY PUBLIC for the State of Texas		[AC	oury Public						
	TE OF	My commit	asion Expires 08-07-20	100 F								
(SEAL)	*****	******	******	→								

In consideration Red Hills Nor	of the execution of the	ion of the UNIT	Unit Agree	ement for	the	Development Lea	and (Operation	of the State of
New Mexico, dated	th March l	1 X	2000, in fo	rm approved	d on bel	half of the Sec	retary of	the Interio	or and the
Commissioner of Public Lan	ds, and in considerati	ion of the exec	ution or ratifica	ition by othe	r worki	ng interest own	iers of th	e contemp	orary Unit
Operating Agreement which				eby expressi	y ratific	s, approves and	d adopts :	said Unit A	greement
as fully as though the unders	igned had executed t	he original agr	reement.						
This Parification	and Ioindae chall ha	affactiva as to	. Iba undamina			1			
royalties presently held or w	and Joinder shall be								
the Unit Area in which the u					-313 111 0	IDIDEG 3003MI	,	erring die te	ilas miniti
	and Joinder of Unit A	greement shal	l be binding up	on the unde	rsigned.	his, or her or	its heirs,	, devisees,	executors,
assigns or successors in inter	rest.								
EXECUTED this	28th	day of	Apri1		XX 2	000			
2,20,22			HALLWO	OD PRTR	OVÂU	M INC.			
			By.	etti ()	U	M. INC. etc. r, Vice			
Anest			Bet	ty ρ . σ	теге	er, vice			
				Add	ress:	P. O. Bo	x 3/8	3111	
TF.ACT (S)						Denver,			
						CO 8023	7		
STATE OF	COLORADO)						
)	13 .					
COUNTY OF	DENVER		ر						
On this	28th	day of	April			XX 2000	h-G	·	
appeared Betty	I Dieter	_ GAIY 01	me known to	he the ne	'	scribed in and	who ex	ore me recuted the	foregoing
instrument, and acknowledge					3011 40				10.4505
•				1	,	,			
My Commission Expires: _	1-15-01		1	Toxal	inel	1 12/20	10-		
,			Notary Pr	ublic			 		
			•						
(SEAL)									

In consideration of the execution of the Red Hills North UNITA	Unit Agreement REA. County of	for the	Development Lea	and Operation	of the
Red Hills North UNIT A New Mexico, dated March 1 .18	2000, in form appr	oved on b	chaif of the Seci	return of the Interi-	or and the
Commissioner of Public Lands, and in consideration of the execut	tion or ratification by	other work	ting interest own	ers of the contemp	omry Unit
Operating Agreement which relates to said Unit Agreement the un	dersigned hereby exp	ressly ratif	es, approves and	adopts said Unit A	Agreement
as fully as though the undersigned had executed the original agree	ement.				
This Ratification and Joinder shall be effective as to					
royalties presently held or which may arise under existing option		nterests in	unitized substant	es, covening the la	nds within
the Unit Area in which the undersigned may be found to have an	ou and gas interest.				
This Ratification and Joinder of Unit Agreement shall	be binding upon the t	indersione	d his or her or	its heirs, devisees	executors
assigns or successors in interest.	g -p				
EXECUTED this 30. day of	March.	2 <u>10 0</u>	0		
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Anesa			112	2' 2 -	م حالم
		Address: _			710 #302
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		_	1990	2	
STATE OF TEXAS					
COUNTY OF EL PASO) 15 .				
COUNTY OF ELL FASO)				
On this 30 day of	March		2000	. before me	personally
SOL WEST III . to	me known to be the	person d	escribed in and	who executed the	foregoing
instrument, and acknowledged that (s) he executed the same as h					
Charles and the same of the sa				•	
OFFICIAL REAL					
My Commission Springs SANDRAK LARSEN	Notary Public				
NOTARY PUBLIC	Notary Public				-
In and for the State of Taxas My commission Express 08-07-2000	•				
(SEAL)					

Red	In consider Hills N	nion of i	the execution	of the	Unit AREA.	Agreemer County of	n for	the	Development Lea	and	Operation	of the State of
New Mes	zico, daled	Marc	:h_1	.190	2000), in form 1	pproved	on be	half of the Sec	retary (of the Interio	or and the
		Lands, and i	n consideration	of the exec	ution or	ratification	by other	work	ing interest own	ners of	the contempt	onary Unit
							expressly	r ratifi	es, approves an	d adopt	s said Unit A	succueur
as fully a	s though the ur	ndersigned ha	id executed the	original agr	rement							
	presently held o Area in which							sta in a	initized substan	ces, co	vering the las	nds within
assigns o	This Ratifica		der of Unit Ag	reement sha	ll be bir	iding upon t	he under	signed	, his, or her or	its heir	a, devisees,	executors,
	EXECUTED	this	57	day of		Miag	<u>′</u>	.13		, ,	- /^	
					_	N ₁	<u> </u>		Li-[[<u>LE.</u>		
	Anest						Addr	- -:255:_	PO.F	3474	P: 21	?
TRACT	(2)							_	Sant	,)	<u>ر م</u>	12
							as. 19 2000, before me and deed. 19 2000 to the person described in and who executed the cit and deed.	04_				
STATE	OF New	Me;	rico		ر							
COUNT	ry of _ <u></u>	anta	Fe		ر) 13.						
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Му Сог	mmission Expir	es: <u></u> <u></u>	1/200	00	5	lotary Public	Jer.		4-0	to)a	-
(SEAL))						_	-		_		

In consideration of the execution of the Unit Agreement for the Development and Operation of the Red Hills North UNIT AREA. County of Lea State of
New Mexico, dated March 118 2000, 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 hereby expressly ratifies, approves and adopts said Unit Agreement as fully as though the undersigned had executed the original agreement.
This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil and gas interest.
This Ratification and Joinder of Unit Agreement shall be binding upon the undersigned, his, or her or its heirs, devisees, executors, assigns or successors in interest.
EXECUTED this 12 day of May, 2000.
BRAVO I LIMITED LIABLITY COMPANY By BRAVO ENERGY Inc., Manager By:
TRACT (S) Address: _PO Box 2160 Hobbs, NM 88241
State of New Mexico }
County of Eddy
This instrument was acknowledged before me on this 12 day of May , 2000, by Charles E. Moran, Vice President of Bravo Energy.
My commission expires: 4-5-2004 Signature of Notary Public: Suy M. Wortly

In consider Red Hills N	iorth	execution of the	AREA	County of			Lea			C
New Mexico, dated	March	_1180	_2000). in form a	pproved	on be	enail of the Sec	retury	of the Interior	or and the
Commissioner of Public	Lanes, and in so	uzideuzilou ol die exed	ention of	LITTLESTION	by other	. work	me interest on	וכנגיסו	the contempo	ona⇔ Unic
Operating Agreement wh is fully as though the ur					expressly	/ ការដ	es, approves an	9 1000	ts said Unit A	greement
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he Unit Area in which	the undersigned r	hay be found to have :	an oil an	id gas intere	st.					
This Ratificat	tion and Joinder a	of Unit Agreement sha	ll be bin	iding upon th	ne under	niones	t his or her or	its bei	rs devisees	4 Y 4 2 1 1 2 44
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COUNTY OF	ER PASO))							
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instrument, and acknow	wledged that (s) h	e executed the same a	s hisher	r free act an	d deed.	3011 J	EX.1966 III 411	بسعسرب	exergied the	:ausanus
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	4-17	-2003			J.	-0		' n	YkeC	i de
My Commission Expir	£3:	 		DOLLAR BUNDLE	14	كنك		2.00		
	Say Pu	TALLES M	CUNE	. }						
(SEAL)	\$ ___________________	SANDRA LEA MA	アル	` {						
	1 (m) 700 les	in and for the State My commission expires	of Taxes	003						
	1 TE OF FEE	My commission expires								

In consideration of the execution of the Unit Agreement for the Development and Operation of the Red Hills North UNIT AREA, County of Lea State of
New Mexico, dated March 1 18 2000, 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 homoly expressly ratifies, approves and adopts said Unit Agreement
as fully as though the undersigned had executed the original agreement.
This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalities presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil and gas interest.
This Ratification and Joinger of Unit Agreement shall be binding upon the undersigned, his, or her or its heirs, devisees, executors,
assigns or successors to interest.
1 22
EXECUTED this
Since Eline Mc Knight
Address 3138 Qual Valley Eas
TRACT (5) 2
77489
STATEOF Texas
COUNTY OF
On this 15t day of May . H 2000 before me personally Linder Elashe Mc Kaight . to me known to be the person described in and who executed the foregoing instrument, and acknowledged that (s) he executed the same as his/her free act and deed.
My Commussion Expires: 6-11-2002 Karty daily then
(SEAL) KATHY TARBUTTON
Hotary Public, State of Texas Commission Expires: 06-11-2002

