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Case 3802

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE
WEST RED LAKE UNIT AREA
COUNTY OF EDDY
STATE OF NEW MEXICO

#3802

UNIT AGREEMENT
WEST RED LAKE UNIT
EDDY COUNTY, NEW MEXICO

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UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION OF THE
WEST RED LAKE UNIT
EDDY COUNTY, NEW MEXICO

THIS AGREEMENT, entered into as of the 1st day of August, 1967, by and between the parties subscribing, ratifying or consenting hereto, and herein referred to as "parties hereto".

W I T N E S S E T H :

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

WHEREAS, the Oil Conservation Commission of the State of New Mexico is authorized by law (Chap. 72, Laws of 1935, as amended by Chap. 193, Laws of 1937, Chap. 166, Laws of 1941, and Chap. 168, Laws of 1949, Chap. 65, Art. 3, Sec. 14, N.M.S., 1953 Anno.) to approve this Agreement, and the conservation provisions hereof; and

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

WHEREAS, the parties hereto hold sufficient interests in the West Red Lake Unit Area covering the land hereinafter described to give reasonably effective control of operation therein; and

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

NOW THEREFORE, in consideration of the premises and the promises herein contained, the parties hereto commit to this Agreement their entire respective interests in the unitized formation and agree severally among themselves as follows:

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

SECTION 2. UNIT AREA AND DEFINITIONS: The area described by tracts in Exhibit B and depicted on Exhibit A attached hereto is hereby designated and recognized as constituting the Unit Area, containing 1,236.85 acres, more or less, in Eddy County, New Mexico. Said land is described as follows:

Township 18 South, Range 27 East
N.M.P.M., Eddy County, New Mexico

Section 4: $NE\frac{1}{4}SW\frac{1}{4}$, $S\frac{1}{2}SW\frac{1}{4}$ ✓
 Section 5: $SE\frac{1}{4}SE\frac{1}{4}$, $S\frac{1}{2}SW\frac{1}{4}$ —
 Section 6: $SE\frac{1}{4}SE\frac{1}{4}$, $SW\frac{1}{4}SW\frac{1}{4}$ —
 Section 7: $NE\frac{1}{4}$, $E\frac{1}{2}NW\frac{1}{4}$, $NW\frac{1}{4}NW\frac{1}{4}$, $E\frac{1}{2}SW\frac{1}{4}$,
 $W\frac{1}{4}SE\frac{1}{4}$, $NE\frac{1}{4}SE\frac{1}{4}$ —
 Section 8: $NE\frac{1}{4}$, $NW\frac{1}{4}$, $NE\frac{1}{4}SE\frac{1}{4}$ —
 Section 9: $N\frac{1}{2}NW\frac{1}{4}$ ✓

For the purpose of this agreement, the following terms and expressions as used herein shall mean:

- (a) "Commission" is defined as the Oil Conservation Commission of the State of New Mexico.
- (b) "Director" is defined as the Director of the United States Geological Survey.
- (c) "Secretary" is defined as the Secretary of the Interior of the United States of America.
- (d) "Department" is defined as the Department of the Interior of the United States of America.
- (e) "Supervisor" is defined as the Oil and Gas Supervisor of the United States Geological Survey.

- (f) "Unitized Formation" is defined as that portion of the Grayburg and San Andres formations underlying the Unit Area which includes the continuous stratigraphic interval occurring between a point from the top of the Grayburg formation and a correlative point in the San Andres formation, said interval having been penetrated between 1240 feet (the top of the Grayburg formation) and 2240 feet beneath the derrick floor in the Hondo Oil & Gas Company Federal "EG" No. 1 Well (drilled as the Humble Oil & Refining Company's Abo Chalk Bluff Draw Unit No. 21 Well) located 1650 feet from the south line and 2310 feet from the west line of Section 4, Township 18 South, Range 27 East, Eddy County, New Mexico, as shown by the radioactivity log dated February 7, 1961.
- (g) "Unitized Substances" is defined as all oil, gas, gaseous substances, sulphur contained in gas, condensate, and all associated and constituent liquids or liquefiable hydrocarbons within or produced from the Unitized Formation.
- (h) "Working Interest" is defined as the right to search for, produce and acquire Unitized Substances whether held as an incident of ownership of mineral fee simple title, under an oil and gas lease, or otherwise held.
- (i) "Working Interest Owner" is defined as any party hereto owning a Working Interest, including a carried working interest owner, in Unitized Substances by virtue of a lease, operating agreement, fee title or otherwise, 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 Unitized Substances from and operating the Unitized Formation hereunder. The owner of oil and gas rights that are free of lease or other instrument conveying the Working Interest to 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.
- (j) "Royalty Interest" or "Royalty" is defined as 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 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 either the right to search for and produce Unitized Substances or the obligation 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 operating hereunder.

- (k) "Royalty Owner" is defined as the owner of a Royalty Interest.
- (l) "Unit Operating Agreement" is defined as the agreement styled "Unit Operating Agreement, West Red Lake Unit, Eddy County, New Mexico," entered into by and between the Unit Operator and the Working Interest Owners as provided in Section 9, *infra*.
- (m) "Unit Operator" means the Working Interest Owner herein designated to operate the Unitized Formation, acting as operator and not as a Working Interest Owner.
- (n) "Tract" means each parcel of land described as such and given a tract number in Exhibit "B".
- (o) "Tract Participation" means the percentage shown on Exhibit "B" (as may be appropriately revised), for allocating Unitized Substances produced from unitized land to a Tract of said land under this Agreement.
- (p) "Unit Participation" of each Working Interest Owner in unitized land means the sum of the percentages obtained by multiplying the Working Interest of such Working Interest Owner in each Tract of unitized land by the Tract Participation of such Tract.
- (q) "Tract Surface Acres" is defined as the number of surface acres of such Tract.
- (r) "Unit Area Surface Acres" is defined as the total of the Tract Surface Acres of all tracts within the Unit Area that are committed to this agreement.
- (s) "Tract Current Oil Rate" is defined as the total number of barrels of oil produced from the Unitized Formation under such Tract during the period from February 1, 1965 to September 30, 1965, inclusively, as reported to the Commission.
- (t) "Unit Area Current Oil Rate" is defined as the total of the Tract

Current Oil Rate of all tracts within the Unit Area that are committed to this agreement.

- (u) "Tract Ultimate Primary Recovery" is defined as the ultimate number of barrels of primary oil recovered or estimated to be recovered from the Unitized Formation from each Tract.
- (v) "Unit Area Ultimate Primary Recovery" is defined as the total of the Tract Ultimate Primary Recovery of all Tracts within the Unit Area that are committed to this agreement.

SECTION 3. EXHIBITS: Exhibit "A" attached hereto shows, to the extent known to the Unit Operator, the boundaries and identity of Tracts and Leases in said Unit Area. Exhibit "B" attached hereto is a schedule showing, to the extent known to the Unit Operator, the acreage ownership and the Tract Participation of each Tract. However, nothing herein or in said schedule or map shall be construed as a representation by any party hereto as to the ownership of any interest other than such interest or interests as are shown in said map or schedule as owned by such party.

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

SECTION 4. EXPANSION: The Unit Area may, when practicable, be expanded to include therein all additional Tracts regarded as reasonably necessary or advisable for the purposes of this Agreement. 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 the Unit Area shall file an application therefor with Unit Operator requesting such admission.
- (b) Unit Operator shall circulate a notice of the proposed expansion to each Working Interest Owner in the Unit and in the Tract or Tracts proposed to be included in the Unit, setting out the basis for admission, the Tract Participation to be assigned to such Tract or Tracts, and other pertinent data. After negotiation (at Working Interest Owners' meeting or otherwise), if owners of eighty-five per cent (85%) of the Working Interest in unitized land (on the basis of Unit

Participation) have agreed to such Tract or Tracts being brought into the Unit Area, then Unit Operator shall, after preliminary concurrence by the Director:

- (1) Prepare a notice of proposed expansion describing the contemplated changes in the boundaries of the Unit Area, the reason therefor, the basis for admission of the additional Tract or Tracts, the Tract Participation to be assigned thereto and the proposed effective date thereof, preferably the first day of a month subsequent to the date of notice; and
- (2) Deliver copies of said notice to the Commission, the Supervisor, each Working Interest Owner (mailing copy of such notice to the last known address of each such Working Interest Owner) and each lessee and lessor whose interests are affected, advising such parties that thirty (30) days will be allowed for submission to the Unit Operator of any objection to such proposed expansion; and
- (3) File, upon the expiration of said thirty (30) day period as set out in (2) immediately above, with the Commission and the Director through the Supervisor the following: (a) Comprehensive statement as to mailing such notice of expansion; (b) An application for such expansion; and (c) An instrument containing the appropriate joinders in compliance with the participation requirements of Section 13, Tract Qualified for Participation, *infra*; and (d) Copies of any objections received.

The expansion shall, after due consideration of all pertinent information and upon approval by the Director and the Commission, become effective as of the date prescribed in the notice thereof.

SECTION 5. UNITIZED LAND AND UNITIZED SUBSTANCES: All land committed to this Agreement as to the unitized formations, shall constitute the land referred to herein as "unitized land" or "land subject to this Agreement". All oil and gas in and produced from the "unitized land" are hereby unitized under the terms of this Agreement and are herein called "Unitized Substances". Surface rights of ingress and egress shall be maintained for the benefit of the Unit.

SECTION 6. UNIT OPERATOR: Atlantic Richfield Company, a Pennsylvania corporation, is hereby designated as Unit Operator and by signing this instrument as Unit Operator it agrees and consents to accept the duties and obligations of Unit Operator for the operation, development and production of Unitized Substances from the unitized land as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as an owner of interests in Unitized Substances, and the term "Working Interest Owner" when used herein shall include or refer to Unit Operator as the owner of a Working Interest when such an interest is owned by it.

SECTION 7. RESIGNATION OF UNIT OPERATOR: Unit Operator shall have the right to resign at any time, but such resignation shall not become effective so as to release Unit Operator from the duties and obligations of Unit Operator and terminate Unit Operator's rights as such until a new Unit Operator shall have taken over and assumed the duties and obligations of Unit Operator.

The resignation of Unit Operator under this Agreement shall not terminate its right, title or interest as the owner of a Working Interest or other interest in Unitized Substances, but upon the resignation of Unit Operator becoming effective, such Unit Operator shall deliver possession of all equipment, books, and records, materials, appurtenances and any other assets, used in conducting the unit operations and owned by the Working Interest Owners (including any and all data and information which it might have gained or assembled by reason of its operation of the unitized land) to the new duly qualified successor Unit Operator to be used for the purpose of conducting unit operations hereunder. Nothing herein shall be construed as authorizing removal of any material, equipment and appurtenances needed for the preservation of any wells.

Nothing herein contained shall be construed to relieve or discharge any Unit Operator who resigns hereunder for any liability or duties accruing or performable by it prior to the effective date of such resignation.

SECTION 8. SUCCESSOR UNIT OPERATOR: Whenever the Unit Operator wishes to resign as Unit Operator, the Working Interest Owners shall by affirmative vote of at least fifty per cent (50%) of their voting interest, based upon

Unit Participation as shown on Exhibit "E", select a successor Unit Operator; provided, however, that if fifty per cent (50%) or more but less than seventy-five per cent (75%) of the voting interest (based on Unit Participation) is owned by one party to this Agreement, a concurring vote of at least one Working Interest Owner shall be required to select a new Unit Operator. Such selection shall not become effective until (a) a Unit Operator so elected shall accept in writing the duties and responsibilities of Unit Operator, and (b) the selection shall have been filed with the Supervisor. If there is any substantial default or failure in the performance of the Unit Operator's duties and obligations hereunder for a period of six (6) months, the Director, at his election, may declare this Agreement terminated.

