

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT: UMC PETROLEUM CORPORATION )  
 )  
 RELIEF SOUGHT: UNITIZATION ENHANCED )  
 RECOVERY UNIT )  
 )  
 LEGAL DESCRIPTION: NORTH HALF OF THE )  
 NORTHWEST QUARTER AND THE NORTHWEST )  
 QUARTER OF THE NORTHEAST QUARTER OF )  
 SECTION 4, TOWNSHIP 19 NORTH, RANGE 2 )  
 WEST; THE NORTH HALF OF THE NORTHEAST )  
 QUARTER OF SECTION 5, TOWNSHIP 19 NORTH, )  
 RANGE 2 WEST; THE NORTHEAST QUARTER AND )  
 THE SOUTHEAST QUARTER OF THE NORTHWEST )  
 QUARTER AND LOTS 2, 3, 4, 5, 6, 7 AND )  
 THE SOUTHEAST QUARTER OF THE SOUTHWEST )  
 QUARTER AND THE SOUTH HALF OF THE )  
 SOUTHEAST QUARTER OF SECTION 32, TOWNSHIP )  
 20 NORTH, RANGE 2 WEST; THE NORTHWEST )  
 QUARTER AND THE SOUTHWEST QUARTER OF THE )  
 NORTHEAST QUARTER AND LOTS 1, 2, 3, 4, 5, )  
 6, 7, AND 8 AND THE SOUTH HALF OF THE )  
 SOUTH HALF OF SECTION 33, TOWNSHIP 20 )  
 NORTH, RANGE 2 WEST, LOGAN AND NOBLE )  
 COUNTIES, OKLAHOMA. )

CAUSE CD 950 003570

**FILED**  
SEP 20 1995

COURT CLERK'S OFFICE - OKC  
CORPORATION COMMISSION  
OF OKLAHOMA

A P P L I C A T I O N

COMES NOW, UMC Petroleum Corporation, whose mailing address is 410 17th Street, Suite 1400, Denver, Colorado 80202, and states as follows:

1. That the Applicant is the record owner of valid and subsisting oil and gas leases covering the lands described herein, located in Noble and Logan Counties, Oklahoma and has agreements or will have agreements with the required percentages of the working interest owners encompassed by the proposed unit not owned by the Applicant. The Applicant further has agreements or will have agreements, with the required percentage of the royalty owners encompassed by the proposed unit. The names and addresses of each additional party being made a respondent to this application are as shown on Exhibit "A" attached hereto.

2. That this Application for an Order establishing the **South Lucien Waterflood Unit** requests for its purpose the unitized management, operation and further development of the Cleveland formation, a separate common source of supply, as is found between the depths of 4,514 feet and 4,600 feet in the Henn 32-1 well located in the Southeast Quarter of the Northeast Quarter of Section 32, Township 20 North, Range 2 West, Noble County, Oklahoma (the zone), or the stratigraphic equivalents of the zone and/or any zone in the same common source of supply as the zone.

That attached to this application and incorporated by reference are the: Plan of Unitization, shown as Exhibit "B", which includes the following:

- B) The names and addresses of the operator or operators of the unit.
- C) A plat showing the leases included within the proposed unit. (Exhibit "C")

The location of the proposed injection well or wells; and the location of all oil and gas wells including abandoned and drilling wells and dry holes. (Exhibit "C")

Names of all offsetting operators. (Exhibit "A")

- D) The name, description and depth of each common source of supply to be affected. (See Exhibit "B" - Plan of Unitization).
- E) A log of a representative well completed in the **CLEVELAND** common source of supply. (Exhibit "D")
- F) A description of the existing or proposed casing program for injection wells (Exhibit "E")
- G) A description of the injection medium to be used. The source of the injection medium and the amounts to be injected daily. (Exhibit "E")
- H) Wellbore Schematic proposed completion. (Exhibit "F")

3. THAT the **CLEVELAND** formation underlying the area described and as identified herein should be declared a separate common source of supply, designated as the **South Lucien Waterflood Unit**.

4. That the following Corporation Commission Orders either extended or established certain drilling and spacing units or forced pooled certain units underlying the proposed enhanced recovery unit. They are as follows:

LANDS COVERED	ORDER NO.	SIZE
Northwest Quarter of Section 4, T19N,R2W	27489	20 acre stand-up units
North Half of Section 5, T19N, R2W	27031	20 acre stand-up units
North Half of Section 32, T20N, R2W	38796	20 acre stand-up units
South Half of Section 32, T20N, R2W	27031	20 acre stand-up units
East Half of the Northeast Quarter of the Northeast Quarter of Section 32, T20N, R2W	247548	Pooling
West Half of the Northeast Quarter of the Northeast Quarter of Section 32, T20N, R2W	250027	Pooling
North Half of the Southeast Quarter of the Northeast Quarter of Section 32, T20N, R2W	250026	pooling
South Half of the Northwest Quarter and the Northeast Quarter of the Northwest Quarter of Section 33, T20N, R2W	263910	20 acre lay-down units

Pursuant to Title 52, O.S. s287.9, this Application will amend, supersede and modify the above Orders insofar as the Orders cover the proposed unit.

5. That the unitized management, operation and further development of the **Cleveland** formation is necessary to effectively carry on pressure-maintenance or repressuring operations, cycling operations, and water flooding operations. That the plan of unitization will substantially increase the ultimate recovery of oil and gas from the **Cleveland** common source of supply. That this unitized method of operation as applied to the Skinner common source of supply is feasible, will prevent waste and will with reasonable probability result in the increased recovery of substantially more oil and gas from the Cleveland common source of supply than would otherwise be recovered. That the estimated additional cost of conducting such operations will not exceed the value of the additional oil and gas so recovered. The method of operations proposed by UMC Petroleum Corporation is for the common good and will result in the general advantage of the owners of the oil and gas rights covered by this unit.

6. That the Applicant herein has obtained the written approval of more than the required percentage of all owners having an interest in the lands underlying the area of the proposed **South Lucien Waterflood Unit**; and that the unit operator shall be designated pursuant to the Oklahoma Statutes and the Rules of the Corporation Commission.

7. That in accordance with the provisions of Title 52, Oklahoma Statutes 1971, as amended, Section 287.1 et seq., and Rule 165:10-5-4 (Enhanced Recovery Projects), Rule 165:5-7-20, O.C.C.-O.G.R., the Applicant is entitled to the Order requested.

8. That in the interest of conservation, prevention of waste and the protection of correlative rights, that the Commission issue an Order establishing the **South Lucien Waterflood Unit** as requested above and after notice and hearing as required by law and the Rules of the Commission and that after such notice is required, and the subsequent hearing, that the Commission issue the Order, all upon such terms and conditions, as may be shown by the evidence to be fair, reasonable, equitable and which are necessary or proper to protect, safeguard, and adjust the respective rights and obligations of the several persons affected, including royalty owners, owners of overriding royalties, oil and gas payments, carried interests, mortgages, lien claimants, as well as leases as requested by the applicant herein.

Respectfully submitted,

MICHAEL D. STACK, INC.

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Elizabeth Anne George, OBA #11641  
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**UMC PETROLEUM CORPORATION**

**CAUSE CD 950**

**EXHIBIT "A"**

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A.B. Still  
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Drumwright, OK 74030

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Sugar Land, TX 77479-5869

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Route 3  
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Big Pine Key, FL 33043

Alan Robert Hyden  
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Oakland, CA 94618-1349

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Hillsboro, OR 97123

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Dallas, TX 75391-0046

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Leucadia, CA 92024

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Marjorie W. Birdsall  
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Martha F Biaggi  
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Martha R. Burk  
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Oklahoma City, OK 73120

Martha Ted Miller  
1603 West Hovey  
Normal, IL 61761

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Alpine, TX 79831

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Camarillo, CA 93010

Mary E. Kershaw  
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Tampa, FL 33618

Mary Jane Brown  
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Vernon, VT 05354

Mary Louise McLeod  
P.O. Box 370  
Clearlake Park, CA 95424

**UMC PETROLEUM CORPORATION**

Mary O D Swaim Trust  
 Frank M Swaim & Byron L Lehmebeck  
 Jr., Trustees  
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Maryon P. Zion  
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 Santa Maria, CA 93454

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Methodist Home for Children  
 4300 Monument Road  
 Philadelphia, PA 19131

Methodist Hospital  
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 301 South Broad Street  
 Philadelphia, PA 19148

Michael David Schall &  
 Karen B Schall  
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 Bainbridge Island, WA 98110-1120

Michael M Rosen & Sarah A Rosen  
 As joint tenants and not as tenants in  
 common  
 871 Catalina Dr.  
 Sierra Vista, AZ 85635

Michael N. Cowan  
 2329 Summit Dr.  
 Hillsborough, CA 94010

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Mildred E. Elledge  
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 San Jose, CA 95118

Milton B. May Trust, Boatmen's First  
 National  
 Bank of Oklahoma NA, Trustee  
 U/A Dated 5/16/89, Acct # 41-5166-10-  
 3  
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Mobil Oil Corp.  
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 c/o Donald W. Stephens, President  
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 Bixby, OK 74008

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 (USA) formerly Terra Resources Inc.  
 Drawer 110  
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 Tulsa, OK 74121-1338

Pacific Enterprises Oil Co (USA)  
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 P.O. Box 1407  
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Ray H. Scholpp  
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 Roland, AR 72135

Richard Barker & Irma Barker  
 Joint Tenants  
 520 E. Boundary  
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Rita Annette Nissenbaum  
 63 Lake Forest  
 St. Louis, MO 63117

Robert A. Glidewell Trust  
 Lora Lee Woodall & Betty Lou  
 Graft, Co-Trustees  
 c/o Lora Lee Woodall  
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**UMC PETROLEUM CORPORATION**

**CAUSE CD 950**

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Mildred Garrison  
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Ruth Nelson Falcon  
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Ruthie Jo Reavis  
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NCNB Texas National Bank  
Trustee Department #0887  
Dallas, TX 75284-0887

San Diego Society Crippled Children  
c/o Trust Department  
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San Diego, CA 92112

Sandra Kay Watson Winters  
6429 Kenwick  
Ft Worth, TX 76116

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P.O. Box 800  
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Santa Fe Minerals, Inc.  
(formerly Santa Fe-Andover Oil  
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Two Lincoln Centre  
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Scope Exploration, Inc.  
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Conservator  
of the Estate of Leola Crawford Neilson  
Oil Royalties Section 3-111280  
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Los Angeles, CA 90051

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Rogers, AR 72756

Shirley Jean Hentges  
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Singer Brothers  
P.O. Box 755  
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Society of St Vincent De Paul  
in Diocese of Brooklyn Long Island NY  
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Spindletop Exploration Co., Inc.  
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Midland, TX 79710-0787

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Successor Personal Representative of  
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Stroud National Bank  
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Rita A. Nissenbaum, Trustee  
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Route #12  
Columbia, MD 65201

T A T, Inc.  
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The Rector Church Wardens &  
Vestrymen of St Mary's Protestant  
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Thomas N. Berry & Co.  
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Total Petroleum, Inc.  
P.O. Box 730023  
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Toto Gas Company  
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Tulsa, OK 74152

Underwriters Group  
Diversified Roy TR Series D  
Commonwealth Trust Company,  
Trustee  
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Unit Operations, Inc.  
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Tulsa, OK 74170

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Sheila Hamilton Estate, Minor  
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Aimutis TR 714688  
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Oil, Gas & Mineral Administrator  
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Fresno, CA 93710

Wells Fargo Bank, N.A., Trustee  
G McCluer Trust 714689  
5262 N. Blackstone Ave.  
Fresno, CA 93710

**UMC PETROLEUM CORPORATION**

**CAUSE CD 950** \_\_\_\_\_

Wells Fargo Bank NA, Trustee  
Aimutis 714690  
Oil, Gas & Mineral Administrator  
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Wells Fargo Bank, N.A.  
Trustee Aimutis Trust 714687  
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*R*

William James Pines  
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Greensboro, NC 27410-5502

William James Pines  
112 Erskine Drive East  
Greensboro, NC 27410-5502

*new address*

William Jay Fish  
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St. Petersburg, FL 33701

William Mullen Company  
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Edmond, OK 73013

William Oscar Deering  
& Eva Margaret Deering  
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Dallas, TX 75214-1730

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P.O. Box 702500  
Tulsa, OK 74170-2500

**Address Unknown:**

C. Julie M Husson  
Address Unknown

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT: UMC PETROLEUM CORPORATION )  
RELIEF SOUGHT: UNITIZATION ENHANCED )  
RECOVERY UNIT )

LEGAL DESCRIPTION: NORTH HALF OF THE )  
NORTHWEST QUARTER AND THE NORTHWEST )  
QUARTER OF THE NORTHEAST QUARTER OF )  
SECTION 4, TOWNSHIP 19 NORTH, RANGE 2 )  
WEST; THE NORTH HALF OF THE NORTHEAST )  
QUARTER OF SECTION 5, TOWNSHIP 19 NORTH, )  
RANGE 2 WEST; THE NORTHEAST QUARTER AND )  
THE SOUTHEAST QUARTER OF THE NORTHWEST )  
QUARTER AND LOTS 2, 3, 4, 5, 6, 7 AND )  
THE SOUTHEAST QUARTER OF THE SOUTHWEST )  
QUARTER AND THE SOUTH HALF OF THE )  
SOUTHEAST QUARTER OF SECTION 32, TOWNSHIP )  
20 NORTH, RANGE 2 WEST; THE NORTHWEST )  
QUARTER AND THE SOUTHWEST QUARTER OF THE )  
NORTHEAST QUARTER AND LOTS 1, 2, 3, 4, 5, )  
6, 7, AND 8 AND THE SOUTH HALF OF THE )  
SOUTH HALF OF SECTION 33, TOWNSHIP 20 )  
NORTH, RANGE 2 WEST, LOGAN AND NOBLE )  
COUNTIES, OKLAHOMA.

CAUSE CD 950003570

**396542**

Order No. \_\_\_\_\_

**ORDER**

THIS CAUSE came on for hearing before Connie Moore, Administrative Law Judge for the Corporation Commission on the 17th day of October, 1995, at 8:30 a.m. in the Jim Thorpe Building, Oklahoma City, Oklahoma, for the purpose of taking testimony and reporting to the Commission pursuant to notice given as required by law and the Rules of the Commission.