Red Hi New Mexico.	consideration	of the	execution	of the	Unit REA.	Agreement County of	for	ឋাৎ	Development Lea	and	Operation	of the
New Mexico, a	dated	March	7		2000). in form an	nmyed	20.20	and of the Sec	miary.	of the Interior	
Commissioner	of Public Land:	s, and in con	usideration o	Che execu	tion or	ratification b	v other	wark	ing interest own	iem of	the thought	or and the
Operating Agra	ement which re	lates to said	Unit Agrees	ment the ut	idersign	ned hemby ex	n ressiv		es anomoves an	d adoni	s said I 'nir a	nusta cuit
as fully as thou	igu <i>n</i> uqetzii	gned had exc	cuted the or	nginal agre	ement.	•	,					gment
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New Ma				Mar	ch_	_1		2000), in form ap	proved	on be	half of the Sec	retury	of the Intent	or and	f the
Commis -	ssione	r of Pu	iolic Lan	ids, and	in co	nsideration	of the exec	ution or	millication b	v other	work	ing interest own	ic mar	the contemp		Unit
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essigns	or an	his Rati .ccesso:	ification ra in inte	and Joi	nder o	of Unit Agn	ecment sha	ll be bio	iding upon the	under	signed	i, his, or her or	ונב אבוו	s, devisees,	sxesui	ശന്ദ്,
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In consideration of Red Hills North	the execution	of the t	Unit Agreement NEA, County of	for the	Development Lea	and Operation	
New Mexico, dated Mar	ch 1		000, in form ap			THEY of the Inte	State of
Commissioner of Public Lands, and	d in consideration of	the execution	on or ratification b	y other work	cing interest own	ers of the contem	noon link
Operating Agreement which relates	to said Unit Agreed	nent the und	ersigned hereby es	tpressly ratif	ies, approves and	l adopus said Unit	Agreement
as fully as though the undersigned	had executed the ori	iginal agreer	ment.				-
This Ratification and Id royalties presently held or which m the Unit Area in which the undersi	usy anse under existi	ing option as	trements or other	interests in	ny lands and lea unitized substant	ses, or interests tes, covering the	therein, and lands within
This Ratification and Jo	inder of Unit Agrees	ment shall be	e binding upon the	undersigner	d, his, or her or i	ls heirs, devisees	i, executors,
EXECUTED this	9th	M	av	vv	2000		
EXECUTED ON		_day of _M			$\frac{2000}{2}$		
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TRACT (S) 3				-	midle	end Tex	<u>as</u>
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STATE OF Texas)					
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COUNTY OF Midland							
On this 9	th 4	ıy ol	Mav		ww 2000		
David H. Pace	<u> </u>	. lom	e known to be the	ne nemon d	exembed in and	_, octore me	personally
instrument, and acknowledged that	(s) he executed the						e idic joing
My Commission Expired:	PEGGY G: LA Notary Puolic, State My Commission Expire		Notary Public	D Myss	<u>(, 7</u>	College	
(LA32)							

In consideration of the execution of the Unit Agreement for the Development and Operation of the Red Hills North UNIT AREA, County of Lea State of	
New Mexico, dated March 1 18 2000, in form approved on behalf of the Secretary of the Intenor 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 hereby expressly ratifies, approves and adopts said Unit Agreement as fully as though the undersigned had executed the original agreement.	
This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Urut Area in which the undersigned may be found to have an oil and gas interest.	
This Ratification and Joinder of Unit Agreement shall be binding upon the undersigned, his, or her or its heirs, devisees, executors, assigns or successors in interest. EXECUTED this 25 day of April 19 200	
TRACT (S) 3 5 States, Inc. States, Inc. John H. Connally, President	STATES, NO APPROVED 4S TO FORM
	AS TO CONTENT AS TO INTEREST AS TO INTEREST
THE STATE OF TEXAS § COUNTY OF STEPHENS §	W
The foregoing instrument was acknowledged before me, a Notary Public, on the day of, 2000, by JOHN H. CONNALLY, President of States, Inc. a Texas corporation, on behalf of said corporation.	
BARBARA BEENE MCTARY PUBLIC Notary Public State of Texas	

This Ratification is executed and tendered to EOG Resources, Inc. subject to conditions set out in a Letter dated April 26, 2000 from States, Inc to EOG Resources, Inc.

In consideration of the execution of the U	Init Agreement for the Development and Operation of the
New Mexico, dated March 1 18 2	IEA. County of Lea State of the Secretary of the Interior and the
Commissioner of Public Lands, and in consideration of the execution	on or militation by other working interest owners of the contemporary that
Operating Agreement which relates to said Unit Agreement the unde	ersigned hereby expressive multies, approves and adopts said Unit Agreement
as fully as though the undersigned had executed the original agrees	neat.
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the Unit Area in which the undersigned may be found to have an o	greements or other interests in unitized substances, covering the lands within
are orall date in their distributions give the job job is the first	The gaz man out.
This Ratification and Joinder of Unit Agreement shall be	e binding upon the undersigned, his, or her or its heim, devisees, executors,
essigns or successors in interest.	
EXECUTED this	1114.
EXECUTED this	7777
	16.0 5 8.2.11
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	Address:
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TRACT (S)	
STATE OF TEXAS	
midland) u .
COUNTY OF Which Hind	
On this day of	MAY . A 2000 . before the personally
David L. Schmidt 10 n	ne known to be the person described in and who executed the foregoing
instrument, and acknowledged that (s) he executed the same as his	
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	Laver Cak
My Commission Expires:	Note of Public
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(SEAL)	
}	
KAREN COOK	
(State of lexus 1	
My Commission Expires June 7, 2001	
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In consideration of Red Hills North	the execution		Jail Agreement REA, County of	for the	Development Lea	and Operation	of the State of
		1 % 2	000, in form ap				for and the
Commissioner of Public Lands, an							
Operating Agreement which relates				pressly ratif	ies, approves and	d adopts said Unit	Agreement
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My Commission Expires:	7-14.01	·		<u>ب ک ب</u>	~	20	
	• •		Notary Public				
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(SEAL)	DARLINA L ES	ALIIVE!					
	My Commission	1					
	February 14.						

Red	In conside Hills	ention of the North	execution	of the	Unit AREA,	Agreeme County of	int for	the	Development Lea	and	Operation	of the
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Commissio	ner of Publi	ic Lands, and in o	onsideration o	if the exect	ution or	ratification	n by other	work	ing interest own	rers of	he contemn	one Hair
Operating /	Agreement v	which relates to sa	iid Unit Agree	ment the u	ndersig	ned hereby	expressly	ratific	s. approves an	d adopt	s said Unit a	Agreement
as fully as	though the	undersigned had o	executed the o	riginal agr	eement.	•						•
	This Ratific	ation and Joinder	r shail be effe	ctive as to	the un	dersigned"	s interests	in an	y lands and les	ises, or	interests th	crein and
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the Unit Ar	rea in which	the undersigned	may be found	l to have a	n oil an	id gas inter	र इत .				-	
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assigns or :	nnis Kanne successors i	ation and Joinder n interest.	of Out Agree	ement shat	ו סב סנח	ding upon	the under	signed	, hix, or her or	its heir	s, devisees,	executors,
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COUNTY	OF Ci	2025)	, .						
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In con Red Hill	sideration of S North	the	execution	of the	Unit AREA	Agreement County of	for	the	Development Lea	and	Operation	of the
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Commissioner of Pa	ublic Lands, and	l in con	sideration o	f the exec	ution or	ratification b	y other	work	ing interest ow	ners of	the contempo	many Unit
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In consideration of the execution of the Unit Red Hills NorthUNIT ARE	Agreement for the Development and Operation of the A. County of State of
New Mexico, dated March 1 .18 200 Commissioner of Public Lands, and in consideration of the execution Operating Agreement which relates to said Unit Agreement the unders	O, in form approved on behalf of the Secretary of the Interior and the or ratification by other working interest owners of the contemporary Unit igned hereby expressly ratifies, approves and adopts said Unit Agreement
as fully as though the undersigned had executed the original agreemen	nt.
	undersigned's interests in any lands and leases, or interests therein, and ements or other interests in unitized substances, covering the lands within and gas interest.
This Ratification and Joinder of Unit Agreement shall be be assigns or successors in interest.	ainding upon the undersigned, his, or her or its heirs, devisces, executors,
EXECUTED this 4th day of A	pril xx 2000
Ancs	Marilyn D. Clifford
TRACT (S) _ 5	
STATE OF Texas	
COUNTY OF Lubbock) u .
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	known to be the person described in and who executed the foregoing
instrument, and acknowledged that (a) he executed the same as his/	her free act and deed.
My Codus A Figures: GLENDA FUQUA Notary Public, State of Texas	Glenda Fugua Notary Public
My Commission Expires 5-14-2001	Plains National Bank of West Texas, as
(SEAL)	Custodian of the Individual Retirement
	Account of Marilyn J. Clifford
Attest:	By: Duy (Kuht
	Harry A. Anight, Executive Vice President & Trust Officer
STATE OF TEXAS	P.O.Box 271, Lubbock, TX 79408-0271
COUNTY OF Lubbock	•
On this 12th day of to s	ne known to be the person described in and who executed the foregoing
instrument, and acknowledged that (1) he executed the same as h	
My Commission Expires:	Darbara Ethridge
BARBARA ETHRIDGE Notary Public, State of Texas My Cornmission Expires 3/18/2004	Notary Public
Rev. 07/95	