SECTION 9. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT: If the Unit Operator is not the sole owner of Working Interests, 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 for such other rights and obligations as between Unit Operator and Working Interest Owners as may be agreed upon by the Unit Operator and Working Interest Owners; however, no such Unit Operating Agreement shall be deemed either to modify any of the terms and conditions of this Unit Agreement or to relieve the Unit Operator of any right or obligation established under this Unit Agreement, and in case of any inconsistency or conflict between the Unit Agreement and the Unit Operating Agreement, this Unit Agreement shall prevail. The required number of copies of any Unit Operating Agreement executed pursuant to this Section shall be filed with the Supervisor, prior to approval of this Agreement.

SECTION 10. RIGHTS AND OBLIGATIONS OF UNIT OPERATOR: Except as otherwise specifically provided herein, the exclusive right, privilege and duty of exercising any and all rights of the parties hereto which are necessary or convenient for prospecting for, producing by primary and secondary means, storing, allocating and distributing the Unitized Substances are hereby delegated to and shall be exercised by the Unit Operator as herein provided. Acceptable evidence of title to said rights shall be deposited with said Unit

Operator, and together with this Agreement, shall constitute and define the rights, privileges and obligations of Unit Operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this Agreement the Unit Operator, in its capacity as Unit Operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

SECTION 11. PLAN OF OPERATIONS: It is recognized and agreed by the parties hereto that all of the land subject to this Agreement is reasonably proved to be productive of Unitized Substances in paying quantities and that the object and purpose of this Agreement is to formulate and to put into effect a secondary recovery project in order to effect the greatest ultimate recovery of Unitized Substances, prevent waste and conserve natural resources. The parties hereto agree that the Unit Operator may, subject to the consent and approval of a plan of operation by the Working Interest Owners, the Supervisor, and the Commission, inject into the Unitized Formation, through any well or wells completed therein, brine, water, air, gas, oil, liquefied petroleum gas, and other substances or a combination of any of said substances, whether produced from the Unitized Formation or not, and that the location of input wells and the rates of injection therein and the rate of production shall be governed by standards of good geologic and petroleum engineering practices and conservation methods. After commencement of secondary operations, Unit Operator shall furnish the Commission and the Supervisor monthly injection and production reports for each well on the unitized land. The Working Interest Owners, the Supervisor, and the Commission shall be furnished periodic reports on the progress of the plan of operation and any revisions or changes thereto; provided, however, that any major revisions of the plan of operation involving a basic deviation from the initial plan of operation shall be subject to the consent and approval of the Working Interest Owners, the Supervisor, and the Commission.

The initial plan of operation shall be filed with the Supervisor and the Commission concurrently with the filing of this Unit Agreement for final approval. Said initial plan of operation and all revisions thereof shall be as complete and adequate as the Supervisor and the Commission may determine

to be necessary for timely operation consistent herewith. Thereafter, from time to time before the expiration of any existing plan, the Unit Operator shall submit for like approval a plan for an additional specified period of operation. Reasonable diligence shall be exercised in complying with the obligations of the approved plan of operations.

SECTION 12. TRACT PARTICIPATION: In Exhibit "B" attached hereto, there are listed and numbered the various tracts within the Unit Area and set forth opposite each Tract is a figure which represents the Tract Participation allocated to each Tract calculated on one hundred per cent (100%) commitment. The Tract Participation was determined by the following formula:

$$\frac{1}{3} \frac{(100 \times (\text{times}) \text{ Tract Surface Acres})}{\text{Unit Area Surface Acres}}$$

$$\text{Plus } \frac{1}{3} \frac{(100 \times (\text{times}) \text{ Tract Current Oil Rate})}{\text{Unit Area Current Oil Rate}}$$

$$\text{Plus } \frac{1}{3} \frac{(100 \times (\text{times}) \text{ Tract Ultimate Primary Recovery})}{\text{Unit Area Ultimate Primary Recovery}}$$

However, if the Unit Agreement is approved with less than one hundred per cent (100%) commitment, said Tract Participation shall be revised pursuant to Section 13 (TRACTS QUALIFIED FOR PARTICIPATION) to fit the commitment status as to the effective date hereof, and thereafter as needed pursuant to Section 14 (ALLOCATION OF UNITIZED SUBSTANCES).

SECTION 13. TRACTS QUALIFIED FOR PARTICIPATION: As the objective of this unit agreement is to have lands in the unit area operated and entitled to participation under the terms hereof, it is agreed that, notwithstanding anything else herein, no joinder shall be considered a commitment to this unit agreement unless the tract involved is qualified under this section. On and after the effective date hereof the Tracts within the Unit Area which shall be entitled to participate (as provided in Section 12 hereof) in the production of Unitized Substances therefrom shall be those Tracts more particularly described in said Exhibit "B" that corner or have a common boundary (Tracts separated only by a public highway or a railroad right-of-way shall be considered to have a common boundary) and otherwise qualify as follows (the record interest shall supplant the royalty interest as to Federal lands for the purposes of this section):

(a) Each Tract as to which Working Interest Owners owning one hundred

per cent (100%) of the Working Interest have become parties to this agreement and as to which Royalty Owners owning seventy-five per cent (75%) or more of the Royalty Interest have become parties to this Agreement.

(b) Each Tract as to which Working Interest Owners owning one hundred per cent (100%) of the Working Interest have become parties to this Agreement, and as to which Royalty Owners owning less than seventy-five per cent (75%) of the Royalty Interest have become parties to this Agreement, and as to which:

(1) all Working Interest Owners in such Tract have joined in a request for the acceptance of such Tract, and as to which:

(2) eighty per cent (80%) of the combined voting interests of Working Interest Owners in all Tracts that meet the requirements of (a) have voted in favor of the acceptance of such Tract.

For the purpose of this Subsection (b), the voting interest of a Working Interest Owner shall be equal to the ratio that its Unit Participation attributable to Tracts that qualify under (a) above bears to the total Unit Participation of all Working Interest Owners attributable to all Tracts that qualify under (a) above.

(c) Each Tract as to which Working Interest Owners owning less than one hundred per cent (100%) of the Working Interest therein have become parties hereto, regardless of the percentage of Royalty Interest therein which is committed hereto and, further, as to which:

(1) The Working Interest Owner operating any such Tract and all of the other Working Interest Owners in such Tracts who have become parties hereto have joined in a request for the commitment of such Tract to this agreement and have executed and delivered an indemnity agreement indemnifying and agreeing to hold harmless the other Working Interest Owners in the Unit Area, their successors and assigns, against all claims and demands

which may be made by the owners of working interests in such Tract who are not parties hereto and which arise out of the commitment of such Tract to this agreement, and

- (2) Eighty per cent (80%) of the combined voting interests of Working Interest Owners in all Tracts meeting the requirements of Section 13 (a) and 13 (b) have voted in favor of the commitment of such Tract and acceptance of the indemnity agreement.

Unit Operator, shall, when submitting this Agreement for final approval by the Director, file therewith or as soon as practicable a schedule of those Tracts which have been committed and made subject to this Agreement and are entitled to Tract Participation hereunder. Said schedule shall set forth opposite each such committed Tract the lease number or assignment number, the owner of record of the lease, and the Tract Participation of such Tract which shall be computed according to the participation formula or basis set out in Section 12 (TRACT PARTICIPATION) above. This schedule of participation shall be a part of Exhibit "B" and upon approval thereof by the Director shall become a part of this Agreement and shall govern the allocation of production of Unitized Substances until the effective date of a new schedule approved by the Director.

SECTION 14. ALLOCATION OF UNITIZED SUBSTANCES: All Unitized Substances produced and saved (less, save and except any part of such Unitized Substances used in conformity with good operating practices on said Unitized Land for drilling, operating, camp and other production or development purposes and for pressure maintenance or unavoidably lost) shall be apportioned among and allocated to the Tracts of Unitized Land in accordance with the respective Tract Participations then effective hereunder during the respective periods such Unitized Substances were produced, as set forth in the appropriate schedule of participation in Exhibit "B". The amount of Unitized Substances so allocated to each Tract (regardless of whether it be more or less than the amount of the actual production of Unitized Substances from the well or wells, if any, on such Tract), shall for all intents, uses and purposes, be deemed to have been produced from such Tract.

The Unitized Substances allocated to each Tract of unitized land shall be distributed among, or accounted for to the parties executing, consenting

to or ratifying this Agreement entitled to share in the production from such Tract in the same manner, in the same proportions, and upon the same conditions, as they would have participated and shared in the production from such Tracts, or in the proceeds thereof, had this Agreement not been entered into; and with the same legal force and effect.

No Tract committed to this Agreement and qualified for participation as above provided shall be subsequently excluded from participation hereunder on account of depletion of Unitized Substances, and nothing herein contained shall be construed as requiring any retroactive adjustment for production obtained prior to the effective date of the joinder of any Tract.

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

The Unitized Substances allocated to each Tract of unitized land shall be delivered in kind to the respective Working Interest Owners and parties entitled thereto by virtue of the ownership of oil and gas rights therein or by purchase from such owners. Each Working Interest Owner and the parties entitled thereto shall have the continuing right to receive such production in kind at a common point on unitized land and to sell or dispose of the same as it sees fit. Each such party shall have the right to construct, maintain and operate all necessary facilities for that purpose on Unitized Land, provided the same are so constructed, maintained and operated as not to interfere with operations carried on pursuant hereto. Subject to Section 15 (ROYALTY SETTLEMENT) hereof, any extra expenditures incurred by Unit Operator by reason of the delivery in kind of any portion of the Unitized Substances shall be borne by the party receiving the same in kind.

If any party hereto shall fail to take in kind or separately dispose of its proportionate share of the production from the unitized land, Unit Operator shall have the right, for the time being and subject to revocation

at will by the party owning such share, to purchase for its own account or sell to others such share at not less than the price received by the Working Interest Owner acting as Unit Operator for its proportionate share; provided, however, all contracts of sale by the Unit Operator of any other party's share of said production shall be only for such reasonable periods of time as are consistent with the minimum needs of the industry under the circumstances, but in no event shall any such contract be for a period in excess of one (1) year, and further provided, that Unit Operator shall not make a sale into interstate commerce of any other party's share of gas production without first giving such other party sixty (60) days' notice of such intended sale. The net proceeds, if any, of the Unitized Substances so disposed of by Unit Operator shall be paid to the party entitled thereto.

Any party receiving in kind or separately disposing of all or any part of the Unitized Substances allocated to any Tract of unitized land, or receiving the proceeds therefrom if the same is sold or purchased by Unit Operator, shall be responsible for the payment of all Royalty on the lease or leases and Tracts contributed by it and received into the Unit, and each such party shall hold each other party hereto harmless against all claims, demands and causes of action for such Royalty on the lease or leases and Tracts contributed by it and received into the Unit.

If, after the effective date of this Agreement, there is any Tract (or Tracts) subsequently committed to the Unit Area, as provided in Section 4 (EXPANSION) hereof, or any Tract (or Tracts) within the Unit Area not committed hereto as of the effective date hereof but which is subsequently committed hereto under the provisions of Section 30 (NON-JOINDER AND SUBSEQUENT JOINDER), or if any Tract is excluded from the Unit Area, as provided for in Section 29 (LOSS OF TITLE), the Tract Participations as shown in Exhibit "B", subject to Section 12 (TRACT PARTICIPATION) or Section 30 (NONJOINDER AND SUBSEQUENT JOINDER), whichever is appropriate, shall be revised by the Unit Operator and distributed to the Working Interest Owners, the Director, and the Commission, to show the new Tract Participations of all the then committed Tracts in the Unit Area; and the revised schedules, upon approval by the Supervisor, or Director, and the Commission,

shall govern all the allocation of production of Unitized Substances from unitized land from and after the effective date thereof until the effective date of a new schedule so approved.

