

EXHIBIT B  
NORTHEAST BLANCO UNIT, I-SEC-929  
SAN JUAN & RIO ARriba COUNTIES, NEW MEXICO  
ENLARGED PARTICIPATING AREA

<u>Tract 1 A</u>	<u>Acreage Committed</u>	<u>Tract Participation</u>	<u>Participation Gross Prod.</u>	<u>Working Interest Participation</u>
Lessee: Ben R. Howell				
Serial # SF 078581A				
Lease Description:				
<u>T30N-R8W</u>				
Sec. 1: W 1/2				
Sec. 12: NW 1/4,				
E 1/2 SW 1/4,				
NW 1/4 SW 1/4				
Amount of Acreage:	603.30	.02325476		
<u>Overriding Royalties:</u>				
Ben R. Howell 25% of 1%			.00005814	
Thornton Hardie 25% of 1%			.00005814	
Allen R. Grambling 25% of 1%			.00005814	
William B. Harding 10% of 1%			.00002325	
John A. Grambling 10% of 1%			.00002325	
Richard H. Feuille 5% of 1%			.00001162	
<u>Royalty: USA - 12%</u>			.00290685	
<u>Operating Rights:</u>				
El Paso Natural Gas - All			.02011537	.02325476
Sub Total - this lease			<u>.02325476</u>	<u>.02325476</u>
<u>Tract 1 B</u>				
Lessee: M. J. Florence & P. M. McCulley				
Serial # SF 078581				
Lease Description:				
<u>T30N-R8W</u>				
Sec. 1: E 1/2				
Sec. 12: E 1/2				
Amount of Acreage:	641.10	.02471179		
<u>Overriding Royalties:</u>				
M. F. Florence and				
17 others totaling				
17 1/2%			.00432457	

<u>Tract 1 B - cont'd</u>	<u>Acreage Committed</u>	<u>Tract Participation</u>	<u>Participation Gross Prod.</u>	<u>Working Interest Participation</u>
<u>Royalty:</u> USA - 12 1/2%			.00308897	
<u>Operating Rights:</u>				
Delhi Oil Corp. - All			.01729825	.02471179
Sub Total - This Lease			<u>.02471179</u>	<u>.02471179</u>
<u>Tract 2 A</u>				
Lessee: Ben R. Howell & Paul B. Horton				
Serial # SF 078615				
Lease Description: T30N-R8W Sec. 24: W 1/2				
Amount of Acreage:	320	.01233470		
<u>Overriding Royalties:</u>				
Ben R. Howell 25% of 1%			.00003084	
Thornton Hardie 25% of 1%			.00003084	
Allen R. Grambling 25% of 1%			.00003084	
William B. Harding 10% of 1%			.00001232	
John A. Grambling 10% of 1%			.00001233	
Richard H. Feuille 5% of 1%			.00000617	
<u>Royalty:</u> USA - 12 1/2%			.00154184	
<u>Operating Rights:</u>				
El Paso Natural Gas Company - All			.01066952	.01233470
Sub Total - This Lease			<u>.01233470</u>	<u>.01233470</u>
<u>Tract 2 B</u>				
Lessee: P. M. McCulley & Paul B. Horton				
Serial # SF 078615 A				
Lease Description: T30N-R8W Sec. 24: E 1/2				
Amount of Acreage:	320	.01233470		
<u>Overriding Royalties:</u>				
Paul B. Horton 1% (until \$25 per acre is paid and thereafter 1/2 of 1%) full 1%			.00012335	
M. J. Florence and 17 others totaling 17 1/2%			.00215857	

<u>Tract 2 B - cont'd</u>	<u>Acreage Committed</u>	<u>Tract Participation</u>	<u>Participation Gross Prod.</u>	<u>Working Interest Participation</u>
Royalty: USA - 12 1/2%			.00154184	
<u>Operating Rights:</u>				
Delhi Oil Corp. - All			.00851094	.01233470
Sub Total - This Lease			<u>.01233470</u>	<u>.01233470</u>
 <u>Tract 3</u>				
Lessee H. H. Phillips				
Serial # SF 078699				
Lease Description:				
<u>T30N-R8W</u>				
Sec. 13: S 1/2 SE 1/4				
Amount of Acreage	80	.00308367		
<u>Overriding Royalties: - None</u>				
Royalty: USA - 12 1/2%			.00038546	
<u>Operating Rights:</u>				
H. H. Phillips - All			.00269821	.00308367
Sub Total - This Lease			<u>.00308367</u>	<u>.00308367</u>
 <u>Tract 5 (Part)</u>				
Lessee: Stanolind Oil and Gas Company, et al				
Serial # SF 078988				
Lease Description:				
<u>T31N-R6W</u>				
Sec. 19: All				
Amount of Acreage:	640	.02466939		
<u>Overriding Royalties:</u>				
Southland Royalty Co. 1 1/2%			.00037004	
Huch C. Alexander, Jr. and 10 others for a total of 1%			.00024669	
Royalty: USA - 12 1/2%			.00308367	
<u>Operating Rights:</u>				
Stanolind Oil and Gas Company 1/2			.01048449	.01233470
Northeast Blanco Development Corp. F. G. Blackwood & Blackwood & Nichols Company 25/64			.00819101	.00963648
El Paso Natural Gas Company, Nelson and Edward Morris, Ltd., and A. M. Lloyd 7/64			.00229349	.00269821
Sub Totals - This Lease			<u>.02466939</u>	<u>.02466939</u>

<u>Tract 6 A</u>	<u>Acreage Committed</u>	<u>Tract Participation</u>	<u>Participation Gross Prod.</u>	<u>Working Interest Participation</u>
Lessee: C. C. Peters				
Serial # SF 079001				
Lease Description:				
<u>T30N-R7W</u>				
Sec. 3: Lots 5, 6				
S 1/2 NE 1/4,				
SE 1/4				
Amount of Acreage	638.75	.02462121		
<u>Overriding Royalties:</u>				
Gladys Watford and				
48 others for a total of 21%			.00517045	
<u>Royalty: USA - 12 1/2%</u>			.00307765	
<u>Operating Rights:</u>				
El Paso Natural Gas Company				
and Delhi Oil Corporation - All			.01637311	.02462121
Sub Totals - This Lease			<u>.02462121</u>	<u>.02462121</u>
 <u>Tract 6 B</u>				
Lessee: Ben R. Howell				
Serial # SF 079001-A				
Lease Description:				
<u>T30N-R7W</u>				
Sec. 3: Lots 7, 8				
S 1/2 NW 1/4,				
SW 1/4				
Amount of Acreage:	639.13	.02463586		
<u>Overriding Royalties:</u>				
Don W. Johnston and				
25 others for a total of				
18 1/2%			.00455763	
<u>Royalty: USA - 12 1/2%</u>			.00307948	
<u>Operating Rights:</u>				
El Paso Natural Gas Company - All			.01699875	.02463586
Sub Total - This Lease			<u>.02463586</u>	<u>.02463586</u>
 <u>Tract 7</u>				
Lessee: Stanolind Oil and Gas Company, et al				
Serial # SF 079003				
Lease Description: <u>T31N-R7W</u>				
Sec. 22: All				
Sec. 27: All				
Sec. 34: All				
Sec. 35: All				

<u>Tract 7 - cont'd</u>	<u>Acreage Committed</u>	<u>Tract Participation</u>	<u>Participation Gross Prod.</u>	<u>Working Interest Participation</u>
Amount of Acreage	2,560	.09867757		
<u>Overriding Royalties:</u>				
Southland Royalty Company and 17 others for a total of 2 1/2%			.00246694	
<u>Royalty: USA - 12 1/2%</u>			.01233469	
<u>Operating Rights:</u>				
Stanolind Oil and Gas Company 1/2 Northeast Blanco Development Corp., F. G. Blackwood and Blackwood & Nichols Company 25/64			.04193797	.04933879
El Paso Natural Gas Company, Nelson and Edward Morris, Ltd., and A. M. Lloyd 7/64			.03276404	.03854592
Sub Total - This Lease			<u>.00917393</u> <u>.09867757</u>	<u>.01079286</u> <u>.09867757</u>

Tract 8 A

Lessee: Stanolind Oil and Gas Company, et al

Serial # SF 079010

Lease Description:

T31N-R7W

Sec. 25: NE 1/4,  
SE 1/4 NW 1/4,  
S 1/2

Amount of Acreage	520	.02004388
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Overriding Royalties:

D. A. MacPherson 2 1/2%	.00050110
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<u>Royalty: - USA - 12 1/2%</u>	.00250549
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Operating Rights:

Stanolind Oil and Gas Company 1/2 Northeast Blanco Development Corp., F. G. Blackwood and Blackwood & Nichols Company 25/64	.00851865	.01002194
El Paso Natural Gas Company, Nelson and Edward Morris, Ltd., and A. M. Lloyd 7/64	.00186345	.00219230
Sub Total - This Lease	<u>.02004388</u>	<u>.02004388</u>

Tract 8 B

Lessee: Stanolind Oil and Gas Company, et al

Serial # SF 079010A

Lease Description: T31N-R7W

Sec. 23: All  
Sec. 24: All  
Sec. 25: N 1/2 NW 1/4, SW 1/4 NW 1/4  
Sec. 26: All

<u>Tract 8 B - cont'd</u>	<u>Acreage Committed</u>	<u>Tract Participation</u>	<u>Participation Gross Prod.</u>	<u>Working Interest Participation</u>
Amount of Acreage	2,040	.07863369		
<u>Overriding Royalties:</u>				
Southland Royalty Company and 18 others for a total of 2 1/2%			.00196584	
<u>Royalty: USA - 12 1/2%</u>			.00982921	
<u>Operating Rights:</u>				
Stanolind Oil and Gas Company 1/2 Northeast Blanco Development Corp., F. G. Blackwood and Blackwood & Nichols Company 25/64			.03341932	.03931685
El Paso Natural Gas Company, Nelson and Edward Morris, Ltd., and A. M. Lloyd 7/64			.02610884	.03071628
			.00731048	.00860056
Sub Total - This Lease			<u>.07863369</u>	<u>.07863369</u>

Tract 9

Lessee: Stanolind Oil and Gas Company, et al

Serial # SF 079042

Lease Description:

T30N-R7W

Sec. 5: All

Sec. 6: Lots 8 to 21 inclusive,  
SE 1/4 NW 1/4,  
NE 1/4 SW 1/4

Sec. 7: Lots 5, 6, 7, 8, 9, 12,  
13, 14, 15, 16,  
E 1/2 NE 1/4

Sec. 8: Lots 1, 2, 3,  
E 1/2, NW 1/4

Amount of Acreage	1779.91	.06860828
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Overriding Royalty:

Horace F. McKay 2 1/2%	.00171521
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<u>Royalty: USA - 12 1/2%</u>	.00857603
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Operating Rights:

Stanolind Oil and Gas Company 1/2	.02915852	.03430414
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Northeast Blanco Development Corp., F. G. Blackwood and Blackwood & Nichols Company 25/64	.02278009	.02680011
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El Paso Natural Gas Company, Nelson and Edward Morris, Ltd., and A. M. Lloyd 7/64	.00637843	.00750403
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Sub Total	<u>.06860828</u>	<u>.06860828</u>
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<u>Tract 10</u>	<u>Acreage Committed</u>	<u>Tract Participation</u>	<u>Participation Gross Prod.</u>	<u>Working Interest Participation</u>
Lessee: Stanolind Oil and Gas Company				
Serial # SF 079043				
Lease Description:				
<u>T31N-R7W</u>				
Sec. 28: All				
Sec. 31: Lots 6, 9, 10, 13				
Sec. 33: All				
<u>T30N-R7W</u>				
Sec. 4: Lots 5, 6, 7, 8,				
S 1/2 N 1/2,				
SE 1/4				
Sec. 9: N 1/2,				
W 1/2 SW 1/4				
Amount of Acreage	2314.56	.08921685		
<u>Overriding Royalties:</u>				
Horace F. McKay 1/4 of 2 1/2%			.00055760	
Carroll T. Payne 3/4 of 2 1/2%			.00167282	
<u>Royalty: USA - 12 1/2%</u>			.01115211	
<u>Operating Rights:</u>				
Stanolind Oil and Gas Company 1/2			.03791716	.04460843
Northeast Blanco Development Corp.,				
F. G. Blackwood and Blackwood &				
Nichols Company 25/64			.02962278	.03485033
El Paso Natural Gas Company, Nelson				
and Edward Morris, Ltd., and				
A. M. Lloyd 7/64			.00829438	.00975809
Sub Total - This Lease			<u>.08921685</u>	<u>.08921685</u>

Tract 11

Lessee: Stanolind Oil and Gas Company, et al

Serial # SF 079045

Lease Description:

T31N-R7W

Sec. 20: E 1/2, E 1/2 W 1/2,  
W 1/2 SW 1/4

Sec. 21: All

Sec. 29: All

Sec. 30: Lots 7, 8, 11, 12,  
W 1/2 NE 1/4,  
SE 1/4 NE 1/4

Amount of Acreage 2,056.12 .07925505

Overriding Royalties:

Edith A. Payne and Carroll T. Payne 2 1/2% .00198138

Royalty: USA - 12 1/2% .00990688

<u>Tract 11 - cont'd</u>	<u>Acreage Committed</u>	<u>Tract Participation</u>	<u>Participation Gross Prod.</u>	<u>Working Interest Participation</u>
<u>Operating Rights:</u>				
Stanolind Oil and Gas Company 1/2 Northeast Blanco Development Corp., F. G. Blackwood and Blackwood & Nichols Company 25/64			.03368339	.03962753
El Paso Natural Gas Company, Nelson and Edward Morris, Ltd., and A. M. Lloyd 7/64			.02631516	.03095900
			.00736824	.00866852
Sub Total - This Lease			<u>.07925505</u>	<u>.07925505</u>

Tract 12

Lessee: Phillips Petroleum Company

Serial # SF 079053

Lease Description:

T30N-R7W

Sec. 19: Lots 12, 13,  
E 1/2 SW 1/4

Amount of Acreage	103.60	.00399336
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Overriding Royalties:

Mary C. Hagood and L. N. Haygood 5%	.00019967
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<u>Royalty:</u> USA - 12 1/2%	.00049917
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Operating Rights:

Phillips Petroleum Company, All	.00329452	.00399336
Sub Total - This Lease	<u>.00399336</u>	<u>.00399336</u>

Tract 13

Lessee: Stanolind Oil and Gas Company, et al

Serial # SF 079060

Lease Description:

T30N-R7W

Sec. 9: SE 1/4, E 1/2 SW 1/4

Sec. 17: N 1/2 NE 1/4,  
SE 1/4 NE 1/4,  
E 1/2 SE 1/4

Sec. 19: Lots 10, 11,  
S 1/2 SE 1/4

Sec. 20: NE 1/4, E 1/2 NW 1/4,  
S 1/2

Sec. 21: All

Sec. 22: W 1/2 NW 1/4, NW 1/4 SW 1/4

Sec. 29: N 1/2

Amount of Acreage	2,236.44	.08620565
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Overriding Royalties:

W. B. Collins 2 1/2%	.00215514
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<u>Tract 13 - cont'd</u>	<u>Acreage Committed</u>	<u>Tract Participation</u>	<u>Participation Gross Prod.</u>	<u>Working Interest Participation</u>
<u>Royalty</u> - USA - 12 1/2%			.01077571	
<u>Operating Rights:</u>				
Stanolind Oil and Gas Company 1/2 Northeast Blanco Development Corp., F. G. Blackwood and Blackwood & Nichols Company 25/64			.03663740	.04310283
El Paso Natural Gas Company, Nelson and Edward Morris, Ltd., and A. M. Lloyd 7/64			.02862297	.03367408
Sub Total - This Lease			<u>.00801443</u> <u>.08620565</u>	<u>.00942874</u> <u>.08620565</u>

Tract 14

Lessee: Stanolind Oil and Gas Company, et al

Serial # SF 079073

Lease Description:

T30N-R7W

Sec. 18: Lots 5 to 14, inclusive,  
E 1/2 W 1/2

Amount of Acreage	371.07	.01430324
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Overriding Royalties:

Charles B. Gonsales 2 1/2%	.00035758
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<u>Royalty:</u> USA - 12 1/2%	.00178791
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Operating Rights:

Stanolind Oil and Gas Company 1/2 Northeast Blanco Development Corp., F. G. Blackwood and Blackwood & Nichols Company 25/64	.00607888	.00715162
El Paso Natural Gas Company, Nelson and Edward Morris, Ltd., and A. M. Lloyd 7/64	.00474912	.00558720
Sub Total - This Lease	<u>.00132975</u> <u>.01430324</u>	<u>.00156442</u> <u>.01430324</u>

Tract 16 A

Lessee - Stanolind Oil and Gas Company, et al

Serial # SF 079082

Lease Description:

T31N-R7W

Sec. 19: Lots 5, 6, 7, 8

Sec. 30: Lots 5, 6, 9, 10

E 1/2 W 1/2

Sec. 31: Lots 5, 7, 8, 11, 12, 14

E 1/2 W 1/2

T31N-R8W

Sec. 25: N 1/2, SW 1/4

<u>Tract 16 A - cont'</u>	<u>Acreage Committed</u>	<u>Tract Participation</u>	<u>Participation Gross Prod.</u>	<u>Working Interest Participation</u>
<u>T30N-R7W</u>				
Sec. 17: Lots 1, 3, 4				
Sec. 18: SW 1/4 NE 1/4				
Amount of Acreage	1,022.45	.03941128		
<u>Overriding Royalties:</u>				
Brookhaven Oil Company 2 1/2%			.00098528	
<u>Royalty:</u> USA - 12 1/2%			.00492641	
<u>Operating Rights:</u>				
Stanolind Oil and Gas Company 1/2			.01674980	.01970564
Northeast Blanco Development Corp.,				
F. G. Blackwood & Blackwood &				
Nichols Company 25/64			.01308578	.01539503
El Paso Natural Gas Company, Nelson				
and Edward Morris, Ltd., and A. M.				
Lloyd 7/64			.00366401	.00431061
Sub Total - This Lease			<u>.03941128</u>	<u>.03941128</u>
 <u>Tract 16 B</u>				
Lessee: Phillips Petroleum Company				
Serial # SF 079082 A				
Lease Description:				
<u>T-31N-R8W</u>				
Sec. 25: SE 1/4				
<u>T30N-R7W</u>				
Sec. 17: Lots 2 and 5				
Amount of Acreage	211.62	.00815709		
<u>Overriding Royalties:</u>				
Brookhaven Oil Company 5%			.00040785	
<u>Royalty:</u> USA - 12 1/2%			.00101964	
<u>Operating Rights:</u>				
Phillips Petroleum Company - All			.00672960	.00815709
Sub Total - This Lease			<u>.00815709</u>	<u>.00815709</u>
 <u>Tract 17</u>				
Lessee: El Paso Natural Gas Company				
Serial # SF 079511				
Lease Description:				
<u>T30N-R8W</u>				
Sec. 13: SW 1/4 NW 1/4,				
W 1/2 SW 1/4,				
SE 1/4 SW 1/4				
Amount of Acreage	160	.00616735		

<u>Tract 17 - cont'd</u>	<u>Acreage Committed</u>	<u>Tract Participation</u>	<u>Participation Gross Prod.</u>	<u>Working Interest Participation</u>
<u>Overriding Royalties:</u>				
Hazel Bolack - 2%			.00012335	
Ben R. Howell - 1%			.00006167	
<u>Royalty:</u> USA - 12 1/2%			.00077092	
<u>Operating Rights:</u>				
El Paso Natural Gas Company - All			<u>.00521141</u>	<u>.00616735</u>
Sub Total - This Lease			<u>.00616735</u>	<u>.00616735</u>

Tract 18

Lessee: Stanolind Oil and Gas Company, et al

Serial # 080557

Lease Description:

T31N-R7W

Sec. 19: W 1/2 E 1/2 and  
E 1/2 W 1/2

Amount of Acreage                      320                      .01233470

Overriding Royalties:

W. B. Collins - 2 1/2%                      .00030837

Royalty: USA - 12 1/2%                      .00154184

Operating Rights:

Stanolind Oil and Gas Company - 1/2                      .00524225                      .00616735  
Northeast Blanco Development Corp.,

F. G. Blackwood and Blackwood &  
Nichols Company - 25/64                      .00409550                      .00481824

El Paso Natural Gas Company, Nelson  
and Edward Morris, Ltd., and A. M.  
Lloyd - 7/32                      .00114674                      .00134911

Sub Total - This Lease                      .01233470                      .01233470

Tract 20

Lessee: Northeast Blanco Development Corp., et al

Serial # NM03357

Lease Description:

T31N-R6W

Sec. 30: All

Amount of Acreage                      640                      .02466939

Overriding Royalties:

C. S. Page, Jr. - 5%                      .00123347

Royalty: USA - 12 1/2%                      .00308367

<u>Tract 20 - cont'd</u>	<u>Acreage Committed</u>	<u>Tract Participation</u>	<u>Participation Gross Prod.</u>	<u>Working Interest Participation</u>
<u>Operating Rights:</u>				
Northeast Blanco Development Corp., F. G. Blackwood and Blackwood & Nichols Company - 25/32			.01590020	.01927296
El Paso Natural Gas Company, Nelson and Edward Morris, Ltd., and A. M. Lloyd - 7/32			<u>.00445205</u>	<u>.00539643</u>
Sub Total - This Lease			<u>.02466939</u>	<u>.02466939</u>

Tract 22

Lessee: Stanolind Oil and Gas Company, et al

Serial # NW 03845

Lease Description:

T30N-R7W

Sec. 19: Lots 5, 6, 7, 8, 9  
E 1/2 NW 1/4

Amount of Acreage                      166.76                      .00642792

Overriding Royalties:    None

Royalty: USA - 12 1/2%    .00080349

Operating Rights:

Stanolind Oil and Gas Company - 1/2	.00281222	.00321396
Northeast Blanco Development Corp., F. G. Blackwood and Blackwood & Nichols Company - 25/64	.00219704	.00251092
El Paso Natural Gas Company, Nelson and Edward Morris, Ltd., and A. M. Lloyd 7/64	<u>.00061517</u>	<u>.00070304</u>
Sub Total - This Lease	<u>.00642792</u>	<u>.00642792</u>