In consideration of the execution of the Unit Agreement for the Red Hills North UNIT AREA, County of	Development and Operation of the Lea State of
Red Hills North New Mexico, dated March Lix 2000, in form approved on to Commissioner of Public Lands, and in consideration of the execution or ratification by other wor Operating Agreement which relates to said Unit Agreement the undersigned hereby expressly rational as fully as though the undersigned had executed the original agreement.	king interest owners of the contemporary Unit
This Ratification and Joinder shall be effective as to the undersigned's interests in a royalties presently held or which may arise under existing option agreements or other interests in the Unit Area in which the undersigned may be found to have an oil and gas interest.	
This Ratification and Joinder of Unit Agreement shall be binding upon the undersigne assigns or successors in interest.	d, his, or her or its heirs, devisees, executors,
EXECUTED this 17th day of April 19	2000
Bryan Best, General Partner Bryan Bell Family Ltd.Partnership No.1 Address: TRACT(S)	1331 Third Street New Orleans, LA 70130
instrument, and acknowledged that (s) he executed the same as his/her free accord deed.	$19 \frac{2000}{\text{described in and who executed the foregoing}}$
My Commission Expires: Vi	

In consideration of the execution of the Unit Agreement for the Development and Operation of the Red Hills NorthUNIT AREA, County of
New Mexico, dated March 1 .18 2000, 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 hereby expressly ratifies, approves and adopts said Unit Agreement
as fully as though the undersigned had executed the original agreement.
This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil and gas interest.
This Ratification and Joinder of Unit Agreement shall be binding upon the undersigned, his, or her or its heirs, devisees, executors, assigns or successors in interest.
EXECUTED this 20TH day of APILIL 19 1000
Frank Frank
Address: BOLFY ENBREY
TRACT (S)
MIDLAND TEXAS -5
STATE OF TELLS
COUNTY OF MICHAND
On this day of Holly before me personally instrument, and acknowledged that I) he executed the same as historifree act and deed.
My Commission Expires: Notary Public
(SEAL) LISA SALAZAR NOTARY PUBLIC STATE OF TEXAS Any Commission Exp 12-13-2003

Red Hills North UNIT AREA, County of Lea State of
New Mexico, dated March 1 18 2000, 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 hereby expressly ratifies, approves and adopts said Unit Agreement
is fully as though the undersigned had executed the original agreement.
This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and
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he Unit Area in which the undersigned may be found to have an oil and gas interest.
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This Ratification and Joinder of Unit Agreement shall be binding upon the undersigned, his, or her or its heirs, devisees, executors, assigns or successors in interest.
133igns of successors in interest.
EXECUTED this 7th day of April 18 1900.
Me Jean
Anex
Address Alan Jochimsen
TRACT (S) 4209 Cardinal Ln.
Midland, TX 79707-1935
STATE OF
COUNTY OF Mildiand
COUNTY OF
on this 7th day of the first the 2000, before me personally
to me known to be the person described in and who executed the foregoing
instrument, and acknowledged that (s) he executed the same as his/her free act and deed.
My Commission Expires: June 1, 2003 Meet aller Solary Public
My Commission Expires: 5 Cine 1, 3003
1.5217 1 2010
(SEAL)
ROBERT ALLEN FRIEDRICHS (
Notary Public, State of Texas
My Commission Expires
JUNE 1, 20 0 3

This Ratification is executed and tendered to EOG Resources, Inc. subject to conditions set out in a Letter dated April 6, 2000 from Monty D. McLane and Alan Jochimsen to EOG Resources, Inc.

Red Hills	ideration S North	of the	execution	of the	Unit AREA,	Agreement County of	nt for	the	Development Lea	and	Operation	
Yew Mexico, dated		arch	_1	1%	2000), in form	sporoved	on be	half of the Sec	יקושרץ (of the Interio	State of or and the
Commissioner of Pu	iblic Lands.	and in co	unideration	of the exec	culion or	ratification	by other	work	ing interest awa	sect of t	he contema	a
Operating Agreemer	at which rela	les to said	1 Unit Agre	ement the	undersig	ned hereby	expressly	ាររាជ	es, approves an	d adopt	s said Unit a	Steement
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the Unit Area in wh	lich the unde	rsigned a	may be foun	d to have	an oil an	d gas intere	: s t.			,	ara id	wight
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This Ratification is executed and tendered to EOG Resources, Inc. subject to conditions set out in a Letter dated April 6, 2000 from Monty D. McLane and Alan Jochimsen to EOG Resources, Inc.

In consideration of the execution of the Unit Agreement for the Development and Operation of the Red Hills North UNIT AREA, County of Lea State of	
New Mexico, dated March 1 .18, 2000, in form approved on benalf 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 Un	цt
Operating Agreement which relates to said Unit Agreement the undersigned hereby expressly ratifies, approves and adopts said Unit Agreement as fully as though the undersigned had executed the original agreement.	11
This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, an royalties presently held or which may arise under existing option agreements or other interests in unitted substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil and gas interest.	id in
This Ratification and Joinder of Unit Agreement shall be binding upon the undersigned, his, or her or its heirs, devisees, executor assigns or successors in interest.	5.
Will Roll Day. Horib is 2000	20
Addres A.G. Andrikopoulos Resources, It	
Post (Mice Box 788 Cheyenne, WY 82003-0788	
STATE OF Woming	
COUNTY OF LA CAMIE	
A b. Andriko poulos, Prosident A, to me known to be the person described in and who executed the foregoingstrument, and acknowledged that (s) he executed the same as his/her free act and deed.	dv ng
A. Strdrikopolos Resourses, Inc.	
My Commission Expires: Notary Public Notary Public	
AUTH CHARL MICLEAN BUBLIC	
(SEAL)	

In consideration of the exec Red Hills North	UNIT AREA	. County of		Lea		State of
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Commissioner of Public Lands, and in consider						
Operating Agreement which relates to said Unit			essly ratifi	ics, approves and	d adopts said Un	nt y & tacture ut
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This Ratification and Joinder of Uni	it Agreement shall be bi	nding upon the ur	ndersigne	d, his, or her or	its heirs, devise	es, executors,
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FERRI TAYLOR						
(*(Notary Public)						
STATE OF TEXAS						
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In consideration of the execution of the Red Hills North UNITA	Unit Agreement AREA, County of	for the	Development Lea	and Operatio	n of the State of
New Mexico, dated <u>March 1</u> .18	2000, in form appr	roved on be	nalf of the Seco	retary of the Inte	nor and the
Commissioner of Public Lands, and in consideration of the execu	ition or ratification by	other work	ing interest own	ers of the conten	nporary Unit
Operating Agreement which relates to said Unit Agreement the un	idersigned hereby exp	uiises ylees	es, approves and	l adopus said Uni	(Agreement
as fully as though the undersigned had executed the original agre	ement.				
This Ratification and Joinder shall be effective as to	the understaned's in-		ta-de and les		· Name of the second
royalties presently held or which may arise under existing option	agreements or other i	alesesta in t	ny tanda and ted	ses, sovering the	lands within
the Unit Area in which the undersigned may be found to have an	s oil and gas interest.			es, covering are	initias within
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This Ratification and Joindar of Unit Agreement shall	be binding upon the u	indersigned	l, his, or her or i	its heirs, devisee	s, executors,
assigns or successors in interest.	,				
EXECUTED this 22 20 d day of	7/arch	, 10	11 10 11 10		
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		Address: _	P.O. /	DG-6-3	368
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Luyomina,					
STATE OF THE PLECED)				
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	.m				
On, this 22 day of	March		4 2000	_, before me	personally
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ingroument, and acknowledged that (s) he executed the same as I	his/her free act and de	eed.			
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My Commission Expires: <u>6/15/08</u>	Muc	lule	Labour	â.	
- - - - - - - - - - - - - -	Notary Public				
(SEAL) MICHELE LABOUNTA - NOTARY PUBLIC					
County of (State of)					
My Commission Expires June 15, 2009					

In consideration of the execution Red Hills North New Mexico, dated <u>March 1</u> Commissioner of Public Lands, and in consideration	unit area. 1%_2000	County of), in form appro	oved on b	Lea chalf of the Sec	retary of t	he Interio	_State of r and the
Operating Agreement which relates to said Unit Agrees fully as though the undersigned had executed the	cement the undersig	ned hereby expr	suier word essly racifi	ies, approves and	d adopts sa	rantempo rid Unit A	greement
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	N	oury Public			•	•	
(SEAL)							

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California)
County of Untire	ss.
County of <u>UMUUE</u>	J
on March 21. 2000, before me, _A	Name and Title of Officer (a.g., Juane Doe, Notary Public)
personally appeared Glends Chri	StiAn Tours Name(s) of Signals)
	personally known to me proved to me on the basis of satisfactory evidence
DIANE L. RATCLIFF Commission # 1122670 Notary Public-California Ventura County My Comm. Expires Jan 15, 2001	to be the person(s) whose name(s) 18/arc subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/he/their authorized capacity(ies), and that by his/he/their signature(s) on the instrument the person(s), of the entity upon behalf of which the person(s) acted, executed the instrument.
Place Notary Seal Above	WITNESS my hand and official seal. Live X. Rutchill Signature of Notary Public
OF	PTIONAL
	w, it may prove valuable to persons relying on the document and reattachment of this form to another document.
Description of Attached Document Title or Type of Document: YAhfi (Afich ←)	oinder of unitagrooment tunit operating agra
Document Date: March 1,2000	Number of Pages:
Signer(s) Other Than Named Above:	
Capacity(ies) Claimed by Signer Signer's Name:	RIGHT THUMEPRIN
Individual	OF SIGNER
Corporate Officer — Title(s):	
Partner — Dimited Deperal	
Attorney in Fact	
Trustee	
Guardian or Conservator	
Cther:	