SECTION 15. ROYALTY SETTLEMENT: The United States of America and all Royalty Owners who, under an existing contract, are entitled to take in kind a share of the substances produced from any Tract of unitized land, shall continue to be entitled to such right to take in kind their share of the Unitized Substances allocated to such Tract, and Unit Operator shall make deliveries of such Royalty share taken in kind in conformity with the applicable contracts, laws and regulations. Settlement for Royalty Interest not taken in kind shall be made by Working Interest Owners responsible therefor under existing contracts, laws and regulations, on or before the last day of each month for Unitized Substances produced during the preceding calendar month; provided, however, that nothing herein contained shall operate to relieve the lessees of any land from their respective lease obligations for the payment of any Royalty due under their leases, except that such Royalty shall be computed in accordance with the terms of this Unit Agreement.

If natural gas (as opposed to liquefied petroleum gas) obtained from lands or formations not subject to this Agreement is introduced into the Unitized Formation for use in repressuring, stimulation of production or increasing ultimate recovery in conformity with a plan approved pursuant to Section 11 (PLAN OF OPERATION), a like amount of gas, less appropriate deductions for loss from any cause, may be withdrawn from the Unitized Formation royalty free as to dry gas but not as to the products extracted therefrom subject to a plan approved by the Supervisor. If liquefied petroleum gas (as opposed to natural gas) obtained from lands or formations not subject to this Agreement is introduced into the Unitized Formation for the purposes and under the conditions mentioned in the preceding sentence, then part or all of such liquefied petroleum gas may be withdrawn royalty free pursuant to such conditions and formulas as may be prescribed or approved by the Supervisor. The rights of withdrawal in this section contained shall terminate as of the effective date of termination of this Unit Agreement.

All Royalty due the United States of America and the other Royalty Owners hereunder shall be computed and paid, at the rate prescribed in the leases, on the basis of all Unitized Substances allocated to the respective Tract or Tracts of unitized land, in lieu of actual production from such Tract or Tracts; provided that for federal leases on which the royalty rate depends on the daily average production per well, said average production shall be determined in accordance with the operating regulations as though the unitized land were a single consolidated lease.

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

SECTION 16. RENTAL SETTLEMENT: Rentals or minimum royalties due on leases committed hereto shall be paid by Working Interest Owners responsible therefor under existing contracts, laws and regulations, provided that nothing herein contained shall operate to relieve the lessees of any land from their respective lease obligations for the payment of any rental or minimum royalty in lieu thereof, due under their leases. Rental or minimum royalty for lands of the United States of America subject to this Agreement shall be paid at the rate specified in the respective leases from the United States of America, unless rental or minimum royalty is waived, suspended, or reduced by law or by approval of the Secretary or his duly authorized representative.

SECTION 17. CONSERVATION: Operations hereunder and production of Unitized Substances shall be conducted to provide for the most economical and efficient recovery of said substances without waste, as defined by or pursuant to Federal and State Laws and regulations.

SECTION 18. DRAINAGE: The Unit Operator shall take appropriate and adequate measures to prevent drainage of Unitized Substances from the unitized land by wells on land not subject to this Agreement.

SECTION 19. LEASES AND CONTRACTS CONFORMED AND EXTENDED: The terms, conditions and provisions of all leases, subleases and other contracts relating to exploration, drilling, development or operation for oil or gas on lands committed to this Agreement are hereby expressly modified and amended to the extent necessary to make the same conform to the provisions hereof, but otherwise to remain in full force and effect, and the parties hereto hereby consent that the Secretary shall, and by his approval hereof, does hereby establish, alter, change or revoke the drilling, producing, rental, minimum royalty and royalty requirements of Federal leases committed hereto and the regulations in respect thereto to conform said requirements to the provisions of this Agreement.

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

- (a) The development and operation of lands subject to this Agreement under the terms hereof shall be deemed full performance of all obligations for development and operation with respect to each and every part of separately-owned Tract subject to this Agreement, regardless of whether there is any development of any particular part or Tract of the Unit Area, notwithstanding anything to the contrary in any lease, operating agreement or other contract by and between the parties hereto, or their respective predecessors in interest, or any of them.
- (b) Drilling, producing or secondary recovery operations performed hereunder upon any Tract of unitized land shall be accepted and deemed to be performed upon and for the benefit of each and every Tract of unitized land, and no lease shall be deemed to expire by reason of failure to drill or produce wells situated on land therein embraced.
- (c) Suspension of drilling or producing operations on all unitized land pursuant to direction or consent of the Supervisor or his duly authorized representatives, shall be deemed to constitute such suspension pursuant to such direction or consent as to each and every Tract of unitized land.

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

(e) The segregation of any Federal lease committed to this Agreement is governed by the following provision in the fourth paragraph of Section 17 (j) of the Mineral Leasing Act, as amended by the Act of September 2, 1960 (74 Stat. 761-784): "Any (Federal) lease heretofore or hereafter committed to any such (unit) plan embracing lands that are in part within and in part outside of the area covered by any such plan shall be segregated into separate leases as to the lands committed and the lands not committed as of the effective date of unitization; Provided, however, That any such lease as to the non-unitized portion shall continue in force and effect for the term thereof but for not less than two years from the date of such segregation and so long thereafter as oil or gas is produced in paying quantities.

SECTION 20. MATHEMATICAL ERRORS: It is hereby agreed by all parties to this Agreement that Unit Operator is empowered to correct any mathematical or clerical errors which might exist in this Agreement and file such changes with the Supervisor.

SECTION 21. COVENANTS RUN WITH LAND: The covenants herein shall be construed to be covenants running with the land with respect to the interests of the parties hereto and their successors in interest until this Agreement terminates, and any grant, transfer or conveyance or interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferee or other successor in interest. No assignment or transfer of any Working Interest subject hereto shall be binding upon Unit Operator until the first day of the calendar month after Unit Operator is furnished with the original, or acceptable photostatic or certified copy, of the recorded instrument of transfer; and no assignment or transfer of any Royalty Interest subject

hereto shall be binding upon the Working Interest Owner responsible therefor until the first day of the calendar month after said Working Interest Owner is furnished with the original, or acceptable photostatic or certified copy, of the recorded instrument of transfer.

SECTION 22. EFFECTIVE DATE AND TERM: This Agreement shall become binding upon each party who executes or ratifies it as of the date of execution or ratification by such party and shall become effective as of 7:00 o'clock a.m. of the first day of the month next following:

- (a) The execution or ratification of this Agreement (and the Unit Operating Agreement unless all of the Working Interest is owned by one party) by Working Interest Owners owning a combined Unit Participation of at least eighty per cent (80%), and the execution or ratification of this Agreement by Royalty Owners as to fee lands and record owners as to Federal lands owning a combined interest of at least sixty-five per cent (65%) of the Royalty and record Interests in the Unit Area; and,
- (b) The approval of this Agreement by the Director and the Commission; and
- (c) The filing for record in Eddy County, New Mexico, by Unit Operator, of at least one counterpart of this Unit Agreement.

If (a), (b), and (c) above are not accomplished on or before August 1, 1966, this Agreement shall ipso facto expire on said date (hereinafter called expiration) and thereafter be of no further force or effect, unless prior thereto this Agreement has been executed or ratified by Working Interest Owners owning a combined Unit Participation of at least sixty per cent (60%), and the Working Interest Owners owning a combined Unit Participation of at least eighty-five per cent (85%) committed to this Agreement have decided to extend said expiration date for a period not to exceed six (6) months (hereinafter called "extended date"). If said expiration date is so extended and (a), (b), and (c) are not accomplished on or before said extended expiration date, this Agreement shall ipso facto expire on said extended expiration date and thereafter be of no further force or effect. For the purposes of this paragraph, ownership shall be computed on the basis of Unit Participation as determined from the original Exhibit "B" attached to the Unit Agreement.

Unit Operator shall, within thirty (30) days after the effective date of this agreement, file for record a certificate to the effect that this Agreement has become effective according to its terms and stating further the effective date and the location of the governmental agency offices where copies of this Agreement are filed. Copies of the certificate shall be filed with the Supervisor and the Commission.

The terms of this Agreement shall be for and during the time that Unitized Substances are or can be produced in quantities sufficient to pay for the cost of producing same from wells on the unit (and as long thereafter as drilling, reworking or other operations (including secondary recovery operations) are prosecuted thereon without cessation of more than ninety (90) consecutive days, and so long thereafter as unitized substances are produced as aforesaid. Termination under this paragraph shall be effective as of the first day of the month after the Unit Operator determines, on confirmatory data satisfactory to the Director, that the unit is no longer paying.

This Agreement may be terminated at any time for any other reason with the approval of the Director and Commission by Working Interest Owners owning eighty-five per cent (85%) Unit Participation. Notice of any such termination shall be given by Unit Operator to all parties hereto.

Upon termination of this Agreement, unit operations shall cease, and thereafter the parties hereto shall be governed by the terms and provisions of the leases and contracts affecting the separate Tracts.

If not otherwise specified by the leases unitized under this Agreement, Royalty Owners hereby grant Working Interest Owners a period of six (6) months after termination of this Agreement in which to salvage, sell, distribute or otherwise dispose of the personal property and facilities used in connection with unit operations.

SECTION 23. RATE OF PROSPECTING, DEVELOPMENT AND PRODUCTION: All production and the disposal thereof shall be in conformity with allocations and quotas made or fixed by any duly authorized person or regulatory body under any Federal or State statute. The Director 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

Commission, to alter or modify the quantity and rate of production under this Agreement, such authority being hereby limited to alteration or modification in the public interest, the purpose thereof and the public interest to be served thereby to be stated in the order of alteration or modification.

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

SECTION 24. NONDISCRIMINATION: In connection with the performance of work under this Agreement, Unit Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246, (30. F.R. 12319), which are incorporated by reference in this Agreement.

SECTION 25. APPEARANCES: Unit Operator shall have the right to appear for or on behalf of any and all interests affected hereby before the Department and the Commission, and to appeal from any order issued under the rules and regulations of the Department or the Commission, or to apply for relief from any of said rules and regulations or in any proceedings relative to operations before the Department or the Commission, or any other legally constituted authority; provided, however, that any other interested party shall also have the right at his or its own expense to be heard in any such proceeding.

SECTION 26. NOTICES: All notices, demands, objections or statements required hereunder to be given or rendered to the parties hereto shall be deemed fully given if made in writing and personally delivered to the party or parties or sent by postpaid certified mail, addressed to such party or parties at their respective addresses set forth in connection with the signatures hereto or to the ratification or consent hereof or to such other address as any such party or parties may have furnished in writing to the party sending the notice, demand or statement.

SECTION 27. NO WAIVER OF CERTAIN RIGHTS: Nothing in this Agreement contained shall be construed as a waiver by any party hereto of the right to assert any legal or constitutional right or defense as to the validity

or invalidity or any law of the State wherein said unitized lands are located, or rules or regulations issued thereunder in any way affecting such party, or as a waiver by any such party of any right beyond his or its authority to waive.

SECTION 28. UNAVOIDABLE DELAY: All obligations under this Agreement requiring the Unit Operator to commence or continue secondary recovery operations or to operate on or produce Unitized Substances from any of the lands covered by this Agreement shall be suspended while, but only so long as the Unit Operator despite the exercise of due care and diligence, is prevented from complying with such obligations, in whole or in part, by strikes, acts of God, Federal, State or municipal law or agency, unavoidable accident, uncontrollable delays in transportation or other matters beyond the reasonable control of the Unit Operator whether similar to matters herein enumerated or not.