Tract 24

Lessee: El Paso Natural Gas Company

Serial # E-3150-1

Lease Description:

T31N-R7W

Sec. 16: N 1/2 NE 1/4,  
NE 1/4 NW 1/4,  
NE 1/4 SW 1/4,  
SE 1/4

Amount of Acreage                      320                      .01233470

Overriding Royalties:

John Burroughs - 5%    .00061674

Royalty: State of New Mexico - 12 1/2%    .00154184

<u>Tract 24 - cont'd</u>	<u>Acreage Committed</u>	<u>Tract Participation</u>	<u>Participation Gross Prod.</u>	<u>Working Interest Participation</u>
<u>Operating Rights:</u>				
El Paso Natural Gas Company - All			<u>.01017612</u>	<u>.01233470</u>
Sub Total - This Lease			<u>.01233470</u>	<u>.01233470</u>
 <u>Tract 25</u>				
Lessee: Phillips Petroleum Company				
Serial # E-3707-4				
Lease Description:				
<u>T31N-47W</u>				
Sec. 16: SW 1/4 NE 1/4				
Amount of Acreage	40	.00154183		
<u>Overriding Royalties:</u>				
Charles B. Gonsales - 3.5%			.00005396	
Willard W. Moyer - 1.5%			.00002313	
<u>Royalty:</u> State of New Mexico - 12 1/2%			.00019273	
<u>Operating Rights:</u>				
Phillips Petroleum Company - All			<u>.00127201</u>	<u>.00154183</u>
Sub Total - This Lease			<u>.00154183</u>	<u>.00154183</u>
 <u>Tract 26</u>				
Lessee: Stanolind Oil and Gas Company, et al				
Serial # E-178-1				
Lease Description:				
<u>T31N-R7W</u>				
Sec. 16: W 1/2 W 1/2				
Amount of Acreage	160	.00616735		
<u>Overriding Royalties: None</u>				
<u>Royalty:</u> State of New Mexico - 12 1/2%			.00077092	
<u>Operating Rights:</u>				
Stanolind Oil and Gas Company - 1/2			.00269822	.00308368
Northeast Blanco Development Corp., F.				
G. Blackwood and Blackwood & Nichols				
Company - 25/64			.00210798	.00240912
El Paso Natural Gas Company, Nelson				
and Edward Morris, Ltd., and A. M.				
Lloyd - 7/64			<u>.00059023</u>	<u>.00067455</u>
Sub Total - This Lease			<u>.00616735</u>	<u>.00616735</u>

<u>Tract 28</u>	<u>Acreage Committed</u>	<u>Tract Participation</u>	<u>Participation Gross Prod.</u>	<u>Working Interest Participation</u>
Lessee: Stanolind Oil and Gas Company, et al				
Serial # E-178-1				
Lease Description:				
<u>T31N-R7W</u>				
Sec. 32: E 1/2				
Amount of Acreage	320	.01233470		
<u>Overriding Royalties: None</u>				
<u>Royalty: State of New Mexico - 12 1/2%</u>			.00154184	
Operating Rights:				
Stanolind Oil and Gas Company - 1/2			.00539643	.00616735
Northeast Blanco Development Corp.,				
F. G. Blackwood and Blackwood &				
Nichols Company - 25/64			.004215%	.00481824
El Paso Natural Gas Company, Nelson				
and Edward Morris, Ltd., and A.M.				
Lloyd - 7/64			<u>.00118047</u>	<u>.00134911</u>
Sub Total - This Lease			<u>.01233470</u>	<u>.01233470</u>
<u>Tract 29</u>				
Lessee: Edward J. and James E. Haag				
Serial # E-3948-1				
Lease Description:				
<u>T31N-R7W</u>				
Sec. 32: NE 1/4 NW 1/4				
Amount of Acreage	40	.00154184		
<u>Overriding Royalties: None</u>				
<u>Royalty: State of New Mexico - 12 1/2%</u>			.00019273	
<u>Operating Rights:</u>				
Edward J. and James E. Haag - All			<u>.00134911</u>	<u>.00154184</u>
Sub Total - This Lease			<u>.00154184</u>	<u>.00154184</u>
<u>Tract 30</u>				
Lessee: Phillips Petroleum Company				
Serial # E292-9				
Lease Description:				
<u>T31N-R7W</u>				
Sec. 32: SE 1/4 NW 1/4				
NE 1/4 SW 1/4				
Amount of Acreage	80	.00308367		

<u>Tract 30 - cont'd</u>	<u>Acreage Committed</u>	<u>Tract Participation</u>	<u>Participation Gross Prod.</u>	<u>Working Interest Participation</u>
<u>Overriding Royalties:</u>				
Levi A. Hughes - until \$500.00 per acre is paid - 5%			.00015418	
<u>Royalty:</u> State of New Mexico - 12 1/2%			.00038546	
<u>Operating Rights:</u>				
Phillips Petroleum Company - All			.00254403	.00308367
Sub Total - This Lease			<u>.00308367</u>	<u>.00308367</u>
 <u>Tract 32</u>				
Lessee: Northeast Blanco Development Corp., et al				
Serial # B-11125-30				
Lease Description:				
<u>T31N-R7W</u>				
Sec. 32: Lot 4, SE 1/4 SW 1/4				
Amount of Acreage:	68.32	.00263346		
<u>Overriding Royalties:</u>				
Oran G. Lewin - 5%			.00013167	
<u>Royalty:</u> State of New Mexico - 12 1/2%			.00032918	
<u>Operating Rights:</u>				
Northeast Blanco Development Corp., F. G. Blackwood and Blackwood & Nichols Company - 25/32			.00169734	.00205739
El Paso Natural Gas Company, Nelson and Edward Morris, Ltd., and A. M. Lloyd - 7/32			.00047527	.00057607
Sub Total - This Lease			<u>.00263346</u>	<u>.00263346</u>
 <u>Tract 33</u>				
Lessee: J. Glenn Turner				
Serial # E-505-6				
Lease Description:				
<u>T31N-R7W</u>				
Sec. 36: All				
Amount of Acreage	640	.02466939		
<u>Overriding Royalties:</u>				
Three States Natural Gas Company 10.9375%			.00269821	
Squire Production Company - 8.9375%			.00220483	
K. F. Moore and W. H. Swearingen - 2%			.00049339	
<u>Royalty:</u> State of New Mexico - 12 1/2%			.00308367	

<u>Tract 33 - cont'd</u>	<u>Acreage Committed</u>	<u>Tract Participation</u>	<u>Participation Gross Prod.</u>	<u>Working Interest Participation</u>
<u>Operating Rights:</u>				
J. Glenn Turner - All			<u>.01618929</u>	<u>.02466939</u>
Sub Total - This Lease			<u>.02466939</u>	<u>.02466939</u>

Tract 34

Lessee: Southern Petroleum Exploration, Inc.

Serial # E-289-3

Lease Description:

T30N-R7W

Sec. 2: NE 1/4

Amount of Acreage	158.74	.00611878
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Overriding Royalties: None

<u>Royalty:</u> State of New Mexico - 12 1/2%	.00076485
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Operating Rights:

Southern Petroleum Exploration, Inc. - All

Sub Total - This Lease

<u>.00535393</u>	<u>.00611878</u>
<u>.00611878</u>	<u>.00611878</u>

Tract 35

Lessee: Phillips Petroleum Company

Serial # E-289-24

Lease Description:

T30N-R7W

Sec. 2: Lot 7,  
SE 1/4 NW 1/4

Amount of Acreage	79.33	.00305785
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Overriding Royalties:

Malco Refineries - 5%	.00015289
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<u>Royalty:</u> State of New Mexico - 12 1/2%	.00038223
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Operating Rights:

Phillips Petroleum Company - All

Sub Total - This Lease

<u>.00252273</u>	<u>.00305785</u>
<u>.00305785</u>	<u>.00305785</u>

Tract 36

Lessee: Phillips Petroleum Company

Serial # E-5167-2

Lease Description:

T30N-R7W

Sec. 2: Lot 8, S 1/2  
SW 1/4 NW 1/4

Amount of Acreage	399.29	.01539100
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<u>Tract 36 - cont'd</u>	<u>Acreage Committed</u>	<u>Tract Participation</u>	<u>Participation Gross Prod.</u>	<u>Working Interest Participation</u>
<u>Overriding Royalties:</u>				
Levi A. Hughes - until \$500 per acre is paid - 5%			.00076955	
<u>Royalty:</u> State of New Mexico - 12 1/2%			.00192387	
<u>Operating Rights:</u>				
Phillips Petroleum Company - All			.01269758	.01539100
Sub Total			<u>.01539100</u>	<u>.01539100</u>
<u>Tract 38</u>				
Lessee: Stanolind Oil and Gas Company, et al				
Serial # E-178-1				
Lease Description:				
T30N-R7W				
Sec. 2: W 1/2				
Amount of Acreage	320	.01233470		
<u>Overriding Royalties:</u> None				
<u>Royalty:</u> State of New Mexico - 12 1/2%			.00154184	
<u>Operating Rights:</u>				
Stanolind Oil and Gas Company - 1/2			.00539643	.00616735
Northeast Blanco Development Corp.,				
F. G. Blackwood and Blackwood &				
Nichols Company - 25/64			.00421596	.00481824
El Paso Natural Gas Company, Nelson				
and Edward Morris, Ltd., and A. M.				
Lloyd - 7/64			.00118047	.00134911
Sub Total - This Lease			<u>.01233470</u>	<u>.01233470</u>
<u>Tract 41</u>				
Lessee: El Paso Natural Gas Company				
Serial # E-3150 - 1				
Lease Description:				
T31N-R8W				
Sec. 36: S 1/2 NE 1/4,				
NE 1/4 SW 1/4,				
N 1/2 SW 1/4,				
SW 1/4 SE 1/4,				
NE 1/4 SE 1/4				
Amount of Acreage:	280	.01079286		
<u>Overriding Royalties:</u>				
John Burroughs - 5%			.00053964	
<u>Royalty:</u> State of New Mexico - 12 1/2%			.00134911	
<u>Operating Rights:</u>				
El Paso Natural Gas Company - All			.00890411	.01079286
Sub Total - This Lease			<u>.01079286</u>	<u>.01079286</u>

<u>Tract 42</u>	<u>Acreage Committed</u>	<u>Tract Participation</u>	<u>Participation Gross Prod.</u>	<u>Working Interest Participation</u>
Lessee: Phillips Petroleum Company				
Serial # E3707-4				
Lease Description:				
<u>T31N-R8W</u>				
Sec. 36: S 1/4 SW 1/4				
Amount of Acreage:	80	.00308367		
<u>Overriding Royalties:</u>				
Charles B. Gonsales - 3.5%			.00010793	
Willard W. Moyer - 1.5%			.00004626	
<u>Royalty:</u> State of New Mexico - 12 1/2%			.00038546	
<u>Operating Rights:</u>				
Phillips Petroleum Company - All			<u>.00254402</u>	<u>.00308367</u>
Sub Total - This Lease			<u>.00308367</u>	<u>.00308367</u>
<u>Tract 43</u>				
Lessee: Phillips Petroleum Company				
Serial # E-3707-5				
Lease Description:				
<u>T31N-R8W</u>				
Sec. 36: SW 1/4 NW 1/4, NW 1/4, SE 1/4				
Amount of Acreage	80	.00308367		
<u>Overriding Royalties:</u>				
Charles B. Gonsales - 2%			.00006167	
Mrs. Lillian H. Duncan 1.5%			.00004626	
Mrs. Ella S. Comstock - 1.5%			.00004626	
<u>Royalty:</u> State of New Mexico - 12 1/2%			.00038546	
<u>Operating Rights:</u>				
Phillips Petroleum Company - All			<u>.00254402</u>	<u>.00308367</u>
Sub Totals - This Lease			<u>.00308367</u>	<u>.00308367</u>
<u>Tract 44</u>				
Lessee: Phillips Petroleum Company				
Serial # E-292-9				
Lease Description:				
<u>T31N-R8W</u>				
Sec. 36: SE 1/4 SE 1/4				
Amount of Acreage:	40	.00154183		

<u>Tract 44 - cont'd</u>	<u>Acreage Committed</u>	<u>Tract Participation</u>	<u>Participation Gross Prod.</u>	<u>Working Interest Participation</u>
<u>Overriding Royalties:</u>				
Levi A. Hughes - until \$500 per acre paid - 5%			.00007709	
<u>Royalty:</u> State of New Mexico - 12 1/2%			.00019273	
<u>Operating Rights:</u>				
Phillips Petroleum Company - All			.00127201	.00154183
Sub Total - This Lease			<u>.00154183</u>	<u>.00154183</u>
<u>Tract 48</u>				
Lessee: Stanolind Oil and Gas Company, et al				
<u>Lease Description:</u>				
T31N-R8W				
Sec. 9 : S 1/2				
Amount of Acreage	320	.01233470		
<u>Overriding Royalties:</u> None				
<u>Royalty:</u> Paul Sidney Rea - 12 1/2%			.00154184	
<u>Operating Rights:</u>				
Stanolind Oil and Gas Company - 1/2 Northeast Blanco Development Corp., F. G. Blackwood and Blackwood & Nichols Company - 25/64			.00539643	.00616735
El Paso Natural Gas Company, Nelson and Edward Morris, Ltd., and A. M. Lloyd - 7/64			.00421596	.00481824
Sub Total - This Lease			<u>.00118047</u> <u>.01233470</u>	<u>.00134911</u> <u>.01233470</u>
<u>Tract 49</u>				
Lessee: Stanolind Oil and Gas Company, et al				
<u>Lease Description:</u>				
T31N-R7W				
Sec. 19: NE 1/4 NE 1/4				
Amount of Acreage	40	.00154183		
<u>Overriding Royalties</u> - None				
<u>Royalties:</u>				
Martin A. Pierce - 6 1/4%			.00009636	
Southland Royalty Company - 6 1/4%			.00009636	
<u>Operating Rights:</u>				
Stanolind Oil and Gas Company - 1/2 Northeast Blanco Development Corp., F. G. Blackwood and Blackwood & Nichols Company 25/64			.00067455	.00077092
El Paso Natural Gas Company, Nelson and Edward Morris, Ltd., & A. M. Lloyd 7/64			.00052700	.00060228
Sub Total - This Lease			<u>.00014756</u> <u>.00154183</u>	<u>.00016863</u> <u>.00154183</u>

<u>Tract 50</u>	<u>Acreage Committed</u>	<u>Tract Participation</u>	<u>Participation Gross Prod.</u>	<u>Working Interest Participation</u>
Lessee: Stanolind Oil and Gas Company, et al				
Lease Description:				
<u>T31N-R7W</u>				
Sec. 19: SE 1/4 NE 1/4				
NE 1/4 SE 1/4				
Amount of Acreage:	80	.00308367		
<u>Overriding Royalties - None</u>				
<u>Royalties:</u>				
Horace F. McKay, Jr. - 12 1/2%			.00038546	
<u>Operating Rights:</u>				
Stanolind Oil and Gas Company - 1/2			.00134911	.00154184
Northeast Blanco Development Corp.,				
F. G. Blackwood and Blackwood &				
Nichols Company - 25/64			.00105399	.00120456
El Paso Natural Gas Company, Nelson				
and Edward Morris, Ltd., and A. M.				
Lloyd - 7/64			<u>.00029511</u>	<u>.00033727</u>
Sub Total - This Lease			<u>.00308367</u>	<u>.00308367</u>

Tract 51

Lessee: Stanolind Oil and Gas Company, et al

Lease Description:

T31N-R7W

Sec. 19: SE 1/4 SE 1/4

30: NE 1/4 NE 1/4

Amount of Acreage: 80 .00308367

Overriding Royalties: None

Royalty:

James L. Tatum	3.125%	.00009636
John R. Anderson	3.125%	.00009636
John A. Pierce	3.125%	.00009637
Paul F. Cotterson	3.125%	.00009637

Operating Rights:

Stanolind Oil and Gas Company - 1/2	.00134911	.00154184
Northeast Blanco Development Corp.,		
F. G. Blackwood and Blackwood &		
Nichols Company - 25/64	.00105399	.00120456
El Paso Natural Gas Company, Nelson		
and Edward Morris, Ltd., A. M.		
Lloyd - 7/64	<u>.00029511</u>	<u>.00033727</u>
Sub Total - This Lease	<u>.00308367</u>	<u>.00308367</u>

<u>Tract 52</u>	<u>Acreage Committed</u>	<u>Tract Participation</u>	<u>Participation Gross Prod.</u>	<u>Working Interest Participation</u>
Lessee: Stanolind Oil and Gas Company - et al				
Lease Description:				
<u>T31N-R7W</u>				
Sec. 20: W 1/2 NW 1/4				
Amount of Acreage:	80	.00308367		
<u>Overriding Royalties: None</u>				
<u>Royalty:</u>				
Paul F. Catterson	6.25%		.00019273	
J. L. Tatum	6.25%		.00019273	
<u>Operating Rights:</u>				
Stanolind Oil and Gas Company - 1/2 Northeast Blanco Development Corp., F. G. Blackwood and Blackwood & Nichols Company - 25/64			.00134911	.00154184
El Paso Natural Gas Company, Nelson and Edward Morris, Ltd., and A. M. Lloyd - 7/64			.00105399	.00120456
Sub Total			<u>.00029511</u> <u>.00308367</u>	<u>.00033727</u> <u>.00308367</u>
<u>Tract 53</u>				
Lessee: Stanolind Oil and Gas Company, et al				
Lease Description:				
<u>T31N-R7W</u>				
Sec. 31: W. 70 Acres in W 1/2 NE; being the W. 70 Acres of the most westerly 80 in Tract 51				
Amount of Acreage:	70	.00269821		
<u>Overriding Royalties - None</u>				
<u>Royalty:</u>				
Martin A. Pierce	6.25%		.00016864	
Southland Royalty Company	6.25%		.00016864	
<u>Operating Rights:</u>				
Stanolind Oil and Gas Company - 1/2 Northeast Blanco Development Corp., F. G. Blackwood and Blackwood & Nichols Company - 25/64			.00118047	.00134911
El Paso Natural Gas Company, Nelson and Edward Morris, Ltd., and A. M. Lloyd - 7/64			.00092224	.00105399
Sub Total - This Lease			<u>.00025822</u> <u>.00269821</u>	<u>.00029511</u> <u>.00269821</u>

<u>Tract 54</u>	<u>Acreage Committed</u>	<u>Tract Participation</u>	<u>Participation Gross Prod.</u>	<u>Working Interest Participation</u>
Lessee: Stanolind Oil and Gas Company, et al				
Lease Description:				
<u>T31N-R7W</u>				
Sec. 31: SE 1/4 NE 1/4, NE 1/4 SE 1/4 5 acres on the East side of SW 1/4 NE 1/4; 5 acres on the East side of NW 1/4 NE 1/4, being all of Tract 51 except the West 70 Acres of the most westerly 80 acres of Tract 51				
Amount of Acreage:	90	.00346913		
<u>Overriding Royalty:</u> None				
<u>Royalty:</u>				
S. M. Lucero - 6.25%			.00021682	
Southland Royalty Company 6.25%			.00021682	
<u>Operating Rights:</u>				
Stanolind Oil and Gas Company - 1/2 Northeast Blanco Development Corp., F. G. Blackwood and Blackwood & Nichols Company - 25/64			.00151774	.00173457
El Paso Natural Gas Company, Nelson and Edward Morris, Ltd., and A. M. Lloyd - 7/64			.00118574	.00135513
Sub Total - This Lease			<u>.00033201</u> <u>.00346913</u>	<u>.00037943</u> <u>.00346913</u>

Tract 55

Lessee: Stanolind Oil and Gas Company, et al

Lease Description:

T31N-R7W

Sec. 30: 40 Acres in the center  
of the SE 1/4, being  
North 40 acres of Tract 49

T30N-R7W

Sec. 7: E 1/2 NW 1/4, being the  
South 80 acres of the North  
120 acres of Tract 40

Sec. 6: NW 1/4 SE 1/4, south 14  
acres of the SW 1/4 NE 1/4,  
being the South 54 Acres of Tract 39.