At the time of the hearing, Michael D. Stack, Attorney, appeared for the Applicant; Donald F. Heath, Attorney for Virginia Pflum; and Michael Decker, Deputy General Counsel for Conservation, filed notice of appearance on behalf of the Corporation Commission.

The Administrative Law Judge then heard the cause, examined the exhibits placed in evidence, reviewed the file and has filed report recommending that the Application be granted, which report and recommendations are hereby adopted and the Commission, therefore, finds as follows:

**FINDINGS**

1. That the Applicant is the record owner of valid and subsisting oil and gas leases covering the lands described herein, located in Noble and Logan Counties, Oklahoma and has agreements with the required percentages of the working interest owners encompassed by the proposed unit not owned by the Applicant, The Applicant further has agreements, with the required percentage of the royalty owners encompassed by the proposed unit.

2. THAT notice of the filing of the Application herein and of the time, place and purpose of the hearing was regularly given in all respects as required by law and the Rules of the Commission, and that the Commission has jurisdiction over the subject matter hereof and of the persons interested therein, and is the proper agency and has jurisdiction to enter the Order herein set forth, and no protests have been filed and no parties have appeared in opposition to the granting of the Order requested; and the Commission finds that all of the material allegations of the Application filed herein are true and are supported by substantial evidence.

3. THAT the **Cleveland** formation, a separate common source of supply, underlies or substantially underlies all of the following described area:

<u>TRACT</u>	<u>DESCRIPTION</u>
Tract 1	West Half of the Northeast Quarter of Section 32, T20N-R2W
Tract 2	Northeast Quarter of the Northeast Quarter of Section 32, T20N-R2W,
Tract 3	Northwest Quarter of the Northwest Quarter of Section 33, T20N-R2W,
Tract 4	Northeast Quarter of the Northwest Quarter, South Half of the Northwest Quarter of Section 33, T20N-R2W,
Tract 5	Southeast Quarter of the Northeast Quarter of Section 32, T20N-R2W,
Tract 6	Southwest Quarter of the Northeast Quarter of Section 33, T20N-R2W,
Tract 7A	Lots 2,3, Section 32, T20N-R2W,
Tract 7B	Lot 7, Section 32, T20N-R2W,
Tract 8	Lot 4, Section 32, T20N-R2W,
Tract 9	Lots 1,2, Section 33, T20N-R2W,
Tract 10A	Lots 3,4, Section 33, T20N-R2W,
Tract 10B	Lots 5,6, Section 33, T20N-R2W,
Tract 11A	Western portion of Lots 5,6, South Half of the Southeast Quarter, South-east Quarter of the Southwest Quarter, less and except western 10.04 acres of Lot 6 and western 5.6166 acres of East Half of the Southwest Quarter of the Southeast Quarter of Section 32, T20N-R2W,
Tract 11B	Western 10.04 acres of Lot 6 and Western 5.6166 acres of the East Half of the Southwest Quarter of the Southeast Quarter, Section 32, T20N-R2W,
Tract 12	East 76 acres of Lots 5,6, South Half of the Southeast Quarter of Section 32, T20N-R2W,
Tract 13	Lots 7,8, South Half of the Southwest Quarter of Section 33, T20N-R2W,
Tract 14	South Half of the Southeast Quarter of Section 33, T20N-R2W,
Tract 15	Lot 2, Section 5, T19N-R2W,
Tract 16	Lot 1, Section 5, T19N-R2W,
Tract 17	Lots 3,4, Section 4, T19N-R2W,
Tract 18	Lot 2, Section 4, T19N-R2W,



Tract 19

Southeast Quarter of the  
Northwest Quarter of Section 32,  
T20N-R2W,

which lands are further outlined on the map designated as Exhibit "A", a copy of which is attached hereto and incorporated by reference, and which lands are further referred to hereafter as the "Unit Area", which exhibit is hereby incorporated by reference.

4. The Formation underlying the Unit Area has been defined and determined to be productive of oil and gas by actual drilling operations conducted on said lands, that the area described herein sought to be included within the Unit Area is of such size and shape as may be reasonably required for the successful and efficient conduct of the unitized method or methods of operations for which the unit is created and the conduct of this Plan will have no material adverse effect upon any other common source of supply underlying the Unit Area. That there is currently a small amount of production of oil and gas from the proposed Unit Area and that the sole means of recovery of those hydrocarbons left in the ground will be lost unless an enhanced recovery project as requested in this Application can be implemented.

5. The unitized method of enhanced recovery operations as proposed herein is believed feasible and will prevent waste and will, with reasonable probability, result in an increased recovery of substantially more oil and gas from the common source of supply; otherwise, in the opinion of the Applicant, substantial reserves will be lost.

6. The Plan of Unitization is believed suited to the needs and requirements of this particular unit based on the facts and conditions currently existing with respect thereto; and the Plan of Unitization makes provisions for all rights, obligations and duties as between lessees as is required by law.

7. Such Plan of Unitization, in addition to other terms, provisions, conditions and requirements which are reasonably necessary to implement and accomplish the purpose of the unit, makes fair, reasonable and equitable provisions for the following:

A. The unitized management and control for development and operation of the Unit Area for the recovery of oil and gas from the **Cleveland** formation, a separate common source of supply, underlying the Unit Area.

B. The division of interest or formula for the apportionment and allocation of the unit production among and to the several separately owned tracts within the Unit Area, such as will reasonably permit persons, otherwise entitled to share in or benefit by the production from each separately owned tract, to produce or receive in lieu thereof their fair, equitable and reasonable share of the unit production or other benefits thereof measured by the value of each tract for oil and gas purposes and its contributing value to the unit in relation to like values of other tracts in the unit, taking into account all factors provided by law.

C. The manner in which the unit and further development and operation of the Unit Area shall be financed and the basis, terms and conditions upon which the cost and expense thereof shall be apportioned among and assessed against the tracts and interests more chargeable therewith, including a detailed accounting procedure governing all charges and credits incident to such operations.

D. The procedure for carrying or otherwise financing lessees who are unable to meet their financial obligations promptly in connection with the unit.

E. The creation of an operating committee to have general overall management and control of the unit and conduct of its business and affairs and the operations carried on by it, together with the creation or designation of such other subcommittees, boards or officers to function under the authority of the operating committee, as may be necessary, proper or convenient in the efficient management of the unit, defining the powers and duties of all such committees, boards or officers, and prescribing their tenure and time and method for their selection.

F. The time when and conditions under which the method by which the unit shall or may be dissolved and its affairs wound up.

8. It is the further finding of the Commission that the Plan of Unitization complies with the requirements of the applicable statutes and the Plan has been signed and approved by the lessees of record owning more than 63% of the leasehold estate in the Unit Area and that the Plan of Unitization has been ratified or approved in writing by the owners of record of more than 63% exclusive of overriding royalty interests, of the normal 1/8 royalty interest in and to the Unit Area and that the Order of the Commission entered in this cause shall become effective immediately.

9. That the Oklahoma Legislature passed House Bill No. 1481, which amended Title 52, O.S. 287.4, effective April 13, 1995. The Applicant will comply with all the requirements of House Bill NO. 1481, and the Plan of Unitization shall be amended to reflect the recent changes in the non consent provisions.

#### ORDER

IT IS THEREFORE ORDERED by the Corporation Commission of the State of Oklahoma as follows:

1. That the Application filed herein as to the **South Lucien Waterflood Unit** be and the same is hereby granted and that the **South Lucien Waterflood Unit** is hereby created in accordance with and subject to the terms, provisions and amendments of the Plan of Unitization, as amended, attached to the Application filed in this cause.

2. The Plan of Unitization is hereby made a part of this Order by reference with the same force and effect as if set out hereby in its entirety and is hereby approved and such Plan of Unitization shall constitute the plan for the unitized development, operation and management of the **Cleveland** formation, a separate common source of supply underlying the Unit Area.

3. That the Unit Area so created shall be that area of the formation, a separate common source of supply, as shown on the attached plat, marked Exhibit "A" which covers and includes those tracts included in the Unit Area, which Exhibit is hereby incorporated by reference and made a part of this Order.

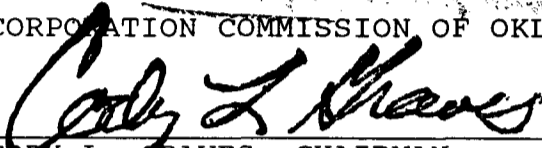
4. That each of the tracts located within the Unit Area as shown on Exhibit "B" attached to the Plan of Unitization shall, subject to the terms and provisions of the Plan of Unitization participate in unit production and other benefits and burdens of the unit in accordance with the participation percentages as set forth in the Plan of Unitization.


5. The unit operator shall from time to time make such reports to the Commission concerning the operation of the Unit Area as may be required by the Commission.

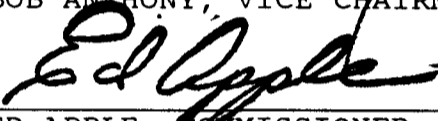
6. The Commission retains continuing jurisdiction of the Unit in order that it may exercise such administrative controls of the unit as is consistent with the powers and duties of the Commission as established by the Constitution and Statutes of the State of Oklahoma.

7. This Order shall become effective immediately and the Plan of Unitization shall become effective at 7:00 a.m. on the 1st day of November, 1995.

CORPORATION COMMISSION OF OKLAHOMA

  
CODY L. GRAVES, CHAIRMAN

  
BOB ANTHONY, VICE CHAIRMAN

  
ED APPLE, COMMISSIONER

DONE AND PERFORMED THIS 24<sup>th</sup> DAY OF October, 1995.

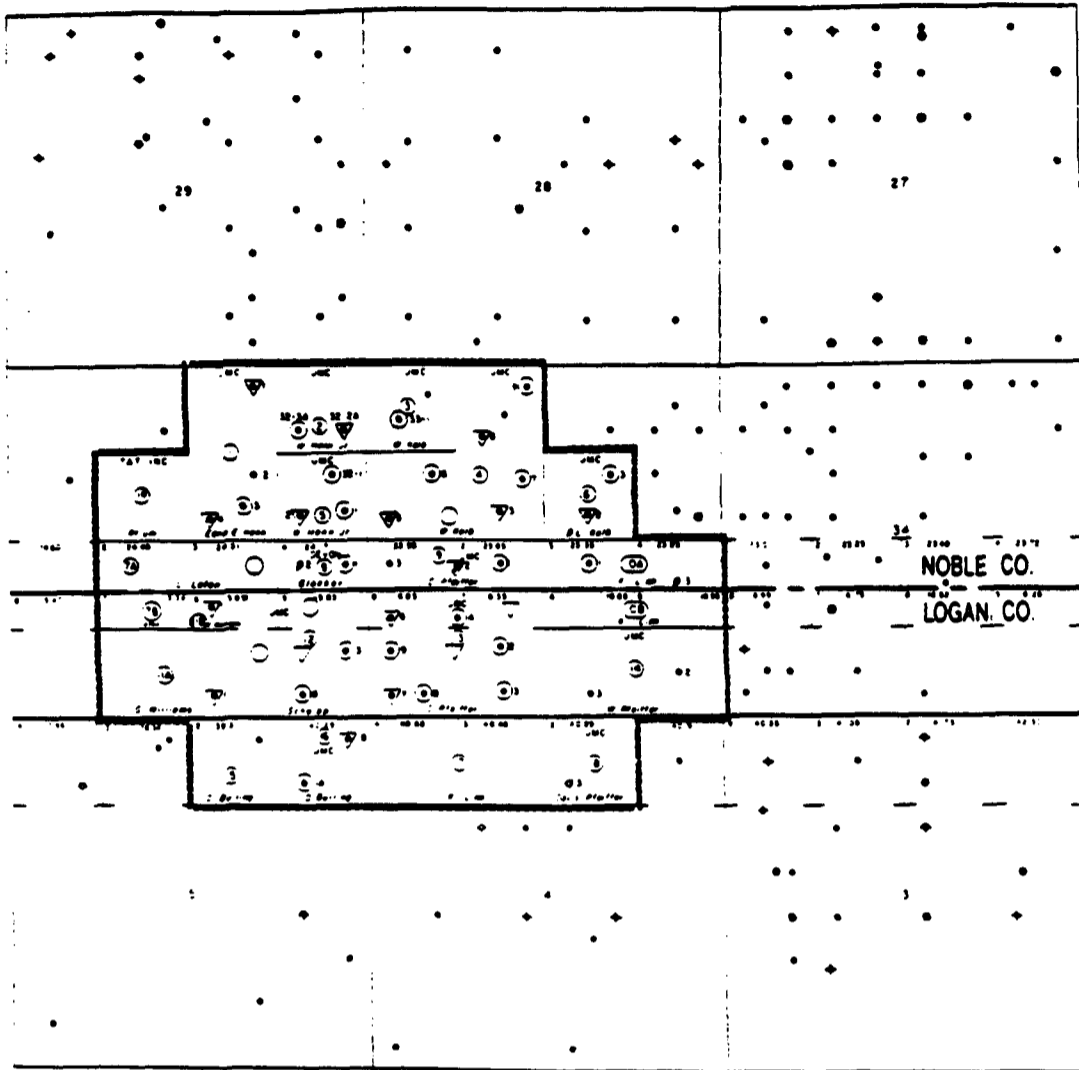
ATTEST:

  
CHARLOTTE W. FLANAGAN, Secretary

R 2 W

T 20 N

T 19 N



NOBLE CO.  
LOGAN CO.

- LEGEND -
- PROPOSED PRODUCERS
  - ▽ PROPOSED INJECTORS

<b>UMC</b>	<b>UMC PETROLEUM CORPORATION</b>
REVISIONS	<b>PROPOSED SOUTH LUCIEN WATERFLOOD</b> NOBLE and LOGAN COUNTIES, OLLAHOMA
	<b>WATERFLOOD CONFIGURATION</b>
	Scale 1" = 400'
	DATE 1-2-58

Exhibit "A"  
Page 1 of 1

UMC PETROLEUM CORPORATION  
CAUSE CD NO. 950003570  
PAGE 6

This cause came on for hearing before Connie Moore, Administrative Law Judge for the Corporation Commission, in the Commission's Courtroom, Jim Thorpe Building, Oklahoma City, Oklahoma, on the 17th day of October, 1995, pursuant to notice given as required by law and the rules of the Commission, and the Administrative Law Judge heard said cause and all persons present at the hearing who were interested in said cause were given an opportunity to present testimony, either for or against the Application, and after hearing all the testimony, the Administrative Law Judge is of the opinion that the Application should be granted and an order, a copy of which is hereto attached, should be made.