SECTION 29. LOSS OF TITLE: In the event title to any Tract of unitized land shall fail so as to render the Tract inoperable under this Agreement and the true owner cannot be induced to join in this Unit 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. If the title or right of any party claiming the right to receive in kind all or any portion of the Unitized Substances allocated to a Tract of unitized land is in dispute, Unit Operator, at the discretion of Working Interest Owners shall either:

- (a) require that the party to whom such Unitized Substances are delivered or to whom the proceeds thereof are paid, furnish security for the proper accounting therefor to the rightful owner if the title or right of such party fails in whole or in part, or
- (b) withhold and market the portion of Unitized Substances with respect to which title or right is in dispute, and impound the proceeds thereof until such time as the right or title thereto is established by a final judgment 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;

provided, however, that as to Federal land or leases, no payments of funds due the United States of America shall be withheld, but such funds shall be deposited as directed by the Supervisor, 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.

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

SECTION 30. NONJOINDER AND SUBSEQUENT JOINDER: If the owner of any substantial interest in a Tract within the Unit Area fails or refuses to subscribe, ratify, or consent in writing to this Agreement, the Working Interest Owner in that Tract who has executed or ratified this Agreement may withdraw said Tract from this Agreement by written notice to the Director, and Unit Operator prior to the effective date of this Agreement. Joinder by any Royalty Owner, at any time, must be accompanied by appropriate joinder of the corresponding Working Interest Owner in order for the interest of such Royalty Owner to be regarded as effectively committed. Joinder to the Unit Agreement by a Working Interest Owner, at any time, must be accompanied by appropriate joinder to the Unit Operating Agreement in order for such interest to be regarded as effectively committed to this Unit Agreement, unless all of the Working Interest is owned by one party.

Any oil or gas interest in the lands in the Unit Area not committed hereto prior to submission of this Agreement to the Director for final approval may thereafter be committed hereto upon compliance with the applicable provisions of this Section and of Section 13 (TRACTS QUALIFIED FOR PARTICIPATION) hereof, at any time up to the effective date hereof on the same basis of participation as provided in said Section 13 by the owner or owners thereof subscribing, ratifying, or consenting in writing to this Agreement and, if the interest is a Working Interest, by the owner of such interest subscribing also to the Unit Operating Agreement.

It is understood and agreed, however, that from and after the effective date hereof the right of subsequent joinder as provided in this

Section shall be subject to such requirements or approvals and on such basis as may be agreed upon by owners of seventy-five per cent (75%) of the Working Interest in the unitized land (based upon Unit Participation), subject to the approval of the Director. Such joinder by a proposed Working Interest Owner must be evidenced by his execution or ratification of this Agreement and the Unit Operating Agreement. Such joinder by a proposed Royalty Owner must be evidenced by his execution, ratification or consent of this Agreement and must be consented to in writing by the Working Interest Owner responsible for the payment of any benefits that may accrue hereunder in behalf of such proposed Royalty Owner. Except as may be otherwise herein provided, subsequent joinder to this Agreement shall be effective at 7:00 a.m. as of the first day of the month following the filing with the Supervisor and the Commission of duly executed counterparts of any and all documents necessary to establish effective commitment of any Tract or interest to this Agreement, unless objection to such joinder by the Director or the Commission is duly made within sixty (60) days after such filing.

SECTION 31. COUNTERPARTS: This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties and may be ratified or consented to by separate instrument in writing specifically referring hereto, and shall be binding upon all those parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document, and regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands within the above described Unit Area.

SECTION 32. TAXES: Each party hereto shall, for its own account render and pay its share of any taxes levied against or measured by the amount or value of the Unitized Substances produced from the unitized land; provided, however that if it is required or if it be determined that the Unit Operator or the several Working Interest Owners must pay or advance said taxes for the account of the parties hereto, it is hereby expressly agreed that the parties so paying or advancing said taxes shall be reimbursed therefor by the parties hereto, including Royalty Owners,

who may be responsible for the taxes on their respective allocated share of said Unitized Substances. No such taxes shall be charged to the United States nor to any lessor who has a contract with a lessee which requires his lease to pay such taxes.

SECTION 33. CONFLICT OF SUPERVISION: Neither the Unit Operator nor the Working Interest Owners, nor any of them, shall be subject to any forfeiture, termination or expiration of any rights hereunder or under any leases or contracts subject hereto, or to any penalty or liability on account of delay or failure in whole or in part to comply with any applicable provisions thereof to the extent that said Unit Operator or the Working Interest Owners, or any of them are hindered, delayed or prevented from complying therewith by reason of failure of the Unit Operator to obtain, in the exercise of due diligence, the concurrence of proper representatives of the United States and proper representatives of the State of New Mexico in and about any matters or things concerning which it is required herein that such concurrence be obtained. The parties hereto and the Commission agree that all powers and authority vested in the Commission in and by any provisions of this Agreement are vested in the Commission and shall be exercised by it pursuant to the provisions of the laws of the State of New Mexico and subject in any case to appeal or judicial review as may now or hereafter be provided by the laws of the State of New Mexico.

SECTION 34. BORDER AGREEMENTS: Subject to the approval of the Supervisor, the Unit Operator, with concurrence of owners of sixty-five per cent (65%) of the Working Interest in the unitized land (based upon Unit Participation) may enter into a border protection agreement or agreements with the Working Interest Owners of adjacent lands along the boundaries of the unitized land with respect to the operations in the border area for the maximum ultimate recovery, conservation purposes and proper protection of the parties and interests.

SECTION 35. NO PARTNERSHIP: The duties, obligations, and liabilities of the parties hereto are intended to be several and not joint or collective. This Agreement is not intended to create, and shall not be construed to create, an association or trust, or to impose a partnership

duty, obligation or liability with regard to any one or more of the parties hereto. Each party hereto shall be individually responsible for its own obligations as herein provided. This Agreement is not intended to provide, and shall not be construed to provide, directly or indirectly, for any cooperative refining, joint sale, or marketing of Unitized Substances.

SECTION 36. OIL IN LEASE TANKAGE ON EFFECTIVE DATE: Unit Operator shall make a proper and timely gauge of all lease and other tanks on the Unitized Land in order to ascertain the amount of merchantable oil in such tanks, above the pipeline connections, as of 7:00 a.m. on the effective date hereof. All such oil as is a part of the prior allowable of the well or wells from which the same was produced shall be and remain the property of the Working Interest Owners entitled thereto the same as if the Unit had not been formed, and such Working Interest Owners shall promptly remove said oil from the Unitized Land. Any such oil not so removed may be sold by the Unit Operator for the account of such Working Interest Owners, subject to the payment of all Royalty to Royalty Owners under the terms and provisions of the applicable lease or leases and other contracts. All such oil and gas as is in excess of the prior allowable of the well or wells from which the same was produced shall be regarded and treated the same as Unitized Substances produced after the effective date hereof. If, as of the effective date hereof, any Tract is overproduced with respect to the allowable of the well or wells on that Tract and the amount of such overproduction has been sold or otherwise disposed of, such overproduction shall be regarded and included as a part of the Unitized Substances produced after the effective date hereof.

SECTION 37. PERSONAL PROPERTY EXCEPTED: All lease and well equipment, material, and other facilities heretofore or hereafter placed by any of the Working Interest Owners on the lands subject to this Agreement shall be deemed to be and shall remain personal property belonging to and may be removed by the Working Interest Owners. The rights and interests therein as among Working Interest Owners are covered by the Unit Operating Agreement.

SECTION 38. WAIVER OF RIGHT TO PARTITION: Each party hereto covenants that, during the existence of this Agreement, it will not resort to

any action to partition the Unit Area as to the Unitized Formation or the personal property and equipment used in the operation thereof, and to that extent waives the benefits of all laws authorizing such partition.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and have set opposite their respective names the date of execution.

ATLANTIC RICHFIELD COMPANY

Date: 2-15-68

By: A. J. Smith
Attorney in Fact

Address: P. O. Box 1978

Roswell, New Mexico
UNIT OPERATOR AND WORKING INTEREST OWNER

ATTEST:

HONDO OIL & GAS COMPANY

Rosemary Stephenson
Assistant Secretary

By: Stanley J. Smith
Vice President

Date: 2-15-68

Louise Aaron
Louise Aaron

Date: 12-5-67

Henry C. Aaron
(Spouse)

Date: 12/5/67

Richard Raymond Brandon
Richard Raymond Brandon
Marilyn C. Brandon
(Spouse)

Date: 2/5/67

W. P. Brandon
W. P. Brandon
Merian V. Brandon
(Spouse)

Date: 1-20-68

N. E. Brandon
N. E. Brandon
Laurie E. Brandon
(Spouse)

Date: 1-26-68

John Nelson Brandon
John Nelson Brandon
Elizabeth Jean Brandon
(Spouse)

Date: 2-5-67

Alice Irwin
Alice Irwin
Lawrence Irwin
(Spouse)
Attorney in fact

Date: 2-10-68

A. D. Weier, Jr.
A. D. Weier, Jr.
Flow
(Spouse)

Date: 11-19-67

David Weier
David Weier
Flow
(Spouse)

WORKING INTEREST OWNERS

SINGLE ACKNOWLEDGEMENT

THE STATE OF TEXAS,

County of Wood
appeared A. D. Weier

Before me, the undersigned authority, on this day personally

known to me to be the person whose name has subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office on this, the 10th day of January A.D. 1968

(SEAL)

Notary Public in and for Wood County, Texas

STATE OF NEW MEXICO)
) ss.
COUNTY OF CHAVES)

The foregoing instrument was acknowledged before me this 15th day of February, 1968, by S. L. Smith, Attorney in Fact for ATLANTIC RICHFIELD COMPANY, a Pennsylvania corporation, on behalf of said corporation.

Harvey R. McLee
Notary Public

My Commission Expires:
July 14, 1971

STATE OF NEW MEXICO)
) ss.
COUNTY OF CHAVES)

The foregoing instrument was acknowledged before me this 15th day of February, 1968, by Stanley L. Smith, Vice President of HONDO OIL & GAS COMPANY, a New Mexico corporation, on behalf of said corporation.

Harvey R. McLee
Notary Public

My Commission Expires:
July 14, 1971

STATE OF Texas)
) ss.
COUNTY OF Ward)

The foregoing instrument was acknowledged before me this 19 day of November, 1967, by David New.

Richard P. Hooper
Notary Public

My Commission Expires:
6-1-69

FORM OF AFFIDAVIT

State of Pennsylvania)
) ss:
County of Venango)

Louise Aaron, Richard Raymond Brandt

Before me the subscriber personally appeared W.P. Brandt and Allice Irwin, who being duly sworn, according to law, doth depose and say _____

and further deponent sayeth not.

Sworn to and subscribed before me this 5 day of December 1967.

Louise Aaron
Richard Raymond Brandt
W.P. Brandt
Allice Irwin
by Louise Aaron
Attorney in fact

Jean L. Kelsey
Notary Public

STATE OF NEW MEXICO)
)
) ss.
COUNTY OF CHAVES)

The foregoing instrument was acknowledged before me this 15th day of February, 1968, by S. L. Smith, Attorney in Fact for ATLANTIC RECHFIELD COMPANY, a Pennsylvania corporation, on behalf of said corporation.

Notary R. M. Lee
Notary Public

My Commission Expires:
July 14, 1971

STATE OF NEW MEXICO)
)
) ss.
COUNTY OF CHAVES)

The foregoing instrument was acknowledged before me this 15th day of February, 1968, by Stanley L. Smith, Vice President of HONDO OIL & GAS COMPANY, a New Mexico corporation, on behalf of said corporation.

Notary R. M. Lee
Notary Public

My Commission Expires:
July 14, 1971

STATE OF Texas)
)
) ss.
COUNTY OF Ward)

The foregoing instrument was acknowledged before me this 19 day of November, 1967, by David W. Lee.