In consideration of the execution of the Unit Agreement for the Development and Operation of the Red Hills North UNITAREA, County of Lea State of
New Mexico, dated March 1 18 2000, in form approved an health of the location and the
Commissioner of Public Lands, and in consideration of the execution of millication by other working interest dwners of the contemporary to
Operating Agreement which relates to said Unit Agreement the undersigned hereby expressly ratifies, approves and adopts said Unit Agreement
as fully as though the undersigned had executed the original agreement.
This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unutized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil and gas interest.
This Ratification and Joinder of Unit Agreement shall be binding upon the undersigned, his, or her or its heirs, devisees, executors, assigns or successors in interest.
EXECUTED this
EXECUTED this day of March 19 2000
FRANCE TO MINE TO
Josephine Y. Hudson
Address: 616 Texas Street
TRACT (S) Fort Worth, TX 7610
STATE OF TEXAS
) u .
COUNTY OF TARRANT
23
On this day of March 19 2000 before me personally Josephine T. Hudson
JOSEPHINE T. HUGSON to me known to be the person described in and who executed the foregoing instrument, and acknowledged that (s) he executed the same as his/her free act and deed.
The state of the s
My Commission Expires: 7/31/2000 /Wganna & Clarke
Nousy Public Virginia B. Clarke
2.2. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2.
(SEAL) VIRGINIA B. CLARKE \$
Notary Public
STATE OF TEXAS
∴ Ady Comm. Exp. 07/31/2000 🖁
The succession of the successi

In consider Red Hills N	aion of a	the executi			Agreement County of	for	th¢	Development Lea	and	Operation	of the State of
New Mexico, dated	Marc	h 1				proved	on be	half of the Sec	יהמי	of the Inten-	or and the
Commissioner of Public		n considerati	an of the exec	ution or	ratification b	y other	worki	ng interest ow	ກເຕາວຄໍ	the contemp	orary Unit
Operating Agreement wh						xpressly	catific	s. approves an	d adob	ts said Unit A	/greement
as fully as though the un	dersigned ha	d executed th	ne original agr	cement							
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This Ratificate assigns or successors in						e unden	signed	, his, or her or	is hei	rs, devisees,	executors.
EXECUTED		24	day of	Mai	rch /		. 20	000			
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TRACT (S)								Fort W	orth	, TX 7	6102
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STATE OF TEX	(AS)							
) u .						
COUNTY OF TAR	RANT			_)							
Edward R. Hid:	son Jr.	24	day of		March	the ner		19 2000		efore me executed the	
instrument, and acknow	ledged that	(s) he execu									
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My Commission Expir	cs:	7/31/20	000	- (July Public	UM.	irgi	nia B. C	i Lark	e e	
(SEAL)		VIRGINIA Notary	B. CLARKE Public	acad							
	1-200	ส่y Comm. Ex	OF TEXAS cp. 07/31/2000	haaa							

In consideration of the execution of the Unit Red Hills North UNIT AREA.			Development Lea		of the State of
New Mexico, dated March 1 .1% 2000	, in form appro	ved on be	half of the Sec	retary of the Interio	or and the
Commissioner of Public Lands, and in consideration of the execution or	ratification by o	ther work	ing interest own	iers of the contemp	ەمىرې ئامىر
Operating Agreement which relates to said Unit Agreement the undersign		ssly ratific	s. approves and	d adopts said Unit A	/greement
ss fully as though the undersigned had executed the original agreement.					
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the Unit Area in which the undersigned may be found to have an oil an		recesor in i	interes isolain	eds, covering die la	nus within
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This Ratification and Joinder of Unit Agreement shall be bin	ding upon the un	dersigned	, his, or her or	its heirs, devisees,	executors,
assigns or successors in interest.					
EXECUTED this 2/2 day of 1	mo. l		1000		
EXECUTED this	"ulow		<u> </u>		
- Lisabeth Sloba -					
Anes			4919 C	Ccidental Rosa, CA	L Rd.
	^	adress: _	Canta	Posa CA	9540
TRACT (S) # 1			Sanca	ROSa, CII	_
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STATE OF) 23 .				
COUNTY OF GIVE	,				
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instrument, and acknowledged that (s) he executed the same as his/her	tiree act and de	cu.			
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My Commission Expires:					
	lotary Public			•	
(05.1)					
(SEAL)					

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

Acknowledgment

State of California	
ss. County of Sonoma	
	, me, Leslie Laybourne, Notary Public, personally
appeared Elisabeth Ser	Name(s) of Signers(s)
LESTIC LAVROUPING	personally known to me proved to me on the basis of satisfactory evidence
LESLIE LAYBOURNE Commission # 1185640 Notary Public - California Sonoma County My Comm. Expires Jun 1, 2002	to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
Place Notary Seal Above	WITNESS my hand and official seal. Signature of Notary Public
Though the information below is not required by	law, it may prove valuable to persons relying on the document and could and reattachment of this form to another document.
Description of Attached Document Title or Type of Document: Range Control	and Joinday of Unit Agreement
Document Date: 3.21-2000	Number of Pagesi
Signer(s) Other Than Names Above:	A
Capacity(ies) Claimed by Signer Signer's Name Charles Scrib Individual Corporate Officer - Title(s)	OF SIGNER
PartnerLimitedGeneralAttorney in FactTrusteeGuardian or ConservatorOther:	
Signer Is Representing	

In consideration Red Hills North	of the execution of	of the Unit _UNIT AREA.				and Operation	of the State of
	March 1	.19(2000	. in form app	proved on t	sehalf of the Sec	retary of the later	of and the
Commissioner of Public Lands.							
Operating Agreement which rel				pressly rati	lies, approves and	d adopts said Unit	Agreement
as fully as though the undersign	ned had executed the on	ginal agreement	•				
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This Ratification and	d Joinder of Unit Agreer	nent shall be bir	ading upon the	undersigne	ed, his, or her or	its heim, devisees	, executors,
aggigns or successors in interes				10	a.7	.7	
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Anes			9,-7	Address:	1764 H	undinaton	SŤ
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TRACT (S)					101304	1345	
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						, , , , , ,	
STATE OF Texas							
_) 15.				
COUNTY OF Midland							
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instrument, and acknowledged	d that (s) he executed the	same as his/ho	r free act and	deed.			
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My Commission Expires:		 . ;	HOLARY PARTITION		1		
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In consideration of the execution of the Unit Agreement for the Development and Operation of the Red Hills North Unit Area, County of Lea, State of New Mexico, dated March 1, 2000, 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 hereby expressly ratifies, approves and adopts said Unit Agreement as fully as though the undersigned had executed the original agreement.

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

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

EXECUTED this 29th day of March, 2000.

Estate of Lillie M. Yates, Deceased.

My commission expires: 9-15-2003

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Darlens Characia Notary Public

		Harper and F	Jr., Attorney-in-Fact for S.P. Yates, B.W./ rank Yates, Jr., Personal Representatives of Lillie M. Yates, Deceased.
		Address:	105 South Fourth Street Artesia, New Mexico 88210
STATE OF NEW MEXICO)		
COUNTY OF EDDY	:ss)		
The foregoing instrum	nent was ackno	owledged before me	this 2944 day of March, 2000, by Frank

Yates, Jr., Attorney-in-Fact for S.P. Yates, B.W. Harper and Frank Yates, Jr., Personal Representatives of the

In consideration of the execution of the Unit Red Hills North UNIT AREA	Agreement for the County of	ne Development Lea	and Operation	of the State of
	O, in form approved on	behalf of the Seco	יפשתי פו יחם וחובתם	
Commissioner of Public Lands, and in consideration of the execution of	r ratification by other wi	orking interest own	ers of the contempo	onary Unit
Operating Agreement which relates to said Unit Agreement the undersi		nifies, approves and	l adopu said Unic A	greement
as fully as though the undersigned had executed the original agreemen	t.			
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This Ratification and Joinder shall be effective as to the copyalties presently held or which may arise under existing option agree				
the Unit Area in which the undersigned may be found to have an oil a		in aminist substant	.03, 00.011118 210 (8)	חמז שונתות
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This Ratification and Joinder of Unit Agreement shall be b	nding upon the undersig	ned, his, or her or	ils heim, devisees,	executors,
assigns or successors in interest.				
EXECUTED this 1 1 day of 1	Vareli so	1000		
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STATE OF CALL TOP WILL	,			
COUNTY OF SANTA CLARA) 11 .			
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	known to be the person	n described in and	who executed the	(occsorus
instrument, and acknowledged that (s) he executed the same as his/h	er free act and/deed.	\mathcal{A}		
My Commission Expires: TULY M. 1001	Rolling	1-15	Enduts	7
	Notary Public	·		
(SEAL) Diana T Gendotti				
Comm #1148804 NOTARY PUBLIC CALIFORNIAN SANTA CLARA COUNTY				
Comm. Exp. July 27 2001				