Amount of Acreage: 174 .00670699

Overriding Royalties: None

<u>Tract 55 - cont'd</u>	<u>Acreage Committed</u>	<u>Tract Participation</u>	<u>Participation Gross Prod.</u>	<u>Working Interest Participation</u>
<u>Royalty:</u>				
Manuel A. Lucero - 12 1/2%			.00083837	
<u>Operating Rights:</u>				
Stanolind Oil and Gas Company - 1/2 Northeast Blanco Development Corp., F. G. Blackwood and Blackwood & Nichols Company 25/64			.00293431	.00335349
El Paso Natural Gas Company, Nelson and Edward Morris, Ltd., and A. M. Lloyd - 7/64			.00229243	.00261992
			.00064188	.00073358
Sub Total - This Lease			<u>.00670699</u>	<u>.00670699</u>
<u>Tract 56</u>				
Lessee: Stanolind Oil and Gas Company				
<u>Lease Description:</u>				
<u>T31N-R7W</u>				
Sec. 30: 40 Acres in the S 1/2 SE 1/4, being the South 40 Acres in Tract 49				
Sec. 31: NE 1/4 NE 1/4, being Tract 50 located in Sec. 31 and 32;				
Sec. 31: SW 1/4 SE 1/4, being Tract 52; and the North 20 acres of Tract 39				
<u>T30N-R7W</u>				
Sec. 6: North 13 acres of NW 1/4 NE 1/4, being the South 13 acres of the North 33 acres of Tract 39				
Amount of Acreage	133		.00512661	
<u>Overriding Royalties - None</u>				
<u>Royalty:</u>				
S. M. Lucero - 12 1/2%			.00064083	
<u>Operating Rights:</u>				
Stanolind Oil and Gas Company - 1/2 Northeast Blanco Development Corp., F. G. Blackwood and Blackwood & Nichols Company - 25/64			.00224289	.00256331
El Paso Natural Gas Company, Nelson and Edward Morris, Ltd., and A. M. Lloyd - 7/64			.00175226	.00200258
			.00049063	.00056072
Sub Total - This Lease			<u>.00512661</u>	<u>.00512661</u>

<u>Tract 57</u>	<u>Acreage Committed</u>	<u>Tract Participation</u>	<u>Participation Gross Prod.</u>	<u>Working Interest Participation</u>
Lessee: Stanolind Oil and Gas Company, et al				
Lease Description:				
<u>T30N-R7W</u>				
Sec. 6: South 27 acres of NW 1/4 NE 1/4 and North 26 acres of SW 1/4 NE 1/4, being the North 53 acres of the South 107 acres of Tract 39				
Amount of Acreage	53	.00204293		
<u>Overriding Royalties: None</u>				
<u>Royalty:</u>				
George H. Joseph 1.25/53 of 12 1/2%			.00000602	
T. G. Eggleston 1.25/53 of 12 1/2%			.00000602	
Raymond H. Handley 2.5/53 of 12 1/2%			.00001205	
Forrest B. Miller 48/53 of 12 1/2%			.00023128	
<u>Operating Rights:</u>				
Stanolind Oil and Gas Company - 1/2			.00089378	.00102147
Northeast Blanco Development Corp., F.				
G. Blackwood and Blackwood & Nichols Company - 25/64			.00069827	.00079802
El Paso Natural Gas Company, Nelson and Edward Morris, Ltd., and A. M. Lloyd 7/64			.00019551	.00022344
Sub Total - This Lease			<u>.00204293</u>	<u>.00204293</u>
<u>Tract 58</u>				
Lessee: Stanolind Oil and Gas Company, et al				
Lease Description:				
<u>T30N-R7W</u>				
Sec. 7: Lots 10, 11				
Amount of Acreage:	21.39	.00082450		
<u>Overriding Royalties: None</u>				
<u>Royalty:</u>				
Manuel A. Lucero - 12 1/2%			.00010306	
<u>Operating Rights:</u>				
Stanolind Oil and Gas Company - 1/2			.00036072	.00041225
Northeast Blanco Development Corp., F. G. Blackwood and Blackwood & Nichols Company - 25/64			.00028181	.00032207
El Paso Natural Gas Company, Nelson and Edward Morris, Ltd., and A. M. Lloyd			.00007891	.00009018
Sub Total - This Lease			<u>.00082450</u>	<u>.00082450</u>

<u>Tract 59</u>	<u>Acreage Committed</u>	<u>Tract Participation</u>	<u>Participation Gross Prod.</u>	<u>Working Interest Participation</u>
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Lessee: Stanolind Oil and Gas Company, et al

Lease Description:

T30N-R7W

Sec. 7: S 1/2 NE 1/4  
SW 1/4, being  
the South 20  
acres of Tract  
40

Sec. 7 &  
8: East 80 acres of  
Tract 41

Sec. 8: North 40 acres  
of Tract 42

Amount of Acreage	140	.00539643
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Overriding Royalties: None

Royalty:

Southland Royalty Company - 6.25%	.00033728
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M. L. Faverino, Louisa Beck and A. G. McCoy - 6.25%	.00033728
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Operating Rights:

Stanolind Oil and Gas Company - 1/2	.00236094	.00269822
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Northeast Blanco Development Corp., F. G. Blackwood and Blackwood & Nichols Company - 25/64	.00184448	.00210798
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El Paso Natural Gas Company, Nelson and Edward Morris, Ltd., and A. M. Lloyd - 7/64	.00051645	.00059023
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Sub Total - This Lease	<u>.00539643</u>	<u>.00539643</u>
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Tract 60

Lessee: Stanolind Oil and Gas Company

Lease Description:

T30N-R7W

Sec. 7: N 1/2 SE 1/4  
SW 1/4, being  
North 20 acres  
of the South 40  
acres of Tract  
40

Sec. 7 & 18: 80 acres in  
West part of Tract  
41

Sec. 8 & 17: SW 1/4 SW 1/4,  
being part of Tract  
42

Amount of Acreage	140	.00539643
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<u>Tract 60 - confd</u>	<u>Acreage Committed</u>	<u>Tract Participation</u>	<u>Participation Gross Prod.</u>	<u>Working Interest Participation</u>
<u>Overriding Royalties: None</u>				
<u>Royalty:</u>				
M. L. Faverino, Louisa Beck and A. G. McCoy - 12 1/2%			.00067456	
<u>Operating Rights</u>				
Stanolind Oil and Gas Company - 1/2 Northeast Blanco Development Corp., F. G. Blackwood and Blackwood & Nichols Company - 25/64			.00236094	.00269822
El Paso Natural Gas Company, Nelson and Edward Morris, Ltd., and A. M. Lloyd - 7/64			.00184448	.00210798
			.00051645	.00059023
Sub Total - This Lease			<u>.00539643</u>	<u>.00539643</u>

Tract 61

Lessee: Stanolind Oil and Gas Company, et al

Lease Description:

T30N-R7W

Sec. 17: S 1/2 NW 1/4,  
N 1/2 SW 1/4,  
being Tracts  
43 and 44

Amount of Acreage                      160                      .00616735

Overriding Royalties: None

Royalty:

U. S. Smelting, Refining and Mining Company - 31/32 of 12 1/2%	.00074683
George H. Joseph and Kathleen A. Joseph - 1/160 of 12 1/2%	.00000482
T. G. Eggleston and Velena G. Eggleston - 1/160 of 12 1/2%	.00000482
Raymond H. Handley - 3/160 of 12 1/2%	.00001445

Operating Rights:

Stanolind Oil and Gas Company - 1/2 Northeast Blanco Development Corp., F. G. Blackwood and Blackwood & Nichols Company - 25/64	.00269822	.00308368
El Paso Natural Gas Company, Nelson and Edward Morris, Ltd., and A. M. Lloyd 7/64	.00210798	.00240912
	.00059023	.00067455
Sub Total - This Lease	<u>.00616735</u>	<u>.00616735</u>

<u>Tract 62</u>	<u>Acreage Committed</u>	<u>Tract Participation</u>	<u>Participation Gross Prod.</u>	<u>Working Interest Participation</u>
Lessee: Stanolind Oil and Gas Company, et al				
Lease Description:				
<u>T30N-R7W</u>				
Sec. 17: NW 1/4 NW 1/4				
Sec 18: NE 1/4 NE 1/4,				
being part of				
Tract 42				
Amount of Acreage	80	.00308367		
<u>Overriding Royalties: None</u>				
<u>Royalty:</u>				
M. L. Faverino, Louisa Beck and				
A. G. McCoy - 12 1/2%				
			.00038546	
<u>Operating Rights:</u>				
Stanolind Oil and Gas Company - 1/2				
Northeast Blanco Development Corp.,				
F. G. Blackwood and Blackwood &				
Nichols Company - 25/64				
El Paso Natural Gas Company, Nelson and				
Edward Morris, Ltd., and A. M.				
Lloyd - 7/64				
Sub Total - This Lease				
			<u>.00029511</u>	<u>.00033727</u>
			<u>.00308367</u>	<u>.00308367</u>
<u>Tract 63</u>				
Lessee: Stanolind Oil and Gas Company, et al				
Lease Description:				
<u>T30N-R7W</u>				
Sec. 18 and 17: S 1/2 SE 1/4,				
NW 1/4 SE 1/4, being				
part of Tract 45				
Amount of Acreage	120	.00462551		
<u>Overriding Royalties: None</u>				
<u>Royalties:</u>				
Saul A. Yager - 3 1/8%				
Marian Yager - 3 1/8%				
M. Mizel, et al - 3 1/8%				
M. E. Gimp - 3 1/8%				
			.00014454	
			.00014454	
			.00014454	
			.00014454	
<u>Operating Rights:</u>				
Stanolind Oil and Gas Company - 1/2				
Northeast Blanco Development Corp.,				
F. G. Blackwood and Blackwood &				
Nichols Company - 25/64				
El Paso Natural Gas Company, Nelson				
and Edward Morris, Ltd., and A.				
M. Lloyd - 7/64				
Sub Total - This Lease				
			<u>.00044269</u>	<u>.00050591</u>
			<u>.00462551</u>	<u>.00462551</u>

<u>Tract 64</u>	<u>Acreage Committed</u>	<u>Tract Participation</u>	<u>Participation Gross Prod.</u>	<u>Working Interest Participation</u>
Lessee: Stanolind Oil and Gas Company, et al				
Lease Description:				
<u>T30N-R7W</u>				
Sec. 19: W 1/2 NE 1/4, being part of Tract 46				
Amount of Acreage	80	.00308367		
<u>Overriding Royalties: None</u>				
<u>Royalties:</u>				
U. S. Smelting, Mining and Refining Company - 15/16 of 12 1/2%			.00036137	
Raymond H. Handley - 3/80 of 12 1/2%			.00001445	
T. G. Eggleston and Velen G. Eggleston 1/80 of 12 1/2%			.00000482	
George H. Joseph and Kathleen H. Joseph - 1/80 of 12 1/2%			.00000482	
<u>Operating Rights:</u>				
Stanolind Oil and Gas Company - 1/2 Northeast Blanco Development Corp., F. G. Blackwood and Blackwood & Nichols Company - 25/64			.00134911	.00154184
El Paso Natural Gas Company, Nelson and Edward Morris, Ltd., and A. M. Lloyd - 7/64			.00029511	.00033727
Sub Total - This Lease			<u>.00308367</u>	<u>.00308367</u>
<u>Tract 65</u>				
Lessee: Stanolind Oil and Gas Company, et al				
Lease Description:				
<u>T30N-R7W</u>				
Sec. 19 and 20: NE 1/4 NE 1/4, being part of Tract 45				
Amount of Acreage:	40	.00154183		
<u>Overriding Royalties: None</u>				
<u>Royalties:</u>				
Saul A. Yager - 3 1/8%			.00004818	
Marian Yager - 3 1/8%			.00004818	
M. Mizel, et al - 3 1/8%			.00004818	
M. E. Gimp - 3 1/8%			.00004819	
<u>Operating Rights:</u>				
Stanolind Oil and Gas Company - 1/2 Northeast Blanco Development Corp., F. G. Blackwood and Blackwood & Nichols Company - 25/64			.00067455	.00077092
El Paso Natural Gas Company, Nelson and Edward Morris, Ltd., and A. M. Lloyd 7/64			.00052699	.00060228
Sub Total This Lease			<u>.00014756</u> <u>.00154183</u>	<u>.00016863</u> <u>.00154183</u>

<u>Tract 66</u>	<u>Acreage Committed</u>	<u>Tract Participation</u>	<u>Participation Gross Prod.</u>	<u>Working Interest Participation</u>
Lessee: Northeast Blanco Development Corp., et al				
Lease Description:				
<u>T30N-R7W</u>				
Sec. 4: E 1/2 SW				
Amount of Acreage:	80	.00308367		
<u>Overriding Royalties - None</u>				
<u>Royalties:</u>				
Myron G. Noland and				
Lorita G. Noland - 12 1/2%			.00038546	
<u>Operating Rights:</u>				
Northeast Blanco Development Corp.,				
F. G. Blackwood and Blackwood &				
Nichols Company - 25/32			.00210798	.00240912
El Paso Natural Gas Company, Nelson				
and Edward Morris, Ltd., and A.				
M. Lloyd - 7/32			.00059023	.00067455
Sub Total			<u>.00308367</u>	<u>.00308367</u>
 <u>Tract 68</u>				
Lessee: Stanolind Oil and Gas Company, et al				
Lease Description:				
<u>T30N-R7W</u>				
Sec. 6: SE 1/4 SW 1/4,				
being the North				
40 acres of Tract				
40				
Amount of Acreage	40	.00154184		
<u>Overriding Royalties: None</u>				
<u>Royalties:</u>				
H. B. Sammons - 1/2 of 12 1/2%			.00009636	
C. C. Culpepper - 1/2 of 12 1/2%			.00009637	
<u>Operating Rights:</u>				
Stanolind Oil and Gas Company - 1/2			.00067455	.00077092
Northeast Blanco Development Corp.,				
F. G. Blackwood and Blackwood &				
Nichols Company - 25/64			.00052699	.00060228
El Paso Natural Gas Company, Nelson				
and Edward Morris, Ltd., and				
A. M. Lloyd - 7/64			<u>.00014757</u>	<u>.00016864</u>
Sub Total - This Lease			<u>.00154184</u>	<u>.00154184</u>

<u>Tract 69</u>	<u>Acreage Committed</u>	<u>Tract Participation</u>	<u>Participation Gross Prod.</u>	<u>Working Interest Participation</u>
Lessee: Stanolind Oil and Gas Company, et al				
Lease Description:				
<u>T30N-R8W</u>				
Sec. 13: The East 18.85 acres of the NE 1/4				
Amount of Acreage	18.85	.00072659		
<u>Overriding Royalty:</u> None				
<u>Royalties:</u>				
Martin A. Pierce - 6 1/4%			.00004541	
Southland Royalty Company - 6 1/4%			.00004541	
<u>Operating Rights:</u>				
Stanolind Oil and Gas Company - 1/2 Northeast Blanco Development Corp., F. G. Blackwood and Blackwood & Nichols Company - 25/64			.00031788	.00036330
El Paso Natural Gas Company, Nelson and Edward Morris, Ltd., and A. M. Lloyd - 7/64			.00024835	.00028382
Sub Total - This Lease			<u>.00006954</u> <u>.00072659</u>	<u>.00007947</u> <u>.00072659</u>

Tract 70

Lessee: Stanolind Oil and Gas Company, et al

Lease Description:

T30N-R8W

Section 13: The West 65.55  
acres of the  
NE 1/4, NE 1/4  
SE 1/4, except  
the West 100 ft.  
thereof and except  
2 acres in the SW  
corner thereof and  
East 20 acres of the  
NW 1/4 SE 1/4

Amount of Acreage	120.15	.00463129
-------------------	--------	-----------

Overriding Royalties: None

Royalties:

Simon Velasquez - 6 1/4%	.00028945
M. L. Faverino, Louisa Beck and A. G. McCoy - 6 1/4%	.00028946

<u>Tract 70 - cont'd</u>	<u>Acreage Committed</u>	<u>Tract Participation</u>	<u>Participation Gross Prod.</u>	<u>Working Interest Participation</u>
<u>Operating Rights:</u>				
Stanolind Oil and Gas Company - 1/2 Northeast Blanco Development Corp., F. G. Blackwood and Blackwood & Nichols Company - 25/64			.00202619	.00231564
El Paso Natural Gas Company, Nelson and Edward Morris, Ltd., and A. M. Lloyd - 7/64			.00158296	.00180910
Sub Total - This Lease			<u>.00044323</u> <u>.00463129</u>	<u>.00050655</u> <u>.00463129</u>

Tract 73

Lessee: Phillips Petroleum Company

Lease Description:

T30N-R8W

Sec. 13: East 14.45  
acres of W 1/2  
NE 1/4, West  
61.15 acres of  
E 1/2 NE 1/4

Amount of Acreage                      75.60                      .00291407

Overriding Royalties: None

Royalties:

Edward V. and Florence S. Young - 12 1/2%                      .00036426

Operating Rights:

Phillips Petroleum Company - All	<u>.00254981</u>	<u>.00291407</u>
Sub Total - This Lease	<u>.00291407</u>	<u>.00291407</u>

Tract 74 (Part)

Lessee: Phillips Petroleum Company

Lease Description:

T30N-R8W

Sec. 13: N 1/2 NW 1/4,  
SE 1/4 NW 1/4,  
NE 1/4 SW 1/4

Amount of Acreage:                      155.60                      .00599775

Overriding Royalties: None

Royalties:

Elvin and Lorene Lewis - 6.25%	.00037486
Charles W. McCarty - 3.125%	.00018743
T. H. McElvain, Jr. and Catherine Frances McElvain - 3.125%	.00018743

Operating Rights:

Phillips Petroleum Company - All	<u>.00524803</u>	<u>.00599775</u>
Sub Total - This Part	<u>.00599775</u>	<u>.00599775</u>

<u>Tract 74 (Part)</u>	<u>Acreage Committed</u>	<u>Tract Participation</u>	<u>Participation Gross Prod.</u>	<u>Working Interest Participation</u>
Lessee: Phillips Petroleum Company				
Lease Description:				
<u>T30N-R8W</u>				
Sec. 13: 1 Acre tract				
Amount of Acreage	1	.00003855		
<u>Overriding Royalty - None</u>				
<u>Royalty:</u>				
Most Reverend Bernard T. Espelage - 12 1/2%			.00000482	
<u>Operating Rights:</u>				
Phillips Petroleum Company - All			<u>.00003373</u>	<u>.00003855</u>
Sub Total - This Lease			<u>.00003855</u>	<u>.00003855</u>
 <u>Tract 75</u>				
Lessee: Delhi Oil Corp.				
Lease Description:				
<u>T30N-R8W</u>				
Sec. 12: SW 1/4 SW 1/4				
Sec. 13: That part of NW 1/4				
NW 1/4 lying West				
of the Molino Arroyo				
Amount of Acreage	60	.00231276		
<u>Overriding Royalty:</u>				
M. J. Florence - 1/5 of 7/8			.00040474	
<u>Royalties:</u>				
M. J. Florence - 12 1/2%			.00028909	
<u>Operating Rights:</u>				
El Paso Natural Gas Company				
and Delhi Oil Corporation - All			<u>.00161893</u>	<u>.00231276</u>
Sub Total - This Lease			<u>.00231276</u>	<u>.00231276</u>
TOTALS	<u>25,943.08</u>	<u>1.00000000</u>		<u>1.00000000</u>



IN REPLY REFER TO:

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
MAIN OFFICE OCC GEOLOGICAL SURVEY

PSA JUL 12 AM 9:29 P. O. Box 6721  
Roswell, New Mexico

July 6, 1954


Blackwood and Nichols Company  
Liberty Bank Building  
Oklahoma City 2, Oklahoma

Gentlemen:

Your letter of June 15, 1954, advised that you, as unit operator of the Northeast Blanco unit agreement, New Mexico, I-Sec. No. 929, have determined that the well located in the NE $\frac{1}{4}$  sec. 27, T. 31 N., R. 7 W., N.M.P.M., completed October 18, 1952, in the Dakota formation, was not capable of producing unitized substances in paying quantities, and inclusion of the land on which it is situated in a participating area is unwarranted.

Your determination has been approved on this date pursuant to section 11 of the unit agreement. One approved copy is returned herewith.

Very truly yours,

  
JOHN A. ANDERSON  
Regional Oil and Gas Supervisor

- enclosure:

cc to: Cons. Div. Wash., D.C. (w/1 approved copy of determination)

*cc to: Cons. Div. Wash., D.C. (w/1 approved copy of determination)*



IN REPLY REFER TO:

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

MAIN OFFICE 030

P. O. Box 6721  
Roswell, New Mexico

July 1, 1954

*Blackwood and Nichols Company*  
Blackwood and Nichols Company  
Liberty Bank Building  
Oklahoma City 2, Oklahoma

Gentlemen

The amended plan of development dated June 21, 1954, for the Northeast Blanco unit agreement, New Mexico, I-Sec. No. 929, has been approved on this date subject to like approval by the Commissioner of Public Lands, State of New Mexico, and the New Mexico Oil Conservation Commission.

One approved copy of the plan is returned herewith.

Very truly yours,

*W. L. Anderson*  
W. L. ANDERSON  
Regional Oil and Gas Supervisor

Copy to: Commissioner of Public Lands, Santa Fe  
Oil Conservation Commission, Santa Fe

28

BLACKWOOD & NICHOLS COMPANY  
OIL PROPERTIES  
LIBERTY BANK BUILDING  
OKLAHOMA CITY 2, OKLAHOMA

6-22  
7-2  
MAIN OFFICE OCC  
1954 JUN 23 AM 8:37

June 21, 1954

Oil and Gas Supervisor  
United States Geological Survey  
Department of the Interior  
Roswell, New Mexico

Gentlemen:

We enclose herewith statement of determination that the Northeast Blanco Unit well No. 1-27 Dakota test is noncommercial.

You are respectfully requested to approve the determination which was made by the Northeast Blanco Unit Advisory Committee at its meeting held June 15, 1954.

Yours very truly,

*W. N. Little*

W. N. Little, Chairman  
Advisory Committee  
Northeast Blanco Unit

WNL:KEM:rc

cc: Commissioner of Public Lands  
Oil Conservation Commission  
Members of Northeast Blanco Unit  
Advisory Committee and Interest  
Owners

BLACKWOOD & NICHOLS COMPANY

OIL PROPERTIES

LIBERTY BANK BUILDING

OKLAHOMA CITY 2, OKLAHOMA

June 15, 1954

Oil and Gas Supervisor  
United States Geological Survey  
Department of Interior  
Roswell, New Mexico

In re: Northeast Blanco Unit, I-Sec. 929,  
#1-27 Well - NE 27-31N-7W  
San Juan County, New Mexico  
SF-079003

Gentlemen:

There is attached hereto a summary of the facts as developed in drilling, completing and testing the Unit #1-27 Dakota test well which was drilled pursuant to the requirements of the Northeast Blanco Unit Agreement, in the NE of 27, 31N, 7W.

A determination has been made that this well is not capable of producing unitized substances in quantities sufficient to repay the costs of drilling and producing operations and to return a reasonable profit. It has also been determined that the production from this well should be allocated to the land on which the well is located, and that it should not be included within a participating area.

This well was drilled on lands covered by Lease #SF-079003, which covers the following described lands in San Juan County, New Mexico:

Twp. 31 N., R. 7 W., N.M.P.M.

Section 22:	All
27:	All
34:	All
35:	All

Containing 2,560 acres, more or less.

BLACKWOOD & NICHOLS COMPANY

CONTINUING A LETTER

PAGE

TO

The operating interest in Lease # SF-079003, which covers the full mineral interest in said lands, is owned as follows:

Northeast Blanco Development Corp.) and Blackwood & Nichols Company )	25/64ths of W.I.
Stanolind Oil and Gas Company	32/64ths of W.I.
Nelson and Edward Morris, Ltd.	49/512ths of W.I.
A. M. Lloyd	7/512ths of W.I.

In support of the determination so made it is submitted that:

1. The estimated cost of drilling and completing development wells to the Dakota horizon will be from \$175,000.00 to \$200,000.00 per well.
2. The income to the 7/8ths working interest cannot be expected to repay this cost and the cost of operations without interest on the investment, in less than fifteen to twenty years.

Paragraph 11 of the Unit Agreement authorizes this determination, subject to the approval of the Supervisor, since the lands upon which it is located are Federal Lands. All determinations made have been made subject to the approval of the Supervisor.