Richard P. Hooper
Notary Public

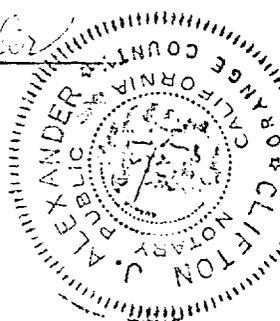
My Commission Expires:
6-1-69

STATE OF California)
)
) ss.
COUNTY OF Orange)

The foregoing instrument was acknowledged before me this 21st day of Jan, 1968, by M.C. Brandon.

Clifton J. Alexander
Notary Public

My Commission Expires:
CLIFTON J. ALEXANDER
My Commission Expires July 7, 1969



STATE OF CALIFORNIA)
)
) ss.
COUNTY OF SAN DIEGO)

The foregoing instrument was acknowledged before me this 21st day of JANUARY, 1968, by John V. Alexander.

John V. Alexander
Notary Public

My Commission Expires:
10-3-68

R-27-E

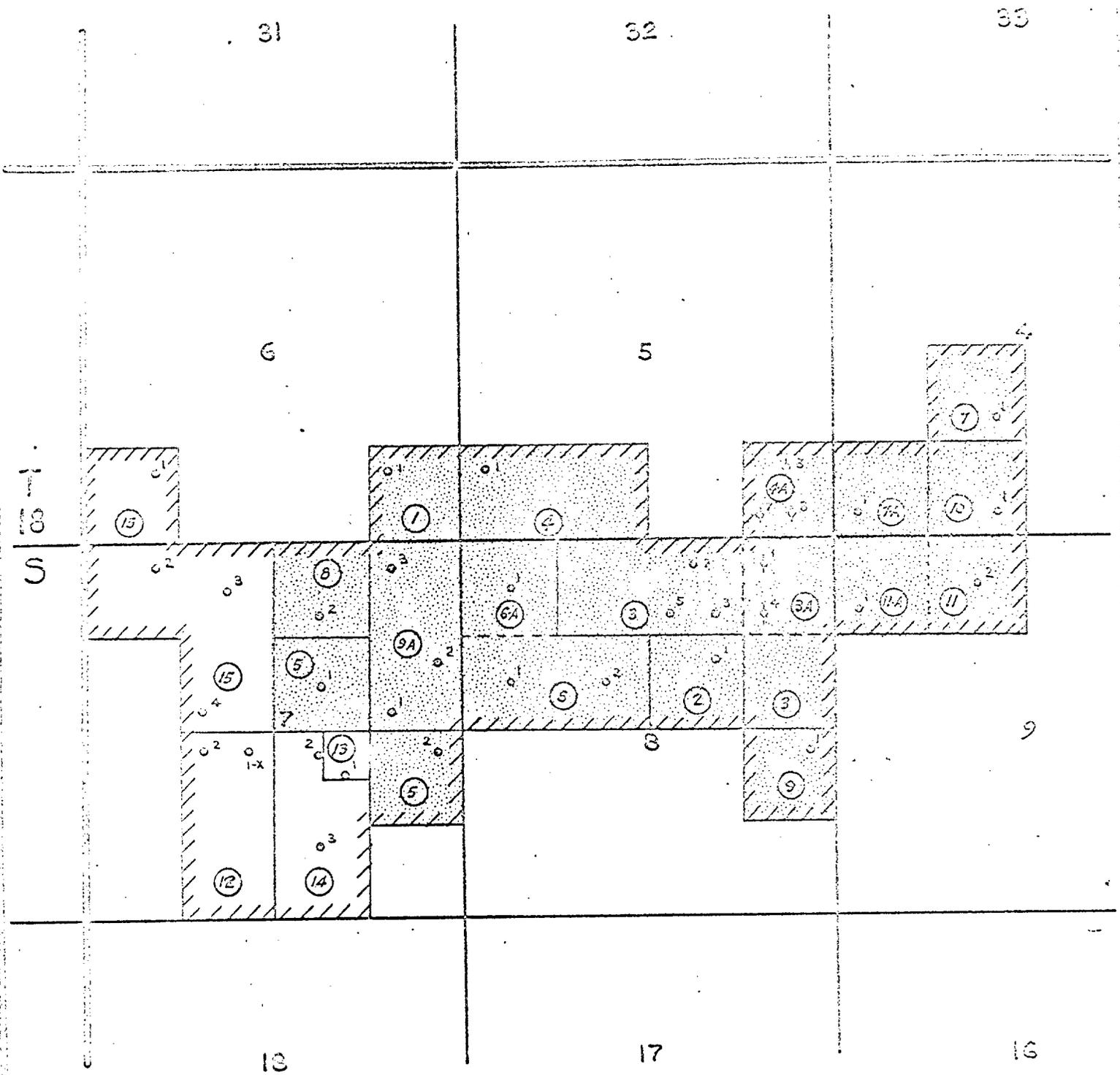
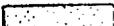
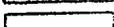


EXHIBIT "A"

WEST RED LAKE UNIT
UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

-  UNIT AREA
-  FEDERAL LANDS
-  FEE LANDS
-  TRACT NUMBER

SCALE: 1" = 2000'

EXHIBIT "B" TO UNIT AGREEMENT
WEST RED LAKE UNIT, EDDY COUNTY, NEW MEXICO

Tract No.	Description of Land	No. of Acres	Serial No. & Expiration Date of Lease	Basic Royalty Ownership and Percentage	Lessee of Record	Overriding Royalty Owner	Percentage	Working Interest Owner and Percentage	Percent Participation of Tract in Unit
T-18-S, R-27-E, Federal Lands									
1	SE/4 of Section 6	40.00	LC 026874 (a) 5-1-71	U. S. Schedule C	Pan American Petroleum Corp.	E. H. Ward, Executor of Estate of Julia Brainard Childress Royalty Co. Vernon Clayton	2.2604 1.1459 0.0516	Atlantic Richfield Company 100.0000	4.34235
						J. A. Clayton, Jr. Leon Clayton Higgins Trust, Inc. Pauline Peoples Eula B. Stoldt H. G. Watson Winnie Ruth Clayton Truesdell	0.0516 0.0515 0.9167 0.0516 0.0515 0.3333 0.0859		
						The Midland National Bank (OP) of Midland, Texas as Trustee of the Jane Ann Hudson Trust No. 1; Trustee Acct. No. 128	41.2500		
2	SW/4 of Section 8	40.00	LC 043894 9-1-71	U. S. 12.5%	Humble Oil and Refining Company	Pearl Miller Carr William D. Compton Stewart O. Compton Kenneth Compton Louise Compton Duffield Midland National Bank of Midland, Texas (OP) as Trustee of the Jane Ann Hudson Trust No. 1, Trustee Acct. No. 128	1.0000 0.2500 0.2500 0.2500 0.2500	Atlantic Richfield Company 100.0000	3.58324

Tract No.	Description of Land	No. of Acres	Serial No. & Expiration Date of Lease	Basic Royalty Ownership and Percentage	Lessee of Record	Overriding Royalty Owner	Percentage	Working Interest Owner and Percentage	Percent Participative Tract in Use
3	S. 1/4 NE 1/4, NW 1/4 NE 1/4, NE 1/4 NW 1/4 of Section 8	120.00	LC 054205 9-1-71	U. S. 12.5%	Pan American Petroleum Corp.	Pearl Miller Carr The Midland National Bank of Midland, Texas (OP) as Trustee of the Jane Ann Hudson Trust No. 1; Trustee Acct. No. 128	1.0000 43.2500	Atlantic Richfield Company 100.0000	6.14123
3 A	NE 1/4 NE 1/4 of Section 8	40.00	LC 054205 9-1-71	U. S. Schedule D	Pan American Petroleum Corp.	Pearl Miller Carr The Midland National Bank of Midland, Texas (OP) as Trustee of the Jane Ann Hudson Trust No. 1; Trustee Acct. No. 128	1.0000 43.2500	Atlantic Richfield Company 100.0000	1.87922
4	S/2 SW/4 of Section 5	80.00	LC 055383 (a) 5-1-71	U. S. 12.5%	Pan American Petroleum Corp.	Higgins Trust, Inc. H. G. Watson Childress Royalty Company Heirs or Devises of Fred Brainard and Julia Brainard, Deceased Heirs or Devises of Joe A. Clayton, Deceased Heirs or Devises of Fred Brainard & Julia Brainard, Deceased, (to depth of 2,500 feet) The Midland National Bank of Midland, Texas (OP) as Trustee of Jane Ann Hudson Trust No. 1 Dated June 30, 1960	1.3750 0.5156 1.7188 0.5156 0.5000 2.8750 40.0000	Atlantic Richfield Company 100.0000	3.98731

Tract No.	Description of Lease	No. of Acres	Serial No. & Expiration Date of Lease	Basic Royalty		Overriding Royalty Owner	Working Interest Owner and Percentage		Percent Participation, or Tract in Unit
				Ownership Percentage	Lessee of Record		Percentage	and Percentage	
4 A	SE/4 SW/4 of Section 5	40.00	LC 055383 (a) 5-1-71	U. S. Schedule C	Pan American Petroleum Corp.	Higgins Trust, Inc. H. G. Watson Childress Royalty Co. Heirs or Devisees of Fred Brainard & Julia Brainard, Deceased Heirs or Devisees of Joe A. Clayton, Deceased Lois Burnett and Husband T. H. Burnett	Hondo Oil & Gas Co. 100.0000	1.3750 0.5156 1.7188 0.5156 0.5000 2.8750	1.25569
5	SW/4 NE/4, NE/4 SE/4 of Section 7	80.00	LC 057981 (a) 1-1-70	U. S. 12.5%	Pan American Petroleum Corp.	Joan Hudson Grasso Higgins Trust, Inc. Mildred C. Hudson Midland National Bank Trustee for Jane Ann Hudson, Trust No. 2, Trustee Acct. No. 150 Ballard E. Spencer Trust, Inc. Adrienne Gans Simon as Ancillary, Executrix of the Estate of Julian E. Simon W. L. Pier	Hondo Oil & Gas Co. 100.0000	1.2500 1.4052 4.5938	7.78641
6	S/2 NW/4 of Section 8	80.00	LC 070578 (a) 12-31-59	U. S. 12.5%	Pan American Petroleum Corp.	Joan Hudson Grasso Higgins Trust, Inc. Mildred C. Hudson Midland National Bank Trustee for Jane Ann Hudson, Trust No. 2, Trustee Acct. No. 150 Adrienne Gans Simon as Ancillary Executrix of the Estate of Julian E. Simon W. L. Pier	Hondo Oil & Gas Co. 100.0000	1.2500 1.4052 2.0938	2.75011

Tract No.	Description of Land	No. of Acres	Serial No. & Expiration Date of Lease	Basic Royalty Ownership and Percentage	Lessee of Record	Overriding Royalty Owner	Percentage	Working Interest Owner and Percentage	Percent Participation or Tract in Unit
8	NW/4 NE/4 of Section 7	40.00	NM 04175 (a) 1-1-70	U. S. 12.5%	Pan American Petroleum Corp.	1; Trustee Acct. No. 128 Hattie D. Mann Dora Mildred Russell for Esther Russell, Dora Mildred Russell and Chester Russell Yates Brothers John E. Thorne Higgins Trust, Inc. Midland National Bank, Trustee for Jane Ann Hudson, Trust No. 2 Trustee Acct. No. 150 Fort Worth National Bank of Fort Worth, Texas Independent Executor of the Estate of W. L. Pier Adrienne Gaus Simon as Ancillary Executrix of the Estate of Julian E. Simon The Midland National Bank of Midland Texas (OP) as Trustee for the Jane Ann Hudson Trust No. 1; Trustee Acct. No. 128 Joan Hudson Grasso	41.4062 0.3750 0.3750 0.3750 0.0416 0.9375 1.2500 0.2500 0.7500 41.5312 1.2500	Atlantic Richfield Company 100.0000	3.79833
9	NE/4 SW/4 of Section 8	40.00	NM 04175 (c) 1-1-70	U. S. Schedule C	Humble Oil and Refining Company	Higgins Trust, Inc. Midland National Bank Trustee for Jane Ann Hudson, Trust No. 2, Trustee Acct. No. 150 Fort Worth National Bank of Fort Worth, Texas, Independent Executor of the Estate of W.L.Pier	0.9375 1.2500 0.2500	Atlantic Richfield Company 100.0000	5.97352