	Hills			UNIT AR	EA, County	of		Lea			State of
Commissi	ioner of Publ	Marc ic Lands, and in	consideration	of the execution	n or milicati	on by other	workin	g interest ow	nem of :	he contempo	nary Unit
Operating	Agreement	which relates to	said Unit Agree	ment the unde	ersigned hereb	y expressly	ratifies	. approves as	id adopt	said Unit A	greement
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(SEAL)	*****************	2178000°°°	OMATO TOUCE)							
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In consideration of the execution of the Red Hills North	ne Unit	Agreement County of	for t	the	Development Lea	and O	peration	of t	
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Commissioner of Public Lands, and in consideration of the ex	recution or	ratification by	other	varki	ng interest own	ers of the	contempo	intro Li	nit
Operating Agreement which relates to said Unit Agreement th	e undersign	red hereby exp	ressly	atilie	s, approves and	adopts sa	id Unit A	enterne	- 21
as fully as though the undersigned had executed the original	agreement.		,		 -				
This Ratification and Joinder shall be effective as	to the unc	dersigned's int	eresus i	n any	lands and leas	ses, or in	terests the	rein, s	nd
royalties presently held or which may arise under existing op-				s in u	nitized substanc	es, caveri	ing the lar	ids will	iin
the Unit Area in which the undersigned may be found to have	e an oil and	d gas interest.							
This Ratification and Joinder of Unit Agreement s	hall ha hiar	daawaa k		4		ه ساده در	Lauda		
assigns or successors in interest.	man oc ont	ang upon ute	unaersi	gnee.	nis, or net or i	CS Hells, J	icviscc3, c	xeculo	rs.
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EXECUTED thisday	of	March	_9	$Q_{\mathcal{L}}$					
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And a		Holly S	Addres	LZ	P.O. B	x 258	8		
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TRACT (S) Tract 3					Roswell	L, NM	8820	2-25	88
STATE OF New Mexico)								
STATE OF) 4 5.							
COUNTY OF Chaves)	,							
2011)							
On this day o		acco			1 9), befor	t me	personi	ally
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instrument, and acknowledged that (s) he executed the same	as his/her	free act and d	ccd.						
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My Commission Expires: 4-12-02			11	\geq	-101	7, _			
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STATE OF VEW MEXICO									
My Commission Expires									
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In consideration of the Red Hills North	UNIT A	REA, County of		Lea		State of
New Mexico, dated March	1 .19(2000, in form app	noved on ben	all of the Secret	ary of the La	stenor and the
Commissioner of Public Lands, and in co	onsideration of the execut	tion or ratification by	other working	g interest owners	s of the same	emporary Unit
Operating Agreement which relates to said as fully as though the undersigned had ex	d Unit Agreement the un-	derzigned hereby ext	cessly ratifies	. approves and a	dopu said U.	nit Agraement
as tally as allough the andersigned had ex	tentred the original agree					
This Ratification and Joinder royalties presently held or which may arithe Unit Area in which the undersigned r	se under existing option.	agreements or other	interests in un	lands and lease: utized substances	s, or interess s, covering th	s therein, and le lands within
This Ratification and Joinder of	of Unit Agreement shall	be binding upon ਖੋਣ	undersigned,	his, or her or its	heim, devise	ees, executors.
assigns or successors in interest.			•			
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TRACT (3)				KOSWET	<u>. Т. И.Т.</u>	00202-010
STATE OF New Mexico						
STATE OF New MEXICO)) 44.				
COUNTY OF Chaves)				
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On this	day of	Haray	<u> </u>	+ <u>200</u> .		ne personally
Danielle Hannifin		me known to be the		aribed in and w	ho executed	the foregoing
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My Commission Expires: 4-18	X = (X - (X - (X - (X - (X - (X - (X - (Int		lif	
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PATTI	AL SEAL STACY Y PUBLIC					

In consideration of the execution of the Red Hills North UN	he Unit Agreement for TT AREA, County of	the Development Lea	and Operation	of the State of
	X 2000, in form approve	d on behalf of the Se	cretary of the Interio	
Commissioner of Public Lands, and in consideration of the ex	recution or retification by other	er working interest ou	ners of the contemp	oracy Unit
Operating Agreement which relates to said Unit Agreement th				
as fully as though the undersigned had executed the original a	igreement.			
This Ratification and Joinder shall be effective as royalties presently held or which may arise under existing opt the Unit Area in which the undersigned may be found to have	tion agreements or other inter	ts in any lands and le ests in unicized substa	eases, or interests the	erein, and nds within
This Ratification and Joinder of Unit Agreement si	hall be binding upon the unde	rsigned, his, or her o	r its heirs, devisees,	executors.
EXECUTED this 29th day	or March	H22000		
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Affest	Lashara I	2 & Hannifin,	rese of	o - presentativ
	by. Barbara r			presentativ
	Add	ress: <u>P.O. B</u>	ox 182	
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STATE OF New Mexico	,		· · · · · · · · · · · · · · · · · · ·	
STATE OF New Mexico				
COUNTY OF _ Chaves				
	to me known to be the pe		before me who executed the	
instrument, and acknowledged that (s) he executed the same	as his/her tree act and deed.	1		
My Commission Expires: 4-12-02	Notary Public	to Sta	ich	
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(SEAL)				
ASSESSED TO THE PROPERTY OF TH				
PATTI STACY NOTARY PUBLIC STATE OF NEW MEXICO				

My Commission Expires _

In consideration of the execution of the Red Hills North	Unit Agreement for the Development and Operation of the AREA, County of Lea State of
New Mexico, dated March 1 .18	2000, in form approved on behalf of the Secretary of the Interior and the
Commissioner of Public Lands, and in consideration of the execu	ition or ratification by other working interest owners of the contemporary Unit
	ndersigned hereby expressly ratifies, approves and adopts said Unit Agreement
is fully as though the undersigned had executed the original agree	rement.
This Ratification and Joinder shall be effective as to	the undersigned's interests in any lands and leases, or interests therein, and
oyalties presently held or which may arise under existing option	agreements or other interests in unitized substances, covering the lands within
he Unit Area in which the undersigned may be found to have ar	n oil and gas interest.
This Deriffersion and Injudes of Unit Agreement shall	Na Niadianana and Araba (Control Control Contr
This rathication and founder of Onit Agreement shall assigns or successors in interest.	be binding upon the undersigned, his, or her or its heirs, devisees, executors,
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EXECUTED this	11000 ++ XOLO
	NUEVO SEIS LIMITED PARTNERSHIP
	a New Mexico Limited Partnership
	By: MM, Inc., its General Partner
	Bur Desta S Alaman
Allest	Barbara E. Hannifin, President
	The second secon
TRACT (S) Tract 3	\mathcal{U}'
12000	NUEVO SEIS LIMITED PARTNERSHIP
	P. O. BOX 2588
	ROSWELL, NEW MEXICO 88202-2588 (505) 623-4618
	(303) 023-4010
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STATE OF New Mexico)
COUNTY OF Chaves) u .
COUNTY OF Chaves	
On this day of	MATCH . +92000. before me personally
	me known to be the person described in and who executed the foregoing
instrument, and acknowledged that (s) he executed the same as	s higher free act and deed.
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	Notary Public
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(SEAL) PATT STACY NOTARY PUBLIC	
STATE OF NEW MEXICO	*
My Commission Expires	

Rev. 07/95

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In consideration of the execution of the Unit Agreement for the Development and Operation of the Red Hills North UNITAREA, County of Lea State of
New Mexico, dated March 1 18 2000, 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 hereby expressly ratifies, approves and adopts said Unit Agreement
as fully as though the undersigned had executed the original agreement.
This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil and gas interest.
This Ratification and Joinder of Unit Agreement shall be binding upon the undersigned, his, or her or its heirs, devisees, executors, assigns or successors in interest.
EXECUTED this 3th day of April 19 2000
Anex // Larise H-tchinson as Trastee of Bes 18.
Luvise Hatchings as Trustee ut /Seu /3. Address: Hatchings Lestate Trust
TRUCT (S) 5
L-6/oc1(,TX 79410
STATE OF Texas
COUNTY OF 1 - 66 - 1
On this ATT day of Child . 49300. before me personally holds of the person described in and who executed the foregoing
instrument, and acknowledged that (s) he executed the same as his/her free act and deed.
My Commission Expires: 10-15 2012 Authorities
Notary Public
(SEAL)
RUTH SCOTT Notary Public, State of Texas My Commission Expires OCTOBER 15, 2002

Re	In conside d Hills 1	nuon of North	the execution	on of the	Unit CREA.	Agreement County of	for	the	Development Lea	and Operation	of the State of
New M	exico, dated	Marc	<u>ch l </u>	1%	<u> 2000</u>), in form ap	proved	on be	nalf of the Sean	eury of the Inter	ior and the
Commi	ssioner of Public	Lands, and	in consideratio	nof the execu	lion or	ratification b	y other	work	ing interest owner	ers of the contemp	onary Unit
							xpressly	ការ៉េប៊ែ	es, approves and	adopts said Unit.	Agreement
as runy	as though the u	naersignea h	a executed th	e onginal agre	ement.	•					
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assigns	This Ratificator successors in		ider of Unit A	greement shall	be bin	ding upon the	e unders	igned	l, his, or her or i	is heirs, devisees,	. executors,
	EXECUTE	O this	7+n	day of _	A	A -il	·	×=	2066		
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	On this	5	th	day of	À	oril			2000	. before me	nersonally
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instru	ment, and ackno	wledged that	(s) he execute	d the same as	his/her	free act and	deed.				_
му С	ommission Expi	res: 10-2	29-02	 .	77	Otary Public	ie_	D.	· Rente	<u>~~~</u>	
(SEA)		No.	Carrie D. I								