The Supervisor is requested to approve this determination.

Yours very truly,

BLACKWOOD & NICHOLS COMPANY

By

  
Operator of Northeast Blanco Unit

The determinations made, as above set forth, are approved this \_\_\_\_\_ day of \_\_\_\_\_, 1954, effective as of the date of first production from the well above described.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Statistical Data  
Northeast Blanco Unit #1-27  
San Juan County, New Mexico

---

Location: 1650' FNL & 990' FEL, Sec. 27, T-31N, R-7W

Drlg. Commenced: 5-19-52

Drlg. Completed: 10-18-52

13 3/8"	casing set @	442'	(377 sacks regular cement - circulated)
8 5/8"	casing set @	3854	(600 " " " - top cement @ 1615')
5 1/2"	casing set @	7793	(200 " " " - " " @ 6915')
2 3/8"	tubing set @	7932	

Dakota formation @ 7792 - 7985

Shot well w/295 qts. nitroglycerin 7877-7995

Initial test: 10/24/52 thru open 2", tubing pressure 2400#,  
casing pressure 2450#; length of test 4 hrs;  
volume - 536 MCF/day.

TD 8096 driller  
8101 Schlumberger  
PBTD 7985

Drilling Record

- (1) All drilling & testing done with water-base mud to TD.
- (2) Plugged back w/60 sacks cement to 7950' then drilled cement to 7995'.
- (3) Ran 5 1/2" casing and set @ 7793'.
- (4) Drilled cement plug & circulated mud out of hole w/water. Released rotary 8/28/52.
- (5) Moved cable tools in 9/28/52. Blew well down from casing pressure of 2500# & bailed hole dry.

- (6) Shut well in & casing pressure built up to 450# in 3 hours & 2000# in 18 hours. Blew well down for 45 minutes and it was estimated that well was making 330 MCF/day through 1 1/2" orifice plate w/50# back pressure. Hole bridged. Cleaned out bridge.
- (7) Shot well w/295 quarts. Bottom hole temperature - 212° F.
- (8) Cleaned out well to TD and swabbed 4 gallons water/hr. Set hydromite cap using 300# @ 7985'-7997'. Ran tbq. and released rig 10/17/52. Shut well in.
- (9) On 10/23/52 casing pressure was 2400#. Blew well 4 hours and casing pressure then stabilized @ 100#. Well produced 536 MCF/day corrected to 14.65# absolute, specific gravity of 60 & temperature of 60° F. Well shut in.
- (10) On 10/27/52 well tested 506 MCF/day (corrected as above).

Analysis of gas:	Methane	94.00%
	Ethane	0.47
	Carbon dioxide	1.70
	Other non-combustibles	.50
	Less than 25 grains H <sub>2</sub> S	

#### DST Record:

#9 (7798-7901) Tool open 60 minutes. Medium blow decreasing to weak blow at end of test. Recovered 300' heavily gas cut mud. BHFP 300-450#, 15-minute shut-in BHP 1000#.

#10 (7901-7952) Tool open 90 minutes. Medium blow decreasing to weak blow @ end of test. Recovered 333' heavily gas cut mud. FBHP 80-180#, 30-minute shut-in BHP - 260#.

Core Record:

- #4 (7800-7830) Recovered 25'  
7' - fine grained shaly sand  
7 1/2' - sandy shale  
1/2' - grey lime  
5' - sandy shale  
2' - grey to white sandstone w/trace of  
porosity & highly fractured  
3 1/2' - silty grey sandstone
- #5 (7830-7831) Core barrel jammed - no recovery.
- #6 (7831-7844) Recovered 13 1/2'  
6' - grey sandstone w/trace of porosity  
4' - grey sandstone w/slight vertical fractures  
3' - grey sandstone w/vertical fractures & shale  
partings  
1/2' - alternate shale & sand streaks
- #7 (7844-7848) Recovered 4' of fine grained sand w/scattered  
shale partings and vertical & horizontal frac-  
tures.

General Comments

- (1) Gas line now available to this well.
- (2) Gross pay section - 202'
- (3) Net pay section
- (a) According to microlog this is a very variable zone; the porosities vary considerably with no portion having outstanding features; the log indicates that considerable shale is present and that these may be quite a lot of fine fractures.
- (b) The cores indicated that the sand content of the zone is small and that quite a lot of shale is present; also there is some vertical & horizontal fracturing.

BLACKWOOD & NICHOLS COMPANY  
OIL PROPERTIES  
LIBERTY BANK BUILDING  
OKLAHOMA CITY 2, OKLAHOMA

June 22, 1954

MAIN OFFICE OCC  
1954 JUN 22 AM 9:23

318

Oil Conservation Commission  
State of New Mexico  
Santa Fe, New Mexico

Re: Request for Changes in Plan of Development  
for the Calendar Year 1954, Mesaverde Zone,  
Northeast Blanco Unit, I-Sec. 929, San Juan  
and Rio Arriba Counties, New Mexico.

Gentlemen:

We are submitting herewith four signed copies of the above referenced request. Copies have also been submitted to the Oil and Gas Supervisor, United States Geological Survey, Roswell, New Mexico; and the Commissioner of Public Lands, State of New Mexico, Santa Fe, New Mexico. We would appreciate your approval of this Request for Changes in Plan of Development.

Yours very truly,

*W. N. Little*

W. N. Little, Chairman  
Advisory Committee  
Northeast Blanco Unit

REQUEST FOR CHANGES IN PLAN OF DEVELOPMENT FOR  
THE CALENDAR YEAR 1954, MESAVERDE ZONE, NORTHEAST  
BLANCO UNIT, I-SEC. 929, SAN JUAN AND RIO ARriba  
COUNTIES, NEW MEXICO.

---

To: The Oil and Gas Supervisor  
U. S. Geological Survey  
Roswell, New Mexico

Commissioner of Public Lands  
State of New Mexico  
Santa Fe, New Mexico

Oil Conservation Commission  
State of New Mexico  
Santa Fe, New Mexico

A Plan of Development for 1954 was approved by the Commissioner of Public Lands, State of New Mexico on the 11th day of January, 1954; by the New Mexico Oil Conservation Commission on the 6th day of January, 1954; and by the Regional Oil and Gas Supervisor, United States Geological Survey, on the 26th day of January, 1954.

Blackwood and Nichols Company, as Unit Operator, for itself and all other owners of oil and gas leases or operating rights covering lands committed to said Unit, requests that the following changes, deletions, and additions be made in said plan for the reasons stated:

1. Add a further development well, No. 21-36 in the Southwest Quarter (SW/4) of Section 36, Township 31 North, Range 7 West.
2. Add a further development well, No. 22-36 in the Northeast Quarter (NE/4) of Section 36, Township 31 North, Range 7 West.
3. Delete the proposed development well No. 19-20 in the Northeast Quarter (NE/4) of Section 20, Township 30 North, Range 7 West.
4. Delete the proposed development well No. 17-9 in the Southwest Quarter (SW/4) of Section 9, Township 30 North, Range 7 West.

On March 4, 1954, Blackwood and Nichols Company, as Unit Operator, received notice from J. Glenn Turner that he had acquired the entire leasehold interest in State of New Mexico Oil and Gas Lease E-505-6 insofar as said Lease covers all of Section 36, Township 31 North, Range 7 West, N.M.P.M., Rio Arriba County, New Mexico. The above described lease is committed to the terms and provisions of the Northeast Blanco Unit Agreement and Unit Operating Agreement relating thereto, but is not in the presently established participating area.

In the same letter of March 4, 1954, Mr. Turner notified Blackwood and Nichols Company, as Unit Operator, of his intention to drill, or cause to be drilled, two Mesa-verde Formation test wells in the above described section, unless Blackwood & Nichols Company, as Unit Operator, desired to drill two such wells for the account of all owners of working interest in the participating area.

Mr. Turner's notice of intention was circulated to all working interest owners within the participating area, and an Advisory Committee meeting was held in the offices of Blackwood and Nichols Company on June 15, 1954, concerning this and other subjects relating to the Northeast Blanco Unit. At said meeting, the Advisory Committee instructed Blackwood and Nichols Company, as Unit Operator, to request a change in the Plan of Development for 1954 so as to include the two subject wells.

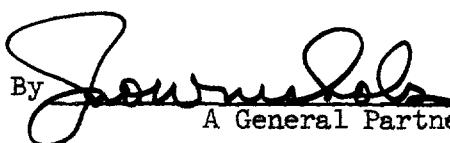
The Advisory Committee also approved and instructed Blackwood and Nichols Company to prepare and submit to the proper regulatory bodies a proposed addition to the present participating area. The proposed enlargement of the participating area would include Section 36, Township 31 North, Range 7 West; which is the location of the two wells for which this change in the Plan of Development for 1954 is requested.

To further support the requested change, we would call your attention to the fact the Northeast Blanco Unit Well #11-25, located in the Northeast Quarter (NE/4) of Section 25, Township 31 North, Range 7 West, was placed on production June 16, 1954. Our interpretation of the Unit Agreement would necessitate the inclusion of the drilling unit in which Well No. 11-25 is located in a participating area on the first of the month in which production is obtained.

In consideration of the above, this change in the Plan of Development for 1954 is submitted and approval requested. Otherwise, it is requested that the plan continue in effect as approved.

Submitted this 22 day of June, 1954.

BLACKWOOD AND NICHOLS COMPANY  
Unit Operator

By   
A General Partner

Approved \_\_\_\_\_, 1954, subject to like approval by the Commissioner of Public Lands, State of New Mexico and the New Mexico Oil Conservation Commission.

\_\_\_\_\_  
John A. Anderson, Regional Oil & Gas Supervisor,  
U. S. Geological Survey, Roswell, New Mexico

Approved for the New Mexico Oil Conservation Commission

By: W. B. Macey 7-16-54  
~~R. B. Spencer~~, Director Date

Approved by me this \_\_\_\_\_ day of \_\_\_\_\_, 1954, subject to like approval being had and obtained from the United States Geological Survey.

\_\_\_\_\_  
E. S. Walker, Commissioner of Public Lands,  
State of New Mexico



IN REPLY REFER TO:

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

P. O. Box 6721  
Roswell, New Mexico

January 26, 1954

Blackwood and Nichols Company  
Liberty Bank Building  
Oklahoma City 2, Oklahoma

Gentlemen:

The plan of development dated December 31, 1953, for the Northeast Blanco unit area, New Mexico, I-Sec. No. 929, for the calendar year 1954, has been approved on this date subject to like approval by the Commissioner of Public Lands, State of New Mexico, and the New Mexico Oil Conservation Commission.

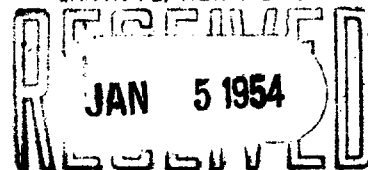
One approved copy of the plan is returned herewith.

Very truly yours,

JOHN A. ANDERSON  
Regional Oil and Gas Supervisor

Enclosure

Copy to: Commissioner of Public Lands  
New Mexico Oil Conservation Commission —



PLAN OF DEVELOPMENT FOR THE CALENDAR  
YEAR 1954, MESAVERDE ZONE, NORTHEAST  
BLANCO UNIT, I-SEC. 929, SAN JUAN AND  
RIO ARRIBA COUNTIES, NEW MEXICO.

To:

The Oil and Gas Supervisor  
U. S. Geological Survey  
Roswell, New Mexico

Commissioner of Public Lands  
State of New Mexico  
Santa Fe, New Mexico

Oil Conservation Commission  
State of New Mexico  
Santa Fe, New Mexico

*AKRS  
6 Jan 54*

A Plan of Development for the calendar year 1953 was submitted on the 8th day of January, 1953; a request for changes in Plan of Development was submitted on the 27th day of May, 1953; and a request for Addition to Plan of Development for 1953 was submitted on the 11th day of August, 1953. All of these plans were subsequently approved by the Oil and Gas Supervisor, the Commissioner of Public Lands and the Oil Conservation Commission. Two drilling rigs are now completing the final two wells in our 1953 program, and we expect that all of the work outlined in our Plan of Development will be completed prior to the end of 1953.

In compliance with Section 10 of the Northeast Blanco Unit Agreement approved by the Director of the United States Geological Survey on April 16, 1952, by the Commissioner of Public Lands of the State of New Mexico on October 23, 1951, and by the Oil Conservation Commission of the State of New Mexico on October 31, 1951; Blackwood & Nichols Company, as Unit Operator, on behalf of itself and all other owners of oil and gas leases or of operating rights under oil and gas leases covering lands committed to the Northeast Blanco Unit, hereby submits a plan of development for the Mesaverde Zone of said Northeast Blanco Unit, for the calendar year 1954, as follows:

1. Description of Participating Area in Mesaverde Zone:

All the acreage located within the boundaries of the Northeast Blanco Unit Area described as in Ranges 7 and 8 West, Township 30 North, more specifically identified as being: Sections 1, 12, 13 and 24, all in Township 30 North, and Range 8 West. Also Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 16, 17, 18, 19, 20, 21, west 160 acres Section 22, N $\frac{1}{2}$  Section 29, all in Township 30 North, Range 7 West.

2. Past Development History of Mesaverde Zone:

- a. Howell 1-B - During November, 1953, the well produced 9,218 MCF of gas and on November 30, 1953, well had a cumulative production of 444,353 MCF.

- b. Howell 1-G - During November, 1953, the well produced 9,070 MCF of gas and on November 30, 1953, well had a cumulative production of 268,023 MCF.
- c. Howell 2-B - During November, 1953, the well produced 11,716 MCF of gas and on November 30, 1953, well had a cumulative production of 183,374 MCF.
- d. Howell 2-J - During November, 1953, the well produced 30,775 MCF of gas and on November 30, 1953, well had a cumulative production of 800,151 MCF.

The specific gravity of the gas being produced from these wells varies from .650 to .675. The October 1953 tests indicate that the gas carries from .206 to .312 GPM.

- e. Status of other wells in the Unit is as follows:

<u>Northeast Blanco Well</u>	<u>Status</u>	<u>Remarks</u>
FF 2-43	Completed 4-30-52	Potential 3120 MCF
SW/4 20 31 7 2-20	7" O.D. Casing set at 5075' <i>completed 6/12/54</i>	See Note #2
SW/4 5 30 7 3-5	7" O.D. Casing set at 4758' <i>Casing failed P&amp;H 3-5x completed 9/24/54</i>	See Note #2
SW/4 21 30 7 4-21	7" O.D. Casing set at 5208' <i>Completed 2/10/54</i>	Completion scheduled for January, 1954
<del>SW/4 13-30 8 5-13</del>	Plugged and abandoned	Thoroughly cemented after casing failure
" " " 5-13-x	Completed 7-11-53	Potential 8942 MCF Well started producing 11-13-53
NE/4 29-30 7 6-29	Completed 11-10-53	Potential 4260 MCF
NE/4 21-30 7 7-21	Completed 12-3-53	Potential 5200 MCF
SW/4 10-30 7 8-10	Completed 9-20-53	Potential 5210 MCF
SW/4 12-30 8 9-12	Completed 9-4-53	Potential 4976 MCF
SW/4 16-30 7 10-16	Casing set at 4957' <i>completed 1/6/54</i>	Drilling in with gas
NE/4 25 31- 7 11-25	Casing set at 5168' <i>Completed 1/7/54</i>	Drilling and coring pay with gas
NW/4 18 30 7 12-18	Completed 10-7-53	Potential 5450 MCF
SW/4 20-30 7 13-20	Completed 12-11-53	Potential 4500 MCF

Note #1 El Paso Natural Gas Company has completed gathering line to 5-13-X, 8-10, 7-21, 4-21 and 12-18 and is working on the gathering lines for the other completed wells.

Note #2 Wells 2-20 and 3-5 will be completed as soon as El Paso Natural Gas Company completes their new main 16" line coming south to connect wells in Sections 20 and 27, Township 31 North, Range 7 West, and Section 5, Township 30 North, Range 7 West.

### 3. Proposed Additional Wells:

We recommend the drilling of seven Mesaverde wells within the boundaries of the Participating Area during the year 1954. The tentative location of the seven proposed additional development wells are as follows:

- (1) NE/4, Sec. 2, T-30-N, R-7-W, Rio Arriba County
- (2) SW/4, Sec. 2, T-30-N, R-7-W, Rio Arriba County
- (3) NE/4, Sec. 3, T-30-N, R-7-W, Rio Arriba County
- (4) SW/4, Sec. 9, T-30-N, R-7-W, Rio Arriba County
- (5) NE/4, Sec. 9, T-30-N, R-7-W, Rio Arriba County
- (6) NE/4, Sec. 20, T-30-N, R-7-W, Rio Arriba County
- (7) SW/4, Sec. 22, T-30-N, R-7-W, Rio Arriba County

Present plans for the drilling of the well in the SW/4 of Section 22, Township 30 North, Range 7 West, include a communitization agreement with El Paso as operator for San Juan Unit 30-6 owning 50%, Blackwood & Nichols Company as operator of Northeast Blanco Unit owning 37½%, and T. H. McElvain and wife, Catherine B. McElvain, owning 12.5%.

### 4. Offset Obligations:

The Unit Operator, on behalf of the owners of working, royalty, or other interests, in the Northeast Blanco Unit, will take appropriate and adequate measures to prevent drainage from lands subject to the Northeast Blanco Unit Agreement by wells on lands not subject to the agreement, or, pursuant to applicable regulations, will pay a fair and reasonable compensatory royalty as provided in Section 17 of the Northeast Blanco Unit Agreement.

### 5. Further Development:

Unit Operator would recommend the drilling of an exploratory well to test the Mesaverde Zone in the Northeast Quarter (NE/4) of Section 28, Township 31 North, Range 7 West, San Juan County.

Unit Operator is currently completing Northeast Blanco Unit well #11-25, located in the NE/4 of Section 25, Township 31 North, Range 7 West, Rio Arriba County. El Paso Natural Gas Company plans to complete a gas gathering system to Northeast

Blanco Unit well #2-20 in the Spring of 1954. Well #2-20 is waiting for gas for completion and we are anxious to complete the well at the earliest possible time. The distance between wells #2-20 and #11-25 is approximately five miles. This, in our opinion, is too great a distance to prove production between the two points.

For the above reason, we would like to coordinate the drilling and completion of the exploratory well in the NE/4 of Section 28, Township 31 North, Range 7 West, with the completion of Northeast Blanco Unit well #2-20, so that all concerned would be able to determine a definite and equitable enlargement of the Mesaverde Participating Area in the Northeast Blanco Unit. Participating Owners would be reluctant to have participating area enlarged to include the area around Section 28 without the additional test suggested.

The results of this program will indicate whether or not the Mesaverde Participating Area should be extended northward and eastward.

6. Spacing of Wells:

The Unit Operator recommends developing the Mesaverde formation on the basis of one well per 320-acre tract, also to locate the wells in the SW/4 and NE/4 of sections where this practice is practicable. The wells now completed in the participating area conform to this pattern. After 1954's production history is available for study, Unit Operator and yourselves should have evidence as to whether development wells are spaced properly.

7. Well Casing Program:

The well casing program will generally follow the program currently used in the Mesaverde wells drilled in the area, including such surface casing and other casing as may be required by the Supervisor, the Commissioner, and the Commission, or as set forth in approvals of the applicable U.S.G.S. and State of New Mexico forms. The producing string of casing may be set and cemented either on top or through, or partially through, the producing zone.

8. Effective Date:

This Plan of Development shall be effective January 1, 1954.

9. Modification:

It is understood that portions of the Plan of Development herein outlined are dependent upon certain information to be obtained prior and subsequent to drilling, and other contingencies, such as the availability of well casing; and for these reasons, this Plan of Development may be modified from time to time, with the approval of the Federal Oil and Gas Supervisor, the New Mexico Commissioner of Public Lands, and the New Mexico Oil Conservation Commission, to meet changing conditions.

Submitted this 31 day of December, 1953.

Approved this 6th day of January, 1954.

OIL CONSERVATION COMMISSION

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

BLACKWOOD & NICHOLS COMPANY  
Unit Operator

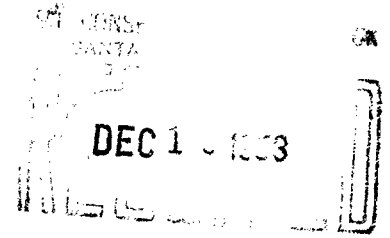
By: J. B. Blackwood  
A General Partner

318

LAW OFFICES  
McAFEE & TAFT  
1316 LIBERTY BANK BUILDING  
OKLAHOMA CITY 2, OKLAHOMA

KENNETH E. McAFEE  
RICHARD G. TAFT  
JOE FRED GIBSON  
OLIVER W. GATES

December 14, 1953



Oil Conservation Commission of the  
State of New Mexico  
Santa Fe, New Mexico

Re: Northeast Blanco Unit I-Sec. No. 929  
Rio Arriba and San Juan Counties,  
New Mexico.

Amended Commitments and Joinder  
re Tract 74.

Gentlemen:

Enclosed and transmitted herewith is one copy of each of the following documents:

1. Ratification and Joinder of Unit Agreement dated December 9, 1953 executed by Phillips Petroleum Company.
2. Ratification and Joinder of Unit Operating Agreement, the same party on the same date.
3. Ratification and Joinder of Unit Agreement executed by Elvin Lewis and Lorene Lewis and Chas. W. McCarty, covering a three-quarters of the royalty interest in said Tract, approved by Phillips Petroleum Company.
4. Consent and Commitment by Phillips Petroleum Company covering the one-quarter royalty interest owned by T. H. McElvain, Jr. and Catherine Frances McElvain.

The Consent and Approval of Blackwood & Nichols Company as unit operator is attached to each copy of each instrument by rider stapled on the front. It will be noted from a reading of these instruments that the purpose of these commitments and joinders is to commit an additional 16.6 acres of Tract 74 which was not covered by the original commitment and joinder executed under the date of October 28, 1952 by the same parties.

Should any question arise we shall be happy to hear from you.

Yours very truly,

McAFEE & TAFT

*Oliver W. Gates*

OWCates:k  
Enc.