Tract No.	Description of Land	No. of Acres	Serial No. & Expiration Date of Lease	Basic Royalty		Lessee of Record	Overriding Royalty Owner	Percentage	Working Interest Owner and Percentage	Percent Participation of Tract in Unit
				Ownership	Percentage					
9 A	E/2 NE/4 of Section 7	80.00	NM 04175 (c) 1-1-70	U. S. 12.5%		Humble Oil and Refining Company	Adrienne Gans Simon as Ancillary Executrix of the Estate of Julian E. Simon The Midland National Bank of Midland, Texas (OP) as Trustee of the Jane Ann Hudson Trust No. 1; Trustee Acct. No. 128 Joan Hudson Grasso	0.7500 41.5312 1.2500	Atlantic Richfield Company 100.0000	8.33786
10	SE/4 SW/4 of Section 4	38.43	JM 029135 12-1-66	U. S. Schedule B		Humble Oil and Refining Company	Humble Oil & Refining The Midland National Bank of Midland, Texas (OP) as Trustee of the Jane Ann Hudson Trust No. 1; Trustee Acct. No. 128	5.0000 41.5312	Atlantic Richfield Company 100.0000	2.10558

Tract No.	Description of Land	No. of Acres	Serial No. & Expiration Date of Lease	Basic Royalty Ownership and Percentage	Lessee of Record	Overriding Royalty Owner	Percentage	Working Interest Owner and Percentage	Percent Participating Tract in Unit
11	NW/4 13/4 of Section 9	40.00	NM 031186 11-1-71	U. S. 12.5%	Humble Oil and Refining Company	Mae Crane The Midland National Bank of Midland, Texas, Trustee for Jane Ann Hudson Trust No. 1; Trustee Acct. No. 128 Joan Hudson Grasso Nellie Warner The Midland National Bank of Midland, Texas (OP) as Trustee of the Jane Ann Hudson Trust No. 1; Trustee Acct. No. 128	2.0000 6.5000 2.0000 2.0000 37.5000	Atlantic Richfield Company 100.0000	4,19394
11 A	NW/4 NW/4 of Section 9	40.00	NM 031186 11-1-71	U. S. Schedule D	Humble Oil and Refining Company	Mae Crane The Midland National Bank of Midland, Texas, Trustee for Jane Ann Hudson Trust No. 1; Trustee Acct. No. 128 Joan Hudson Grasso Nellie Warner The Midland National Bank of Midland, Texas, Trustee for Jane Ann Hudson Trust No. 1; Trustee Acct. No. 128	2.0000 6.5000 2.0000 2.0000 37.5000	Atlantic Richfield Company 100.0000	6,14647
12	N-18-S, R-27-E, Fee Lands E/2 SW/4 of Section 7	80.00	Fee HBP	John W. Gates 1.0417 Robert B. Gates 1.0417 Arthur B. Kaiser 1.5625 Col. Ben F. Kaiser 3.1250	Midland National Bank Trustee for Jane Ann Hudson Trust No. 2 Trustee Acct. No. 150 Joan Hudson Grasso	2.1875 2.1875	Atlantic Richfield Company 75.0000 Louise Aaron 2.3148 Richard Raymond Brandon 2.3148 W. P. Brandon 2.3148	3,95898	

Tract No.	Description of Land	No. of Acres	Serial No. & Expiration Date of Lease	Basic Royalty		Overriding Royalty Owner	Percentage	Working Interest Owner and Percentage	Percent Participation of Tract in Unit	
				Ownership and Percentage	Lessee of Record					
13	NE/4 NW/4 SE/4 of Section 7	10.00	Fee HBP	G. E. Kaiser		Midland National Bank (OP) Trustee for Jane Ann Hudson Trust No. 1; Trustee Acct. No. 128	13.7500	N. E. Brandon	Atlantic Richfield Company 100.0000	2.23517
				1.5625						
				Jack McCaw						
				1.0416						
				Margaret Palone						
				0.7812						
				Mrs. Birdie Kaiser Peterson						
				1.5625						
				Mary Louise Kaiser Spencer						
				0.7813						
				Margaret Palone						
				3.1250						
				Mrs. Birdie Kaiser Peterson						
6.2500										
Mary Louise Kaiser Spencer										
3.1250										
14	NW/4 NW/4 SW/4-70.00 S/2 NW/4 SW/4 SW/4 SW/4 of Section 7		Fee HBP	Margaret Palone		Midland National Bank Trustee for Jane Ann Hudson Trust No. 2, Trustee Acct. No. 150 Joann Hudson Grasso	2.1875 2.1875	Atlantic Richfield Company	4.65348	
				3.1250						
				Mrs. Birdie Kaiser Peterson						
				6.2500						
				Mary Louise Kaiser Spencer						
				3.1250						
				Margaret Palone						
				75.0000						
				Louise Aaron						
				2.3148						
				Richard Raymond Brandon						
				2.3148						
				W. P. Brandon						
2.3148										
N. E. Brandon										
2.3148										
John Nelson Brandon										
2.3148										
Alice Irwin										
2.3148										
A. D. Weier, Jr.										
5.5556										
David Weier										
5.5556										

Tract No.	Description of Land	No. of Acres	Serial No. & Expiration Date of Lease	Basic Royalty Ownership and Percentage	Lessee of Record	Overriding Royalty Owner	Working Interest Owner and Percentage	Percent Participation Tract in Unit
15	SW/4 NW/4 of Section 6 N/2 NW/4, SE/4 NW/4 of Section 7	161.14	Fee 1930	William Stirling, Jr. & Valeria M. Stirling 1.5625 *Hondo Oil & Gas Company 10.9375			Hondo Oil & Gas Company 100.0000	13.95022

*Hondo Oil & Gas Company is the owner, as to this Tract 15, of an undivided 7/8 mineral interest.

The unit covers 915.71 acres of Federal land and 321.14 acres of fee land for a total unit area of 1236.85 acres, more or less.

Hondo Oil & Gas Company

Box 2208
Roswell, New Mexico 88202
(505)625 8700



July 25, 1989

Director
U.S. Department of the Interior
Bureau of Land Management
P. O. Box 1778
Carlsbad, NM 88220

#3802

Oil Conservation Division of
The New Mexico Department of
Energy and Minerals
P. O. Box 2088
Santa Fe, NM 87504

Commissioner of Public Lands
The State of New Mexico
310 Old Santa Fe Trail
Santa Fe, NM 87501

File: West Red Lake Unit
Eddy County, New Mexico

RE: Report of Past Operations and
Plans for Development for 1989

Gentlemen:

Past Operations

This Unit became effective on August 1, 1968, with Atlantic Richfield Company as Unit Operator. Water injection began on 1/1/69 into well nos. 4, 13, 14, and 16. Petroleum Corporation of Texas (offsetting our production to the north) started injection into Well No. 2 Patton Federal in February, 1969. The peripheral pattern was completed in April, 1970 with water injection into Unit well nos. 2, 11, and 17. All injection wells were initially completed in both the upper zone (Premier) and the lower zone (San Andres) and each zone was regulated and monitored separately.

Early water breakthrough occurred in the Premier zone due to channeling of the injected water. The desired oil bank was never formed in this

West Red Lake Unit
Plan of Development for 1989

zone, and therefore the water injection was discontinued in the Premier except for well no. 17, which has the Premier and San Andres commingled. In 1977 injection was discontinued completely except for well nos. 13 and 17 which are disposing of produced water.

West Red Lake water injection well nos. 2, 4, 11, 14 and 16 were plugged and abandoned in 1980 by ARCO Oil & Gas Company.

Effective March 1, 1987, Hondo Oil & Gas Company became Unit operator.

Cumulative water injected through December 31, 1988, was 3,533,012 barrels. The daily average during December, 1988, was 108 barrels per day with average pressure of 210 psig.

Cumulative oil production from the date of unitization through December 31, 1988, was 573,152 barrels. Oil production for December, 1988, averaged 73 barrels per day.

Development Plans for 1989

We plan to continue injection of produced water into the San Andres formation throughout 1989. At this time, we have no plans to drill additional wells in this Unit.

Sincerely,



Ron Brown
Petroleum Engineer

RB/lb

RATIFICATION AND JOINDER
WEST RED LAKE UNIT AGREEMENT

Case 3802

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

ATTEST:

[Signature]
Assistant Cashier

The Midland National Bank of
Midland, Texas, Trustee for the
Jane Ann Hudson Trust No. 1

By: *[Signature]*
Vice President

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF TEXAS }
COUNTY OF MIDLAND } ss.

The foregoing instrument was acknowledged before me this 7th day of Nov, 1967, by W. P. Franklin, Vice President of The Midland National Bank, a Texas corporation on behalf of said corporation, and in the capacity therein stated.

My Commission Expires: 1-1-69
Notary Public

RATIFICATION AND JOINDER

WEST RED LAKE UNIT AGREEMENT

The undersigned (one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

ATTEST:

Lew Miller
Assistant Cashier

The Midland National Bank of
Midland, Texas, Trustee for the
Jane Ann Hudson Trust.No. 2

By: W.P. Franklin
Vice President

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF TEXAS)
COUNTY OF MIDLAND) ss.

The foregoing instrument was acknowledged before me this 20th day of November, 1967, by W. P. Franklin, Vice President of The Midland National Bank, a Texas corporation on behalf of said corporation, and in the capacity therein stated.

My Commission Expires: _____
Notary Public

RATIFICATION AND JOINDER
WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

ATTEST:

Assistant Secretary

PAN AMERICAN PETROLEUM CORPORATION

Attorney in Fact

APPROVED

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF TEXAS)
COUNTY OF TARRANT) ss.

The foregoing instrument was acknowledged before me this 16th day of November, 1967, by D. J. [unclear], Attorney in Fact, of PAN AMERICAN PETROLEUM CORPORATION, a Texas corporation on behalf of said corporation.

My Commission Expires: June 1, 1969
Notary Public

NOV 16 1967

RATIFICATION AND JOINDER

WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

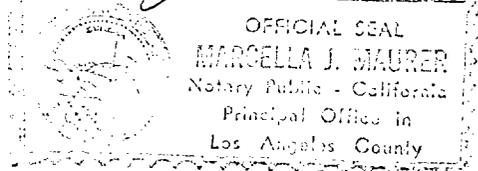
Vernon Clayton
Vernon W. Clayton

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.

The foregoing instrument was acknowledged before me this 20 day of November, 1967, by VERNON CLAYTON & VERNON W. CLAYTON

My Commission Expires: _____
Notary Public - California March 12, 1969

Marcella Maurer
Notary Public



STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____ of _____, a _____ corporation on behalf of said corporation.

My Commission Expires: _____
Notary Public

RATIFICATION AND JOINDER
WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

WITNESSES:

Vernor Olson
Frank B. Thompson

Winnie Ruth Clayton Truesdell
James Glenn Truesdell
(Spouse)

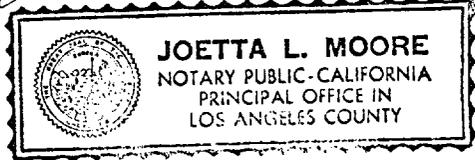
STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.

The foregoing instrument was acknowledged before me this 21st day of November, 1967, by Winnie Ruth Clayton Truesdell.