That the findings in the attached Order are each and all supported by the evidence and are made a part of this report as fully and as completely as if set out herein in full.

DATED this \_\_\_\_\_ day of October, 1995.

---

ADMINISTRATIVE LAW JUDGE

**PLAN OF UNITIZATION  
SOUTH LUCIEN WATERFLOOD UNIT  
LOGAN AND NOBLE COUNTIES, OKLAHOMA  
TABLE OF CONTENTS**

SECTION		PAGE
	<b>ARTICLE 1 DEFINITIONS</b>	
1.1	Definitions .....	1
	<b>ARTICLE 2 EXHIBITS</b>	
2.1	Exhibits .....	3
2.2	Reference to Exhibits .....	3
2.3	Exhibits Considered Correct .....	3
2.4	Correcting Errors .....	3
	<b>ARTICLE 3 CREATION AND EFFECT OF UNIT</b>	
3.1	General Powers of Unit .....	3
3.2	Oil and Gas Rights Unitized .....	3
3.3	Personal Property Excepted .....	3
3.4	Amendment of Leases and Other Agreements .....	3
3.5	Continuation of Leases and Term Interests .....	3
3.6	Titles Unaffected by Unitization .....	4
3.7	Injection Rights .....	4
3.8	Cooperative Agreements .....	4
3.9	Change of Method of Operation .....	4
	<b>ARTICLE 4 ALLOCATION OF UNITIZED SUBSTANCES</b>	
4.1	Tract Participations .....	4
4.2	Relative Tract Participations .....	4
4.3	Allocation to Tracts .....	4
4.4	Distribution Within Tracts .....	4
4.5	Existing Division Orders .....	5
4.6	Taking Unit Production In Kind .....	5
4.7	Failure to Take In Kind .....	5
4.8	Responsibility for Royalty Settlements .....	5
4.9	Sliding Scale Royalty .....	5
4.10	Royalty on Outside Substances .....	5
	4.10.1 Gas .....	6
	4.10.2 Liquid Hydrocarbons .....	6
	<b>ARTICLE 5 PRODUCTION AS OF THE EFFECTIVE DATE</b>	
5.1	Oil or Liquid Hydrocarbons in Lease Tanks .....	6
	<b>ARTICLE 6 USE OR LOSS OF UNITIZED SUBSTANCES</b>	
6.1	Use of Unitized Substances .....	6
6.2	Royalty Payments .....	6
	<b>ARTICLE 7 TITLES</b>	
7.1	Warranty and Indemnity .....	6
7.2	Title Information .....	6
7.3	Production Where Title is in Dispute .....	6
7.4	Payment of Taxes to Protect Title .....	7
7.5	Assignment .....	7
7.6	Failure Due to Unit Operations .....	7
7.7	No Charge to Joint Account .....	7
7.8	Waiver of Rights to Partition .....	7
7.9	Maintenance of Divested Ownership .....	7

**TABLE OF CONTENTS**

SECTION		PAGE
<b>ARTICLE 8 EASEMENTS OR USE OF SURFACE</b>		
8.1	Grant of Easements .....	8
8.2	Use of Water .....	8
8.3	Surface Damages .....	8
<b>ARTICLE 9 CHANGES AND AMENDMENTS</b>		
9.1	Changes and Amendments .....	8
<b>ARTICLE 10 INDIVIDUAL RELATIONSHIP AND RIGHTS</b>		
10.1	No Partnership .....	8
10.2	Internal Revenue Code Election .....	8
10.3	No Joint Refining or Marketing .....	8
10.4	Royalty Owners Free of Costs; Lien on Subsequently Created Royalty Interest .....	9
10.5	Information to Royalty Owners .....	9
<b>ARTICLE 11 SUPERVISION OF OPERATIONS BY WORKING INTEREST OWNERS</b>		
11.1	Overall Supervision .....	
11.2	Specific Authority and Duties .....	
	11.2.1 Method of Operation .....	
	11.2.2 Drilling of Wells .....	
	11.2.3 Well Recompletions and Changes of Status .....	
	11.2.4 Expenditures .....	
	11.2.5 Disposition of Unit Equipment .....	
	11.2.6 Appearance Before a Court or Regulatory Agency .....	
	11.2.7 Audits .....	
	11.2.8 Inventories .....	9
	11.2.9 Technical Services .....	10
	11.2.10 Assignments to Committees .....	10
	11.2.11 Replacement of Operator .....	10
	11.2.12 Changes to the Unit Area or Amendments of this Plan .....	10
	11.2.13 Investment Adjustment .....	10
	11.2.14 Termination of Unit Operations and Plan .....	10
	11.2.15 Audit Exceptions .....	10
<b>ARTICLE 12 MANNER OF EXERCISING SUPERVISION</b>		
12.1	Creation of the Operating Committee .....	10
12.2	Meetings .....	10
12.3	Voting Procedure .....	10
	12.3.1 Voting Interest .....	10
	12.3.2 Vote Required - Generally .....	10
	12.3.3 Vote at Meeting by Nonattending Working Interest Owner .....	10
	12.3.4 Poll Votes .....	10
12.4	No Joint or Several Committee Liability .....	11
12.5	Minutes .....	11
<b>ARTICLE 13 INDIVIDUAL RIGHTS OF WORKING INTEREST OWNERS</b>		
13.1	Reservation of Rights .....	11
13.2	Specific Rights .....	11
	13.2.1 Access to Unit Area .....	11
	13.2.2 Reports .....	11
13.3	Reversionary Interests .....	11
<b>ARTICLE 14 UNIT OPERATOR</b>		
14.1	Unit Operator .....	11
14.2	Resignation or Removal of Unit Operator .....	11
14.3	Selection of Successor Unit Operator .....	12

**TABLE OF CONTENTS**

SECTION		PAGE
<b>ARTICLE 15</b>		
<b>AUTHORITY AND DUTIES OF UNIT OPERATOR</b>		
15.1	Exclusive Right to Operate Unit . . . . .	12
15.2	Workmanlike Conduct . . . . .	12
15.3	Liens and Encumbrances . . . . .	12
15.4	Employees . . . . .	12
15.5	Records . . . . .	12
15.6	Reports to Working Interest Owners . . . . .	12
15.7	Reports to Governmental Authorities . . . . .	12
15.8	Engineering and Geological Information . . . . .	12
15.9	Expenditures . . . . .	12
15.10	Wells Drilled by Unit Operator . . . . .	12
15.11	Surplus Unit Equipment . . . . .	12
15.12	Restoration Work - Restoration of Surface Conditions Existing Prior to Unitization . . . . .	12
<b>ARTICLE 16</b>		
<b>TAXES</b>		
16.1	Ad Valorem Taxes . . . . .	13
16.2	Other Taxes . . . . .	13
16.3	Notices . . . . .	13
<b>ARTICLE 17</b>		
<b>INSURANCE</b>		
17.1	Insurance . . . . .	13
<b>ARTICLE 18</b>		
<b>ADJUSTMENTS OF INVESTMENTS</b>		
18.1	Property Taken Over . . . . .	13
	18.1.1 Wells . . . . .	13
	18.1.2 Equipment . . . . .	13
	18.1.3 Records . . . . .	13
18.2	Inventory and Evaluation . . . . .	13
18.3	Investment Adjustment . . . . .	14
18.4	General Facilities . . . . .	14
18.5	Ownership of Property and Facilities . . . . .	14
18.6	Adjustment for Non-Usable Wells . . . . .	14
18.7	Surface Leases . . . . .	14
18.8	Prior Liabilities/Obligations . . . . .	14
<b>ARTICLE 19</b>		
<b>UNIT EXPENSE</b>		
19.1	Basis of Charges to Working Interest Owners . . . . .	14
19.2	Budgets . . . . .	14
19.3	Advance Billing . . . . .	15
19.4	Commingling of Funds . . . . .	15
19.5	Lien and Security Interest of Unit Operator . . . . .	15
19.6	Unpaid Unit Expense . . . . .	15
19.7	Carved-Out Interest . . . . .	16
19.8	Attorney's Fee . . . . .	16
19.9	Security . . . . .	16
19.10	Bankruptcy . . . . .	17
19.11	Pre-Unitization Expense . . . . .	17
<b>ARTICLE 20</b>		
<b>NONUNITIZED FORMATIONS</b>		
20.1	Right to Operate . . . . .	17
20.2	Multiple Completions . . . . .	17
20.3	Salt Water Disposal - Other Formations . . . . .	17
<b>ARTICLE 21</b>		
<b>UNLEASED INTERESTS</b>		
21.1	Treated as Leased . . . . .	17



**TABLE OF CONTENTS**

SECTION		PAGE
<b>ARTICLE 22 LIABILITY, CLAIMS, AND SUITS</b>		
22.1	Individual Liability .....	17
22.2	Settlements .....	18
22.3	Notice of Loss .....	18
<b>ARTICLE 23 NONDISCRIMINATION</b>		
23.1	Nondiscrimination .....	18
<b>ARTICLE 24 NOTICES</b>		
24.1	Notices .....	18
<b>ARTICLE 25 FORCE MAJEURE</b>		
25.1	Force Majeure .....	18
<b>ARTICLE 26 EFFECTIVE DATE</b>		
26.1	Effective Date .....	18
26.2	Non-Approval of Plan .....	18
26.3	Failure to Take Over Operations .....	19
26.4	Certificate of Effectiveness .....	19
<b>ARTICLE 27 TERM AND ABANDONMENT OF UNIT OPERATIONS</b>		
27.1	Term .....	19
	27.1.1 Temporary Abandonment of Unitized Formation .....	19
	27.1.2 Meeting of Operating Committee to Terminate Unit Operations .....	19
27.2	Abandonment of Unit Operations .....	19
	27.2.1 Oil and Gas Rights .....	19
	27.2.2 Right to Operate .....	19
	27.2.3 Salvaging Wells and Unit Equipment .....	19
	27.2.4 Cost of Salvaging and Distribution of Assets .....	19
27.3	Certificate of Termination .....	20
27.4	Obligations Payable After Termination .....	20
<b>ARTICLE 28 ABANDONMENT OF WELLS</b>		
28.1	Rights of Former Owners .....	20
28.2	Plugging .....	20
<b>ARTICLE 29 WITHDRAWAL OF WORKING INTEREST OWNERS</b>		
29.1	Withdrawal .....	20
29.2	Limitation on Withdrawal .....	20
<b>ARTICLE 30 APPROVAL</b>		
30.1	Original, Counterpart, or Other Instrument .....	21
30.2	Commitment of Interests to Unit .....	21
30.3	Prior Agreements .....	21
<b>ARTICLE 31 SUCCESSORS AND ASSIGNS</b>		
31.1	Successors and Assigns .....	21

1  
2  
3  
4  
5  
6  
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**PLAN OF UNITIZATION**  
**SOUTH LUCIEN WATERFLOOD UNIT**  
**LOGAN AND NOBLE COUNTIES, OKLAHOMA**

The following shall constitute the Plan of Unitization applicable to the South Lucien Waterflood Unit created pursuant to authority of Title 52 Oklahoma Statutes 1951, Sections 287.1 - 287.15 inclusive, and amendments thereto, and having for its purpose the unitized management, operation and further development of the Unitized Formation, as herein defined, all to the end that a greater ultimate recovery of Oil and Gas may be had therefrom, waste prevented and the correlative rights of the respective owners protected.

**ARTICLE 1**  
**DEFINITIONS**

As used in this Plan:

- 1.1 Plan shall mean this Plan of Unitization for the South Lucien Waterflood Unit.
- 1.2 Unit shall mean the South Lucien Waterflood Unit created hereunder.
- 1.3 Unit Area shall mean the lands shown on Exhibit "A" and described by tracts on Exhibits "B and C", as to which this Plan becomes effective or may become extended as herein provided.
- 1.4 Unitized Formation shall mean the common source of supply underlying the Unit Area known as the Cleveland Formation. For purposes of identification, the Cleveland Formation is identified as the interval from a depth of 4,514' to 4,600' in the Henn 32-1 well located in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ , Section 32, Township 20 North, Range 2 West, Noble County, Oklahoma.
- 1.5 Unit Production shall mean all Unitized Substances, except those used or consumed in Unit Operations or unavoidably lost, produced from the Unit Area from and after the Effective Date, regardless of the well or Tract within the Unit Area from which the same is produced.
- 1.6 Unitized Substances shall mean all oil, gas, gaseous substances, sulphur contained in gas, condensate, distillate, and all associated and constituent liquid or liquefiable hydrocarbons other than Outside Substances within or produced from the Unitized Formation.
- 1.7 Working Interest shall mean an interest in Unitized Substances by virtue of a lease, operating agreement, fee title, or otherwise, including a carried interest, the owner of which is obligated to pay or bear, either in cash, out of production or otherwise, a portion of Unit Expense. It shall include an unleased mineral interest in Unitized Substances to the extent of  $\frac{1}{8}$  thereof with the remaining  $\frac{7}{8}$  thereof being a Royalty Interest.
- 1.8 Royalty Interest shall mean a right to or interest in any portion of the Unitized Substances or proceeds thereof other than a Working Interest.
- 1.9 Royalty Owner shall mean a Person who owns a Royalty Interest.
- 1.10 Working Interest Owner or Lessee shall mean a Person who owns a Working Interest.
- 1.11 Tract shall mean each of the separately owned tracts of land within the Unit Area identified as such and given a tract number on Exhibit "A" and described by such number on Exhibits "B and C".
- 1.12 Unit Operator shall be the Working Interest Owner designated by Working Interest Owners to conduct Unit Operations, acting as Operator and not as a Working Interest Owner.
- 1.13 Tract Participation is the percentage or decimal interest of Unit Production allocated to a Tract under this Plan as shown on Exhibits "B and C".
- 1.14 Unit Participation of a Working Interest Owner shall mean the sum of the percentages obtained by multiplying the Working Interest of such Working Interest Owner in each Tract by the Primary or Secondary Tract Participation (as defined in Article 4.3) of such Tract that qualifies for inclusion within the Unit Area.
- 1.15 Outside Substances shall mean all substances purchased or otherwise obtained from any source other than the Unitized Formation and injected into the Unitized Formation.