BLACKWOOD & NICHOLS COMPANY

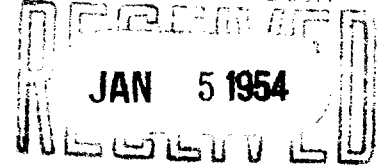
OIL PROPERTIES

LIBERTY BANK BUILDING

OKLAHOMA CITY 2, OKLAHOMA

December 31, 1953

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO



Oil Conservation Commission  
State of New Mexico  
Santa Fe, New Mexico

Re: Request for Approval of Plan of Development  
for the Calendar Year 1954, Mesaverde Zone,  
Northeast Blanco Unit, I-Sec. 929, San Juan  
and Rio Arriba Counties, New Mexico.

Gentlemen:

We are submitting herewith four signed copies of the above referenced request. Copies have also been submitted to the Oil and Gas Supervisor, United States Geological Survey, Roswell, New Mexico; and the Commissioner of Public Lands, State of New Mexico, Santa Fe, New Mexico. We would appreciate your approval of this Plan of Development.

Yours very truly,

*W. N. Little*

W. N. Little, Chairman  
Advisory Committee  
Northeast Blanco Unit

WNL:rc

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Northeast Blanco Unit Area, County of San Juan, State of New Mexico, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, briefly described opposite his signature, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interest do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

This Ratification and Joinder is executed for the purpose of correcting the description on that Ratification and Joinder executed August 12, 1952 by Chas. W. McCarty and September 2, 1952 by Elvin Lewis and Lorene Lewis his wife, and recorded in Book 190 page 257 of the records of San Juan County, New Mexico.

SIGNATURES AND ADDRESSES

DESCRIPTION

Name Elvin Lewis  
Address Lorene Lewis  
706 S. Encino, Bernalillo, N.M.

Name Chas. W. McCarty  
Address 791 - 2nd Ave.  
Durango, Colo.

N $\frac{1}{2}$ NW $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$ , NE $\frac{1}{4}$ SW $\frac{1}{4}$  Sec. 13-30N-8W, N.M.F.M., including all the land lying west of the Cox fence belonging to the grantors herein as found and decreed by the District Court of San Juan County, New Mexico in Cause No. 02139.  
EXCEPT, HOWEVER: (1) A certain piece of land situate at a place called Los Martinez in Largo Precinct, inclosed in Homestead Certificate No. 1125 given by the United States Government to Felipe Santiago Martin February 25, 1885, said homestead certificate including the above described land, said piece of land being described as follows: BEGINNING at the SW corner (a) going N following Western line to a point (b) 300 yds, from B in an Easterly direction, measure 80 yds to a point (c) from point C running S 70 yds, thence running E 70 yds, thence N 70 yds, thence W back to point C 70 yds, on which tract is built a chapel dedicated to "Our Lady of Guadalupe", together with right of way to and from public road from Blanco to Pine View; (2) All that part of the NW $\frac{1}{4}$ NW $\frac{1}{4}$  of said Sec. 13 lying, being and situated West of the Molino Arroyo. In all containing 156.60 acres, more or less.

APPROVED

PHILLIPS PETROLEUM COMPANY

By [Signature] C. KROGMAN  
Vice President  
WORKING INTEREST OWNER

STATE OF COLORADO  
COUNTY OF LAPLATA

On this 17 day of November 1953, before me personally appeared Chas. W. McCarty, a single man to me known to be the person described in and who executed the foregoing instrument, and acknowledged to me that he executed the same as his free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 17 day of November, 1953.

My Commission Expires:

March 3, 1957

[Signature]  
Notary Public

CONSENT and COMMITMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Northeast Blanco Unit Area, Rio Arriba and San Juan Counties, New Mexico by Phillips Petroleum Company in form approved by the Secretary of the Interior and the Commissioner of Public Lands of the State of New Mexico, the undersigned Phillips Petroleum Company, pursuant to authority granted to it in oil and gas lease covering lands included in said Unit Agreement, hereby consents to the inclusion of the hereinafter described lease and lands in said Unit Area and hereby commits said lease and lands (or interest therein) and the lessors' interests therein, to said Unit Agreement and to the terms and provisions thereof, which said Unit Agreement and the terms and provisions thereof shall be effective as to said lease and lands (or interests therein) for the full term of said Unit Agreement, subject only to the provisions thereof, and which commitment shall, but without limitation, modify the terms of said lease to conform to the provisions of Section 18 of said Unit Agreement, modify the drilling and development requirements of said lease so that they shall be deemed fully performed by the continued operation of the well or wells now drilled or drilling within said Unit Area and by the performance of the provisions of said Unit Agreement, and modify the royalty provisions of said lease so that the payment for or deliver of (whichever may be required under the lease) oil and of the proceeds of gas duly made on the basis of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations under such lease, to wit:

<u>TRACT NO.</u>	<u>LEASE DATA</u>	<u>DESCRIPTION, AMOUNT AND OWNER OF BASIC 12½% ROYALTY IN LANDS COMMITTED HEREBY</u>
74	Dated: April 17, 1951 Lessor: A. H. Andrews and Gladys Andrews, his wife Lessee: Hawley M. Kilpatrick Recorded: July 30, 1951 Book 162, Page 583	N½NW¼, SE¼NW¼, NE¼SW¼ Sec. 13-30N-8W, N.M.P.M., including all the land lying west of the Cox fence belonging to the grantors herein as found and decreed by the District Court of San Juan County, New Mexico in Cause No. 02139. EXCEPT, HOWEVER: (1) A certain piece of land situate at a place called Los Martinez in Largo Precinct, inclosed in Homestead Certificate No. 1125 given by the United States Government to Felipe Santiago Martin February 25, 1885, said homestead certificate including the above described land, said piece of land being described as follows: BEGINNING at the SW corner (a) going N following Western line to a point (b) 300 yds, from B in an Easterly direction, measure 80 yds to a point (c) from point C running S 70 yds, thence running E 70 yds, thence N 70 yds, thence W back to point C 70 yds, on which tract is built a chapel dedicated to "Our Lady of Guadalupe", together with right of way to and from public road from Blanco to Pine View; (2) All that part of the NW¼NW¼ of said Sec. 13 lying, being and situated West of the Molino Arroyo. In all containing 156.60 acres, more or less. T. H. McElvain, Jr. - 1/8th & Catherine Frances McElvain - 1/8th.

This Consent and Commitment is executed for the purpose of correcting the description on that Consent and Commitment executed by Phillips Petroleum Company on October 28, 1952.

Attest:

*R. L. ...*  
Assistant Secretary

PHILLIPS PETROLEUM COMPANY

By *[Signature]*  
Vice President

STATE OF OKLAHOMA  
COUNTY OF WASHINGTON

On this 23rd day of November, 1953, before me appeared C. O. Stark to me personally known, who, being by me duly sworn, did say that he is Vice President of Phillips Petroleum Company, a corporation, and that the seal affixed to said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and that said C. O. Stark acknowledged said instrument to be the free act and deed of said corporation.

My Commission expires: Aug. 1, 1955

*Martha Rinehart*  
Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

WHEREAS, by Ratification and Joinder dated August 1, 1952, Phillips Petroleum Company committed to the Northeast Blanco Unit, Rio Arriba and San Juan Counties, New Mexico, to the extent of its interest therein the lands described in the schedule marked Exhibit "1" attached to said Ratification and Joinder, and

WHEREAS, subsequent to such Ratification and Joinder Phillips Petroleum Company by a lease ratification and amendment acquired interests in an additional 16.6 acres of land in said Northeast Blanco Unit, said additional lands being a portion of tract #74 as described in Exhibit "B" to the Northeast Blanco Unit Agreement, but which 16.6 acres of land was not described in and made a part of tract #74 as shown on Exhibit "1" attached to the afore-mentioned Ratification and Joinder by Phillips Petroleum Company.

NOW, THEREFORE, in order to commit to said Unit Agreement the interest in said additional 16.6 acres of land acquired by it and for the purpose of supplementing and amending the afore-mentioned Ratification and Joinder dated August 1, 1952, the undersigned, Phillips Petroleum Company, in consideration of the execution of the Unit Agreement for the development and operation of the Northeast Blanco Unit Area, Rio Arriba and San Juan Counties, New Mexico, in form approved on behalf of the Secretary of the Interior, to the extent of its particular ownership or interest therein, hereby consents to the inclusion within the Unit Area of the Northeast Blanco Unit all of the following described lands, being tract #74 in Exhibit "B" to the Unit Agreement, which tract includes the additional 16.6 acres of land referred to above, to wit:

TAL 94

N $\frac{1}{2}$ NW $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$ , NE $\frac{1}{4}$ SW $\frac{1}{4}$  Sec. 13-30N-8W, N.M.P.M., including all of the land lying west of the Cox fence belonging to the grantors herein as found and decreed by the District Court of San Juan County, New Mexico in Cause No. 02139.

EXCEPT, HOWEVER: (1) A certain piece of land situate at a place called Los Martinez in Largo Precinct, inclosed in Homestead Certificate No. 1125 given by the United States Government to Felipe Santiago Martin February 25, 1885, said homestead certificate including the above described land, said piece of land being described as follows: BEGINNING at the SW corner (a) going N following Western line to a point (b) 300 yds, from B in an Easterly direction, measure 80 yds to a point (c) from point C running S 70 yds, thence running E 70 yds, thence N 70 yds, thence W back to point C 70 yds, on which tract is built a chapel dedicated to "Our Lady of Guadalupe", together with right of way to and from public road from Blanco to Pine View; (2) All that part of the NW $\frac{1}{4}$ NW $\frac{1}{4}$  of said Sec. 13 lying, being and situated West of the Molino Arroyo.

In all containing 156.60 acres, more or less.

and approves and adopts the terms of said Unit Agreement.

Executed this 9th day of December, 1953.

ATTEST:

R. E. Arnold  
Assistant Secretary R. E. ARNOLD

PHILLIPS PETROLEUM COMPANY

BY H. E. Koopman  
Vice President H. E. KOOPMAN

STATE OF Oklahoma  
COUNTY OF Washington

On this 9th day of December, 1953, before me personally appeared H. E. Koopman, to me personally known, who, being by me duly sworn did say that he is the Vice President of Phillips Petroleum Company, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said H. E. Koopman acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on this the day and year first above written.

My Commission Expires Aug. 1, 1955

Martha B. Bensch  
Notary Public

RATIFICATION AND JOINDER OF UNIT OPERATING  
AGREEMENT UNDER UNIT AGREEMENT FOR THE DEVELOPMENT AND  
OPERATION OF THE NORTHEAST BLANCO UNIT AREA  
COUNTIES OF RIO ARriba AND SAN JUAN  
STATE OF NEW MEXICO

---

The undersigned, Phillips Petroleum Company, owner of leases or other interest in oil and gas as described in Ratification and Joinder of the Unit Agreement for the development and operation of the Northeast Blanco Unit Area, Counties of Rio Arriba and San Juan, State of New Mexico, dated December 9, 1953, to the extent of its ownership or interest as therein described, hereby consents to the inclusion of said lands within the Unit Area of said Unit Agreement, and hereby approves, adopts and ratifies the Unit Operating Agreement executed by the Unit Operator and other working interest owners under said Unit Agreement in the form and as submitted to the United States Geological Survey in connection with the submission of the aforesaid Unit Agreement.

IN WITNESS WHEREOF, the undersigned has caused these presents to be executed by its corporate officers thereunto duly authorized in order that said Unit Operating Agreement shall be binding upon the undersigned its successors or assigns, in accord with all of the terms, provisions and conditions thereof.

Executed this 9th day of December, 1953.

ATTEST:

R. L. Arnold  
Assistant Secretary  
R. L. ARNOLD

PHILLIPS PETROLEUM COMPANY

BY H. E. Koefman  
Vice President  
H. E. KOEFMAN

STATE OF Oklahoma  
COUNTY OF Washington

On this 9th day of December, 1953, before me personally appeared H. E. Koefman, to me personally known, who, being by me duly sworn did say that he is the Vice President of Phillips Petroleum Company, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said H. E. Koefman acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on this the day and year first above written.

My Commission Expires:

Martha B. Bunch  
Notary Public

Approved and Consented To:

BLACKWOOD & NICHOLS COMPANY, Unit Operator

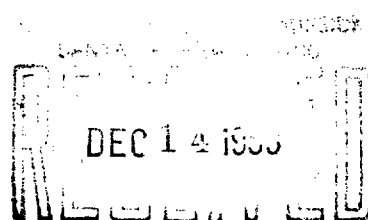
December 11, 1953

By J. B. Blackwood  
Partner

LAW OFFICES  
McAFEE & TAFT  
1316 LIBERTY BANK BUILDING  
OKLAHOMA CITY 2, OKLAHOMA

December 11, 1953

KENNETH E. McAFEE  
RICHARD G. TAFT  
JOE FRED GIBSON  
OLIVER W. GATES



Oil Conservation Commission of  
the State of New Mexico  
Santa Fe, New Mexico

Re: Northeast Blanco Unit  
I-Sec. 929  
Joinder by H. H. Phillips

Gentlemen:

Enclosed and transmitted herewith for the purpose of filing is one copy each of Ratification and Joinder of Unit Agreement and Ratification and Joinder of Unit Operating Agreement executed by H. H. Phillips and wife. Mr. Phillips is the applicant for Santa Fe Lease No. 078699 covering the S/2 SE, Sec. 13, Township 30 North, Range 8 West, which tract constitutes Tract No. 3 as shown on Exhibit "B" attached to the Unit Agreement for the Northeast Blanco Unit.

Very truly yours,

McAFEE & TAFT

Oliver W. Cates

OWC:JH  
Enclosures

# NOTIFICATION AND INTEREST UNIT AGREEMENT

WITNESSETH

In consideration of the execution of the Unit Agreement for the development and operation of the Northeast Blanco Unit Area located within the Counties of San Juan and Rio Arriba, State of New Mexico, in favor approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases or applications therefor, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his or her particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest hereon is extended and modified to the extent necessary to cause the same conform to the terms of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

The said Unit Agreement having been filed of record in the office of the County Clerk and Recorder of Rio Arriba County in Volume 11, at pages 317 to 361- and in the office of the Probate Clerk and as filio recorder of San Juan County in Book 182 at page 52.

The Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his or her assigns or successors in interest.

WITNESSETH

JOHN T. ...

*[Signature]*

*[Signature]*

*[Signature]*

*[Signature]*

IN TESTE: *[Signature]*  
COUNTY OF *[Signature]*

On this 12th day of January, 1941, Before me personally appeared *[Signature]* and *[Signature]* to me known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as free act and deed.

IN WITNESS WHEREOF, I have hereunto set my official signatures and affixed my notarial seal the day and year first above written.

*[Signature]*  
Notary Public

My commission expires:

*[Signature]*

ARTICLE THIRD AND JOINDER OF UNIT  
 OPERATING AGREEMENT UNDER UNIT  
 AGREEMENT FOR THE DEVELOPMENT  
 AND OPERATION OF THE NORTHEAST  
 BLANCO UNIT AREA, COUNTY OF SAN  
 JUAN, STATE OF NEW MEXICO

In consideration of the execution of the Unit Operating Agreement under Unit Agreement for the Development and Operation of the Northeast Blanco Unit Area, County of San Juan, State of New Mexico, the undersigned owners of lands and leases or interests therein presently held or which may arise under existing option agreements or applications or other interest in production covered by said Unit Operating Agreement, each to the extent of its particular ownership or interest, briefly described opposite its signature, have consented to the inclusion of said lands within the Unit Area therein defined, and do hereby approve, adopt and ratify the said Unit Operating Agreement in the form and as submitted to the United States Geological Survey in connection with the submission of Unit Agreement for the Development and Operation of the Northeast Blanco Unit Area, Counties of San Juan and Rio Arriba, New Mexico.

This Ratification and Joinder of Unit Operating Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, its successors or assigns, subject to all the terms, provisions and conditions of said Unit Operating Agreement.

*XX PLAYS*

Witness:

\_\_\_\_\_  
 Secretary  
 address:  
 306 Milam Building  
 San Antonio 5 Texas  
 Date: October 22, 1955

I, W. H. Legal  
 COUNTY OF Deval

On this 22nd day of October, 1955, before me personally appeared H. G. Phillips and W. H. Legal (both of whom I know to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my official signature and fixed my notarial seal the day and year first above written.

*[Signature]*  
 Notary Public

My commission expires:  
May 31, 1956

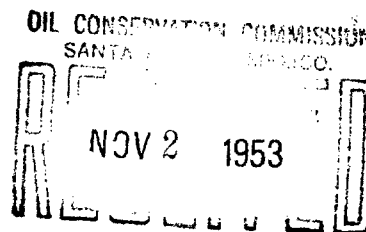
RS

318

LAW OFFICES  
McAFEE & TAFT  
1316 LIBERTY BANK BUILDING  
OKLAHOMA CITY 2, OKLAHOMA

KENNETH E. McAFEE  
RICHARD G. TAFT  
JOE FRED GIBSON  
OLIVER W. CATES

October 30, 1953



Oil Conservation Commission of the State  
of New Mexico  
Santa Fe, New Mexico

Re: Northeast Blanco Unit  
Rio Arriba and San Juan Counties,  
New Mexico, I-Sec. 929

Gentlemen:

Transmitted herewith are one copy each of the following ratification and joinders of Unit Agreement, consented and approved by the working interest owners and unit operator: Ratification executed by T. G. Eggleston and Velena G. Eggleston, his wife, and George H. Joseph and Kathleen A. Joseph, his wife, dated June 3, 1953, committing their interest under Tract 57 of the above captioned unit, and Ratification executed by Raymond H. Handley and Dorothy L. Handley, his wife, dated June 3, 1953, committing their interest in Tract 57 of the captioned unit.

Very truly yours,

*Oliver W. Cates*  
Oliver W. Cates

OWC:JH

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Northeast Blanco Unit Area located within the County of San Juan & Rio Arriba State of New Mexico in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his or her particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the terms of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his or her assigns or successors in interest.

Tract 57

ADDRESS

735 Main Ave.

Durango, Colorado

Date: June 3, 1953

735 Main Ave.

Durango, Colorado

Date: June 3, 1953

SIGNATURE

J. G. Eggleston  
Helena J. Eggleston

George J. Joseph  
Kathleen A. Joseph

ACCEPTED:

STANOLIND OIL AND GAS COMPANY,  
~~UNIT OPERATOR AND~~ WORKING INTEREST OWNER

BY Frank Lindenberg  
VICE PRESIDENT

APPROVED  
[Signature]

Approved and consented to

BLACKWOOD & NICHOLS COMPANY

By [Signature]  
NORTHEAST BLANCO DEVELOPMENT CORP.

By [Signature]  
President

NELSON & EDWARD MORRIS, LTD.

By [Signature]

A. M. LLOYD

[Signature]  
WORKING INTEREST OWNERS

Date Oct 16, 1953

Date Oct 16, 1953

Date Oct 21, 1953

Date Oct. 26, 1953

STATE OF )  
COUNTY OF ) SS.:

On this \_\_\_\_\_ day of \_\_\_\_\_, 195\_\_\_\_, before me appeared

\_\_\_\_\_, to me personally known, who, being  
by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_  
\_\_\_\_\_ and that the seal affixed to said instrument  
is the corporate seal of said corporation, and that said instrument was signed  
and sealed in behalf of said corporation by authority of its board of directors,  
and said \_\_\_\_\_ acknowledged said instrument to be  
the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official  
seal the day and year in this certificate first above written.

My Commission expires:

\_\_\_\_\_  
Notary Public in and for \_\_\_\_\_  
County,  
State of \_\_\_\_\_

STATE OF Colorado )  
COUNTY OF La Plata ) SS.:

On this 3 day of June, 1953, before me appeared

T. G. Eggleston and Velena G. Eggleston, his wife and George H. Joseph and Kathleen A. Joseph  
his wife, to me known to be the persons described in and who executed the fore-  
going instrument, and acknowledged to me they executed the same as their free act  
and deed.

My Commission expires:

July 19, 1954

Roger A. Ptolomy  
Notary Public in and for \_\_\_\_\_  
La Plata County,  
State of Colorado

STATE OF )  
COUNTY OF ) SS.:

On this \_\_\_\_\_ day of \_\_\_\_\_, 195\_\_\_\_, before me personally

appeared \_\_\_\_\_, a single person, to me known to be  
the person described in and who executed the foregoing instrument, and acknowledged  
to me that \_\_\_\_\_ he executed the same as \_\_\_\_\_ free act and deed.

My Commission expires:

\_\_\_\_\_  
Notary Public in and for \_\_\_\_\_  
County,  
State of \_\_\_\_\_

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Northeast Blanco Unit Area located within the County of San Juan and Rio Arriba State of New Mexico in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his or her particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the terms of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his or her assigns or successors in interest.

Tract 59

ADDRESS

2770 West 2<sup>nd</sup> ave  
Durango, Colorado

Date: June 3, 1953

SIGNATURE

Raymond H. Handley  
Dorothy L. Handley

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

ACCEPTED:

STANLIND OIL AND GAS COMPANY,  
~~UNIT OPERATOR~~ AND WORKING INTEREST OWNER

By Frank L. Linder  
VICE PRESIDENT

APPROVED  
[Signature]

Approved and consented to

BLACKWOOD & NICHOLS COMPANY

By J. B. Blackwood  
Unit Operator  
NORTHEAST BLANCO DEVELOPMENT CORP.

By [Signature]  
President

NELSON & EDWARD MORRIS, LTD.

By L. L. Bush, Partner  
A. M. LLOYD

A. M. Lloyd  
WORKING INTEREST OWNERS

Date Oct 16, 1953

Date Oct 16, 1953

Date Oct 21, 1953

Date Oct. 26, 1953

STATE OF )  
 ) SS.:  
COUNTY OF )

On this \_\_\_\_\_ day of \_\_\_\_\_, 195\_\_\_\_, before me appeared

\_\_\_\_\_, to me personally known, who, being  
by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_  
\_\_\_\_\_ and that the seal affixed to said instrument  
is the corporate seal of said corporation, and that said instrument was signed  
and sealed in behalf of said corporation by authority of its board of directors,  
and said \_\_\_\_\_ acknowledged said instrument to be  
the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official  
seal the day and year in this certificate first above written.

My Commission expires:

\_\_\_\_\_  
Notary Public in and for \_\_\_\_\_  
\_\_\_\_\_ County,  
State of \_\_\_\_\_

STATE OF Colorado )  
 ) SS.:  
COUNTY OF La Plata )

On this 3 day of June, 1953, before me appeared

Raymond H. Handley and Dorothy L. Handley  
his wife, to me known to be the persons described in and who executed the fore-  
going instrument, and acknowledged to me they executed the same as their free act  
and deed.