My Commission Expires:
August 21, 1970

Joetta L. Moore
Notary Public

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.



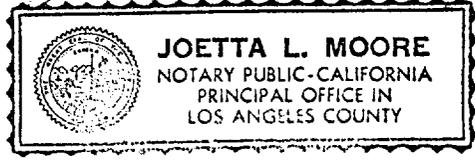
My Commission Expires August 21, 1970

The foregoing instrument was acknowledged before me this 21st day of November, 1967, by James Glenn Truesdell.

My Commission Expires:
August 21, 1970

Joetta L. Moore
Notary Public

STATE OF _____)
COUNTY OF _____) ss.



My Commission Expires August 21, 1970

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires:

Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____ of _____ corporation.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER.

WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

_____ Mac Crane, a widow

STATE OF Texas)
COUNTY OF Tarrant) ss.

The foregoing instrument was acknowledged before me this 20th day of November, 1967, by Mac Crane a widow.

My Commission Expires: June 1, 1969
Mary E. Suber
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____, a _____ corporation on behalf of said corporation.

My Commission Expires: _____
Notary Public

RATIFICATION AND JOINDER
WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

*William G. Johnson, as
Attorney-in-Fact of the Estate of
John P. Johnson*

STATE OF Texas }
COUNTY OF Tarrant } ss.

The foregoing instrument was acknowledged before me this 20th day of June, 1967, by William G. Johnson, as Attorney-in-Fact of the Estate of John P. Johnson.

My Commission Expires: 6-1-69

Richard Taylor

Notary Public

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____

Notary Public

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____

Notary Public

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____ of _____, a _____ corporation on behalf of said corporation.

My Commission Expires: _____

Notary Public

RATIFICATION AND JOINDER
WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

STATE OF Colorado }
COUNTY OF Arapahoe } ss.

Rosalyn A. Compton
Rosalyn A. Compton, a widow,
Individually and as Executrix
of the Estate of William D.
Compton, deceased, and as the
sole heir and devisee of William
D. Compton, deceased.

The foregoing instrument was acknowledged before me this 28 day of October, 1967, by Rosalyn A. Compton.

My Commission Expires:
Jan. 10, 1968

[Signature]
Notary Public

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires:

Notary Public

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires:

Notary Public

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____ of _____ corporation.

on behalf of said corporation.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER
WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

David W. Thorne

STATE OF New York)
COUNTY OF Montgomery) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: November 4, 1969

Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____

Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____

Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____ of _____ a _____ corporation on behalf of said corporation.

My Commission Expires: _____

Notary Public

RATIFICATION AND JOINDER

WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Jane Thorne Ronca

STATE OF WASHINGTON)
COUNTY OF King) ss.

The foregoing instrument was acknowledged before me this 7th day of November, 1967, by Jane Thorne Ronca and Luciano B. Ronca, husband and wife.

My Commission Expires: 6-7-71

Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____

Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____

Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____ of _____, a _____ corporation on behalf of said corporation.

My Commission Expires: _____

Notary Public

RATIFICATION AND JOINDER
WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

ATTEST: *[Signature]*
Secretary

Childress Royalty Company, a corporation
BY: *[Signature]*
Paul Childress, President

STATE OF MISSOURI)
COUNTY OF JASPER) ss.

The foregoing instrument was acknowledged before me this 3rd day of November, 1967, by Paul Childress, President of Childress Royalty Company
My Commission Expires: April 15, 1970

[Signature]
Notary Public
JASPER COUNTY, MISSOURI

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____
My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____
My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____, a _____ corporation on behalf of said corporation.
My Commission Expires: _____
Notary Public

RATIFICATION AND JOINDER
WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Bddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Frank R. Spencer

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by Mary Louise Kaiser Spencer and Frank R. Spencer, her husband.

My Commission Expires: _____

Notary Public

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____

Notary Public

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____

Notary Public

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____ of _____ corporation on behalf of said corporation.

My Commission Expires: _____

Notary Public

RATIFICATION AND JOINDER
WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Margaret E. Palone
James F. Palone

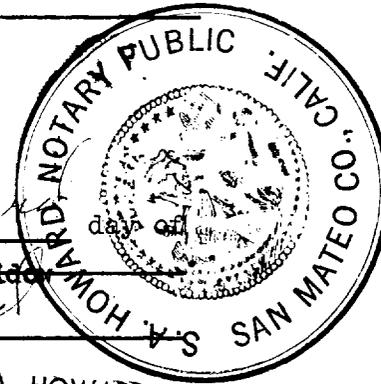
Mar Birdie Kaiser Peterson

STATE OF California)
COUNTY OF San Mateo) ss.

The foregoing instrument was acknowledged before me this 23rd day of April 1968, ~~1967~~, by ~~Ms. Birdie Kaiser Peterson, a widow~~

My Commission Expires:
Dec. 6, 1968

S. A. Howard
Notary Public



S. A. HOWARD
My Commission Expires Dec. 6, 1968

STATE OF Oklahoma)
COUNTY OF Coal) ss.

The foregoing instrument was acknowledged before me this 25th day of April, 1968, by J. M. Arden Lipton

My Commission Expires:
7-15-68

Notary Public

STATE OF OKLAHOMA)
COUNTY OF COAL) ss.

The foregoing instrument was acknowledged before me this 25th day of April, 1968, by Margaret E. Palone and her husband, James F. Palone

My Commission Expires:
7-15-68

J. M. Arden Lipton
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____ of _____, a _____ corporation on behalf of said corporation.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER
WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

[Handwritten Signature]

[Handwritten Signature]

STATE OF Texas }
COUNTY OF McLennan } ss.

The foregoing instrument was acknowledged before me this 14 day of February, 1967, by [Handwritten Names]

My Commission Expires: [Handwritten Date]

[Handwritten Signature]
Notary Public

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____

Notary Public

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____

Notary Public

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____ of _____ corporation on behalf of said corporation.

My Commission Expires: _____

Notary Public

RATIFICATION AND JOINDER

WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Lady Bessy Barrette
Chris Charles Barrette

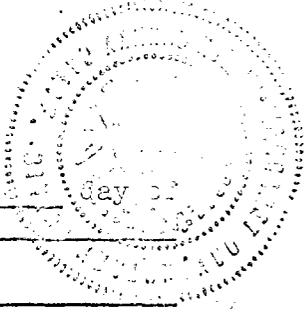
STATE OF CALIFORNIA)
COUNTY OF MADISON)

ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____

My Commission Expires: _____

Notary Public
Margaret Day
1830 Lincoln Ave., San Rafael



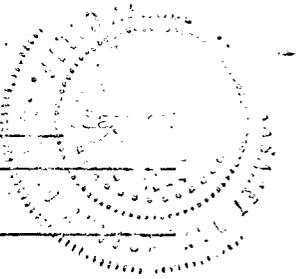
STATE OF CALIFORNIA)
COUNTY OF MADISON)

ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____

My Commission Expires: _____

Notary Public
Margaret Day
1830 Lincoln Ave., San Rafael



STATE OF _____)
COUNTY OF _____)

ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____

My Commission Expires: _____

Notary Public

STATE OF _____)
COUNTY OF _____)

ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____, a _____ corporation on behalf of said corporation.

My Commission Expires: _____

Notary Public

RATIFICATION AND JOINDER

WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Chester Russell

Theodora T. Russell
HUSBAND AND WIFE

STATE OF MICHIGAN)

COUNTY OF VAN BUREN)

ss.

The foregoing instrument was acknowledged before me this 25th day of October, 1967, by Chester Russell and Theodora T. Russell, his wife.

My Commission Expires:
HAROLD FRITZ
Notary Public, Van Buren Co., Mich.
My Commission Expires May 25, 1970

Harold Fritz
Notary Public

STATE OF _____)

COUNTY OF _____)

ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires:

Notary Public

STATE OF _____)

COUNTY OF _____)

ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires:

Notary Public

STATE OF _____)

COUNTY OF _____)

ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____ of _____ a _____ corporation on behalf of said corporation.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER

WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

_____ *Avis Watson*
_____ *Bill G. Watson*

STATE OF New Mexico)
COUNTY OF Eddy) ss.

The foregoing instrument was acknowledged before me this 20th day of October, 1967, by Bill G. Watson and Avis Watson, his wife.

My Commission Expires: Dec. 23, 1967 *Virginia B. ...*
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____ of _____ corporation on behalf of said corporation.

My Commission Expires: _____
Notary Public

RATIFICATION AND JOINDER
WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Dora Mildred Russell
a feme sole

STATE OF N. Mex.)
COUNTY OF Eddy) ss.

The foregoing instrument was acknowledged before me this 20 day of Oct, 1967, by Dora Mildred Russell.

My Commission Expires: 12-17-70 Dora Mildred Russell
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____, a _____ corporation on behalf of said corporation.

My Commission Expires: _____
Notary Public

RATIFICATION AND JOINDER

WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Eula B. Stoldt-Wife
L. Lawrence A. Stoldt-Husband

STATE OF Oklahoma)
COUNTY OF Oklahoma) ss.

The foregoing instrument was acknowledged before me this 3 day of December, 1967, by Eula B. Stoldt-Wife and L. Lawrence A. Stoldt-Husband

My Commission Expires: 10/11/71 [Signature]
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____ of _____ corporation on behalf of said corporation.

My Commission Expires: _____
Notary Public

RATIFICATION AND JOINDER
WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

_____ Esther Russell, a widow
Esther Russell, a widow

STATE OF ARIZONA)
COUNTY OF MARICOPA) ss.

The foregoing instrument was acknowledged before me this 29 day of November, 1967, by Esther Russell, a widow.

My Commission Expires:
1-24-71

[Signature]
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires:

Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires:

Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____ of _____, a _____ corporation on behalf of said corporation.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER

WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Pauline Peoples
H.V. Peoples, Husband

STATE OF Texas)
COUNTY OF Harris) ss.

The foregoing instrument was acknowledged before me this 22 day of January, 1968, by Pauline Peoples.

My Commission Expires: 6-1-69 Mildred V Baker
Notary Public

STATE OF Texas)
COUNTY OF Harris) ss.

The foregoing instrument was acknowledged before me this 22 day of January, 1968, by H.V. Peoples.

My Commission Expires: 6-1-69 Mildred V Baker
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____ of _____, a _____ corporation on behalf of said corporation.

My Commission Expires: _____
Notary Public

RATIFICATION AND JOINDER

WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Joan Hudson Crasso
a married woman dealing in her sole & separate property

STATE OF NEW MEXICO)
COUNTY OF EDDY) ss.

The foregoing instrument was acknowledged before me this 28th day of December, 1967, by Joan Hudson Crasso, a married woman dealing in her sole and separate property.
My Commission Expires: June 30th, 1969
Maurine L. Giles
Notary Public in and for Eddy County, New Mexico

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.
My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.
My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____ of _____ a _____ corporation on behalf of said corporation.
My Commission Expires: _____
Notary Public

RATIFICATION AND JOINDER

WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

_____ *Olga M. Atwood*

STATE OF NEW MEXICO)
COUNTY OF CHAVES) ss.

The foregoing instrument was acknowledged before me this 24th day of October, 1967, by OLGA M. ATWOOD.

My Commission Expires: July 10, 1968
Harold C. [Signature]
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____ of _____ corporation on behalf of said corporation.

My Commission Expires: _____
Notary Public

RATIFICATION AND JOINDER
WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

_____ Mildred Crane Hudson
William Hudson

STATE OF NEW MEXICO)
COUNTY OF EDDY) ss.

The foregoing instrument was acknowledged before me this 18th day of January, 1968, by Mildred Crane Hudson, wife of William Hudson

My Commission Expires: 6/30/69 Maurice L. Giles
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____ of _____, a _____ corporation on behalf of said corporation.