1           1.16    Oil and Gas Rights shall mean the right to explore, develop, and operate lands within  
2 the Unit Area for the production of Unitized Substances to reduce same to possession, or to share in  
3 the production so obtained or the proceeds thereof.  
4

5           1.17    Unit Operations shall mean all operations conducted pursuant to this Plan.  
6

7           1.18    Unit Equipment shall mean all personal property, lease and well equipment, plants or  
8 other facilities and equipment taken over or otherwise acquired for the joint account for use in Unit  
9 Operations.  
10

11           1.19    Unit Expense shall mean any and all cost, expense or indebtedness incurred by the  
12 Unit or Unit Operator pursuant to this Plan for or on account of Unit Operations. As used in this Plan,  
13 Unit Expense shall mean and include the following items:  
14

15           a)    "Unit Development Expense" shall include, but not be limited to, any and all  
16 cost and expense incurred by the Unit or Unit Operator in the drilling of wells, and in  
17 purchasing and installing necessary equipment, additions, betterments and improvements for  
18 the Unit Area, including, but not limited to, water supply systems, water treating and injection  
19 systems, water distribution systems, production gathering systems and central consolidated  
20 tank battery facilities, including LACT facilities. Furthermore, the cost and expense incurred  
21 in the conversion and equipping of wells for water injection and in the preparation of producing  
22 wells for the most efficient depletion of the Unitized Formation shall be considered as Unit  
23 Development Expense. Well remedial work performed in or on any producing well and any  
24 equipment installed in or on any producing well for the purpose of enhanced recovery will be  
25 considered Unit Development Expense.  
26

27           b)    "Primary Unit Operating Expense" shall include any and all costs and expenses  
28 incurred by the Unit or Unit Operator in the daily operation and maintenance of the Unit Area  
29 or the property owned by the Unit, including, but not limited to, the cost and expense for  
30 operation, maintenance and repair of the producing wells, producing equipment, production  
31 gathering systems and production tank batteries. Upon the recovery and sale of 175,000 gross  
32 barrels of oil from the Unit Area on or after January 1, 1995, regardless of the formation  
33 produced, Primary Unit Operating Expense will no longer be effective and all expenses  
34 thereafter will be allocated according to Secondary Tract Participation percentages.  
35

36           c)    "Secondary Unit Operating Expense" shall include any and all costs and  
37 expenses incurred by the Unit or Unit Operator in the daily operation and maintenance of the  
38 Unit Area or the property owned by the Unit, including, but not limited to, the cost and  
39 expense for operation, maintenance and repair of injection facilities, injection wells, and  
40 injection distribution systems.  
41

42           d)    "Unit Overhead Charges" shall mean those charges made under Exhibit "D".  
43

44           1.20    Effective Date shall mean the date this Unit becomes effective as provided in Article  
45 26.  
46

47           1.21    Person shall mean any individual, corporation, partnership, association, receiver,  
48 trustee, curator, executor, administrator, guardian, tutor, fiduciary, or other representative of any kind,  
49 any department, agency, or instrumentality of the state, or any governmental subdivision thereof, or  
50 any other entity owning or holding title to a Royalty Interest or Working Interest in the Unitized  
51 Formation.  
52

53           1.22    Corporation Commission shall mean the Corporation Commission of the State of  
54 Oklahoma.  
55

56           1.23    Operating Committee shall mean the committee comprised of representatives of the  
57 Working Interest Owners and formed pursuant to this Plan.  
58

59           1.24    Pre-Unitization Expense shall include, but not be limited to, those items set forth on  
60 Exhibit "E".  
61

62           1.25    Carried Working Interest Owner shall mean any Working Interest Owner electing or  
63 deemed to have elected not to participate in Unit Expense pursuant to Article 19.  
64

65           1.26    Carried Working Interest shall mean the Working Interest of a Carried Working Interest  
66 Owner prior to recoupment of Unit Expense and the applicable penalties by the non-Carried Working  
67 Interest Owners bearing such Unit Expense.

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**ARTICLE 2  
EXHIBITS**

2.1 **Exhibits.** The following exhibits, which are attached hereto, are incorporated herein by reference:

- Exhibit "A", Map of Unit Area
- Exhibit "B", Legal Description of Tracts and Primary Tract Participation Factors
- Exhibit "C", Legal Description of Tracts and Secondary Tract Participation Factors
- Exhibit "D", Accounting Procedure
- Exhibit "E", Pre-Unitization Expense
- Exhibit "F", Primary Unit Operating Expense
- Exhibit "G", Inventory and Pricing Schedule
- Exhibit "H", Form of Lease
- Exhibit "I", Insurance
- Exhibit "J", Usable Wells

2.2 **Reference to Exhibits.** When reference is made to an exhibit, it is to the exhibit as originally attached or, if revised, to the last revision.

2.3 **Exhibits Considered Correct.** All exhibits shall be considered to be correct unless revised as herein provided.

2.4 **Correcting Errors.** The shapes and descriptions of the respective Tracts have been established by using the best information available. If it subsequently appears that any Tract, because of diverse royalty or working interest ownership on the Effective Date, should be divided into more than one Tract, or that any mechanical error has been made in the preparation of any exhibit or information shown thereon, Unit Operator may revise such exhibit to conform to the facts, and shall furnish such revised exhibit to all parties who may be affected by the revision. Unit Operator shall also file the revised exhibit for record in the county in which this Plan is recorded, and the revised exhibit shall be effective at 7:00 a.m. on the first day of the calendar month next following such recording or such other date as specified by Unit Operator in order to revise the exhibit as of the proper time. The revision shall not include any re-evaluation of engineering or geological interpretations used in determining Tract Participations.

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**ARTICLE 3  
CREATION AND EFFECT OF UNIT**

3.1 **General Powers of Unit.** The Unit is authorized for the account of all owners of Oil and Gas Rights within the Unit Area, without profit to the Unit, to supervise and conduct the further development and operation of the Unit Area for the production of Oil and Gas from the Unitized Formation, pursuant to the powers conferred and subject to the limitations imposed by the provisions of Sections 287.1 - 287.15 inclusive, Title 52, Oklahoma Statutes 1951, and amendments thereto, and by this Plan.

3.2 **Oil and Gas Rights Unitized.** The adoption of this Plan and the creation of the Unit as herein provided shall have the effect from and after the Effective Date of unitizing all Oil and Gas Rights of Working Interest Owners and Royalty Owners in the Unitized Formation and of pooling and unitizing the production obtained therefrom, so that Unit Operations may be conducted as if the Unitized Formation had been included in a single lease executed by all Royalty Owners and unleased mineral owners, as lessors, in favor of all Working Interest Owners, as lessees, and as if such lease had been subject to all provisions of this Plan.

3.3 **Personal Property Excepted.** Subject to the provisions of Article 18, all lease and well equipment, materials, and other facilities heretofore or hereafter placed by any of the Working Interest Owners on the lands covered hereby shall be deemed to be and shall remain personal property belonging to, and may be removed by, such Working Interest Owners.

3.4 **Amendment of Leases and Other Agreements.** The provisions of the various leases, agreements, division and transfer orders, or other instruments pertaining to the respective Tracts or the production therefrom are amended to the extent necessary to make same conform to the provisions of this Plan, but otherwise shall remain in effect.

3.5 **Continuation of Leases and Term Interests.** All Unit Operations, including, but not limited to, the commencement, drilling, or operation of a well or production therefrom upon any part of the Unit Area, shall be deemed for all purposes, except for the purpose of determining payments to Royalty Owners, as operations upon or production from each Tract by the several owners thereof, and such operations or production shall continue in effect each lease, or term royalty or mineral interest, or other agreement pertaining to the development of the Unitized Formation, as to all lands covered thereby, just as if such operations had been conducted upon or a well had been drilled on and was producing from each Tract in the Unit Area.

1           **3.6**     Titles Unaffected by Unitization. Nothing herein shall be construed to result in any  
2 cross-assignment or other transfer of title to Oil and Gas Rights, nor shall the Unit be regarded as  
3 owning any of the Unit Production. Real or personal property which the Unit may in any way acquire,  
4 hold or possess, shall not be acquired, held or possessed by the Unit for its own account, but shall be  
5 so acquired, held or possessed by the Unit for the account and benefit of the several Working Interest  
6 Owners within the Unit Area and shall be owned by such Working Interest Owners in undivided  
7 interests, in accordance with their respective percentages of Unit Participation, subject, however, to  
8 the right of the Unit to the possession, management, use or disposal of same in the proper conduct  
9 of its affairs, and subject to any lien the Unit or Unit Operator may have thereon to secure the payment  
10 of Unit Expense.

11  
12           **3.7**     Injection Rights. Royalty Owners hereby grant Working Interest Owners the right to  
13 inject into the Unitized Formation any substances in whatever amounts the Operating Committee deems  
14 expedient for Unit Operations, together with the right to drill, use, and maintain injection wells in the  
15 Unit Area, and to use for injection purposes any nonproducing or abandoned wells and/or temporarily  
16 abandoned wells or dry holes, and any producing wells completed in the Unitized Formation or other  
17 formations.

18  
19           **3.8**     Cooperative Agreements. In the interest of conservation and to increase the recovery  
20 of Unit Production, Working Interest Owners hereby authorize and empower Unit Operator to execute  
21 on their behalf agreements with the owners of working interests in lands outside the Unit Area for  
22 cooperative development, operation, fluid injection or similar programs with respect to the equivalent  
23 of the Unitized Formations outside the Unit Area. Any such agreement shall make provisions for the  
24 drilling or conversion, equipping and operation of compensating fluid injection wells in the Unitized  
25 Formations and adjoining equivalent of the Unitized Formations outside the Unit Area. The rate of fluid  
26 injection in such wells inside the Unit Area shall be approximately equal to the rate of injection into  
27 such wells outside the Unit Area. Any such agreement shall in no way affect or alter the percentages  
28 of participation established hereunder as to the parties hereto, nor shall the same provide for the  
29 sharing or allocation of production as between the Unit Area and any outside lands.

30  
31           **3.9**     Change of Method of Operation. Nothing herein shall prevent Working Interest  
32 Owners from discontinuing or changing in whole or in part any method of operation which, in their  
33 opinion, is no longer in accord with good engineering and production practices. Other methods of  
34 operation may be conducted or changes may be made from time to time if determined by Working  
35 Interest Owners to be feasible, necessary, or desirable to increase the ultimate recovery of oil and gas  
36 from the Unitized Formation or to prevent premature abandonment of wells.

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39   **ARTICLE 4**  
40   **ALLOCATION OF UNITIZED SUBSTANCES**

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42           **4.1**     Tract Participations. The Tract Participations of each Tract are shown on Exhibits "B  
43 and C".

44  
45           **4.2**     Relative Tract Participations. If the Unit Area is changed as provided under Article  
46 9.1, the revised Tract Participations of the Tracts in the changed Unit Area and which were within the  
47 Unit Area prior to the change shall remain in the same ratio one to another.

48  
49           **4.3**     Allocation to Tracts. All Unit Production except that used in Unit Operations and  
50 except that unavoidably lost shall be allocated to the several Tracts in accordance with their respective  
51 Tract Participations according to a two phase formula providing for a single phase Primary Tract  
52 Participation and a single phase Secondary Tract Participation (see Exhibits "B and C" for Tract  
53 Participations). Primary Tract Participation percentages will remain in effect from and after the  
54 Effective Date until a total of 175,000 gross barrels of oil have been recovered and sold from all  
55 formations within the Unit Area on or subsequent to January 1, 1995. Upon the recovery and sale of  
56 175,000 gross barrels of oil from the Unit Area, the Primary Tract Participation will no longer be  
57 effective and the Unit Production thereafter will be allocated according to Secondary Tract Participation  
58 percentages until depletion. The Secondary Tract Participation percentages will be effective on the first  
59 day of the first month following recovery and sale of such 175,000 gross barrels of oil.

60  
61           All gas produced and sold from the Unit Area will be allocated to the respective Tracts on the  
62 same pro rata basis as the allocation of oil under the above described Tract Participations. The amount  
63 of Unit Production allocated to each Tract, regardless of whether more or less than the actual  
64 production from the well or wells, if any, on such Tract, shall be deemed for all purposes to have been  
65 produced from such Tract.

66  
67           **4.4**     Distribution Within Tracts. The Unit Production allocated to each Tract shall be  
68 distributed among, or accounted for, the Persons entitled to share in the production from such Tract  
69 in the same manner, in the same proportions, and upon the same conditions as they would have  
70 participated and shared in the production from such Tract, or in the proceeds thereof, had this Plan not  
71 been entered into, and with the same legal effect.

1 If any Oil and Gas Rights in a Tract hereafter become divided and owned in severalty as to different  
2 parts of the Tract, the owners of the divided interests, in the absence of an agreement providing for  
3 a different division, shall share in the Unit Production allocated to the Tract, or in the proceeds thereof,  
4 in proportion to the surface acreage of their respective parts of the Tract. Any royalty or other  
5 payment which depends upon per well production or pipeline runs from a well or wells on a Tract shall,  
6 after the Effective Date, be determined by dividing the Unitized Substances allocated to the Tract by  
7 the number of wells on the Tract capable of producing Unitized Substances on the Effective Date;  
8 however, if any Tract has no well thereon capable of producing Unitized Substances on the Effective  
9 Date, that Tract shall, for the purpose of this determination, be deemed to have one such well thereon.

10  
11 4.5 Existing Division Orders. No division order or other contract relating to the sale or  
12 purchase of production from a Tract shall be terminated by this Plan or any order of the Corporation  
13 Commission providing for Unit Operations, but shall remain in force and apply to Unit Production  
14 allocated to such Tract until terminated in accordance with the provisions of such division order or  
15 contract.

16  
17 4.6 Taking Unit Production In Kind. Unit Production allocated to each Tract may be  
18 delivered in kind to the respective Persons entitled thereto by virtue of the ownership of Oil and Gas  
19 Rights therein or by purchase from such owners. Such Persons or the purchasers of Unit Production  
20 shall have the right to construct, maintain, and operate within the Unit Area all necessary facilities for  
21 that purpose, provided they are so constructed, maintained, and operated as not to interfere with Unit  
22 Operations. Any extra expenditure incurred by Unit Operator by reason of the delivery in kind of any  
23 portion of Unit Production shall be borne by the owner of such portion. If a Royalty Owner has the  
24 right to take in kind a share of Unit Production and fails to do so, the Working Interest Owner whose  
25 Working Interest is subject to such Royalty Interest shall be entitled to take in kind such share of Unit  
26 Production.