In consideration of the execution of the Unit Agreement for Red Hills North UNIT AREA, County of	the Development and Operation of the
New Mexico, dated March 1 .18 2000, in form approved	on behalf of the Secretary of the Interior and the
Commussioner of Public Lands, and in consideration of the execution or ratification by other	r working interest owners of the contemporary Unit
Operating Agreement which relates to said Unit Agreement the undersigned hereby expressly	ratifies, approves and adopts said Unit Agreement
is fully as though the undersigned had executed the original agreement.	
This Ratification and Joinder shall be effective as to the undersigned's interests	s in any lands and leases, or interests therein, and
royalties presently held or which may arise under existing option agreements or other interes	sts in unitized substances, covering the lands within
the Unit Area in which the undersigned may be found to have an oil and gas interest.	
This Parification and Introduced Units homeometric ball he hinding and the	the first of the first hands and the
This Ratification and Joinder of Unit Agreement shall be binding upon the under assigns or successors in interest.	signed, his, or her or its helfs, sevisces, executors.
EXECUTED this 22 day of March	18 <u>000</u>
Nelman Hamin	
Anes	
nbbA	222:
TRACT (S)	DOS HERMANAS OIL & GAS
	6300 Ridglea Place, Ste 1005-A
STATE OF TEXAS	Ft Worth, Texas 75116
) u.	
COUNTY OF TARRANT	
On this 22hd day of MARCH DELMAR IT. LEWIS , to me known to be the per	. 19 2000, before me personally son described in and who executed the foregoing
	son described in and who executed the foregoing
instrument, and acknowledged that (s) he executed the same as his/her free act and deed.	
٨	. 0 1
My Commission Expires: 06-01-2002 Stephan Notary Public STE	ue Barton
Notary Public STE	PHANIE BARTON
(SEAL)	
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(SEAL) MINIMUM HANTE BY PARTIES PRES TERS OF APPRES	

In consideration of the execution of the Unit Agreement fo		Development Lea	and Operation	
Red Hills North UNIT AREA, County of			etary of the Interv	_State of
Commissioner of Public Lands, and in consideration of the execution or ratification by other				
Operating Agreement which relates to said Unit Agreement the undersigned hereby expres				
s fully as though the undersigned had executed the original agreement.				
This Ratification and Joinder shall be effective as to the undersigned's intere		lands and les	ere or interests th	amin and
This Ratification and foliager shall be effective as to the undersigned a fine- gyalities presently held or which may arise under existing option agreements or other inte-				
he Unit Area in which the undersigned may be found to have an oil and gas interest.			•	
This Ratification and Joinder of Unit Agreement shall be binding upon the unc	dersigned,	his, or her or	its heirs, devisees,	executors,
assigns or successors in interest.				
EXECUTED this 22nd day of March		<u>00</u> .		
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STATE OF TEXAS				
COUNTY OF TARRANT				
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instrument, and actionwistiged that (3) he executed the same as mission that and dec				
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My Commission Expires: 06-01-2002 Steph Notary Public S	TERM	1200019	2701	
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Т	his Ratificat	ion and Io	inder of	Unit Agra	sment	shall	. be bin	ding upon	the und	lersign	ed, his, or	her ar	iu hei	n, devisees,	stecuto	งศ.
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(SEAL)	COUNT	Y OF ES		STATE OF WYOMING	፠											
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In consideration of the execution of the Unit Agreement for the Development and Operation of the Red Hills North UNIT AREA, County of Lea State of
New Mexico, dated March 1 18 2000, in form anamyed on behalf of the Secretary of the lovely
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• • • • • • • • • • • • • • • • • • • •
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royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within
the Unit Area in which the undersigned may be found to have an oil and gas interest.
· · · · · · · · · · · · · · · · · · ·
This Ratification and Joinder of Unit Agreement shall be binding upon the undersigned, his, or her or its heirs, devisees, executors,
assigns or successors in interest.
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TRACT (S) 5 Now to For Now to
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STATE OF NEWO WESTED
) ss .
CCUNTY OF SANDA TS
7.7
On this day of April . 2000, before me personally
Kabeet N. Eafred to me known to be the person described in and who executed the foregoing
instrument, and acknowledged that (s) he executed the same as his/her free act and deed.
My Commission Expires: October 23 2001 - Bay L Catarracia
Noury Public
The state of the s
(SEAL) OFFICIAL SEAL
Kay L. Catenech
MOTARY PUBLIC MEN NEW MEDICO
CLARY BOND FILED WITH SECRETARY OF STATE
y Commission Expires: 10/23/2001
the process and a second secon

In consideration of the execution of the Unit Agreement for the Development and Operation of the Red Hills North UNIT AREA, County of Lea State of	
ew Mexico, dated March 1 .18 2000, in form approved on behalf of the Secretary of the Interior and the	
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This Ratification and Joinder of Unit Agreement shall be binding upon the undersigned, his, or her or its horrs, devisees, executors,	
ssigns or successors in interest.	
EXECUTED this 10 TH day of APRI)	
Address: DR ERIK BATEMA	1
TACT (5) 2740 OSTROM AVE Long BEACH CA STATE OF CALIDYNIA 90815	
TRACT (S)	
Long ISEACH CA	
STATE OF CONTROL 90815	_
DIA 1562) H25 44 18	
On this 10 day of AM . 19 2000, before me personally to 15 15 15 15 15 15 15 15 15 15 15 15 15	
to me known to be the person described in and who executed the foregoing	
instrument, and acknowledged that (s) he executed the same as file her free act and deed.	
My Commission Expires: NOVEYNDEY 20, 2002 BULLE K MALLITERS Notary Public	
Notary Public	
· · · · · · · · · · · · · · · · · · ·	
(SEAL) BRITT K. MAURSTAD (SEAL) Commission # 1202469	
Notary Public - California	
Orange County	
My Comm Proires Nov 20, 2002	

Red	ln consi Hills	deration of North	of the	execution	of the UNIT	Unit AREA	Agreeme County of	nt for	ιhc	Development Lea	and	Operation	of the State of
New Mexic		Ma	arch	1	.19X	2000). in form	approved	on b	chalf of the Sec	retary	of the Interio	or and the
Commissio	ner of Pul	olic Lands, i	ind in co	nsideration	of the exec	cution of	ratification	by othe	r work	ting interest own	ners of	the contempo	oney Unit
Operating /	Agreemen	t which relat	es to sai	d Unit Agre	ment the	undersig	ned hereby	expressi	y ratifi	ies, approves an	d adop	u said Unit A	greement
as fully as	though th	e undersigne	d had ex	recuted the o	riginal ag	reement	-						
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instrumen	, and ack	nowledged ti	nat (s) h	e executed t	ne same as	his/hei	free act ar	d deed.					3 4
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In consideration of the execution of the Unit Agreement for the Development and Operation of the Red Hills North UNIT AREA, County of Lea State of											
New Mexico, dated March 1 .18 2000, in form approved on behalf of the Secretary of the Interior and the											
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This Ratification and Joinder of Unit Agreement shall be binding upon the undersigned, his, or her or its heirs, devisees, executors,											
assigns or successors in interest.											
EXECUTED this (1) day of (1) (1)											
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On this day of Cock . 19 1000 before me personally to me known to be the person described in and who executed the foregoing											
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instrument, and acknowledged that (s) he executed the same as his her tree act and deed.											
My Commission Expires: 100 1 Dicco Molary Public Notary Public											
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In co Red Hil	onsideration of 15 North	of the	execution	of theUNIT	Unit AREA,	Agreemen County of	n for	ιhe	Development Lea		Operation	
New Mexico, das	ied M	arch	1	.190	2000), in form a	pproved	on be	half of the Sec	retary	of the Inten	or and the
Commissioner of	Public Lands.	and in co	nsideration (of the exect	ition or	ratification	by other	r work	ing interest own	างเกาะ	the contemp	onry Unit
Operating Agreen	nent which rela	les to said	I Unit Agree	ment the u	ndersig	ned hereby (expressi	y ការ៉េពីថ	es, approves an	d adop	u said Unit A	greement
as fully as though	the undersign	ed had ex	ecuted the o	riginal agn	ement	•						
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This R			of Unit Agre	ement shal	l be bin	ding upon t	he under	signed	, his, or her or	its hei	rs, devisees,	executors.
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									200 Casc	ade	Avenue	
TRACT (S)								-	Cheyenn	e, W	yoming	82009
STATE OF	Wyomin	g)			-				
COUNTY OF	Larami	e			_)) 55.						
On Dorothy instrument, and	I Tucko	**							19 2000		efore me executed the	
My Commission	n Expires:	10-,	600		S	oury Public	Jo					
(SEAL) COUNTY OF LARAME	2727 7	STATE OF WYOMING		-								

In consideration of the execution of the UnRed Hills North UNIT ARE	it Agreement for th	ne Development and Operation of the Lea State of
	OO. in form approved or or ratification by other wisigned hereby expressly ra	n behalf of the Secretary of the Interior and the orking interest owners of the contemporary Unit
This Ratification and Joinder shall be effective as to the royalties presently held or which may arise under existing option agre the Unit Area in which the undersigned may be found to have an oil	ements or other interests	n any lands and leases, or interests therein, and in unitized substances, covering the lands within
This Ratification and Joinder of Unit Agreement shall be bassigns or successors in interest.	rinding upon the undersig	ned, his, or her or its heirs, devisees, executors,
EXECUTED this 12th day of	May is	Lullula Arda
Anest	Judy K. Andi	rikopoulos/ : P. O. Box 350
TRACT (5)		Daniel, WY 83115
STATE OF Wyoming) 44.	
COUNTY OF Laramie	,	
On this 12th day of	May known to be the perso	n described in and who executed the foregoing
instrument, and acknowledged that (s) he executed the same as his? My Commission Expires:		2
W. R. SCRIBNER - NOTARY PUBLIC (SEALURITY OF STATE OF WYOMING LARAMIE WYOMING My Commission Expres Oct. 1, 2000		