My Commission Expires: _____
Notary Public

RATIFICATION AND JOINDER
WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

[Signature]

[Signature] (Wife)

STATE OF Ohio }
COUNTY OF Cuyahoga } ss.

The foregoing instrument was acknowledged before me this 26th day of July, 1967, by _____.

My Commission Expires: 7 1969 [Signature]
Notary Public

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____ of _____ a _____ corporation on behalf of said corporation.

My Commission Expires: _____
Notary Public

RATIFICATION AND JOINDER

WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Willa Miller
Mrs. Jaffa Miller

STATE OF _____)
COUNTY OF _____)

ss.

The foregoing instrument was acknowledged before me this 27th day of Oct, 1967, by _____.

My Commission Expires:

~~My Commission Expires May 27, 1968.~~

Minnie E. Floyd
Notary Public

STATE OF _____)
COUNTY OF _____)

ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires:

Notary Public

STATE OF _____)
COUNTY OF _____)

ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires:

Notary Public

STATE OF _____)
COUNTY OF _____)

ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____ of _____, a _____ corporation on behalf of said corporation.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER
WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

_____ Pearl Miller Carr
A widow

STATE OF New Mexico)
COUNTY OF Eddy) ss.

The foregoing instrument was acknowledged before me this 18th day of January, 1968, ~~1967~~, by Pearl Miller Carr, a widow

My Commission Expires: Nov. 17, 1968

Notary Public Archie H. Hooten

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____

Notary Public _____

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____

Notary Public _____

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____ of _____, a _____ corporation on behalf of said corporation.

My Commission Expires: _____

Notary Public _____

RATIFICATION AND JOINDER

WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

_____ *Donald B. Coulter*
W. H. [unclear]

STATE OF New Mexico }
COUNTY OF Eddy } ss.

The foregoing instrument was acknowledged before me this 6 day of March, 1967, by [unclear]

My Commission Expires: March 25, 1971 *[Signature]*
Notary Public

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____ of _____ corporation on behalf of said corporation.

My Commission Expires: _____
Notary Public

RATIFICATION AND JOINDER
WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

_____ *Carl McNally*

STATE OF New Mexico)
COUNTY OF Chaves) ss.

The foregoing instrument was acknowledged before me this 17th day of January, 1968, by Carl McNally.

My Commission Expires: May 11, 1968 *Richard Bailey*
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____, a _____ corporation on behalf of said corporation.

My Commission Expires: _____
Notary Public

RATIFICATION AND JOINDER

WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

_____ Levin Clayton Burdick
Levin Clayton Burdick

STATE OF New Mexico)
COUNTY OF Eddy) ss.

The foregoing instrument was acknowledged before me this 1 day of August, 1967, by Levin Clayton Burdick

My Commission Expires: April 25, 1971 Levin Clayton Burdick
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____ of _____ corporation on behalf of said corporation.

My Commission Expires: _____
Notary Public

RATIFICATION AND JOINDER

WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

HUMBLE OIL & REFINING COMPANY

[Signature]
Agent and Attorney-In-Fact

Desc. Rye
Acreage 1111
Int. 1111
Form 1111
Acctg. 1111
Prod. 1111
These 1111

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF TEXAS)
COUNTY OF MIDLAND) ss.

The foregoing instrument was acknowledged before me this 5th day of January, 1968, by L. H. Byrd, Agent and Attorney-In-Fact of Humble Oil & Refining Company, a Delaware corporation on behalf of said corporation.

My Commission Expires: June 1, 1969
Notary Public

RATIFICATION AND JOINDER

WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Leon Clayton
Lois Clayton

STATE OF NEW MEXICO)
COUNTY OF EDDY) ss.

The foregoing instrument was acknowledged before me this 6th day of December, 1967, by Leon Clayton and Lois Clayton, his wife.

My Commission Expires:
7/5/71

M. J. [Signature]

Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires:

Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires:

Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____ of _____, a _____ corporation on behalf of said corporation.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER

WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Henry F. Thorne

REPUBLIC OF VIETNAM
CITY OF SAIGON
EMBASSY OF THE UNITED STATES OF AMERICA)

_____) ss.

The foregoing instrument was acknowledged before me this 29th day of December, 1967, by Henry F. Thorne, single man.

My Commission Expires:

Maryetta Ackenborn
Notary-Public
Vice Consul

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires:

Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires:

Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____, a _____ corporation on behalf of said corporation.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER
WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

_____ *Helen M. Hansen*

STATE OF California)
COUNTY OF San Mateo) ss.

The foregoing instrument was acknowledged before me this 27th day of April, 1968, by Helen M. Hansen.

My Commission Expires: **NORMAN A. MCKELLAR** *Norman A. McKellar*
My Commission Expires September 27, 1968 Notary Public
4-27-1968

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____, a _____ corporation on behalf of said corporation.

My Commission Expires: _____
Notary Public

RATIFICATION AND JOINDER

WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Janice Mann Gettys
Charles T. Gettys
Charles T. Gettys, husband of
Janice Mann Gettys

STATE OF Texas)
COUNTY OF Wise) ss.

The foregoing instrument was acknowledged before me this 23rd day of April, 1968, ~~1967~~ by Janice Mann Gettys.

My Commission Expires:
June 1, 1969

[Signature]
Notary Public

STATE OF Texas)
COUNTY OF Wise) ss.

The foregoing instrument was acknowledged before me this 23rd day of April, 1968, 1967, by Charles T. Gettys.

My Commission Expires:
June 1, 1969

[Signature]
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires:

Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____ of _____, a _____ corporation on behalf of said corporation.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER

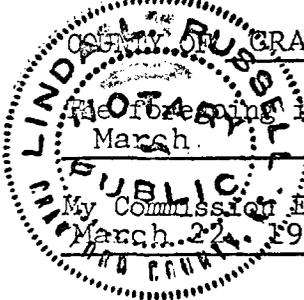
WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

John E. Thorne (Husband)
Helen R. Thorne (Wife)

STATE OF KANSAS)
COUNTY OF CRAWFORD) ss.



The foregoing instrument was acknowledged before me this 25th day of March, 1968, by John E. Thorne and Helen R. Thorne, Husband and Wife.

My Commission Expires: March 22, 1971
Linda L. Russell
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____, a _____ corporation on behalf of said corporation.

My Commission Expires: _____
Notary Public

RATIFICATION AND JOINDER

WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

[Redacted]

New Address: 212 Ridglea Bank Bldg.,
Fort Worth, Texas 76116

Lois Burnett

LOIS BURNETT, a Widow, Husband
T. H. BURNETT deceased in June 1959
left Will with Lois Burnett the sole
Heir (there were no children by the
said T. H. Burnett and Lois Burnett)

STATE OF TEXAS)
COUNTY OF TARRANT) ss.

The foregoing instrument was acknowledged before me this 4th day of
March, ~~1967~~, by LOIS BURNETT, a Widow
1968

My Commission Expires:
June 1968

Richard F. Lane
Notary Public Tarrant County, Texas

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of
_____, 1967, by _____

My Commission Expires:

Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of
_____, 1967, by _____

My Commission Expires:

Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of
_____, 1967, by _____ of
_____, a _____ corporation
on behalf of said corporation.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER
WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Mary Ann McCaw
John W. Gates
Nada S. Gates

Jack W. McCaw
Robert B. Gates

STATE OF NEW MEXICO)
COUNTY OF EDDY) ss.

The foregoing instrument was acknowledged before me this 14th day of March, 1968, by Jack W. McCaw and Mary Ann McCaw, his wife.

My Commission Expires:
Nov. 17, 1968

Shirley Patterson
Notary Public

STATE OF NEW MEXICO)
COUNTY OF EDDY) ss.

The foregoing instrument was acknowledged before me this 14th day of March, 1968, by John W. Gates and Jean M. Gates, his wife.

My Commission Expires:
Nov. 17, 1968

Shirley Patterson
Notary Public

STATE OF NEW MEXICO)
COUNTY OF EDDY) ss.

The foregoing instrument was acknowledged before me this 14th day of March, 1968, by Robert B. Gates & Nada S. Gates, his wife.

My Commission Expires:
Nov. 17, 1968

Shirley Patterson
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____ of _____, a _____ corporation on behalf of said corporation.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER
WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Col. Ben F. Kaiser
Col. Ben F. Kaiser and
husband and wife

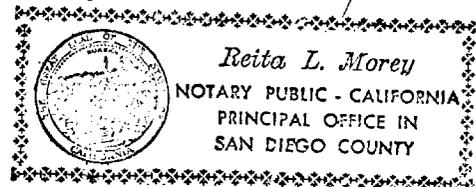
Reatha B. Kaiser
Reatha B. Kaiser,

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO) ss.

The foregoing instrument was acknowledged before me this 2nd day of March, 1968, ~~XXXX~~ by Col. Ben F. Kaiser and Reatha B. Kaiser, husband and wife

My Commission Expires:
REITA L. MOREY
My Commission Expires June 18, 1968

Reita L. Morey
Notary Public



STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____ of _____, a _____ corporation on behalf of said corporation.

My Commission Expires: _____
Notary Public

RATIFICATION AND JOINDER
WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 2, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

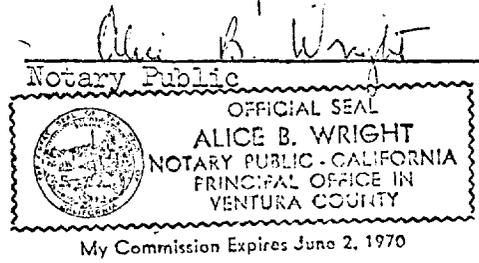
IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

_____ Arthur B. Kaiser

STATE OF California }
COUNTY OF Ventura } ss.

The foregoing instrument was acknowledged before me this 16th day of March, 1968, by Arthur B. Kaiser A widowed.

My Commission Expires:
June 2, 1970



STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____
Notary Public

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____ of _____ a _____ corporation on behalf of said corporation.

My Commission Expires: _____
Notary Public

RATIFICATION AND JOINDER
WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

[Handwritten Signature]

STATE OF NEW MEXICO)
COUNTY OF EDDY) ss.

The foregoing instrument was acknowledged before me this 8th day of March, 1968, ~~1967~~, by G. E. Kaiser and Vera L. Kaiser, his wife.

My Commission Expires: 7/5/71

[Handwritten Signature]

Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____

Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____

Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____ of _____, a _____ corporation on behalf of said corporation.

My Commission Expires: _____

Notary Public

RATIFICATION AND JOINDER
WEST RED LAKE UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the West Red Lake Unit Agreement embracing lands situated in Eddy County, New Mexico, said Agreement dated August 1, 1967, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned being the owners of a royalty, record title, or other interest in and to the lands or minerals embraced in the Unit Area, as indicated on the schedule attached to the Unit Agreement as Exhibit "B", do hereby expressly join said Unit and do hereby commit all of their said interest to the West Red Lake Unit Agreement and do hereby consent thereto the same as if the undersigned had executed the original of said Unit Agreement or counterparts thereof.

IN WITNESS WHEREOF this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Elizabeth J. Greene
Ona Greene, husband.

Province British Columbia
STATE OF }
Vanuwer, Canada } ss.

The foregoing instrument was acknowledged before me this 8th day of November, 1967, by Elizabeth J. Greene.

My Commission Expires: NA. Notary Public [Signature]

Province British Columbia
STATE OF }
Vanuwer, Canada } ss.

The foregoing instrument was acknowledged before me this 8th day of November, 1967, by Ona Greene.

My Commission Expires: NA. Notary Public [Signature]

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____.

My Commission Expires: _____ Notary Public _____

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1967, by _____ of _____, a _____ corporation on behalf of said corporation.

My Commission Expires: _____ Notary Public _____