27  
28 4.7 Failure to Take In Kind. If any Person fails to take in kind or separately dispose of its  
29 share of Unit Production, Unit Operator shall have the right, but not the obligation, for the time being  
30 and subject to revocation at will by the Person owning the share, to purchase or sell to others such  
31 share; provided, however, Unit Operator shall not purchase or sell to others such share at prices below  
32 the price Unit Operator receives for its own share of Unit Production and further provided that all  
33 contracts of sale by Unit Operator of any other Person's share of Unit Production shall be only for such  
34 reasonable periods of time as are consistent with the minimum needs of the industry under the  
35 circumstances, but in no event shall any such contract be for a period in excess of one (1) year. The  
36 proceeds of the Unit Production so disposed of by Unit Operator shall be paid to the Working Interest  
37 Owners of each affected Tract or a Person designated by such Working Interest Owners who shall  
38 distribute such proceeds to the Persons entitled thereto.

39  
40 4.8 Responsibility for Royalty Settlements. Any Person receiving in kind or separately  
41 disposing of all or part of the Unit Production allocated to any Tract or receiving the proceeds therefrom  
42 shall be responsible for the payment of all taxes thereon and the payment of the proceeds thereof to  
43 the Persons entitled thereto, and shall indemnify all other Persons, including Unit Operator, against any  
44 liability for all such taxes, royalties, overriding royalties, production payments, and all other payments  
45 chargeable against or payable out of such Unit Production or the proceeds therefrom; provided,  
46 however, and notwithstanding anything contained to the contrary in the provisions of Article 4.6 or  
47 herein, if the purchaser of any oil, gas, or other hydrocarbons produced from the Unit Area declines  
48 to make disbursements of royalties, overriding royalties or any other payments out of or with respect  
49 to production payable on Unit Production, Unit Operator may, if any Working Interest Owner so  
50 requests, make such disbursement on behalf of such Working Interest Owner. Unit Operator shall use  
51 its best efforts to make disbursements correctly but will be liable for incorrect disbursements only in  
52 the event of gross negligence or willful misconduct. In the event Unit Operator disburses such  
53 payments on any Working Interest Owner's behalf, Unit Operator shall be entitled to receive from the  
54 Working Interest Owner so requesting these services compensation based on the actual cost of  
55 performing same.

56  
57 4.9 Sliding Scale Royalty. Any royalty or other payment which varies, under the terms  
58 of the instrument creating it, according to actual production from a Tract or according to the capability  
59 of wells located thereon to produce, shall, on and after the Effective Date, be computed upon that  
60 portion of the Unit Production allocated to that particular Tract and not upon the actual production from  
61 the Tract or the capability of the wells thereon to produce. If any such royalty or other payment  
62 depends on the production or pipeline runs from a well, such production or pipeline runs shall be  
63 determined by dividing the Unit Production allocated to the Tract by the number of wells located  
64 thereon that were capable of producing or capable of being used in Unit Operations as a producing well  
65 or otherwise (as determined by the Working Interest Owners) as of the Effective Date. If any Tract has  
66 no such well located thereon as of the Effective Date, it shall be treated as having one well within the  
67 meaning of this Article 4.9.

68  
69 4.10 Royalty on Outside Substances. No payment shall be due or payable to Royalty  
70 Owners on substances produced from the Unitized Formation that are deemed to be Outside  
71 Substances.

1           **4.10.1 Gas.** If any Outside Substance consisting of natural gas is injected into the  
2 Unitized Formation, seventy-five percent (75%) of any like substance contained in Unitized  
3 Substances subsequently produced and sold, or used for other than Unit Operations, shall be  
4 deemed to be a part of the Outside Substance so injected until the total quantity of such  
5 Outside Substance produced equals the total quantity of such Outside Substance so injected.  
6

7           **4.10.2 Liquid Hydrocarbons.** If any Outside Substance consisting of liquified  
8 petroleum gas or other liquid hydrocarbons, as distinguished from natural gas (prior to  
9 injection), is injected into the Unitized Formation, and the Unitized Substances subsequently  
10 produced contain such liquid hydrocarbons as determined by Unit Operator by applicable tests,  
11 then commencing on the first day of the calendar month following such determination, ten  
12 percent (10%) of all liquid Unitized Substances produced and sold each month thereafter shall  
13 be deemed to be a part of the Outside Substance so injected until the total value thereof equals  
14 the total cost of the Outside Substance so injected. Such ten percent (10%) of the liquid  
15 Unitized Substance deemed to be an Outside Substance shall be in addition to that which is  
16 being recovered for natural gas as hereinabove provided if both liquified petroleum gas or other  
17 liquid hydrocarbons and natural gas are injected.  
18

19  
20   **ARTICLE 5**  
21   **PRODUCTION AS OF THE EFFECTIVE DATE**  
22

23           **5.1 Oil or Liquid Hydrocarbons in Lease Tanks.** Unit Operator shall gauge or otherwise  
24 determine the amount of merchantable oil or other liquid hydrocarbons produced from the Unit Area  
25 in the lease tanks as of 7:00 a.m. on the Effective Date. Oil or other liquid hydrocarbons in treating  
26 vessels, separation equipment, and tanks below pipeline connections shall not be considered  
27 merchantable. Any merchantable oil or other liquid hydrocarbons that are a part of or attributable to  
28 the prior allowable of the wells from which they were produced shall remain the property of the  
29 Persons entitled thereto. Any such merchantable oil or other liquid hydrocarbons not promptly removed  
30 may be sold by Unit Operator for the account of the Working Interest Owners entitled thereto who shall  
31 pay royalty due thereon under the provisions of applicable leases or other contracts. Any oil or liquid  
32 hydrocarbons in excess of that attributable to the prior allowable of the wells from which they were  
33 produced shall be credited to all Tracts as if they were Unitized Substances produced after the Effective  
34 Date.  
35

36  
37   **ARTICLE 6**  
38   **USE OR LOSS OF UNITIZED SUBSTANCES**  
39

40           **6.1 Use of Unitized Substances.** Unit Operator may use or consume Unitized Substances  
41 in any quantity it deems necessary for Unit Operations, including, but not limited to, the injection  
42 thereof into the Unitized Formation.  
43

44           **6.2 Royalty Payments.** No royalty, overriding royalty, production or other payments shall  
45 be payable on account of Unitized Substances used or consumed in Unit Operations or which otherwise  
46 may be lost or consumed in production, handling, treating, transporting or storing of Unit Production.  
47

48  
49   **ARTICLE 7**  
50   **TITLES**  
51

52           **7.1 Warranty and Indemnity.** Each Person who, by acceptance of produced Unitized  
53 Substances or the proceeds thereof, may claim to own a Working Interest or Royalty Interest in and  
54 to any Tract or in the Unitized Substances allocated thereto, shall be deemed to have warranted its title  
55 to such interest, and, upon receipt of the Unitized Substances or the proceeds thereof to the credit of  
56 such interest, shall protect, indemnify and hold harmless all other Persons in interest from any loss due  
57 to failure, in whole or in part, of its title to any such interest except failure of title arising out of Unit  
58 Operations; provided, however, that such indemnity shall be limited to an amount equal to the net value  
59 received from the sale or receipt of Unit Production attributed to the interest as to which title failed.  
60 For purposes of this Plan, each such failure of title shall be deemed effective the first day of the  
61 calendar month in which such failure is finally determined, and there shall be no retroactive adjustment  
62 of Unit Expense or retroactive reallocation of Unitized Substances (or the proceeds therefrom) as a  
63 result of title failure.  
64

65           **7.2 Title Information.** Upon request of Unit Operator, Working Interest Owners shall  
66 furnish and make available to Unit Operator all title opinions and other title information in their  
67 possession including original or true copies of leases, assignments, contracts, curative matter, royalty  
68 payment control sheets and all other data or information pertaining to or otherwise affecting title to  
69 their Oil and Gas Rights in the Unit.  
70

71           **7.3 Production Where Title is in Dispute.** If the title or right of any Person claiming the  
72 right to receive in kind all or any portion of the Unitized Substances allocated to a Tract is in dispute,  
73 Unit Operator shall have to option to either:

1 a) Require that the Person to whom such Unitized Substances are delivered, or to  
2 whom the proceeds thereof are paid, furnish security for the proper accounting therefor to the  
3 rightful owner if the title or right of such Person fails in whole or in part; or,  
4

5 b) Withhold and make a good faith effort to market the portion of Unitized  
6 Substances with respect to which title or right is in dispute, and impound the proceeds thereof  
7 until such time as the title or right thereto is established by a final judgement of a court of  
8 competent jurisdiction or otherwise to the satisfaction of the Operating Committee, whereupon  
9 the proceeds so impounded and accrued interest shall be paid to the Person rightfully entitled  
10 thereto. Unit Operator shall act as a stakeholder and shall incur no liability for the disposition  
11 of such portion of the Unit Production except payment of the proceeds therefrom, if any, and  
12 is authorized to deduct from such proceeds, or that portion of the Unit Production that may be  
13 withheld, any amounts necessary to reimburse Unit Operator for charges incurred in the  
14 marketing or withholding of same.  
15

16 7.4 Payment of Taxes to Protect Title. The owners of surface rights within the Unit Area,  
17 Royalty Owners, and owners of lands outside the Unit Area on which Unit Equipment is located, are  
18 responsible for the payment of any ad valorem, gross product, severance or other taxes on all such  
19 rights, interest, property, or substances unless any such owners and Working Interest Owners  
20 otherwise agree. If any taxes are not paid when due by or for any such owners, Unit Operator may,  
21 at any time prior to tax sale or expiration of the period of redemption after tax sale, pay the tax and  
22 redeem or purchase such rights, interests, or property. Any such payment shall be an item of Unit  
23 Expense. Unit Operator shall, if possible, withhold from any proceeds derived from the sale of Unitized  
24 Substances otherwise due any delinquent taxpayer an amount sufficient to defray the costs of such  
25 payment, such withholding to be credited to Working Interest Owners. Such withholding shall be  
26 without prejudice to any other remedy available to Unit Operator or Working Interest Owners.  
27

28 7.5 Assignment. No assignment or other transfer or disposition of any interest subject  
29 to this Plan shall be effective as to Unit Operator or the other Working Interest Owners until 7:00 a.m.  
30 of the first day of the month following the month in which (i) Unit Operator receives a certified copy  
31 of the instrument evidencing such assignment, transfer or disposition, and (ii) the Person receiving such  
32 assignment, transfer or disposition has become obligated by instrument satisfactory to Unit Operator  
33 to observe, perform and be bound by all of the covenants, terms and conditions of this Plan. Prior to  
34 such date, neither Unit Operator nor any other Working Interest Owner shall be required to recognize  
35 such assignment, transfer or disposition for any purpose but may continue to deal exclusively with the  
36 Working Interest Owner making such assignment, transfer or disposition in all matters under this Plan  
37 including billings. No assignment, transfer, or other disposition of any interest subject to this Plan shall  
38 relieve any Working Interest Owner of its obligations accrued prior to the effective date thereof.  
39 Further, no assignment, transfer or other disposition shall relieve any Working Interest Owner of its  
40 liability for its share of costs, expenses, or other liabilities which may be incurred, accrued or are in any  
41 way related to Unit Operations prior to the effective date of such assignment, transfer or disposition  
42 of interest.  
43

44 7.6 Failure Due to Unit Operations. The failure of title to any Working Interest in any Tract  
45 due to Unit Operations, including nonproduction from such Tract, shall not change the Unit Participation  
46 of the Working Interest Owner whose title failed in relation to the Unit Participations of the other  
47 Working Interest Owners at the time of the title failure.  
48

49 7.7 No Charge to Joint Account. No charge shall be made to the joint account for legal  
50 expenses, fees, or salaries, in connection with the defense of the interest claimed by any Working  
51 Interest Owner, it being the intention that each Working Interest Owner shall defend title to its interest  
52 and bear all expenses in connection therewith.  
53

54 7.8 Waiver of Rights to Partition. Each Person covenants that from and after the Effective  
55 Date and until termination of the Plan it will not resort to any action to partition any Oil and Gas Rights  
56 or any oil and gas leases or interests as to the Unit insofar as same cover the Unit Area or any Unit  
57 Equipment and to that extent waives the benefits of all laws authorizing such partition.  
58

59 7.9 Maintenance of Divested Ownership. If at any time the interest of any Working  
60 Interest Owner is divided among and owned by two or more co-owners, such co-owners shall appoint  
61 a single trustee or agent acceptable to Unit Operator with full authority to receive notices, approve  
62 expenditures, receive billings for and approve and pay such Working Interest Owners' share of the joint  
63 expenses, and to deal generally with, and with power to bind, the co-owners of such Working Interest  
64 Owner's interests within the scope of the operations embraced in this Plan; however, all such co-  
65 owners shall have the right to enter into and execute all contracts or agreements for the disposition  
66 of their respective shares of the oil and gas produced from the Unit Area and they shall have the right  
67 to receive, separately, payment of the sale proceeds hereof. Until the trustee or agent is appointed,  
68 the assigning Working Interest Owner shall be considered for all purposes thereof such trustee or agent  
69 with all rights and responsibilities thereof. The trustee or agent appointed or deemed to be appointed  
70 hereunder shall be liable to Unit Operator for all costs, expenses and liabilities incurred pursuant to this  
71 Plan attributable to the interest for which the trustee or agent is appointed or deemed to be appointed.  
72 Unit Operator shall not be required to account separately for the separate interests represented by the  
73 trustee or agent.



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**ARTICLE 8  
EASEMENTS OR USE OF SURFACE**

8.1 **Grant of Easements.** Working Interest Owners, including Unit Operator, shall have and are hereby granted the right to use as much of the surface of the land within the Unit Area as may be reasonably necessary or advisable for Unit Operations and the removal of Unitized Substances from the Unit Area, including, without limitation, the right from time to time to construct, maintain, and operate pipelines, power and communication lines and poles, roads, tanks, and other fixtures and equipment. Working Interest Owners shall also have the right to use so much of the surface as is reasonably necessary to construct, operate and maintain injection facilities.

8.2 **Use of Water.** Working Interest Owners shall have and are hereby granted the free use and consumption of subsurface brine or saltwater from the Unit Area for Unit Operations, including the right to drill saltwater supply wells and to re-enter any abandoned or existing wells. Potable water shall not be taken for use or consumption in Unit Operations without the consent of the rightful owner of same. Unit Operator may not use fresh water from any well, lake, pond, or irrigation ditch of any landowner without consent from such owner.