My Commission expires:

July 19, 1954

*Rogers P. Tolson*  
Notary Public in and for \_\_\_\_\_  
La Plata County,  
State of Colorado

STATE OF )  
 ) SS.:  
COUNTY OF )

On this \_\_\_\_\_ day of \_\_\_\_\_, 195\_\_\_\_, before me personally

appeared \_\_\_\_\_, a single person, to me known to be  
the person described in and who executed the foregoing instrument, and acknowledged  
to me that \_\_\_\_\_ he executed the same as \_\_\_\_\_ free act and deed.

My Commission expires:

\_\_\_\_\_  
Notary Public in and for \_\_\_\_\_  
\_\_\_\_\_ County,  
State of \_\_\_\_\_

PS

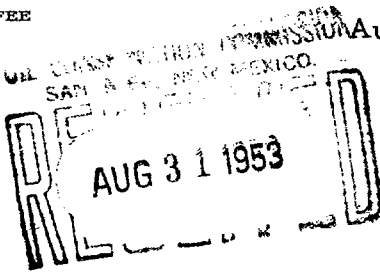
Case 318

LAW OFFICES  
McAFEE & TAFT  
1316 LIBERTY BANK BUILDING  
OKLAHOMA CITY 2, OKLAHOMA

KENNETH E. McAFEE  
RICHARD G. TAFT

JOE FRED GIBSON  
OLIVER W. GATES

August 27, 1953



The Oil Conservation Commission  
State of New Mexico  
Santa Fe, New Mexico

Re: Northeast Blanco Unit

Gentlemen:

Enclosed are Ratification and Joinders of Unit Agreement, consented to by all appropriate working interest owners, as follows:

1. Southland Royalty Company, covering an interest in tracts 53, 49 and 69.
2. Martin Pierce and Beverly W. Pierce, his wife, covering an interest in tracts 49, 53 and 69.
3. Chas. B. Gonsales and Betty Gonsales covering an interest in tract 14.

Yours very truly,

NORTHEAST BLANCO DEVELOPMENT CORP.

OWC:k  
enc.

By *Oliver W. Cates*  
Oliver W. Cates, Secretary

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Northeast Blanco Unit Area located within the County of Rio Arriba and San Juan State of New Mexico in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his or her particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, ratify, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the terms of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his or her assigns or successors in interest.

ADDRESS

Citizens Bank Bldg.

Aztec, New Mexico

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

SIGNATURE

Martin Pierce

Beverly Y. Pierce

INDIVIDUAL ACKNOWLEDGEMENT

STATE OF NEW MEXICO } ss.  
COUNTY OF SAN JUAN

On this 3rd day of June, 19 53, before me personally appeared Martin Pierce and Beverly Y. Pierce, his wife

to me known to be the person described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my notarial seal the day and year first above written.

My Commission Expires 7/25/55  
My Commission expires:

Notary Public

By [Signature]  
NORTHEAST BLANCO DEVELOPMENT CORP.

Date Aug 27, 1953

By [Signature]  
President

NELSON & EDWARD MORRIS, LTD.

Date Aug 19, 1953

By [Signature]

A. M. LLOYD

Date Aug 24, 1953

WORKING INTEREST OWNERS

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Northeast Blanco Unit Area, Counties of San Juan and Rio Arriba, State of New Mexico, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, briefly described opposite his signature, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

SIGNATURES AND ADDRESSES

DESCRIPTION  
TRACT NO. 14

Name Charles B. Gonsales  
Address Betty Gonsales  
P. O. Box 993, Santa Fe, New Mexico

Lots 5, 6, 7, 8, 9, 10, 11, 12, 13, 14,  
E1/2 Sec. 18, Twp. 30N., R. 7 W.

371.07 ACRES  
SF 079073

Name \_\_\_\_\_  
Address \_\_\_\_\_

Approved and Consented to:  
Stanolind Oil and Gas Company,  
Working Interest Owner

Name \_\_\_\_\_  
Address \_\_\_\_\_

By Frank Lindeman Jr.  
Vice-President



Name \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

STATE OF NEW MEXICO )  
COUNTY OF SANTA FE ) On this 2nd day of July, 1953, before me  
personally appeared CHARLES B. GONSALES and BETTY GONSALES, his wife to me known to be  
the person described in and who executed and delivered the foregoing instrument, and  
acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 2nd day of July, 1953.

My commission expires: Sept. 23rd, 1955

X. H. Esrett  
Notary Public

Approved and consented to

BLACKWOOD & NICHOLS COMPANY

Date August 11, 1953

By J. H. Blackwood

NORTHEAST BLANCO DEVELOPMENT CORP.

Date Aug 27, 1953

By [Signature]  
President

Nelson & Edward Morris, Ltd.

Date Aug 19, 1953

By [Signature]

A. M. Lloyd

Date Aug 24, 1953

[Signature]

WORKING INTEREST OWNERS

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Northeast Blanco Unit Area, County of San Juan, State of New Mexico, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, briefly described opposite his signature, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

SIGNATURES AND ADDRESSES

DESCRIPTION

Name SOUTHLAND ROYALTY COMPANY  
Attest BY: N. H. Porter Vice-President  
M. M. Coleman Secretary

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

Approved and Consented to:  
Stanolind Oil and Gas Company,  
Working Interest Owner

Frank L. Cunningham  
Vice-President

STATE OF \_\_\_\_\_  
COUNTY OF TARRANT. } ss.

On this 10th day of June, 1953, before me appeared H. H. PORTER, to me personally known, who, being by me duly sworn, did say that he is the Vice-President of SOUTHLAND ROYALTY COMPANY and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said H. H. PORTER acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and seal of office the day and year last above written.

NOTARY PUBLIC FOR TARRANT COUNTY, TEXAS

Jerrine Hancock

JERRINE HANCOCK, NOTARY PUBLIC  
IN AND FOR TARRANT COUNTY, TEXAS  
MY COMMISSION EXPIRES JUNE 1, 1955

By [Signature]  
President

NELSON & EDWARD MORRIS, LTD.

Date Aug 19, 1953

By [Signature]

A. M. LLOYD

Date Aug 24, 1953

[Signature]

WORKING INTEREST OWNERS



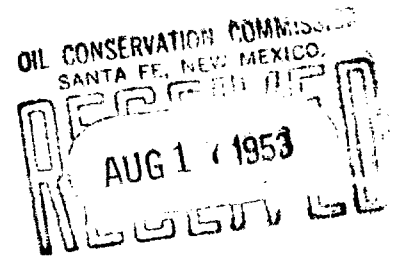
IN REPLY REFER TO:

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

P. O. Box 6721  
Roswell, New Mexico

August 13, 1953

Mr. Foster Morrell  
Mickson Hotel Building  
Roswell, New Mexico

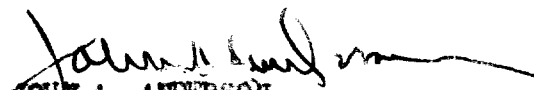


Dear Mr. Morrell:

The addition dated August 11, 1953, to the Plan of Development, calendar year 1953, for the Northeast Blanco Unit, I-Sec. No. 929, has been approved on this date.

One approved copy of the addition to the plan is enclosed.

Very truly yours,

  
JOHN A. ANDERSON  
Regional Oil and Gas Supervisor

Enclosure

Copy to: Commissioner of Public Land, Santa Fe  
Oil Conservation Commission, Santa Fe ✓

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

August 14, 1953

C  
O  
P  
Y

Mr. W. N. Little, Chairman  
Advisory Committee  
Northeast Blanco Unit  
Blackwood & Nichols Company  
Liberty Bank Building  
Oklahoma City 2, Oklahoma

Dear Sir:

We are submitting herewith three approved copies of your Request for Addition to Plan of Development for the Calendar Year 1953, Mesaverde Zone, Northeast Blanco Unit, I-Sec. 929, San Juan and Rio Arriba Counties, New Mexico.

Very truly yours,

R. R. Spurrier  
Secretary and Director

RRS:vc  
Encls.

CERTIFICATION--DETERMINATION

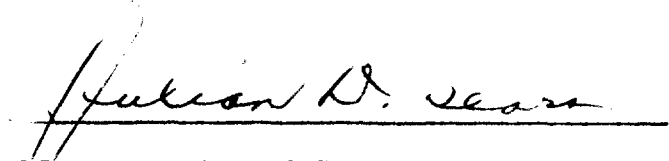
Pursuant to the authority vested in the Secretary of the Interior, under the act approved February 25, 1920, 41 Stat. 437, 30 U.S.C. secs. 181 et seq., as amended by the act of August 8, 1946, 60 Stat. 950, and delegated to the Director of the Geological Survey pursuant to Departmental Order No. 2365 of October 8, 1947, 43 CFR sec. 4.611, 12 F. R. 6784, I do hereby:

A. Approve the attached agreement for the development and operation of the Northeast Blanco Unit Area, State of New Mexico.

B. Certify and determine that the unit plan of development and operation contemplated in the attached agreement is necessary and advisable in the public interest for the purpose of more properly conserving the natural resources.

C. Certify and determine that the drilling, producing, rental, minimum royalty, and royalty requirements of all Federal leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of this agreement.

Dated APR 16 1952.

  
\_\_\_\_\_  
Acting Director, United States Geological Survey

BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO

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

THE APPLICATION OF BLACKWOOD &  
NICHOLS COMPANY, A PARTNERSHIP, FOR  
THE APPROVAL OF THE NORTHEAST BLANCO  
UNIT AGREEMENT, EMBRACING 32,991.40  
ACRES IN TOWNSHIPS 30 AND 31 NORTH,  
RANGES 6, 7 AND 8 WEST, IN THE  
COUNTIES OF SAN JUAN AND RIO ARriba, STATE  
OF NEW MEXICO.

Case No. 318

Order No. R-107

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at ten o'clock a. m., October 23rd, 1951, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 31st day of October, 1951, the Commission having before it for consideration the testimony adduced at the hearing of said case and being fully advised in the premises:

FINDS that the proposed unit plan will in principle tend to promote the conservation of oil and gas and the prevention of waste;

IT IS, THEREFORE, ORDERED:

That the order herein shall be known as the:

"NORTHEAST BLANCO UNIT AGREEMENT ORDER."

SECTION 1. (a) That the project herein shall be known as the Northeast Blanco Unit Agreement and shall hereafter be referred to as the Project.

(b) That the plan by which the Project shall be operated shall be embraced in the form of a unit agreement for the development and operation of the Northeast Blanco Unit Area referred to in the Petitioner's petition and filed with said petition and such plan shall be known as the Northeast Blanco Unit Agreement Plan.

SECTION 2. That the Northeast Blanco Unit Agreement Plan shall be and is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said Unit Agreement, this approval of said Agreement shall not be considered as waiving or relinquishing in any manner any rights, duties, or obligations which are now or may hereafter be vested in the New Mexico Oil Conservation Commission by law relative to the supervision and control of operations for exploration and development of any lands committed to said Northeast Blanco Unit Agreement or relative to the production of oil or gas therefrom.

SECTION 3. (a) That the Unit Area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

Township 31 North, Range 6 West

Sec. 6 - Lots 8, 9, 10 and 11, S/2  
Sec. 7 - All  
Sec. 18 - All  
Sec. 19 - All  
Sec. 20 - All  
Sec. 30 - All

Township 30 North, Range 7 West

Sec. 2 - All  
Sec. 3 - All  
Sec. 4 - All  
Sec. 5 - All  
Sec. 6 - Lots 8 to 21, incl., SE/4 NW/4,  
NE/4 SW/4  
Sec. 7 - Lots 5 to 16, incl., E/2 NE/4  
Sec. 8 - Lots 1, 2 and 3, N/2, SE/4  
Sec. 9 - All  
Sec. 10 - All  
Sec. 16 - All  
Sec. 17 - Lots 1 to 8, incl., N/2 NE/4,  
SE/4 NE/4, E/2 SE/4  
Sec. 18 - Lots 5 to 14, incl., SW/4 NE/4,  
E/2 W/2  
Sec. 19 - Lots 5 to 13, incl, E/2 W/2,  
S/2 SE/4  
Sec. 20 - Lots 1 and 2, NE/4, E/2 NW/4 S/2  
Sec. 21 - All  
Sec. 22 - W/2 W/2  
Sec. 29 - N/2  
Tracts 39, 40, 41, 42, 43, 44, 45 and 46 - All

Township 31 North, Range 7 West

Sec. 1 - Lots 5, 6, 7 and 8, S/2  
Sec. 9 - S/2  
Sec. 10 - S/2  
Sec. 11 - All  
Sec. 12 - All  
Sec. 13 - All  
Sec. 14 - All  
Sec. 15 - All  
Sec. 16 - All  
Sec. 19 - All  
Sec. 20 - All  
Sec. 21 - All  
Sec. 22 - All  
Sec. 23 - All  
Sec. 24 - All  
Sec. 25 - All  
Sec. 26 - All

Sec. 27 - All  
 Sec. 28 - All  
 Sec. 29 - All  
 Sec. 30 - Lots 5 to 12, incl., NE/4, E/2 W/2  
 Sec. 31 - Lots 5 to 14, incl., E/2 W/2  
 Sec. 32 - Lots 1, 2, 3 and 4, E/2, E/2 W/2  
 Sec. 33 - All  
 Sec. 34 - All  
 Sec. 35 - All  
 Sec. 36 - All  
 Tracts 49, 50, 51 and 52 - All

Township 30 North, Range 8 West

Sec. 1 - All  
 Sec. 12 - All  
 Sec. 13 - All  
 Sec. 24 - All

Township 31 North, Range 8 West

Sec. 25 - All  
 Sec. 36 - All

Total Unit Area embraces 32,991.40 acres of land.

(b) The Unit Area may be enlarged or diminished as provided in said Plan.

**SECTION 4.** That the Unit Operator shall file with the Commission an executed original or executed counterpart thereof of the Northeast Blanco Unit Agreement not later than thirty days after the effective date thereof.

**SECTION 5.** That any party owning rights in the unitized substances who does not commit such rights to said Unit Agreement before the effective date thereof may thereafter become a party thereto by subscribing to such Agreement or a counterpart thereof. The Unit Operator shall file with the Commission within thirty days an original or any such counterpart.

**SECTION 6.** That this order shall become effective on the first day of the calendar month next following the approval of the Commissioner of Public Lands and the Director of the United States Geological Survey and shall terminate ipso facto on the termination of said Unit Agreement. The last Unit Operator shall immediately notify the Commission in writing of such termination.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

/s/ Edwin L. Mechen  
Chairman

Member

/s/ R. R. Spurrier  
Secretary.

IN THE MATTER OF THE APPLICATION OF  
BLACKWOOD & NICHOLS COMPANY, A PARTNER-  
SHIP, FOR THE APPROVAL OF THE NORTHEAST  
BLANCO UNIT AGREEMENT, EMBRACING  
32,991.40 ACRES IN TOWNSHIPS 30 AND 31  
NORTH, RANGES 6, 7 AND 8 WEST, IN THE  
COUNTIES OF SAN JUAN AND RIO ARRIBA,  
STATE OF NEW MEXICO.

The undersigned, Commissioner of Public Lands of the State of New Mexico, having considered the application of Blackwood & Nichols Company, a partnership, for approval of the Northeast Blanco Unit Agreement, covering lands in the Counties of San Juan and Rio Arriba, New Mexico, described in said agreement, and the undersigned having considered the aforesaid application and the evidence offered by the Petitioner at the hearing before the Oil Conservation Commission on the 23rd day of October, 1951, FINDS:

1. That said Northeast Blanco Unit Agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy.

2. That under the operation of the proposed Unit Agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area affected.

3. That the agreement is in other respects in the best interests of the State of New Mexico.

Said agreement is hereby approved.

DATED October 23, 1951, at Santa Fe, New Mexico.

/s/ Guy Shepard  
Commissioner of Public Lands.

(COPY)

BLACKWOOD & NICHOLS COMPANY

OIL PROPERTIES

FIRST NATIONAL BUILDING

OKLAHOMA CITY 2, OKLAHOMA

Gentlemen:

We are attaching for your examination a copy of the proposed NE Blanco Unit Agreement covering lands in San Juan and Rio Arriba Counties, New Mexico. Approval has been obtained from the Department of the Interior as to the attached form of unit agreement, the unit area and the test well obligation.

A recent check of the records indicates that you are the owners of the interest shown opposite your name on Exhibit B of the Unit Agreement. You will note that Section 9 of the agreement provides for the drilling of an 8000 foot test well. If we can get this unit signed promptly, we hope to start a test early this fall.

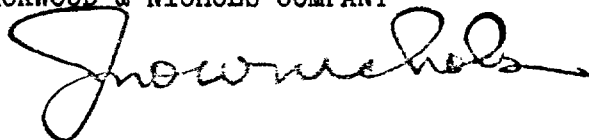
It will be appreciated if you will examine this agreement as quickly as possible and advise whether or not you are interested in joining this unit. Upon receipt of notice from you that you are agreeable to join in the unit, an appropriate number of counterparts of each instrument necessary will be furnished for your signature.

If there is any further information you desire, please advise promptly.

Yours very truly,

BLACKWOOD & NICHOLS COMPANY

By

A handwritten signature in cursive script, appearing to read "J. W. Nichols", written in dark ink.

KEM:bk

November, 1950

UNIT AGREEMENT FOR THE DEVELOPMENT AND  
OPERATION OF THE NORTHEAST BLANCO UNIT AREA  
COUNTIES OF SAN JUAN AND RIO ARriba  
STATE OF NEW MEXICO

I - Sec. No. 929

THIS AGREEMENT, entered into as of the 16<sup>th</sup> day of July, 1951, by and between the parties subscribing, ratifying, or consenting hereto, and herein referred to as the "parties hereto";

WITNESSETH:

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

WHEREAS, the act of February 25, 1920, 41 Stat. 437, as amended by the act of August 8, 1946, 60 Stat. 950, 30 U.S.C. Secs. 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 under 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 Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Chap. 88, Laws 1943) to consent to or approve this agreement on behalf of the State of New Mexico, insofar as it covers and includes lands and mineral interests of the State of New Mexico; and

WHEREAS, the Oil Conservation Commission of the State of New Mexico is authorized by an Act of the Legislature (Chap. 72, Laws 1935) to approve this agreement and the conservation provisions hereof; and

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

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

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

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

2. UNIT AREA: The following described land is hereby designated and recognized as constituting the Unit Area:

NEW MEXICO PRINCIPAL MERIDIAN

Township 31 North, Range 6 West

Sec. 6 - Lots 8, 9, 10 and 11, S/2  
Sec. 7 - All  
Sec. 18 - All  
Sec. 19 - All  
Sec. 20 - All  
Sec. 30 - All

Township 30 North, Range 7 West

Sec. 2 - All  
Sec. 3 - All  
Sec. 4 - All  
Sec. 5 - All  
Sec. 6 - Lots 8 to 21, incl., SE/4 NW/4, NE/4 SW/4  
Sec. 7 - Lots 5 to 16, incl., E/2 NE/4  
Sec. 8 - Lots 1, 2 and 3, N/2, SE/4  
Sec. 9 - All  
Sec. 10 - All  
Sec. 16 - All  
Sec. 17 - Lots 1 to 8, incl., N/2 NE/4, SE/4 NE/4, E/2 SE/4  
Sec. 18 - Lots 5 to 14, incl., SW/4 NE/4, E/2 W/2  
Sec. 19 - Lots 5 to 13, incl., E/2 W/2, S/2 SE/4  
Sec. 20 - Lots 1 and 2, NE/4, E/2 NW/4, S/2  
Sec. 21 - All  
Sec. 22 - W/2 W/2  
Sec. 29 - N/2  
Tracts 39, 40, 41, 42, 43, 44, 45, and 46 - All

Township 31 North, Range 7 West

Sec. 1 - Lots 5, 6, 7 and 8, S/2  
Sec. 9 - S/2  
Sec. 10 - S/2  
Sec. 11 - All  
Sec. 12 - All  
Sec. 13 - All  
Sec. 14 - All  
Sec. 15 - All  
Sec. 16 - All

Township 31 North, Range 7 West (Cont'd)

Sec. 19 - All  
Sec. 20 - All  
Sec. 21 - All  
Sec. 22 - All  
Sec. 23 - All  
Sec. 24 - All  
Sec. 25 - All  
Sec. 26 - All  
Sec. 27 - All  
Sec. 28 - All  
Sec. 29 - All  
Sec. 30 - Lots 5 to 12, incl., NE/4, E/2 W/2  
Sec. 31 - Lots 5 to 14, incl., E/2 W/2  
Sec. 32 - Lots 1, 2, 3 and 4, E/2, E/2 W/2  
Sec. 33 - All  
Sec. 34 - All  
Sec. 35 - All  
Sec. 36 - All  
Tracts 49, 50, 51 and 52 - All

Township 30 North, Range 8 West

Sec. 1 - All  
Sec. 12 - All  
Sec. 13 - All  
Sec. 24 - All

Township 31 North, Range 8 West

Sec. 25 - All  
Sec. 36 - All

Total Unit Area embraces 33,000 acres, more or less.

Exhibit "A" attached hereto is a map showing the Unit Area and the boundaries and identity of tracts and leases in said area to the extent known to the Unit Operator. Exhibit "B" attached hereto is a schedule showing to the extent known to the Unit Operator the acreage, percentage, and kind of ownership of oil and gas interests in all land in the Unit Area. 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 in the Unit Area render such revision necessary, or when requested by the Oil and Gas Supervisor, hereinafter referred to as "Supervisor". Not less than six copies of the revised exhibits shall be filed with the Supervisor, and two copies each with the Commissioner of Public Lands of the State of New Mexico, hereinafter referred to as "Commissioner" and the Oil Conservation Commission, hereinafter referred to as "Commission".