In consideration of the execution of the Unit Agreement for the Development and Operation of the Red Hills North UNIT AREA, County of Lea State of
New Mexico, dated March 1 .1% 2000, in form approved on behalf of the Secretary of the Internet and the
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and order of the street rights that of the street of and gas military.
This Ratification and Joinder of Unit Agreement shall be binding upon the undersigned, his, or her or its heirs, devisees, executors
ausigns or successors in interest.
EXECUTED this 12th day of May 19 2900 //
() Aila
John G. Andrekopoulos
Address: P. O. Box 350
TRACT (S)
Dantel, WI OSIIS
STATE OF Wyoming)
) 4.
COUNTY OF Laramie
On this 12th day of May . 19 2000 before me personal
John G. Andrikopoulos , to me known to be the person described in and who executed the foregoin
instrument, and acknowledged that (1) he executed the same as his/her (ree act and deed.
My Commission Expires: 10-1-00
Notary Public
W. R. SCRIBNER - NOTAR/ PUBLIC
CEAL) COUNTY OF STATE OF
LARAMIE WYCMING
My Commission Expires Oct. 1, 2000

In consideration of the execution of the Red Hills North UNIT	Unit Agreement AREA, County of	for the	Development Lea	and (Operation of S		
New Mexico, dated March 1 .1%		amyed on be		retary of			
Commissioner of Public Lands, and in consideration of the exect	ution or ratification b	y other work	ing interest own	ners of the	contemporar	v Unit	
Operating Agreement which relates to said Unit Agreement the u	indersigned hereby ex	ipressly ratifi	es, approves an	d adopts s	uid Unit Agre	ement	
as fully as though the undersigned had executed the original agr		, ,					
This Ratification and Joinder shall be effective as to	o the undersigned's in	nterests in ar	y lands and les	ises, or i	nterests therei	n, and	
royalties presently held or which may arise under existing option	n agreements or other	interests in	unitized substan	ces, sove	ring the lands	within	
the Unit Area in which the undersigned may be found to have a	in oil and gas interest	i.					
This Ratification and Joinder of Unit Agreement shall	Il he hinding upon the		i bia na baana	ire heim	davirana ama		
assigns or successors in interest.	n be billeding apon the	undersigned	1. mis. of her of		devisees, exe	cutors,	
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EXECUTED this day of	April	XX	2000				
	EBY		t				
Allex	E B He	rhia M	anaging P	artne	r of Am	madillo Pr	
	2. D. 11C.	Address:		ar are	T OF ALL		روعا
		-	P O Box	993			
TRACT (S)		-					
			Midland	ТХ	79.702		
		-			· · · · · · · · · · · · · · · · · · ·		
STATE OF)						
MOLINERA OF) ss .						
COUNTY OF							
On this day of		·	19	, beio	ne me per	rsonally	
	me known to be the		esembed in and	who ex	ecuted the fo	Le Soru S	
instrument, and acknowledged that (s) he executed the same as	his/her free act and	deed.					
My Commission Expires:							
	Notary Public				-		
(SEAL)							
(JEPE)							
STATE OF TEXAS							
COUNTY OF MIDLAND							
			0 VX	2,			
This instrument was acknowled	iged before :	me on A	pril <u>L</u> Y	, 20	00, by E	E. B.	
Herbig, Managing Partner of Armadi	illo Prego,	a Texas	general	partn	ership,	on	
hehalf of said partnership.							
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	/	1/1/2 27	1	Joll.	# //		
ROBERT G. ELLIOTT	+	alva	11-12		<u> </u>		
Notary Public, State of Texas	Notar	v Puhli	c. State	of Te	Vas		

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	7A NM- 30400	6	5	4	3
	7A 12	NM-18640-A NM-14497-A 9 NM-19625	 8 8	9	1(
1	NM-30400 3 NM-19623 1 3	6 18 NM-24490	17 8 NM-94108	16 25\$	1:
-	24	19	20	21	2
	25	30	29	28	2

RED HILLS NORTH EXHIBIT "A"

Federal 3475.84
State 80.00
Total 3555.84
Unit Outline - - - -

O Tract Numbers as Listed on Exhibit "B"

Seagresources

Exhibit "8"

Schedule Showing All Lands and Leases Within the Red Hills North Unit Lea County, New Mexico

No Description of Lands

act Description of Lands	Total Acres	Serial Number and Expiration Basic Date and	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royalty and Percentage	d Percentage	Working Interest and Percentage	1 Percentage
Township 25 South, Range 34 East		NM 14497 A	USA	EOG Resources, Inc. Alan Jochimsen	Alan Jochimsen		0.66666700% Roden Associates Ltd.	0.78030000%
Section 7. Lots 1 & 2, NE/4, NE/4 NW/4	279.05	НВР	.12.50%	100%	Ben B. Hutchinson Estate Trust		0.25000000% Roden Participants Ltd.	3.90140000%
					Robert N. Enfield	0.25000000%	0.25000000% EOG Resources, Inc.	95.31830000%
					Sunshine Company	1.00000000%		
					Ann Hutchinson Krull	0.25000000%		
					Mona L. Coffield Bose Bell Eamily Limited	0.25000000%		
					bryan beli ranliny cillined Partnership #1	0.500000000%		
					Marilyn J. Clifford			
					Individual Retirement	0.50000000%		
					States Inc.	0.33333300%		
					EOG Resources, Inc.	%00000009:0		
Township 25 South, Range 34 East		NM 18640 A	NSA	EOG Resources, Inc. Alan Jochimsen	Alan Jochimsen	0.66666700%	0.66666700% Roden Associates Ltd.	0.78030000%
Section 6: Lots 6, 7, E/2 SW/4	358.41	НВР	12.50%	100%	Barbara Ann Woods	0.30555600%	0.30555600% Roden Participants Ltd.	3.90140000%
Section 7: Lots 3, 4, SE/4 SW/4					Boley B. Embrey	0.12500000%	0.12500000% EOG Resources, Inc.	95.31830000%
Section 8: W/2 SW/4					Danielle Hannifin	0.30555700%		
					Edward R. Hudson, Jr.	0.40635000%		
					Holly Schertz	0.30555700%		
					Josephine T. Hudson	0.21870000%		
					Kathleen Hannifin Bullard			
					Estate	0.30555600%		
					Shanee Oil Company,			
					Inc.	0.25000000%		
					David L. Schmidt	0.25000000%		
					David H. Pace	0.12500000%		
			٠		Barbara E. Hannifin	0.30555700%		
					Bob Bales	0.12500000%		
					Lindy's Living Trust	0.32812500%		
					Delmar H. Lewis	0.32812500%		
					Roxy A. Burkfield	0.91666000%		
					Monty D. McLane	0.20370500%		
					Mary Hudson Ard	0.21870000%		
					Rhonda Pace	0.12500000%		
					States Inc.	0.43518500%		

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Exhibit "B" Schedule Showing All Lands and Leases Within the Red Hills North Unit Lea County, New Mexico

			Lea (Lea County, New Mexico			
	Total	Serial Number and Expiration	ã				
No Description of Lands	Acres	Date	and Percentage	Lessee of Record	Overriding Royally and Percentage	Percentage Working Interest and Percentage	d Percentage
3 Township 25 South, Range 33 East		NM 19623	USA	EOG Resources, Inc.	EOG Resources, Inc. The Beveridge Company	1.85700000% EOG Resources, Inc.	100.00000000%
Section 13: N/2, E/2 SE/4	400	НВР	12.50%	,% 100%	Armadillo Prego Bravo-l LLC	1.87500000% 3.75000000%	
4 Township 25 South, Range 34 East		NM 19625	USA	EOG Resources, Inc.	EOG Resources, Inc. Estate of Lillie M. Yates	6.25000000% EOG Resources, Inc.	100.00000000%
Section 7: SE/4	160	НВР	12.50%	100%			
5 Township 25 South Range 33 East		NM 19859	USA	Phillips Petro. Co.	Erik C. Batemen	1.56250000% Hallwood Petroleum Inc.	9.91500000%
Section 1: Lot 2, S/2, SW/4 NE/4	399.93	НВР	12.50%	100%	Mortimer M. Merritt Glenda Christian Young	0.49997000% Roden Associates Ltd. 1.56250000% Roden Participants Ltd.	0.70310000% 3.51510000%
					James H. Stone, Inc. Chapman H. Snodgross	1.31250000% Michael Shearn 1.31250000% Sol West III EOG Resouces, Inc.	0.31210000% 1.24850000% 84.30620000%
6 Townshin 25 South Range 34 Fact		NM 24490	HSA	FOG Resources, for Estelle C. Haefele	Estelle C. Haefele	0.11718800% FOG Recourses Inc	100 0000000%
,	- 638.56	НВР	12.50%		Kelly Revocable Trust		
			-		James W. Haefele	0.11718700%	
					John G. Andrikopoulos	0.05859400%	
					Judy K. Andrikopoulos	0.05859400%	
					Janice A. Kruzich	0.25000000%	
					Dorothy J. Tucker Trust	0.23437500%	
					A. G. Andrikopoulos Resources Toc	3 92968700%	
7A Township 25 South, Range 33 East		NM 30400	USA	Jarmila Vrana 19 EOG Resources, Inc. Revocable Trust	Jarmila Vrana 1989 Revocable Trust	3.0000000% Hallwood Petroleum Inc.	9.91500000%
Section 1 Lot 3, SE/4 NW/4 Section 12 All	719.89	НВР	12.50%	100%	Serba Revocable Trust A	3.00000000% Roden Associates Ltd. Roden Participants Ltd. Michael Shearn	0.70310000% 3.51510000% 0.31210000%
						Sot West III EOG Resouces, Inc.	1.24850000% 84.30620000%