8.3 **Surface Damages.** Unit Operator, as a Unit Expense, shall pay the rightful surface owners a reasonable amount for actual damages to growing crops, timber, fences, improvements and structures on the Unit Area resulting from Unit Operations.

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**ARTICLE 9  
CHANGES AND AMENDMENTS**

9.1 **Changes and Amendments.** Any change of the Unit Area or any amendment to this Plan shall be in accordance with the provisions of Section 287.1 - 287.15 inclusive, Title 52, Oklahoma Statutes 1951, and amendments thereto.

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**ARTICLE 10  
INDIVIDUAL RELATIONSHIPS AND RIGHTS**

10.1 **No Partnership.** All duties, obligations, and liabilities arising hereunder shall be several and not joint or collective. This Plan shall not be construed and is not intended to create an association or trust, or to impose a partnership or fiduciary duty, obligation, or liability with regard to any one or more of the Persons hereto. Each Person affected hereby shall be individually responsible for its own obligations hereunder.

10.2 **Internal Revenue Code Election.** This Plan is not intended to create, and shall not be construed to create, a relationship or partnership or an association for profit between or among the parties hereto. Notwithstanding any provisions herein that the rights and liabilities hereunder are several and not joint or collective, or that this Plan and operations hereunder shall not constitute a partnership, if, for federal income tax purposes this Plan and the operations hereunder are regarded as a partnership, then each Person hereby affected elects to be excluded from the application of all of the provisions of Subchapter K, of Chapter 1, of Subtitle A, of the Internal Revenue Code of 1986, as permitted and authorized by Section 761 of the Code and the regulations promulgated thereunder. Unit Operator is authorized and directed to execute on behalf of each Person hereby affected such evidence of this election as may be required by the Secretary of the Treasury of the United States or the Internal Revenue Service, including specifically, but not by way of limitation, all of the returns, statements, and the data required by Treasury Regulations 1.761-2(b)(2)(i). Should there be any requirement that each Person hereby affected give further evidence of this election, each such Person shall execute such documents and furnish such other evidence as may be required by the Internal Revenue Service or as may be necessary to evidence this election. No such Person shall give any notices or take any other action inconsistent with the election made thereby.

If any present or future income tax laws of the state or states in which the Unit Area is located or any future income tax laws of the United States contains provisions similar to those in Subchapter K, of Chapter 1, of Subtitle A, of the Internal Revenue Code of 1986, under which an election is permitted similar to that provided by Section 761 of the Code and the regulations promulgated thereunder, each Person hereby affected shall make such election as may be permitted or required by such laws. In making the foregoing election, each such Person states that the income derived by such Person from Unit Operations hereunder can be adequately determined without the computation of partnership taxable income.

10.3 **No Joint Refining or Marketing.** This Plan shall not be construed to provide, directly or indirectly, for any joint refining, sale, or marketing of Unitized Substances.

10.4 Royalty Owners Free of Costs; Lien on Subsequently Created Royalty Interest. This Plan shall not be construed to impose upon any Royalty Owner any obligation to pay Unit Expense unless such Royalty Owner is otherwise so obligated; provided, however, that any overriding royalty, production payment, net profits or proceeds interest, or other Royalty Interest created or carved out of a Working Interest after the date hereof, shall be subject to a first and prior lien of Unit Operator for any unpaid Unit Expense attributable to the Working Interest which such Royalty Interest burdens, and Unit Operator shall have the right to collect from the purchaser of production the proceeds attributable to such Royalty Interest and apply the same to such unpaid Unit Expense the same as though the Royalty Interest had not been carved out of and was still a part of the Working Interest. The owner of any such Royalty Interest shall be subrogated to the lien of Unit Operator against such Working Interest Owner, but the lien of the owner of the Royalty Interest shall be junior to the lien of Unit Operator.

10.5 Information to Royalty Owners. Each Royalty Owner shall be entitled to receive from Unit Operator all information to which such Royalty Owner is entitled by an existing lease or other agreement.

#### ARTICLE 11 SUPERVISION OF OPERATIONS BY WORKING INTEREST OWNERS

11.1 Overall Supervision. The Operating Committee shall exercise overall supervision and control of all matters pertaining to Unit Operations. In the exercise of such authority, each Working Interest Owner shall act solely in its own behalf in the capacity of an individual owner and not on behalf of all owners as an entirety.

11.2 Specific Authority and Duties. The matters with respect to which the Operating Committee shall decide and take action shall include, but not be limited to, the following:

11.2.1 Method of Operations. The method of operation, including the type of enhanced recovery program to be employed.

11.2.2 Drilling of Wells. The drilling of any well whether for production of Unitized Substances, for use as an injection well, or for other purposes.

11.2.3 Well Recompletions and Changes of Status. The recompletion, abandonment or change of status of any well, or the use of any well for injection or other purposes.

11.2.4 Expenditures. The making of any single expenditure in excess of Twenty-Five Thousand Dollars (\$25,000); however, approval by Operating Committee of the drilling, reworking, deepening, or plugging back of any well shall include approval of all necessary expenditures required therefore, and for completing, testing, and equipping the well, including necessary flow lines, separators, and lease tankage.

11.2.5 Disposition of Unit Equipment. The selling or otherwise disposing of any item of surplus Unit Equipment if the current price of new equipment similar thereto is in excess of Twenty-Five Thousand Dollars (\$25,000).

11.2.6 Appearance Before a Court or Regulatory Agency. The designation of a representative to appear before any court or regulatory agency in matters pertaining to Unit Operations, however, such designation shall not prevent any Working Interest Owner from appearing in person or from designating another representative in its own behalf.

11.2.7 Audits. The auditing of the accounts of Unit Operator pertaining to Unit Operations; provided that the audits shall:

a) Be made upon the affirmative vote of a majority of the voting interest remaining after excluding the voting interest of Unit Operator;

b) Not be conducted more than once each year except upon the resignation or removal of Unit Operator;

c) Be made at the expense of all Working Interest Owners other than the Working Interest Owner designated as Unit Operator; provided, that if the voting interests of the parties requesting an audit is less than a majority of the voting interest remaining after excluding the voting interest of Unit Operator, an audit may be made at the expense of those so requesting; and

d) Be made upon not less than thirty (30) days written notice to Unit Operator.

11.2.8 Inventories. The taking of periodic inventories, as provided in Exhibit "G".

1           **11.2.9 Technical Services.** The authorization of charges to the joint account for  
2 services by consultants or Unit Operator's technical personnel not covered by the overhead  
3 charges authorized in Exhibit "D".  
4

5           **11.2.10 Assignments to Committees.** The appointment of committees to study any  
6 problem in connection with Unit Operations.  
7

8           **11.2.11 Replacement of Unit Operator.** The removal of Unit Operator and the  
9 selection of a successor.  
10

11           **11.2.12 Changes to the Unit Area or Amendments of this Plan.** The changing of  
12 the Unit Area or the amending of this Plan as provided in Article 9.  
13

14           **11.2.13 Investment Adjustment.** The adjustment and readjustment of investments.  
15

16           **11.2.14 Termination of Unit Operations and Plan.** The termination of Unit  
17 Operations and this Plan.  
18

19           **11.2.15 Audit Exceptions.** The settlement of unresolved audit exceptions.  
20  
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22                                   **ARTICLE 12**  
23                                   **MANNER OF EXERCISING SUPERVISION**  
24

25           **12.1 Creation of the Operating Committee.** An Operating Committee is hereby created to  
26 consist of one representative to be designated by each Working Interest Owner. Each Working Interest  
27 Owner shall, in writing, inform Unit Operator of the names and addresses of the representative and  
28 alternate who are authorized to represent and bind such Working Interest Owner with respect to Unit  
29 Operations. The representative or alternate may be changed from time to time by written notice to  
30 Unit Operator. The representative of Unit Operator shall be Chairman of the Operating Committee.  
31 The Operating Committee may select other officers as it deems proper. Such other officers may or  
32 may not be members of the Operating Committee and shall serve at the will of the Committee,  
33 performing such duties as delegated.  
34

35           **12.2 Meetings.** All meetings of the Operating Committee shall be called by Unit Operator  
36 upon its own motion or at the request of two or more Working Interest Owners having a total  
37 Secondary Unit Participation of not less than fifteen percent (15%). No meeting shall be called on less  
38 than fourteen (14) days advance written notice, with the agenda for the meeting attached. The  
39 Operating Committee shall have the right to amend items included on the agenda and may act upon  
40 an amended item or other items presented at the meeting, regardless of whether such matters appear  
41 on the agenda. The representative of Unit Operator shall be chairman of each meeting. Unit Operator  
42 or Working Interest Owners having a majority interests of Unit Participation may require, due to  
43 emergency or other circumstances, to hold a meeting on shorter notice. Such meeting may be called  
44 on not less than two (2) days' notice by mail, telegram, telephone, or facsimile.  
45

46           **12.3 Voting Procedure.** The Operating Committee shall determine all matters coming before  
47 it as follows:  
48

49           **12.3.1 Voting Interest.** Each Working Interest Owner shall have a voting interest  
50 equal to its Secondary Unit Participation (based on Secondary Tract Participation Factors);  
51 provided, however, that no Carried Working Interest Owner shall be entitled to vote on any Unit  
52 matter prior to the recoupment of Unit Expense and the applicable penalties attributable to its  
53 Carried Working Interest pursuant to Article 19.  
54

55           **12.3.2 Vote Required - Generally.** Except as otherwise provided herein, all  
56 governing action of the Operating Committee shall be by affirmative vote of one or more  
57 Working Interest Owners having sixty-three percent (63%) or more of the voting interest in the  
58 Unit; provided, however, that any single expenditure estimated to exceed Three Hundred  
59 Thousand Dollars (\$300,000) shall require the affirmative vote of at least two Working Interest  
60 Owners having a combined seventy-five percent (75%) or more of the voting interest in the  
61 Unit.  
62

63           **12.3.3 Vote at Meeting by Nonattending Working Interest Owner.** Any Working  
64 interest Owner who is not represented at a meeting may vote on any agenda item by letter,  
65 telegram, or facsimile addressed to the representative of Unit Operator if its vote on such item  
66 is received prior to the vote at the meeting.  
67

68           **12.3.4 Poll Votes.** The Operating Committee may vote by letter, telegram, or  
69 facsimile on any matter or proposal submitted in writing to all members of the Operating  
70 Committee. If no meeting is requested as provided in Article 12.2 within seven (7) days after  
71 a written proposal is sent to the Operating Committee members, the vote taken by letter, telex  
72 or telegram shall become final.

1 All votes shall be delivered to Unit Operator no later than fifteen (15) days following receipt of  
2 any such proposal. Failure to timely vote shall be deemed as a non-Approval of the proposal.  
3 Unit Operator shall give prompt notice of the results of such voting to each member of the  
4 Operating Committee.

5  
6 12.4 No Joint or Several Committee Liability. No member of the Operating Committee or  
7 any other committee shall be liable or individually responsible for any act of commission or omission  
8 as a member of such committee or committees.

9  
10 12.5 Minutes. Minutes shall be made of all meetings of the Operating Committee and kept  
11 as a part of the permanent records of the Unit. Such minutes need not be a verbatim record of all the  
12 proceedings, but shall show and reflect:

- 13  
14 a) The names of all members present at the meetings;  
15  
16 b) All motions and resolutions offered or acted upon, together with the result of  
17 such action; and  
18  
19 c) Such other formal action as may be taken by the Operating Committee.

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21 A copy of the minutes of each such meeting shall be mailed to each member of the Operating  
22 Committee within a reasonable time after the meeting.

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25 **ARTICLE 13**  
26 **INDIVIDUAL RIGHTS OF WORKING INTEREST OWNERS**

27  
28 13.1 Reservation of Rights. Working Interest Owners retain all their rights, except as  
29 otherwise provided in this Plan.

30  
31 13.2 Specific Rights. Each Working Interest Owner shall have, among others, the following  
32 specific rights:

33  
34 13.2.1 Access to Unit Area. Access to the Unit Area at all reasonable times to  
35 inspect Unit Operations, all wells, and the records and data pertaining thereto.

36  
37 13.2.2 Reports. The right to receive from Unit Operator, upon written request,  
38 copies of all reports to any governmental agency, reports of crude oil run and stocks, inventory  
39 reports, those special technical reports prepared or data and information obtained at the joint  
40 expense of Working Interest Owners, and all other information pertaining to Unit Operations.  
41 All such information shall be treated as confidential until such time same becomes part of the  
42 public domain through no acts or omissions attributable to the Working Interest Owners  
43 receiving such information. The cost of gathering and furnishing information not ordinarily  
44 furnished by Unit Operator to all Working Interest Owners shall be charged to the Working  
45 Interest Owner requesting such information.

46  
47 13.3 Reversionary Interests. When a Tract ownership changes due to the payout (or  
48 multiple payout) of a well within the Unit, the balance remaining to recover will be calculated on an  
49 allocated Tract basis after the Effective Date of the Unit. Payout will be deemed to occur the first day  
50 of the month following the time that the payout balance becomes zero.

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52  
53 **ARTICLE 14**  
54 **UNIT OPERATOR**

55  
56 14.1 Unit Operator. UMC Petroleum Corporation is hereby designated as Unit Operator.

57  
58 14.2 Resignation or Removal of Unit Operator. Unit Operator may resign at any time. If  
59 Unit Operator terminates its legal existence, no longer owns an interest in the Unit Area, or is no longer  
60 capable of serving as Unit Operator, Unit Operator shall be deemed to have resigned without any action  
61 by Working Interest Owners, except for the selection of a successor. Unit Operator may be removed  
62 if it refuses to carry out its duties hereunder, becomes insolvent, bankrupt, or is placed in receivership,  
63 by the affirmative vote of two (2) or more Working Interest Owners with at least a combined eighty  
64 percent (80%) of the voting interest remaining after excluding the voting interest of Unit Operator;  
65 provided, however, that such remaining voting interest after excluding the voting interest of Unit  
66 Operator is at least ten percent (10%) of the total voting interest in the Unit. Such resignation or  
67 removal shall not become effective until 7:00 a.m. on the first day of the calendar month following the  
68 expiration of ninety (90) days after the giving of notice of resignation by Unit Operator or action by the  
69 Working Interest Owners to remove Unit Operator, unless a successor Unit Operator has been selected  
70 and assumes the duties of Unit Operator at an earlier date. Unit Operator, after the effective date of  
71 resignation or removal, shall be bound by the terms hereof as a Working Interest Owner. A change of  
72 a corporate name or structure of Unit Operator or transfer of Unit Operator's interest to any single  
73 subsidiary, parent, or successor corporation shall not be the basis for removal of Unit Operator.