The above-described Unit Area shall, when practicable, be expanded to include therein any additional tract or tracts regarded as reasonably necessary or

advisable for the purposes of this agreement, or shall be contracted to exclude lands not within any participating area whenever such expansion or contraction is necessary or advisable to conform with the purposes of this agreement. Such expansion or contraction shall be effected in the following manner:

(a) Unit Operator, on its own motion or on demand of the Director of the Geological Survey, hereinafter referred to as "Director", or on demand of the Commissioner, shall prepare a notice of proposed expansion or contraction describing the contemplated changes in the boundaries of the Unit Area, the reasons therefor, and the proposed effective date thereof;

(b) Said notice shall be delivered to the Supervisor and Commissioner, and copies thereof mailed to the last known address of each working interest owner, lessee, and lessor whose interests are affected, advising that 30 days will be allowed for submission to the Unit Operator of any objections;

(c) Upon expiration of the 30-day period provided in the preceding item (b) hereof, Unit Operator shall file with the Supervisor and Commissioner evidence of mailing of the notice of expansion or contraction and a copy of any objections thereto which have been filed with the Unit Operator;

(d) After due consideration of all pertinent information, the expansion or contraction shall, upon approval by the Director and Commissioner, become effective as of the date prescribed in the notice thereof.

All land committed to this agreement shall constitute land referred to herein as "unitized land" or "land subject to this agreement".

3. UNITIZED SUBSTANCES: All oil and gas in any and all formations of the unitized land are unitized under the terms of this agreement and herein are called "unitized substances".

4. UNIT OPERATOR: BLACKWOOD AND NICHOLS COMPANY, a partnership composed of F. G. Blackwood, Dola Blackwood, John W. Nichols, Mary D. Nichols, W. J. Hilseweck, Helen Hilseweck and John W. Fisher, is hereby designated as Unit Operator, and by signature hereto as Unit Operator agrees and consents to accept the duties and obligations of Unit Operator for the discovery, development and production of unitized substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as 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.

5. RESIGNATION OR REMOVAL OF UNIT OPERATOR: Unit Operator shall have the right to resign at any time prior to the establishment of a participating area or areas hereunder, but such resignation shall not become effective so as to release him from his duties and obligations and terminate his rights as such for a period of 6 months after notice of intention to resign has been served by him on all working interest owners, the Director, and the Commissioner and until all wells then drilled hereunder are placed in a satisfactory condition for suspension or abandonment as may be required by the Supervisor and Commissioner, unless a new Unit Operator shall have been selected and approved and shall have taken over and assumed the duties and obligations of Unit Operator prior to the expiration of said period.

Unit Operator shall have the right to resign after a participating area or areas have been established provided a successor Unit Operator has been selected and approved and has agreed to accept the duties and responsibilities of Unit Operator effective upon the relinquishment of such duties and responsibilities by the retiring Unit Operator. The resignation of Unit Operator shall not release Unit Operator from any liability for any default by it hereunder occurring prior to the effective date of its resignation.

The Unit Operator may, upon default or failure in the performance of its duties or obligations hereunder, be subject to removal by the same percentage vote of the owners of working interests determined in like manner as herein provided for the selection of a new Unit Operator. Such removal shall be effective upon notice thereof to the Director and Commissioner.

The resignation or removal of Unit Operator under this agreement shall not terminate his right, title, or interest as the owner of a working interest or other interest in unitized substances, but upon the resignation or removal of Unit Operator becoming effective, such Unit Operator shall deliver possession of all equipment, materials, and appurtenances used in conducting the unit operations and owned by the working interest owners to the new duly qualified successor Unit Operator or to the owners thereof if no such new Unit Operator is elected, 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.

6. SUCCESSOR UNIT OPERATOR: Whenever the Unit Operator shall resign as Unit Operator or shall be removed as hereinabove provided, the owners of the working

interests in the participating area or areas according to their respective acreage interests in such participating area or areas, or, until a participating area shall have been established, the owners of the working interests according to their respective acreage interests in all unitized land, shall by majority vote select a successor Unit Operator; Provided, that, if a majority but less than 75 per cent of the working interests qualified to vote are owned by one party to this agreement, a concurring vote of sufficient additional parties, so as to constitute in the aggregate not less than 75 per cent of the total working interests, shall be required to select a new operator. Such selection shall not become effective until (a) a Unit Operator so selected shall accept in writing the duties and responsibilities of Unit Operator, and (b) the selection shall have been approved by the Director and Commissioner. If no successor Unit Operator is selected and qualified as herein provided, the Director and Commissioner at their election may declare this unit agreement terminated.

7. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT: If the Unit Operator is not the sole owner of working interests, costs and expenses incurred in conducting unit operations hereunder shall be paid in the first instance by Unit Operator, and such costs and expenses so paid by Unit Operator shall be apportioned among and borne by the owners of working interests and the Unit Operator reimbursed, all in accordance with the agreement or agreements entered into by and between the Unit Operator and the owners of working interests, whether one or more, separately or collectively. Any agreement or agreements entered into between the working interest owners and the Unit Operator as provided in this section, whether one or more, are herein referred to as the "unit operating agreement". Such unit operating agreement shall also provide the manner in which the working interest owners shall be entitled to receive their respective proportionate and allocated share of the benefits accruing hereto in conformity with their underlying operating agreements, leases, or other independent contracts and as between the working interest owners and Unit Operator may provide for such limitations upon the power of the Unit Operator respecting the liability of the working interest owners for cost of operations hereunder as may be agreed upon by Unit Operator and the working interest owners; however, no such unit operating agreement shall be deemed either to modify any of the terms and conditions of this 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. Three true copies of any unit operating agreement executed pursuant to this section shall be filed with the Supervisor and one true copy with the Commissioner.

8. 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, 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.

9. DRILLING TO DISCOVERY: Within six months after the effective date hereof the Unit Operator shall begin to drill an adequate test well at a location approved by the Supervisor if such location is upon lands of the United States, and if upon State lands or patented lands, such location shall be approved by the Commission, unless on such effective date a well is being drilled conformably with the terms hereof, and thereafter continue such drilling diligently until the Dakota formation has been tested or until at a lesser depth unitized substances shall be discovered which can be produced in paying quantities (to wit: quantities sufficient to repay the costs of drilling and producing operations, with a reasonable profit) or the Unit Operator shall at any time establish to the satisfaction of the Supervisor as to wells on Federal lands, or the Commissioner as to wells on State lands or patented lands, that further drilling of said well would be unwarranted or impracticable, provided, however, that the Unit Operator shall not in any event be required to drill said well to a depth in excess of 8000 feet.

In the event of discovery and completion of the initial or subsequent test wells as a commercial well or wells in formations above and before reaching the Dakota formation, a test well shall be drilled to the original objective, and it is agreed that such well will be begun at a location approved as above not later than 18 months after the effective date of this agreement.

Until the discovery of a deposit of unitized substances capable of being

produced in paying quantities, the Unit Operator shall continue drilling diligently one well at a time, allowing not more than 6 months between the completion of one well and the beginning of the next well, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of said Supervisor and Commissioner, or until it is reasonably proved that the unitized land is incapable of producing unitized substances in paying quantities in the formations drilled hereunder. Nothing in this section shall be deemed to limit the right of the Unit Operator to resign as provided in Section 5 hereof, or as requiring Unit Operator to commence or continue any drilling during the period pending such resignation becoming effective in order to comply with the requirements of this section. The Director and Commissioner may modify the drilling requirements of this section by granting reasonable extensions of time when, in his opinion, such action is warranted. Upon failure to comply with the drilling provisions of this section, the Director and Commissioner may, after reasonable notice to the Unit Operator, and each working interest owner, lessee, and lessor at their last known addresses, declare this unit agreement terminated.

10. PLAN OF FURTHER DEVELOPMENT AND OPERATION: Within 6 months after completion of a well capable of producing unitized substances in paying quantities, the Unit Operator shall submit for the approval of the Supervisor, the Commissioner, and the Commission an acceptable plan of development and operation for the unitized land which, when approved by the Supervisor, the Commissioner, and the Commission, shall constitute the further drilling and operating obligations of the Unit Operator under this agreement for the period specified therein. Thereafter, from time to time before the expiration of any existing plan, the Unit Operator shall submit for the approval of the Supervisor, the Commissioner, and the Commission, a plan for an additional specified period for the development and operation of the unitized land. Any plan submitted pursuant to this section shall provide for the exploration of the unitized area and for the determination of the area or areas thereof capable of producing unitized substances in paying quantities in each and every productive formation and shall be as complete and adequate as the Supervisor, the Commissioner, and the Commission may determine to be necessary for timely development and proper conservation of the oil and gas resources of the unitized area and shall (a) specify the number and locations of any wells to be drilled and the proposed order and time for such drilling; and (b) to the extent practicable, specify the operating practices regarded as necessary and advisable for proper conservation of natural resources.

Separate plans may be submitted for separate productive zones, subject to the approval of the Supervisor, the Commissioner and the Commission. Said plan or plans shall be modified or supplemented when necessary to meet changed conditions or to protect the interests of all parties to this agreement. Reasonable diligence shall be exercised in complying with the obligations of the approved plan of development. The Supervisor and Commissioner are authorized to grant a reasonable extension of the 6-month period herein prescribed for submission of an initial plan of development where such action is justified because of unusual conditions or circumstances. After completion hereunder of a well capable of producing oil and gas in paying quantities, no further wells, except such as may be necessary to afford protection against operations not under this agreement or such as may be specifically approved by the Supervisor and the Commissioner, shall be drilled except in accordance with a plan of development approved as herein provided.

11. PARTICIPATION AFTER DISCOVERY: Upon completion of a well capable of producing unitized substances in paying quantities, or as soon thereafter as required by the Supervisor and Commissioner, the Unit Operator shall submit for approval by the Director, the Commissioner, and the Commission, a schedule based on subdivisions of the public-land survey or aliquot parts thereof, of all unitized land then regarded as reasonably proved to be productive of unitized substances in paying quantities; all land in said schedule on approval of the Director, the Commissioner, and the Commission to constitute a participating area, effective as of the date of first production. Said schedule also shall set forth the percentage of unitized substances to be allocated as herein provided to each unitized tract in the participating area so established, and shall govern the allocation of production from and after the date the participating area becomes effective.

A separate participating area shall be established in like manner for each separate pool or deposit of unitized substances or for any group thereof produced as a single pool or zone, and any two or more participating areas so established may be combined into one with the consent of the owners of all working interests in the lands within the participating areas so to be combined, and approval of the Director, the Commissioner, and the Commission. The participating area or areas so established shall be revised from time to time, subject to like approval, whenever such action appears proper as a result of further drilling operations or otherwise, to include additional land then regarded as reasonably proved to be productive in paying quantities and the percentage of allocation shall also be revised accordingly.

The effective date of any revision shall be the first of the month in which is obtained the knowledge or information on which such revision is predicated, unless a more appropriate effective date is specified in the schedule. No land shall be excluded from a participating area on account of depletion of the unitized substances.

It is the intent of this section that a participating area shall represent the area known or reasonably estimated to be productive in paying quantities; but, regardless of any revision of the participating area, nothing herein contained shall be construed as requiring any retroactive adjustment for production obtained prior to the effective date of revision of the participating area.

In the absence of agreement at any time between the Unit Operator and the Director, the Commissioner, and the Commission as to the proper definition or re-definition of a participating area, or until a participating area has, or areas have, been established as provided herein, the portion of all payments affected thereby may be impounded in a manner mutually acceptable to the owners of working interests, except royalties due the United States and the State of New Mexico, which shall be determined by the Supervisor and the Commissioner and the amount thereof deposited as directed by the Supervisor and the Commissioner, respectively, to be held as unearned money until a participating area is finally approved and then applied as earned or returned in accordance with a determination of the sum due as Federal and State Royalty on the basis of such approved participating area.

Whenever it is determined, subject to the approval of the Supervisor, as to wells on Federal land, the Commissioner as to wells on State land, and the Commission as to patented land, that a well drilled under this agreement is not capable of production in paying quantities and inclusion of the land on which it is situated in a participating area is unwarranted, production from such well shall be allocated to the land on which the well is located so long as that well is not within a participating area established for the pool or deposit from which such production is obtained.

12. ALLOCATION OF PRODUCTION: All unitized substances produced from each participating area established under this agreement, except any part thereof used in conformity with good operating practices within the unitized area for drilling, operating, camp and other production or development purposes, for repressuring or recycling in accordance with a plan of development approved by the Supervisor, the Commissioner, and the Commission, or unavoidably lost, shall be deemed to be produced equally on an acreage basis from the several tracts of unitized land of the participating area established for such production and, for the purpose of determinin

any benefits accruing under this agreement, each such tract of unitized land shall have allocated to it such percentage of said production as the number of acres of such tract included in said participating area bears to the total acres of unitized land in said participating area. It is hereby agreed that production of unitized substances from a participating area shall be allocated as provided herein regardless of whether any wells are drilled on any particular part or tract of said participating area. If any gas produced from one participating area is used for repressuring or recycling purposes in another participating area, the first gas withdrawn from such last mentioned participating area for sale during the life of this agreement shall be considered to be the gas so transferred until an amount equal to that transferred shall be so produced for sale and such gas shall be allocated to the participating area from which initially produced as constituted at the time of such final production.

13. DEVELOPMENT OR OPERATION OF NON-PARTICIPATING LAND OR FORMATIONS:

Any party hereto owning or controlling the working interest in any unitized land having thereon a regular well location may, with the approval of the Supervisor, the Commissioner, and the Commission at such party's sole risk, cost and expense drill a well to test any formation for which a participating area has not been established or to test any formation for which a participating area has been established if such location is not within said participating area, unless within 90 days of receipt of notice from said party of his intention to drill the well, the Unit Operator elects and commences to drill such well in like manner as other wells are drilled by the Unit Operator under this agreement.

If any well drilled as aforesaid by a working interest owner results in production such that the land upon which it is situated may properly be included in a participating area, such participating area shall be established or enlarged as provided in this agreement and the well shall thereafter be transferred to and operated by Unit Operator in accordance with the terms of this agreement and the unit operating agreement.

If any well drilled as aforesaid by a working interest owner obtains production in quantities insufficient to justify the inclusion in a participating area of land upon which such well is situated, such well may be operated and produced by the party drilling the same subject to the conservation requirements of this agreement. The royalties in amount or value of production from any such well shall be paid as specified in the underlying lease and agreements affected.

14. ROYALTY SETTLEMENT: The United States and the State of New Mexico and all royalty owners who, under existing contract, are entitled to take in kind a share of the substances now unitized hereunder produced from any tract, shall hereafter be entitled to the right to take in kind their share of the unitized substances allocated to such tract, and Unit Operator, or in case of the operation of a well by a working interest owner as herein in special cases provided for, such working interest owner, shall make deliveries of such royalty share taken in kind in conformity with the applicable contracts, laws and regulations. Settlement for royalty interests 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 royalties due under their leases.

If gas obtained from lands not subject to this agreement is introduced into any participating area hereunder, for use in repressuring, stimulation of production, or increasing ultimate recovery, which shall be in conformity with a plan first approved by the Supervisor and the Commissioner, a like amount of gas after settlement as herein provided for any gas transferred from any other participating area and with due allowance for loss or depletion from any cause, may be withdrawn from the formation into which the gas was introduced, royalty free as to dry gas, but not as to the products extracted therefrom; provided that such withdrawal shall be at such time as may be provided in the plan of operations or as may otherwise be consented to by the Supervisor, the Commissioner, and the Commission as conforming to good petroleum engineering practice, and provided further, that such right of withdrawal shall terminate on the termination of this unit agreement.

Royalty due the United States shall be computed as provided in the operating regulations and paid in value or delivered in kind as to all unitized substances on the basis of the amounts thereof allocated to unitized Federal land as provided herein at the rates specified in the respective Federal leases, or at such lower rate or rates as may be authorized by law or regulation: provided, that for 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 each participating area were a single consolidated lease.

15. 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 subject to this agreement shall be paid at the rate specified in the respective leases from the United States, unless such rental or minimum royalty is waived, suspended, or reduced by law or by approval of the Secretary. Rentals on State of New Mexico lands subject to this agreement shall be paid at the rates specified in the respective leases, or may be reduced and suspended upon the order of the Commissioner of Public Lands of the State of New Mexico pursuant to applicable laws and regulations.

With respect to any lease on non-Federal land containing provisions which would terminate such lease unless drilling operations were within the time therein specified commenced upon the land covered thereby or rentals paid for the privilege of deferring such drilling operations, the rentals required thereby shall, notwithstanding any other provision of this agreement, be deemed to accrue and become payable during the term thereof as extended by this agreement and thereafter until the required drilling operations are commenced upon the land covered thereby or some portion of such land is included within a participating area.

16. 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 State or Federal law or regulation.

17. DRAINAGE: The Unit Operator shall take appropriate and adequate measures to prevent drainage of unitized substances from unitized land by wells on land not subject to this agreement or pursuant to applicable regulations pay a fair and reasonable compensatory royalty as determined by the Supervisor for Federal land or as approved by the Commissioner as to State land.

18. 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 of 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 holding interests in leases embracing unitized land of the United States or of the State of New Mexico hereby consent that the Secretary

of the Interior, hereinafter referred to as "Secretary", and the Commissioner, respectively, shall, and said Secretary and Commissioner or their duly authorized representatives by their approval of this agreement do, hereby establish, alter, change, or revoke the drilling, producing, rental, minimum royalty, and royalty requirements of such leases committed hereto and the regulations in respect thereto, to conform said requirements to the provisions of this agreement, and, 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 or 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 and producing operations performed hereunder upon any tract of unitized lands will 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 lands of the United States pursuant to direction or consent of the Secretary or his duly authorized representative, and on all unitized lands of the State of New Mexico pursuant to direction or consent of the Commissioner or his duly authorized representative, 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 or gas of lands other than those of the United States, committed to this agreement, 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) Any Federal lease for a fixed term of twenty (20) years or any renewal thereof or any part of such lease which is made subject to this agreement shall continue in force beyond the term provided therein until the termination hereof. Any other Federal lease committed hereto shall continue in force beyond the term so

provided therein or by law as to the committed land so long as such land remains committed hereto, provided unitized substances are discovered in paying quantities within the Unit Area prior to the expiration date of the primary term of such lease.

(f) Each sublease or contract relating to the operation and development of unitized substances from lands of the United States committed to this agreement, which by its terms would expire prior to the time at which the underlying lease, as extended by the immediately preceding paragraph, will expire, 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 the underlying lease as such term is herein extended.

(g) Any lease having only a portion of its lands committed hereto shall be segregated as to the portion committed and the portion not committed, and the terms of such lease shall apply separately to such segregated portions commencing as of the effective date hereof. In the event any such lease provides for a lump-sum rental payment, such payment shall be prorated between the portions so segregated in proportion to the acreage of the respective tracts.

19. 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, of interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferee, or other successor in interest. No assignment or transfer of any working, royalty or other 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, photostatic or certified copy of the instrument of transfer.

20. EFFECTIVE DATE AND TERM: This agreement shall become effective upon approval by the Secretary and the Commissioner or their duly authorized representatives and shall terminate 5 years from said effective date unless (a) such date of expiration is extended by the Director and the Commissioner, or (b) it is reasonably determined prior to the expiration of the fixed term or any extension thereof that the unitized land is incapable of production of unitized substances in paying quantities in the formations tested hereunder and after notice of intention to terminate the agreement on such ground is given by the Unit Operator to all parties in interest at their last known addresses, the agreement is terminated with the approval of the

Director and the Commissioner, or (c) a valuable discovery of unitized substances has been made on unitized land during said initial term or any extension thereof, in which event the agreement shall remain in effect for such term and so long as unitized substances can be produced from the unitized land in paying quantities, i.e., in this particular instance in quantities sufficient to pay for the cost of producing same, and, should production cease so long thereafter as diligent operations are in progress for the restoration of production or discovery of new production and so long thereafter as the unitized substances so discovered can be produced as aforesaid, or (d) it is terminated as provided in Section 6 or Section 9 hereof. This agreement may be terminated at any time by not less than 75 percentum, on an acreage basis, of the owners of working interests signatory hereto, with the approval of the Director and the Commissioner.

21. RATE OF PROSPECTING, DEVELOPMENT, AND PRODUCTION: The Director or Commissioner is hereby vested with authority to alter or modify from time to time in his discretion the quantity and rate of production under this agreement when such quantity and rate is not fixed pursuant to Federal or State law or does not conform to any state-wide voluntary conservation or allocation program which is established, recognized, and generally adhered to by the majority of operators in such State, 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. Without regard to the foregoing, the Director is also 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 when such alteration or modification is in the interest of attaining the conservation objectives stated in this agreement; provided further that no such alteration or modification shall be effective as to any land of the State of New Mexico as to the rate of prospecting and development in the absence of the specific written approval thereof by the Commissioner and as to any lands of the State of New Mexico or privately-owned lands subject to this agreement as to the quantity and rate of production in the absence of specific written approval thereof by the Commission.

22. 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 for delay or failure in whole or in part to comply therewith to the extent that the said Unit Operator, 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 with the exercise of due diligence the concurrence of the representatives of the United States and the representatives of the State of New Mexico in and about any matters or thing concerning which it is required herein that such concurrence be obtained. The parties hereto, including the Commission, agree that all powers and authority vested in the Commission in and by any provisions of this contract 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.

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

24. NOTICES: All notices, demands or statements required hereunder to be given or rendered to the parties hereto shall be deemed fully given if given in writing and personally delivered to the party or sent by postpaid registered 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 may have furnished in writing to party sending the notice, demand or statement.

25. NO WAIVER OF CERTAIN RIGHTS: Nothing in this agreement contained shall be construed as a waiver by any party hereto of the right to assert any legal or constitutional right or defense as to the validity or invalidity of any law of the State wherein said unitized lands are located, or of the United States, or regulation 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.

26. UNAVOIDABLE DELAY: All obligations under this agreement requiring the Unit Operator to commence or continue drilling 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 agencies, unavoidable accidents, uncontrollable delays in transportation, inability to obtain necessary materials in open market, or other matters beyond the reasonable control of the Unit Operator whether similar to matters herein enumerated or not.

27. FAIR EMPLOYMENT: The Unit Operator shall not discriminate against any employee or applicant for employment because of race, creed, color, or national origin, and an identical provision shall be incorporated in all sub-contracts.