Exhibit "B" Schedule Showing All Lands and Leases Within the Red Hills North Unit Lea County, New Mexico

Tract No Description of Lands	Total Acres	Serial Number and Expiration Date	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royally and Percentage		Working Interest and Percentage	Percentage
7B Township 25 South, Range 34 East Section 6: W/2 SE/4	80	NM 30400 HBP	USA 12.50%	Jarmila Vrana 19 EOG Resources, Inc. Revocable Trust 100% Serba Revocable	889 Trust	0.30000000% Roden Associates Ltd. 0.30000000% Roden Participants Ltd. EOG Resources, Inc.	Roden Associates Ltd. Roden Participants Ltd. EOG Resources, Inc.	0.78030000% 3.90140000% 95.31840000%
8 Township 25 South, Range 34 East Section 17: W/2, SW/4 NE/4, W/2 SE/4	440	NM 94108 HBP	USA 12.50%	EOG Resources, Inc. 100%		EOG Re	EOG Resources, Inc.	100.00000000%
9 Township 25 South, Range 34 East Section 7: NE/4 SW/4, SE/4 NW/4	80	NM E 1924 2 6/10/58	State of New Mexico W. A. Yeager 12.50%	W. A. Yeager		Roden / Roden / EOG Re	Roden Associates Ltd. Roden Participants Ltd. EOG Resources, Inc.	0.78030000% 3.90140000% 95.31830000%

Recapitulation

2.249829%	97.750171%	100.000000%
80 Acres of State of New Mexico Lands	3475.84 Acres of Bureau of Land Management Lands	3555.84 Total Unit Acres

Exhibit 'C'

Red Hills North (Bone Spring) Unit Tract Participation

	Tract Par	ticipation for Unit P	Parameters	Tract Participation in Unit Based on Formula
Tract	Rem. Prim. Prod. (a)	June/July '99 Prod. (b)	Net Acre-Ft. (c)	1/3a + 1/3b + 1/3c
Tract 1	0.09974461	0.10277577	0.07794363	0.09348800
Tract 2	0.13604230	0.10848436	0.13156166	0.12536277
Tract 3	0.05903063	0.06582912	0.07485770	0.06657248
Tract 4	0.04971111	0.05888969	0.05933064	0.05597715
Tract 5	0.11901635	0.11956199	0.08593490	0.10817108
Tract 6	0.15367646	0.16344807	0.17711445	0.16474633
Tract 7A	0.27997336	0.30276728	0.30644542	0.29639536
Tract 7B	0.00861499	0.00621790	0.01921108	0.01134799
Tract 8	0.05638583	0.03845338	0.02974557	0.04152826
Tract 9	0.03780436	0.03357243	0.03785494	0.03641058
TOTALS	1.00000000	1.00000000	1.0000000	1.0000000

EOG Resources, Inc. Initial Plan of Operations June 12, 2000

Red Hills North (Bone Spring) Unit Lea County, New Mexico

EOG Resources, Inc. as operator of the Red Hills North (Bone Spring) Unit, in Lea County, New Mexico, will conduct the following operations upon unitization.

- Rename and re-number all wells in the unit, reflecting the new designation of Red Hill North Unit (RHNU)
- Drill and complete the RHNU 211 (Hallwood 12 Federal No. 11) as a horizontal producing well as approved by the BLM and the Oil Conservation Division of the State of New Mexico. The well will commence by September 2000 and should be completed by November 2000.
- Convert the RHNU 302 (Vaca 13 Federal No. 2) to water injection and commence waterflood operations by the 4th quarter of 2000.
- Potentially consolidate several tank batteries in Section 7-T25S-R34E to improve operational efficiencies.
- Continue to install artificial lift equipment as necessary to insure efficient production rates.

EOG Resources, Inc. Red Hills North (Bone Spring) Unit Lea County, New Mexico Well Name/Number Conversion

As Of June 12, 2000

Pre-Unitization		Post-Uni	Post-Unitization	
Well Name	Well No.	Well Name	Well No.	
Hallwood 1 Federal	2	RHNU	102	
Hallwood 1 Federal	3	RHNU	103	
Hallwood 1 Federal	4	RHNU	104	
Hallwood 1 Federal	5	RHNU	105	
Hallwood 1 Federal	7	RHNU	107	
Half 6 Federal	1	RHNU	601	
Half 6 Federal	2	RHNU	602	
Half 6 Federal	3	RHNU	603	
Diamond 7 Federal	1	RHNU	701	
Diamond 7 Federal	2	RHNU	702	
Diamond 7 Federal	4	RHNU	704	
Diamond 7 State	1	RHNU	707	
Diamond 7 State	2	RHNU	708	
Half 7 Federal	1	RHNU	703	
Red Hills 7 Federal	1	RHNU	705	
Red Hills 7 Federal	2	RHNU	706	
Half 8 Federal	1	RHNU	811	
Hallwood 12 Federal	1	RHNU	201	
Hallwood 12 Federal	2	RHNU	202	
Hallwood 12 Federal	3	RHNU	203	
Hallwood 12 Federal.	5	RHNU	205	
Hallwood 12 Federal	6	RHNU	206	
Hallwood 12 Federal	7	RHNU	207	
Hallwood 12 Federal	8	RHNU	208	
Hallwood 12 Federal	9	RHNU	209	
Hallwood 12 Federal	10	RHNU	210	
Hallwood 12 Federal	11	RHNU	211	
Vaca 13 Federal	1	RHNU	301	
Vaca 13 Federal	2	RHNU	302	
Vaca 13 Federal	3	RHNU	303	
Vaca 13 Federal	4	RHNU	304	
Javalina 17 Federal	1	RHNU	901	
Javalina 17 Federal	2	RHNU	902	
Javalina 17 Federal	3	RHNU	903	
Diamond 18 Federal	1	RHNU	801	
Diamond 18 Federal	2		802	
Diamond 18 Federal	3	RHNU	803	
Diamond 18 Federal	4		804	
Diamond 18 Federal	5	RHNU	805	
Diamond 18 Federal	6	<u> </u>	806	
Diamond 18 Federal	7	RHNU	807	

CAMPBELL, CARR, BERGE 8 SHERIDAN, P.A.

LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
PAUL R. OWEN
ANTHONY F. MEDEIROS

JACK M. CAMPBELL

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JEFFERSON PLACE

SUITE I - 110 NORTH GUADALUPE

POST OFFICE BOX 2208

SANTA FE, NEW MEXICO 8750452208

TELEPHONE: (505) 988-4 2 FACSIMILE: (505) 983-6043 E-MAIL: law@westofpecos.com

April 27, 2000

VIA HAND DELIVERY

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, NM 87505

RE: In the matter of Case 12329: The application of EOG Resources, Inc. for a Unit Agreement, Lea County, New Mexico.

Dear Ms. Wrotenbery,

EOG Resources, Inc. hereby respectfully requests that the Examiner Hearing in the above-referenced case which is currently scheduled for May 4, 2000 be continued to the May 18, 2000 Examiner Hearing Docket.

Your attention to this request is appreciated.

Very truly yours,

William F. Carr

WFC:md

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

LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
PAUL R. OWEN
ANTHONY F. MEDEIROS

JACK M. CAMPBELL
1916-1999

OIL CONSERVATION DIV.

00 APR -5 PM 12: 43

JEFFERSON PLACE

SUITE I - 110 NORTH GUADALUPE
POST OFFICE BOX 2208

SANTA FE, NEW MEXICO 87504-2208

TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6043
E-MAIL: law@westofpecos.com

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April 5, 2000

VIA HAND DELIVERY

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, NM 87505

RE: In the matter of Case 12329: The application of EOG Resources, Inc. for a Unit Agreement, Lea County, New Mexico.

Dear Ms. Wrotenbery,

EOG Resources, Inc. hereby respectfully requests that the Examiner Hearing in the above-referenced case which is currently scheduled for April 6, 2000 be continued to the May 4, 2000 Examiner Hearing Docket.

Your attention to this request is appreciated.

Very truly yours,

Paul R. Owen

PRO:md

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

LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
PAUL R. OWEN
ANTHONY F. MEDEIROS

JACK M. CAMPBELL
1916-1999

Mark 1-18-00

JEFFERSON PLACE

SUITE I - IIO 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

January 18, 2000

VIA HAND DELIVERY

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, NM 87505

RE: In the matter of Case 12329: The application of EOG Resources, Inc. for a unit agreement, Lea County, New Mexico.

Dear Ms. Wrotenbery,

EOG Resources, Inc. hereby respectfully requests that the Examiner Hearing in the above-referenced case which is currently scheduled for January 20, 2000 be continued to the February 17, 2000 Examiner Hearing Docket.

Your attention to this request in appreciated.

Very truly yours,

William F. Carr

WFC:md

cc: Larry Cunningham via fax