1           **14.3**    Selection of Successor Unit Operator. Upon the resignation or removal of Unit  
2 Operator, a successor Unit Operator shall be selected by the Operating Committee. The successor Unit  
3 Operator shall be selected by the affirmative vote of two or more Working Interest Owners owning a  
4 majority voting interest; provided, however, if Unit Operator which has been removed fails to vote or  
5 votes only to succeed itself, the successor Unit Operator shall be selected by the affirmative vote of  
6 two or more Working Interest Owners owning a majority voting interest after excluding the voting  
7 interest of Unit Operator that was removed.  
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9

10   **ARTICLE 15**  
11   **AUTHORITY AND DUTIES OF UNIT OPERATOR**

12  
13           **15.1**    Exclusive Right to Operate Unit. Subject to the provisions of this Plan and to  
14 instructions from the Operating Committee, Unit Operator shall have the exclusive right and be  
15 obligated to conduct Unit Operations.  
16

17           **15.2**    Workmanlike Conduct. Unit Operator shall conduct Unit Operations in a good and  
18 workmanlike manner as would a prudent operator under the same or similar circumstances. Unit  
19 Operator shall freely consult with Working Interest Owners and keep them informed of matters which  
20 Unit Operator, in the exercise of its best judgment, considers important. Unit Operator shall not be  
21 liable to Working Interest Owners for damages, unless such damages result from its gross negligence  
22 or willful misconduct.  
23

24           **15.3**    Liens and Encumbrances. Unit Operator shall use its best efforts to keep the lands  
25 and leases in the Unit Area and Unit Equipment free from all security interests, valid liens and  
26 encumbrances occasioned by Unit Operations, except those granted to the Unit and Unit Operator  
27 hereunder.  
28

29           **15.4**    Employees. The number of employees used by Unit Operator in conducting Unit  
30 Operations, their selection, hours of labor, and compensation shall be determined by Unit Operator.  
31 Such employees shall be the employees of Unit Operator.  
32

33           **15.5**    Records. Unit Operator shall keep correct books, accounts, and records of Unit  
34 Operations.  
35

36           **15.6**    Reports to Working Interest Owners. Unit Operator shall furnish to Working Interest  
37 Owners periodic reports of Unit Operations, including, but not limited to, monthly production reports  
38 of Unit Operations.  
39

40           **15.7**    Reports to Governmental Authorities. Unit Operator shall make all reports to  
41 governmental authorities that it has the duty to make as Unit Operator.  
42

43           **15.8**    Engineering and Geological Information. Unit Operator shall furnish to each Working  
44 Interest Owner, upon written request, copies of all logs and other engineering and geological data  
45 pertaining to Unit Operations.  
46

47           **15.9**    Expenditures. Unit Operator is authorized to make all expenditures for normal and  
48 recurring operating expenses and for other single expenditures not in excess of Twenty-Five Thousand  
49 Dollars (\$25,000) without prior approval of the Operating Committee; provided, however, that in the  
50 event of an emergency (such as a blowout, explosion, fire, flood or other sudden emergency), Unit  
51 Operator may make or incur any expenditures in its sole opinion that are required to deal with same.  
52 Unit Operator shall report to Working Interest Owners, as promptly as possible, the nature of the  
53 emergency and the action taken.  
54

55           **15.10** Wells Drilled by Unit Operator. All wells drilled by Unit Operator shall be at the rates  
56 prevailing in the area.  
57

58           **15.11** Surplus Unit Equipment. Unit Operator is authorized to sell any item of surplus Unit  
59 Equipment if the current list price of new equipment similar thereto is less than Twenty-Five Thousand  
60 Dollars (\$25,000). Any sale of surplus Unit Equipment shall be made to the highest bidder, and Unit  
61 Working Interest Owners shall have the opportunity to bid on such surplus Unit Equipment.  
62

63           **15.12** Restoration Work - Restoration of Surface Conditions Existing Prior to Unitization. As  
64 used in this Article 15.12, the term "restoration work" shall mean any surface restoration work or  
65 correction of surface conditions which a Working Interest Owner was legally obligated to perform as  
66 of the Effective Date by reason of a contract with an owner of the surface estate of any Tract within  
67 the Unit Area or by reason of any law, rule or regulation of any local, state or federal regulatory  
68 agency. Each Working Interest Owner shall remain liable from and after the Effective Date for any  
69 necessary restoration work on any lands contributed to the Unit by such Working Interest Owner. If  
70 a Working Interest Owner has not performed such restoration work within ninety (90) days after  
71 notification by Unit Operator, then Unit Operator shall be authorized to perform the necessary  
72 restoration work and all cost and expense thereof shall be borne entirely by the Working interest Owner  
73 who contributed such lands to the Unit.

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**ARTICLE 16  
TAXES**

16.1 Ad Valorem Taxes. Beginning with the first calendar year after the Effective Date, Unit Operator shall make and file all necessary ad valorem tax renditions and returns with the proper taxing authorities covering all real and personal property of each Working Interest Owner used or held by Unit Operator in Unit Operations. Unit Operator shall settle assessments arising therefrom. All such ad valorem taxes shall be paid by Unit Operator and charged to the Working Interest Owners in proportion to their Unit Participation in effect at the time; provided, however, in the event ad valorem taxes are ever based in whole or in part upon separate valuations of each Working Interest Owner's interest, then notwithstanding anything to the contrary herein, charges to the joint account shall be made and paid by the Working Interest Owners in proportion to the tax value generated by each Working Interest Owner's interest.

16.2 Other Taxes. Each Person shall pay or cause to be paid all production, severance, gathering and other taxes that may be imposed upon or in respect of the production or handling of its share of Unit Production.

16.3 Notices. Each Working Interest Owner shall promptly furnish Unit Operator with copies of notices, assessments, levies or tax statements received by it pertaining to any taxes to be paid by Unit Operator.

**ARTICLE 17  
INSURANCE**

17.1 Insurance. Unit Operator, with respect to Unit Operations, shall:

- a) Comply with the Workmen's Compensation Laws of the State of Oklahoma.
- b) Comply with Employer's Liability and other insurance requirements as required by the laws of the State of Oklahoma.
- c) Carry or provide other insurance as set forth in Exhibit "I".

**ARTICLE 18  
ADJUSTMENTS OF INVESTMENTS**

18.1 Property Taken Over. Upon the Effective Date, Working Interest Owners shall deliver to Unit Operator the following:

18.1.1 Wells. All wells within the Unit Area that have been drilled to the Unitized Formation or some portion thereof, regardless of whether such well(s) are currently producing from the Unitized Formation, which are presently believed to be "Usable Wells" by Unit Operator. Such wells are described on Exhibit "J".

18.1.2 Equipment. The casing and tubing in each such well, the wellhead connections thereon, and all other lease and operating equipment that is used in the operation of such wells which the Operating Committee determines is necessary or desirable for conducting Unit Operations. Any well of any Working Interest Owner deemed by Unit Operator not to be in a condition to be operated for the benefit of the Working Interest Owners shall, as soon as possible after Effective Date and before acceptance into the Unit, be brought to standard by the Working Interest Owner or, at the Working Interest Owner's option, by Unit Operator. Any expenditure required shall be borne by the Working Interest Owner owning such well immediately prior to Effective Date. All such property that is determined to be surplus shall be returned to the Working Interest Owners in as good condition as received, considering normal wear, who delivered same to Unit Operator, and such surplus shall not be considered to have been taken over under this section.

18.1.3 Records. A copy of all production and well records that pertain to such wells.

18.2 Inventory and Evaluation. No later than six (6) months following the date of the initial injection of saltwater into the Unitized Formation, the Operating Committee shall, as Unit Expense, inventory and evaluate the personal property taken over. The inventory and evaluation of such property shall be conducted in accordance with Exhibit "G" except, upon determination of Operating Committee, items considered noncontrollable may be included in the inventory but shall be excluded from evaluation and investment adjustment. Casing shall be included in the inventory for record purposes, but shall be excluded from pricing and investment adjustment. The evaluation shall be based on current market value as of the Effective Date of the Unit.

1           18.3    Investment Adjustment. Upon approval by the Operating Committee of the inventory  
2 and evaluation, each Working Interest Owner shall be credited with the value of its interest in all wells  
3 and lease equipment taken over under Article 18.1 and shall be charged with an amount equal to that  
4 obtained by multiplying the total value of all wells and equipment taken over under Article 18.1 by such  
5 Working Interest Owner's Secondary Unit Participation. If the charge against any Working Interest  
6 Owner is greater than the amount credited to such Working Interest Owner, the resulting net charge  
7 shall be an item of Unit Expense chargeable against such Working Interest Owner. If the credit to any  
8 Working Interest Owner is greater than the amount charged to such Working Interest Owner, the  
9 resulting net credit shall be paid to such Working Interest Owner by Unit Operator out of funds received  
10 by it in settlement of the net charges described above. Thereafter, each Working Interest Owner,  
11 instead of owning an interest in all its personal property delivered to Unit Operator under Article 18.1,  
12 will be considered as having exchanged such interest for an undivided interest in all property so  
13 delivered to Unit Operator, subject to the investment adjustment herein provided.  
14

15           18.4    General Facilities. The acquisition of warehouses, warehouse stocks, lease houses,  
16 camps, facility systems and office buildings necessary for Unit Operations shall be by negotiation  
17 between the owners thereof and Unit Operator, subject to the approval of the Operating Committee.  
18 There shall be no adjustment for lease roads or appurtenances thereto.  
19

20           18.5    Ownership of Property and Facilities. Each Working Interest Owner individually shall,  
21 by virtue hereof, own an undivided interest equal to its Secondary Unit Participation in all wells,  
22 equipment, and facilities taken over or otherwise acquired by Unit Operator pursuant to this Plan.  
23

24           18.6    Adjustment for Non-Usable Wells. All wells delivered to Unit Operator shall be (a) in  
25 usable physical condition, (b) completed or capable of being completed in some portion of the Unitized  
26 Formation, and (c) physically separated or capable of being separated from formations not a part of the  
27 Unitized Formation as of the Effective Date. If within six (6) months from the date of takeover, Unit  
28 Operator reports to the Operating Committee that a well was not in suitable condition to serve Unit  
29 Operator on the date of takeover and the Operating Committee so approves, Unit Operator shall  
30 properly place such well in suitable condition to serve Unit Operator at the sole cost of the Working  
31 Interest Owner who delivered such well and casing to Unit Operator; provided, however, if any  
32 wellbore condition requires a workover with a cost estimated to exceed Twenty-Five Thousand Dollars  
33 (\$25,000), Unit Operator shall have the option to either repair the wellbore, with the first Twenty-Five  
34 Thousand Dollars (\$25,000) in actual costs to be borne by the Working Interest Owner delivering such  
35 well to the Unit and all actual costs above Twenty-Five Thousand Dollars (\$25,000) to be borne by all  
36 Working Interest Owners as a Unit Expense, or plug and abandon same at the expense of the Working  
37 Interest Owner delivering such well to the Unit. It is the intent of this Article 18.6 that the cost of  
38 normal conversion of wells and casing therein from operating practices utilized immediately prior to the  
39 date of takeover to operating practices contemplated hereunder shall be a Unit Expense.  
40

41           18.7    Surface Leases. Upon the effective date hereof, Working Interest Owners shall deliver  
42 to Unit Operator assignment(s) of all surface lease agreements pertaining to the Unit Area, and Unit  
43 Operator shall become responsible for all future rentals on behalf of Working Interest Owners; provided,  
44 however, that Unit Operator shall never be liable for failure to make such payments unless such failure  
45 arises from Unit Operator's gross negligence or willful misconduct.  
46

47           18.8    Prior Liabilities/Obligations. Nothing in this Plan shall be deemed to relieve the  
48 Working Interest Owners of any wells to be used in Unit Operations of their respective liabilities or  
49 obligations incurred or accrued up to the date such wells have been taken over by Unit Operator for  
50 Unit Operations.  
51

52  
53                                **ARTICLE 19**  
54                                **UNIT EXPENSE**  
55

56           19.1    Basis of Charges to Working Interest Owners. Unit Operator initially shall pay all Unit  
57 Expense. All charges, credits, and accounting for Unit Expense shall be in accordance with Exhibit  
58 "D". Except as otherwise provided herein, the Working Interest Owners obligated or responsible for  
59 the cost and expenses of operating a Tract in the absence of unitization, in the same proportion and  
60 to the same extent, shall be chargeable with and responsible for the payment of the Unit Expense  
61 charged against such Tract. Unit Expense shall be apportioned among and assessed against the Tracts  
62 in proportion to their respective Tract Participations as shown on Exhibit "C" - Secondary. All Unit  
63 Development Expense, Secondary Unit Operating Expense, and all Unit Overhead Charges attributable  
64 to the Unit shall be borne on the basis of Secondary Tract Participation Percentages. All Primary Unit  
65 Operating Expense shall be apportioned among and assessed against the Working Interest Owners as  
66 shown on Exhibit "F".  
67

68           19.2    Budgets. Before or as soon as practicable after the Effective Date, Unit Operator shall  
69 prepare a budget of estimated Unit Expense for the remainder of the calendar year, and thereafter shall  
70 prepare a budget annually. Budgets shall be estimates only, and shall be adjusted or corrected by the  
71 Operating Committee and Unit Operator whenever an adjustment or correction is proper.

