

Tract No. 3 (Lease A)

Lessor: William P. McIntosh, et ux
Lessee of Record: The Superior Oil Company
Superior's Lease No. NM-1556
Date of Lease: April 24, 1979
Description of Lands
Committed: S/2 of SW/4 and SW/4 of SE/4
No. of Acres: 120 acres

Pooling Provisions:

5. Lessee is hereby granted the right to pool or unitize this lease, the land covered by it or any part thereof with any other land, lease, leases, mineral estates or parts thereof for the production of oil, liquid hydrocarbons and all gases and their respective constituent products, or any of them, such pooling to be into a unit or units not exceeding 40 acres in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well, plus a tolerance of 10% thereof, provided that if any Federal or State law, Executive order, rule or regulation shall prescribe a spacing pattern for the development of the field or allocate a producing allowable on acreage per well, then any such units may embrace as much additional acreage as may be so prescribed or as may be used in such allocation or allowable. The term "gas well" as used in this paragraph shall be deemed to include wells producing, or capable of producing, natural gas, gas condensate, gas distillate or any gaseous substance, as said terms, or any of them are commonly understood in the oil and gas industry, or as they may be used by any governmental authority. Lessee shall file written unit designations in the county in which the premises are located. Such units may be designated either before or after the completion of wells. Drilling operations and production on any part of the pooled acreage shall be treated as if such drilling operations were upon or such production was from the land described in this lease whether the well or wells be located on the land covered by this lease or not. The entire acreage pooled into a unit shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if it were included in this lease. In lieu of the royalties herein provided, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

Tract No. 3 (Lease B)

Lessor: Mabel E. Hooper, et al
Lessee of Record: The Superior Oil Company
Superior's Lease No. NM-1556-a
Date of Lease: April 25, 1979
Description of Lands
Committed: S/2 of SW/4 and SW/4 of SE/4
No. of Acres: 120 acres

Pooling Provisions:

5. Lessee is hereby granted the right and power, from time to time, to pool or combine this lease, the land covered by it or any part or horizon thereof with any other land, lease, leases, mineral estates or parts thereof for the production of oil or gas. Units pooled for oil hereunder shall not exceed forty (40) acres plus a tolerance of 10%, and units pooled for gas shall not exceed the standard proration unit fixed by law or by the New Mexico Oil Conservation Commission or by other lawful authority for the pool or area in which said land is situated, plus a tolerance of 10%. Lessee shall file written unit designations in the county in which the premises are located and such units may be designated from time to time and either before or after the completion of wells. Drilling operations on or production from any part of any such unit shall be considered for all purposes, except the payment of royalty, as operations conducted upon or production from the land described in this lease. There shall be allocated to the land covered by this lease included in any such unit that portion of the total production of pooled minerals from wells in the unit, after deducting any used in lease or unit operations, which the number of surface acres in the land covered by this lease included in the unit bears to the total number of surface acres in the unit. The production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production of pooled minerals from the portion of said land covered hereby and included in said unit in the same manner as though produced from said land under the terms of this lease. Any pooled unit designated by lessee, as provided herein, may be dissolved by lessee by recording an appropriate instrument in the County where the land is situated at any time after the completion of a dry hole or the cessation of production on said unit.

Tract No. 3 (Lease C)

Lessor: New Mexico Bank and Trust Company,
Trustee for the J. E. Simmons and
Beulah H. Simmons Trusts
Lessee of Record: The Superior Oil Company
Superior's Lease No. NM-1556-d
Date of Lease: May 21, 1979
Description of Lands
Committed: S/2 of SW/4 and SW/4 of SE/4
No. of Acres: 120 acres

Pooling Provisions:

5. Lessee is hereby granted the right to pool or unitize this lease, the land covered by it or any part thereof with any other land, lease, leases, mineral estates or parts thereof for the production of oil, liquid hydrocarbons and all gases and their respective constituent products, or any of them, such pooling to be into a unit or units not exceeding 40 acres in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well, plus a tolerance of 10% thereof, provided that if any Federal or State law, Executive order, rule or regulation shall prescribe a spacing pattern for the development of the field or allocate a producing allowable on acreage per well, then any such units may embrace as much additional acreage as may be so prescribed or as may be used in such allocation or allowable. The term "gas well" as used in this paragraph shall be deemed to include wells producing, or capable of producing, natural gas, gas condensate, gas distillate or any gaseous substance, as said terms, or any of them are commonly understood in the oil and gas industry, or as they may be used by any governmental authority. Lessee shall file written unit designations in the county in which the premises are located. Such units may be designated either before or after the completion of wells. Drilling operations and production on any part of the pooled acreage shall be treated as if such drilling operations were upon or such production was from the land described in this lease whether the well or wells be located on the land covered by this lease or not. The entire acreage pooled into a unit shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if it were included in this lease. In lieu of the royalties herein provided, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.