28. LOSS OF TITLE: In the event title to any tract of unitized land shall fail and the true owner cannot be induced to join this unit agreement, so that such tract is not committed to this unit agreement, such tract shall automatically be regarded as not committed hereto and there shall be such readjustment of future costs and benefits as may be required on account of the loss of such title. In the event of a dispute as to title as to any royalty, working, or other interests subject thereto, payment or delivery on account thereof may be withheld without liability for interest until the dispute is finally settled; provided, that, as to Federal and State land or leases, no payments of funds due the United States or the State of New Mexico shall be withheld, but such funds shall be deposited as directed by the Supervisor and the Commissioner of Public Lands of the State of New Mexico, respectively, 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.

29. NON-JOINDER AND SUBSEQUENT JOINDER: If the owner of any substantial interest in a tract within the Unit Area fails or refuses to subscribe or consent to this agreement, the working interest owner in that tract may withdraw said tract from this agreement by written notice to the Director, the Commissioner, and the Unit Operator prior to the approval of this agreement by the Director and the Commissioner. Any oil or gas interests in lands within the Unit Area not committed hereto prior to submission of this agreement for final approval may thereafter be committed hereto by the owner or owners thereof subscribing or consenting to this agreement and, if the interest is a working interest, by the owner of such interest also subscribing to the Unit Operating Agreement. After operations are commenced

hereunder, the right of subsequent joinder, as provided in this section, by a working interest owner is subject to such requirements or approvals, if any, pertaining to such joinder, as may be provided for in the Unit Operating Agreement. After final approval hereof, joinder by a non-working interest owner must be consented to in writing by the working interest owner committed hereto and responsible for the payment of any benefits that may accrue hereunder in behalf of such non-working interest. Prior to final approval hereof, joinder by any owner of a non-working interest must be accompanied by appropriate joinder by the owner of the corresponding working interest in order for the interest to be regarded as effectively committed hereto. Except as may otherwise herein be provided, subsequent joinders to this agreement shall be effective as of the first day of the month following the filing with the Supervisor and the Commissioner of duly executed counterparts of all or any papers necessary to establish effective commitment of any tract to this agreement unless objection to such joinder is duly made within 60 days by the Director or Commissioner.

30. COUNTERPARTS: This agreement may be executed in any number of counterparts no one of which needs to be executed by all parties or may be ratified or consented to by 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 such 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.

31. SURRENDER: During the life of this agreement, no right to surrender any lease or operating agreement reserved in any such instrument shall be exercised as to any lands within a participating area established pursuant to this agreement. There shall be no restriction on the right to surrender any lease or operating agreement embracing non-participating lands if that right is reserved in such instrument, subject, however, to the conditions hereinafter prescribed: (a) if a lease or portion thereof embracing non-participating lands is terminated as a result of a surrender to the lessor such lands shall not be deemed committed to this agreement unless and until such lands are recommitted hereto by an agreement with the Unit Operator; (b) if operating rights are surrendered to a lessee, said lessee shall have the right to become a party to a unit operating agreement with the Unit Operator, effective as of the date of such surrender, or may with the consent of the lessor withdraw such lease from the unit agreement and operate such lease independently

but in accord with the conservation provisions of the unit agreement, provided, that if neither of these alternatives is adopted within a period of six months following the effective date of surrender, the lease shall automatically terminate as to the lands remaining in the Unit Area.

32. TAXES: The working interest owners shall render and pay for their account and the account of the royalty owners all valid taxes on or measured by the unitized substances in and under or that may be produced, gathered and sold from the land subject to this contract after the effective date of this agreement, or upon the proceeds or net proceeds derived therefrom. The working interest owners on each tract shall and may charge the proper proportion of said taxes to the royalty owners having interests in said tract, and may currently retain and deduct sufficient of the unitized substances or derivative products, or net proceeds thereof from the allocated share of each royalty owner to secure reimbursement for the taxes so paid. No such taxes shall be charged to the United States or the State of New Mexico or to any lessor who has a contract with his lessee which requires the lessee to pay such taxes.

33. NO PARTNERSHIP: It is expressly agreed that the relation of the parties hereto is that of independent contractors and nothing in this agreement contained, expressed or implied, nor any operations conducted hereunder, shall create or be deemed to have created a partnership or association between the parties hereto or any of them.

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

		<u>UNIT OPERATOR AND WORKING INTEREST OWNER</u>	
WITNESS:	DATE:	BLACKWOOD AND NICHOLS COMPANY, a partnership	
<u>C. Bawles</u>	<u>7-28-51</u>	By <u>F. G. Blackwood</u>	F. G. Blackwood, a Partner
<u>C. Bawles</u>	<u>7-28-51</u>	By <u>Dola Blackwood</u>	Dola Blackwood, a Partner
<u>C. Bawles</u>	<u>7-28-51</u>	By <u>John W. Nichols</u>	John W. Nichols, a Partner
<u>C. Bawles</u>	<u>7-28-51</u>	By <u>Mary D. Nichols</u>	Mary D. Nichols, a Partner
<u>Margaret A. Fisher</u>	<u>5-1-51</u>	By <u>John W. Fisher</u>	John W. Fisher, a Partner
<u>W. J. Hilseweck</u>	<u>7-28-51</u>	Address: <u>W. J. Hilseweck</u>	W. J. Hilseweck, a Partner
<u>Helen Hilseweck</u>	<u>7-28-51</u>	By <u>Helen Hilseweck</u>	Helen Hilseweck, a Partner

ATTEST:

DATE:

*Laurel*  
Assistant Secretary

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

ATTEST:

DATE:

*W. Russell Cook* 9-21-51  
Secretary

Address: 1110 Tower Petroleum Bldg

ATTEST: Dallas 1, Texas DATE:

*Katherine Vaughn* 10-11-51  
A.S.T. - Secretary

Address: 1315 Pacific Ave, DALLAS, TEXAS

ATTEST: DATE:

\_\_\_\_\_  
Secretary

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

ATTEST: DATE:

\_\_\_\_\_  
Secretary

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

ATTEST: DATE:

\_\_\_\_\_  
Secretary

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Secretary

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\_\_\_\_\_  
Secretary

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ATTEST: DATE:

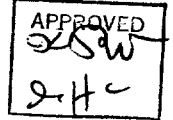
\_\_\_\_\_  
Secretary

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

WORKING INTEREST OWNERS

STANOLIND OIL AND GAS COMPANY

By *W. H. B.*  
Vice-President



THREE STATES NATURAL GAS CO.

By *K. M. Wesson*  
President vice-Pres.

DELHI OIL CORPORATION

By *Frank A. Schultz*  
President

By \_\_\_\_\_  
President

By \_\_\_\_\_  
President

By \_\_\_\_\_  
President

By \_\_\_\_\_  
President

By \_\_\_\_\_  
President

By \_\_\_\_\_  
President

WORKING INTEREST OWNERS

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

8-28-51

Albert M. Senter Jr.

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

8-28-51

Mary Senter

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

8-28-51

Horace F. McKay

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

8-28-51

Empress K. McKay

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

9-3-51

Arthur C. Seymour

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

9-5-51

Patricia A. Seymour

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

9-5-51

D. A. Macpherson

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

9-5-51

(D. A. Macpherson)  
Jannette J. Macpherson

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

9-5-51

Jack W. Akin

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

1-6-51

Hazel M. Akin

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

9-5-51

M. B. Collins

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

9-5-51

Margaret C. Collins

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

9-5-51

J. K. Blackwood

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

9-5-51

Dola Blackwood

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

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

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

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

Address: Dallas, Tex

1-26-51

J. M. Blyed

Address: Dallas, Texas

NELSON AND EDWARD MORRIS, LTD.

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

4-14-51

By Edward Morris  
Edward Morris, Partner

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

4-14-51

By Edward Morris  
Nelson Morris, Partner, by his Attorney-in-Fact, Edward Morris

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

4-14-51

By E. S. Burk  
E. S. Burk, Partner

ROYALTY INTEREST OWNERS

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

8-21-51

W. A. G. ✓

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

8-21-51

Linda Nye

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

8-22-51

Juan L. Lucero

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

8-22-51

Marcella L. Lucero

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

8-22-51

Dolores Lucero

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

8-22-51

Manuel L. Lucero

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

8-22-51

Carlota V. Lucero

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

8-22-51

Camilla Martin

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

8-22-51

Camilla Martin

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

8-22-51

Barbara Lucero

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

8-22-51

Silbiano M. Lucero

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

9-1-51

Santiago Velasquez

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

9-1-51

Juanita Velasquez

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

9-14-51

Simon Velasquez

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

9-17-51

Christina Velasquez

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

9-15-51

Orbit R. Mullen

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

9-15-51

Alda R. Mullen

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

9-17-51

Paul Sidney Rea

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

9-17-51

Irene M. Rea

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

10-16-51

Florence Owens

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

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

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

ROYALTY INTEREST OWNERS

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

9-8-51

Clifton C. Seymour

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

9-8-51

Patricia A. Seymour

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

9-8-51

D.A. Macpherson

(D.A. Macpherson)

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

9-8-51

Jennett J. Macpherson

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

9-8-51

Jack M. Atkin

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

9-8-51

Hazel M. Atkin

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

9-8-51

W.B. Collins

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

9-8-51

Margaret C. Collins

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

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RECORDED

MAR 19 1952

U.S. GEOLOGICAL SURVEY  
NEWELL BUILDING

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Northeast Blanco Unit Area, County of San Juan, State of New Mexico, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, briefly described opposite his signature, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

SIGNATURES AND ADDRESSES

EL PASO NATURAL GAS COMPANY

Name [Signature]  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name Ernest Howell  
Address Bassett Tower  
El Paso, Texas

Name Romaine S. Howell  
Address Bassett Tower  
El Paso, Texas

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

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally appeared \_\_\_\_\_ to me known to be the person \_\_\_\_\_ described in and who executed and delivered the foregoing instrument, and acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My Commission expires:

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

Tract No.	DESCRIPTION	Santa Fe Serial No.
1-A	T-30-N, R-8-W Sec. 1, W/2 Sec. 12, NW/4, E/2 SW/4, NW/4 SW/4 603.23 acres	078581
2-A	T-30-N, R-8-W Sec. 24, W/2 320 acres	078615
6-B	T-30-N, R-7-W Sec. 3, Lots 7, 8, S/2 NW/4, SW/4 Sec. 10, E/2 639.13 acres	079001-A
17	T-30-N, R-8-W Sec. 13, SW/4 NW/4, W/2 SW/4, SE/4 SW/4 160.00 acres	079511

(Joint Acknowledgment for New Mexico)

STATE OF Nebraska }  
COUNTY OF El Paso } SS.:

On this 25th day of January, 1952, before me appeared Ben K. Lowell  
and Doraine K. Lowell his wife, to me known to be the persons described in and who executed  
the foregoing instrument, and acknowledged to me they executed the same as their free act and deed.

My Commission expires:  
May 3, 1953

Derry W. Schumacher  
Notary Public in and for El Paso County,  
State of Nebraska

(Corporate Acknowledgment for New Mexico)

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } SS.:

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_, before me appeared \_\_\_\_\_,  
to me personally known, who, being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_  
\_\_\_\_\_ and that the seal affixed to said instrument is the corporate seal of said corpo-  
ration, and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors,  
and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said cor-  
poration.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certi-  
ficate first above written.

My Commission expires:

\_\_\_\_\_  
Notary Public in and for \_\_\_\_\_ County,  
State of \_\_\_\_\_

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Northeast Blanco Unit Area, County of San Juan, State of New Mexico, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, briefly described opposite his signature, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

ATTEST:

*A. C. Martell*  
Asst. Secretary

EL PASO NATURAL GAS COMPANY

By *W. L. Perkins*  
Vice President

DATE:

*March 14, 1952*

ADDRESS:

\_\_\_\_\_  
\_\_\_\_\_

Tract No.	DESCRIPTION	Santa Fe Serial No.
1-A	T-30-N, R-8-W Sec. 1, W/2 Sec. 12, NW/4, E/2 SW/4, NW/4 SW/4 603.23 acres	078581
2-A	T-30-N, R-8-W Sec. 24, W/2 320 acres	078615
6-B	T-30-N, R-7-W Sec. 3, Lots 7, 8, S/2 NW/4, SW/4 Sec. 10, E/2 639.13 acres	079001-A
17	T-30-N, R-8-W Sec. 13, SW/4 NW/4, W/2 SW/4, SE/4 SW/4 160.00 acres	079511

MAR 14 1952  
MAR 14 1952  
MAR 14 1952

STATE OF TEXAS

COUNTY OF EL PASO

On this 14th day of March, 1952, before me appeared C. L. Perkins, to me personally known, who, being by me duly sworn did say that he is the Vice President of El Paso Natural Gas Company, a corporation, and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said C. L. Perkins acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

ROBERT E. HEYSER

Notary Public, in and for El Paso County, Texas

My commission expires June 1, 1953

Robert E. Heyser  
Notary Public

STATE OF Colorado

COUNTY OF La Plata

On this 1 day of Sept, 1951, before me personally appeared Paul Sidney Rea and Irene M. Rea, husband and wife to me known to be the person 3 described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 17 day of Sept, 1951.

My Commission expires:  
My Commission expires Nov. 28, 1954

Clive Peterson  
Notary Public

STATE OF Idaho

COUNTY OF Madison

On this 7 day of Sept, 1951, before me personally appeared N. B. Collins and Margaret C. Collins, husband and wife to me known to be the person 3 described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 7 day of Sept, 1951.

My Commission expires:

Mar 1 - 1953

Betty King  
Notary Public  
In and for Midland County

Betty King  
Notary Public

My Commission expires:

STATE OF New Mexico

COUNTY OF San Juan

On this 16 day of Oct, 1951, before me personally appeared

Florence Owens to me known to be the person 3 described in and who executed and delivered the foregoing instrument, and acknowledged to me that she executed the same as her free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 16 day of Oct, 1951.

My Commission expires:

Dec. 17, 1951

Thos. C. Kingston  
Notary Public

and said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_

My Commission expires:

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

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

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_, before me appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_

My Commission expires:

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

Naoma Williams  
\_\_\_\_\_) )  
\_\_\_\_\_) )

this 13 day of August, 1951, before me appeared  
Rose, to me personally known, who, being by me duly  
say that he is the Vice President of \_\_\_\_\_

and Oil and Gas Company  
at the seal affixed to said instrument is the corporate seal of said corporation,  
and that said instrument was signed and sealed in behalf of said corporation by  
authority of its Board of Directors, and said Rose  
acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this 13 day of August, 1951

My Commission expires:  
My Commission Expires May 11, 1955

Naoma Williams  
Notary Public

STATE OF Texas  
COUNTY OF Dallas

On this 21 day of Aug., 1951, before me appeared K. M.  
Willson, to me personally known, who, being by me duly  
sworn, did say that he is the Vice President of \_\_\_\_\_

THREE STATES NATURAL GAS CO.

and that the seal affixed to said instrument is the corporate seal of said corporation,  
and that said instrument was signed and sealed in behalf of said corporation by  
authority of its Board of Directors, and said K. M. Willson  
acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this 21 day of Aug., 1951

My Commission expires:  
NAOMA WILLIAMS  
Notary Public, Dallas County, Texas  
My Commission Expires June 1, 1953

Naoma Williams  
Notary Public

STATE OF Texas  
COUNTY OF DALLAS

On this 11 day of October, 1951, before me appeared  
FRANK A. SCHULTZ, to me personally known, who, being by me duly  
sworn, did say that he is the Vice President of Dehli Oil Corporation

and that the seal affixed to said instrument is the corporate seal of said corporation,  
and that said instrument was signed and sealed in behalf of said corporation by  
authority of its Board of Directors, and said FRANK A. SCHULTZ  
acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this 11 day of October, 1951

My Commission expires:

June 1, 1953

Mary Virginia Slagle  
Notary Public

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

On this \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_  
\_\_\_\_\_, to me personally known, who, being by me duly  
sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_

and that the seal affixed to said instrument is the corporate seal of said corporation,  
and that said instrument was signed and sealed in behalf of said corporation by  
authority of its Board of Directors, and said \_\_\_\_\_  
acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_

My Commission expires:

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

Mexico  
Bernalillo

On this 23 day of August, 1951, before me personally appeared M. Senter and Mary Senter, his wife to be the persons described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 23 day of August, 1951.

My Commission expires:

Shedora E. Briggs  
Notary Public

March 7, 1954

STATE OF New Mexico

COUNTY OF Bernalillo

On this 23 day of August, 1951, before me personally appeared Norace J. McKay and Elmyra K. McKay, his wife to be the persons described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 23 day of August, 1951.

My Commission expires:

Shedora E. Briggs  
Notary Public

March 7, 1954

STATE OF New Mexico

COUNTY OF Bernalillo

On this 5<sup>th</sup> day of September, 1951, before me personally appeared Clinton E. Seymour and Patricia A. Seymour, his wife to be the persons described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 5<sup>th</sup> day of September, 1951.

My Commission expires:

Delores M. Walker  
Notary Public

July 20, 1954

STATE OF New Mexico

COUNTY OF Bernalillo

On this 5<sup>th</sup> day of September, 1951, before me personally appeared J. A. Macpherson and Jeannette J. Macpherson, his wife to be the persons described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 5<sup>th</sup> day of September, 1951.

My Commission expires:

Delores M. Walker  
Notary Public

July 20, 1954

STATE OF New Mexico

COUNTY OF Graham

On this 6<sup>th</sup> day of Sept, 1951, before me personally appeared Jack Makin & Hazel Makin, Husband and Wife to be the persons described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 6<sup>th</sup> day of Sept, 1951.

My Commission expires:

Rosa Lee Herring  
Notary Public

June 1953

ROSA LEE HERRING

STATE OF Oklahoma  
COUNTY OF Oklahoma

On this 6 day of November, 1951, before me personally appeared I. G. Blackwood and Clara Blackwood, husband + wife to me known to be the person s described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 6 day of November, 1951

My Commission expires:

C. BOWLES  
My Commission Expires Jan. 24, 1954

C. Bowles  
Notary Public

STATE OF Indiana  
COUNTY OF Delaware

On this 3rd day of Aug, 1951, before me personally appeared John H. Fisher to me known to be the person s described in and who executed and delivered the foregoing instrument, and acknowledged to me that he executed the same as his free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 3rd day of Aug, 1951.

My Commission expires:

Dec. 24 - 1953

M. M. Barnes  
Notary Public

STATE OF Texas  
COUNTY OF Dallas

On this 25 day of July, 1951, before me personally appeared F. B. Blackwood, Deb. Blackwood, Jon. H. Nichols, May D. Nichols, H. J. Wilkerson & Helen Wilkerson to me known to be the persons s described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 25 day of July, 1951.

My Commission expires:

June 1, 1953

Geraldine Balbin  
Notary Public

GERALDINE BALBIN  
Notary Public, Dallas County, Texas

STATE OF Missouri  
COUNTY OF Jackson

On this 19th day of July, 1951, before me personally appeared L. B. Burk, Edward Morris, and Edward Morris, Atty in Fact for Nelson Morris to me known to be the person s described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 19 day of July, 1951.

My Commission expires: Aug. 5, 1951

Betty Tanner  
Notary Public

STATE OF Texas  
COUNTY OF Dallas

On this 26 day of July, 1951, before me personally appeared A. M. Lloyd to me known to be the person s described in and who executed and delivered the foregoing instrument, and acknowledged to me that he executed the same as his free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 26 day of July, 1951

My Commission expires:

June 1, 1953

Patricia N. Latzer  
Notary Public

PATRICIA N. LATZER

STATE OF New Mexico

COUNTY OF San Juan

On this 21 day of August, 1951, before me personally appeared C. H. Nye and Linda Nye, husband and wife to me known to be the person 2 described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 21 day of August, 1951.

My Commission expires:

Oct 27-1951

Albert C. Jaquez  
Notary Public

STATE OF New Mexico

COUNTY OF San Juan

On this 30 day of August, 1951, before me personally appeared Juan Lucero, a widower to me known to be the person 1 described in and who executed and delivered the foregoing instrument, and acknowledged to me that he executed the same as his free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 30 day of August, 1951.

My Commission expires:

Oct 27-1951

Albert C. Jaquez  
Notary Public

STATE OF New Mexico

COUNTY OF San Juan

On this 30 day of August, 1951, before me personally appeared Marcello D. Lucero and Dolores Lucero husband and wife to me known to be the person 2 described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 30 day of August, 1951.

My Commission expires:

Oct 27-1951

Albert C. Jaquez  
Notary Public

STATE OF New Mexico

COUNTY OF San Juan

On this 30 day of August, 1951, before me personally appeared Manuel A. Lucero and Carlota D. Lucero husband and wife to me known to be the person 2 described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 30 day of August, 1951.

My Commission expires:

Oct 27-1951

Albert C. Jaquez  
Notary Public

STATE OF New Mexico

COUNTY OF San Juan

On this 30 day of August, 1951, before me personally appeared Camello Martinez and Carmen Martinez, husband and wife to me known to be the person 2 described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 30 day of August, 1951.

My Commission expires:

Oct 27-1951

Albert C. Jaquez  
Notary Public

STATE OF New Mexico

COUNTY OF San Juan

On this 31 day of August, 1951, before me personally appeared Ramon M Lucero, a widower to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that he executed the same as his free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 31 day of August, 1951.

My Commission expires:

Oct 27-1951

Albert C. Jaquez  
Notary Public

STATE OF New Mexico

COUNTY OF San Juan

On this 31 day of August, 1951, before me personally appeared Albino M Lucero, a widower to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that he executed the same as his free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 31 day of August, 1951.

My Commission expires:

Oct 27-1951

Albert C. Jaquez  
Notary Public

STATE OF New Mexico

COUNTY OF San Juan

On this 7 day of September, 1951, before me personally appeared Santiago Velasquez and Juana Velasquez, husband and wife to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 7 day of September, 1951.

My Commission expires:

Oct 27-1951

Albert C. Jaquez  
Notary Public

STATE OF New Mexico

COUNTY OF San Juan

On this 12 day of Sept, 1951, before me personally appeared Simon Velasquez and Christian Velasquez, husband and wife to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 12 day of Sept, 1951.

My Commission expires:

Oct 27-1951

Albert C. Jaquez  
Notary Public

STATE OF New Mexico

COUNTY OF San Juan

On this 15 day of Sept, 1951, before me personally appeared Robert R. Muller and Alida R. Muller, husband and wife to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 15 day of Sept, 1951.

My Commission expires:

Oct 27-1951

Albert C. Jaquez  
Notary Public