1 A copy of each budget and adjusted budget shall be furnished promptly to each Working Interest  
2 Owner. Promptly following the Effective Date, Unit Operator shall submit to all Working Interest  
3 Owners an initial budget of estimated Unit Expense to be incurred during the twenty-four (24) months  
4 following the Effective Date.  
5

6 **19.3 Advance Billing.** Unit Operator shall have the right to require Working Interest Owners  
7 to advance their respective shares of estimated Unit Expense by submitting to Working Interest  
8 Owners, on or before the fifteen (15th) day of any month, an itemized estimate thereof for the  
9 succeeding month, with a request for payment in advance. Within thirty (30) days thereafter, each  
10 Working Interest Owner shall pay to Unit Operator its share of such estimate. Adjustments between  
11 estimated and actual Unit Expense shall be made by Unit Operator at the close of each calendar month,  
12 and the accounts of Working Interest Owners shall be adjusted accordingly. For the purposes of this  
13 Plan, in the event Unit Operator defaults in payments for which it is obligated hereunder, the lien and  
14 security interests granted to Unit Operator in Articles 19.5, 19.6 and 19.9 shall apply against the  
15 Working Interest of Unit Operator and may be enforced by the other Working Interest Owners.  
16

17 **19.4 Commingling of Funds.** Funds received by Unit Operator under this Plan need not be  
18 segregated or maintained by it as a separate fund, but may be commingled with its own funds.  
19

20 **19.5 Lien and Security Interest of Unit Operator.** Each Working Interest Owner grants to  
21 Unit Operator a lien upon its Oil and Gas Rights in each Tract, and a security interest in its share of  
22 Unitized Substances when extracted and its interest in Oil and Gas Rights, and in all Unit Equipment,  
23 to secure payment of its share of Unit Expense, together with interest thereon at the rate of four  
24 percent (4%) above the current prime rate charged by the Chase Manhattan Bank of New York City,  
25 New York, on the first day of the following month in which the amount becomes delinquent, or the  
26 maximum rate permitted by law, whichever is the lesser. To the extent that Unit Operator has a  
27 security interest under the Uniform Commercial Code, it shall be entitled to exercise the rights and  
28 remedies of a secured party under the Code. The bringing of a suit and obtaining of judgment by Unit  
29 Operator for the secured indebtedness shall not be deemed an election of remedies or otherwise affect  
30 the lien rights or security interest as security for the payment thereof. In addition, upon default by any  
31 Working Interest Owner in the payment of its share of Unit Expense, Unit Operator shall have the right,  
32 without prejudice to other rights or remedies, to collect from the purchaser the proceeds from the sale  
33 of such Working Interest Owner's share of Unitized Substances until the amount owed by such  
34 Working Interest Owner, plus interest, has been paid. Each purchaser shall be entitled to rely upon Unit  
35 Operator's written statement concerning the amount of any default. Unit Operator grants a like lien  
36 and security interest to the Working Interest Owners to secure payment of Unit Operator's  
37 proportionate share of expense. Any lien may be foreclosed at any time in the manner prescribed by  
38 law.  
39

40 **19.6 Unpaid Unit Expense.** No later than fifteen (15) days following receipt of the initial  
41 budget provided to Working Interest Owners pursuant to Article 19.2, Working Interest Owners shall  
42 notify Unit Operator of their election to participate in the cost of all actual Unit Expense to be incurred  
43 during the term of this Plan. Failure to timely notify Unit Operator of such election shall be deemed  
44 an election not to participate in all Unit Expense. Any Working Interest Owner electing or deemed to  
45 have elected not to participate in all Unit Expense shall be deemed a "Carried Working Interest Owner".  
46 The unpaid balance of any Carried Working Interest Owner's share of all Unit Expense shall be carried  
47 and paid by either the Unit Operator or, at Unit Operator's option, by all non-Carried Working Interest  
48 Owners in the proportion that the Unit Participation of each bears to the total Unit Participation of all  
49 such Working Interest Owners. The Carried Working Interest of any Carried Working Interest Owner  
50 and unpaid balance associated therewith shall be subject to the following until recovered as follows:  
51

52 1) All Primary and Secondary Unit Operating Expense and Unit Overhead Charges  
53 shall bear interest at the same rate as stated in Article I, Paragraph 3, B. of Exhibit  
54 "D" until the non-Carried Working Interest Owners so paying all such expense  
55 attributable to the Carried Working Interest have been reimbursed such amounts,  
56 together with interest thereon from the Carried Working Interest or from the proceeds  
57 of the sale of Unit Production of such interest (after deducting production taxes,  
58 excise taxes, royalty, overriding royalty and other interests); and  
59

60 2) As to all Unit Development Expense, each Carried Working Interest Owner shall  
61 be deemed to have relinquished to the non-carried Working Interest Owners paying  
62 all such expense attributable to the Carried Working Interest, and such non-carried  
63 Working Interest Owners shall own and be entitled to receive in proportion to their  
64 respective interests, all such Carried Working Interest Owner's interest in the Unit and  
65 the share of production therefrom until the proceeds of the sale of such share (after  
66 deducting production taxes, excise taxes, royalty, overriding royalty and any other  
67 interests payable out of or measured by production from the unit accruing with  
68 respect to such interest until it reverts) shall equal the total of four hundred percent  
69 (400%) of that portion of the Unit Development Expense which would have been  
70 chargeable to such Carried Working Interest Owner had it elected to participate in  
71 Unit Expense pursuant to this Article 19.6.



1 Notwithstanding any provision in this Plan to the contrary, if after electing to participate in Unit  
2 Expense pursuant to this Article 19.6 any Working Interest Owner fails to pay its share of Unit Expense  
3 when due, Unit Operator shall so notify such Working Interest Owner of its default, and such Working  
4 Interest Owner shall have fifteen (15) days from receipt of notice in which to pay its share of unpaid  
5 Unit Expense. If the unpaid Unit Expense includes Unit Development Expense incurred during the first  
6 twenty-four (24) months of this Plan and such amount remains unpaid fifteen (15) days after notice  
7 of default, such Working Interest Owner, at the option of Unit Operator, shall be deemed a Carried  
8 Working Interest Owner.

9  
10 If any Working Interest Owner fails to pay its share of Unit Expense when due (and also in the  
11 case of a Carried Working Interest Owner) after proper notice of same from Unit Operator, Unit  
12 Operator, for its account and/or for the non-defaulting Owners'/non-Carried Working Interest Owners'  
13 account, shall also be entitled to the following:

- 14  
15 a) To take and market, such Working Interest Owner's share of Unit  
16 Production, or to otherwise collect and receive the proceeds from the sale  
17 thereof.  
18  
19 b) To take all credits to any such Working Interest Owner on account of the  
20 sale or other disposal of Unit Equipment, or otherwise.  
21  
22 c) To take all credits to any such Working Interest Owner from any  
23 investment adjustment.  
24

25 All sums so collected by Unit Operator shall be applied against the delinquent or unpaid Unit Expense  
26 due from such Working Interest Owner. Unit Operator's entitlement under this Article 19.6 a), b) and  
27 c) above shall be limited only to those amounts required to recoup the unpaid Unit Expense and any  
28 penalties due or applicable from such Working Interest Owner pursuant to Article 19. Nothing  
29 contained herein shall preclude Unit Operator from seeking any other available legal or equitable  
30 remedy.  
31

32 If, at the end of the twelve (12) month period immediately following the Effective Date, there  
33 is a surplus in the account of any Carried Working Interest Owner, Unit Operator, acting on behalf of  
34 all Working Interest Owners paying all expense associated with the Carried Working Interest, shall pay  
35 the surplus amount to such Carried Working Interest Owner. Thereafter, if at the end of any three (3)  
36 month period there is a surplus in the account of any Carried Working Interest Owner, Unit Operator  
37 shall similarly pay the surplus amount to such Carried Working Interest Owner. There will be no  
38 interest paid to any Carried Working Interest Owner on surplus disbursements.  
39

40 **19.7 Carved-Out Interest.** Any overriding royalty, production payment, net profits or  
41 proceeds interest, carried interest or any other interest carved out of a Working Interest on or after the  
42 date hereof shall be expressly made subject to this Article 19.7 and in any event shall be subject to  
43 the provisions of this section. If a Working Interest Owner does not pay its share of Unit Expense, the  
44 lien and security rights provided for in Articles 19.5, 19.6 and 19.9 may be applied and enforced  
45 against the carved-out interests and the Unit Production attributable to the carved-out interests  
46 burdening such Working Interest the same as though such interest had not been created or carved out  
47 of the Working Interest and was still a part of the Working Interest. In such event, the owner of such  
48 carved-out interest shall be subrogated to the lien and security rights in the Working Interest granted  
49 by Articles 19.5, 19.6 and 19.9, but such security rights shall be subordinate to the security rights of  
50 Unit Operator.  
51

52 **19.8 Attorney's Fees.** In the event Unit Operator shall ever be required to bring legal  
53 proceedings in order to collect any sums due from any Working Interest Owner under this Plan, then  
54 Unit Operator shall also be entitled to recover all court costs, costs of collection, and a reasonable  
55 attorney's fee, which the lien and security rights provided for under Articles 19.5, 19.6 and 19.9 shall  
56 also secure.  
57

58 **19.9 Security.** The lien and security interest granted by each Working Interest Owner to  
59 Unit Operator and by Unit Operator to the Working Interest Owners under Article 19 shall extend not  
60 only to such Working Interest Owner's oil and gas rights in the Unit Area (which for greater certainty  
61 shall include all of each Working Interest Owner's leasehold interest and leasehold estate in the Unit  
62 Area), the oil and/or gas when extracted and equipment (as mentioned in said Article) but also to all  
63 accounts, contract rights, inventory and general intangibles constituting a part of, relating to or arising  
64 out of said oil and gas rights, extracted oil and gas and said equipment or which are otherwise owned  
65 or held by any such Working Interest Owner in the Unit Area. Further, the lien and security interest  
66 of each of said parties shall extend to all proceeds and products of all of the property and collateral  
67 described in this Article 19 as being subject to said lien and security interest. Any Working Interest  
68 Owner, to the extent it deems necessary to perfect the lien and security interest provided herein, may  
69 file this Plan (or a memorandum of this Plan or other notice of lien) as a lien or mortgage in the  
70 applicable real estate records and as a financing statement with the proper officer under the Uniform  
71 Commercial Code.

1 Further, each Working Interest Owner agrees on request of any other Working Interest Owner to  
2 execute any financing statement, continuation statement or memorandum of this Plan necessary in  
3 order to perfect the security interest and lien hereby granted under the applicable Uniform Commercial  
4 Code or state recording law.  
5

6 19.10 Bankruptcy. If, following the granting of relief under the Bankruptcy Code to any  
7 Working Interest Owner hereto as debtor thereunder, this Plan should be held to be an executory  
8 contract within the meaning of 11 U.S.C. Section 365, then Unit Operator, or (if Unit Operator is the  
9 debtor in bankruptcy) any other Working Interest Owner, shall be entitled to a determination by debtor  
10 or any trustee for debtor within thirty (30) days from the date an order for relief is entered under the  
11 Bankruptcy Code as to the rejection or assumption of this Plan. In the event of an assumption, Unit  
12 Operator or said other Working Interest Owner shall be entitled to adequate assurances as to future  
13 performance of debtor's obligation hereunder and the protection of the interest of all other parties.  
14

15 19.11 Pre-Unitization Expense. In anticipation of the Plan becoming effective, Unit Operator  
16 has incurred certain costs and expenses prior to the Effective Date for and on behalf of the Working  
17 Interest Owners ("Pre-Unitization Expense") which, for purposes of this Plan, shall be deemed to be  
18 a Unit Development Expense. Categories of such Pre-Unitization Expenses are reflected on Exhibit "E".  
19 As soon as practicable after the Effective Date, Unit Operator shall submit to the Working Interest  
20 Owners a statement itemizing all Pre-Unitization Expense. Within thirty (30) days of receipt of such  
21 statement, each Working Interest Owner shall reimburse Unit Operator for its share of Pre-Unitization  
22 Expense, with each Working Interest Owner's share thereof determined on the basis of its Secondary  
23 Unit Participation.  
24

## 25 26 ARTICLE 20 27 NONUNITIZED FORMATIONS 28

29 20.1 Right to Operate. Any Working Interest Owner that now has or hereafter acquires the  
30 right to drill for and produce oil, gas, or other minerals from a formation underlying the Unit Area other  
31 than the Unitized Formation, shall have the right to do so notwithstanding this Plan. In exercising the  
32 right, however, such Working Interest Owner shall exercise care to prevent unreasonable interference  
33 with Unit Operations. No Working Interest Owner other than Unit Operator shall produce Unitized  
34 Substances. If any Working Interest Owner drills any well into or through the Unitized Formation, the  
35 Unitized Formation shall be protected in a manner satisfactory to Working Interest Owners so that the  
36 production of Unitized Substances will not be adversely affected.  
37

38 20.2 Multiple Completions. Multiple completions in any formation and in the Unitized  
39 Formation in the same wellbore are deemed to be an unreasonable interference with Unit Operations  
40 and are forbidden.  
41

42 20.3 Salt Water Disposal - Other Formations. Water produced from wells completed in and  
43 producing from a formation other than the Unitized Formation may, with the approval of Unit Operator,  
44 be transported by the operator of such well producing from the other formation to a connection point  
45 with a Unit salt water disposal system, such connection point to be designated by the Unit Operator.  
46 The Unit will accept and dispose of such salt water through its system so long as the system has the  
47 necessary capacity to handle such water over and above the capacity required for Unit Operations.  
48 The Unit shall make no charge for the disposal of such water nor shall the operator of the formation  
49 make any charge against the Unit for the furnishing of such water, even though in some instances such  
50 water might be considered to be "supply" water and therefore beneficial to Unit Operations.  
51

## 52 53 ARTICLE 21 54 UNLEASED INTERESTS 55

56 21.1 Treated as Leased. If a Working Interest Owner owns in fee all or a part of the Oil  
57 and Gas Rights in any Tract within the Unit Area which is not subject to any oil and gas lease or other  
58 contract in the nature thereof, such Working Interest Owner shall be deemed to own a Working Interest  
59 in such Tract to the extent of seven-eighths (7/8) of its interest therein and a Royalty Interest subject  
60 to the terms of the oil and gas lease on Exhibit "H" with respect to the remaining one-eighth (1/8)  
61 interest therein.  
62

## 63 64 ARTICLE 22 65 LIABILITY, CLAIMS, AND SUITS 66

67 22.1 Individual Liability. The duties, obligations, and liabilities of Working Interest Owners  
68 shall be several and not joint or collective; and nothing herein shall ever be construed as creating a  
69 partnership of any kind, joint venture, trust, or association among Working Interest Owners.

1           **22.2 Settlements.** Unit Operator may settle any single damage claim or suit involving Unit  
2 Operations if the expenditure does not exceed Twenty Thousand Dollars (\$20,000) and if the payment  
3 is in complete settlement of such claim or suit. If the amount required for settlement exceeds the  
4 above amount, the Operating Committee shall determine the further handling of the claim or suit unless  
5 such authority is expressly delegated to Unit Operator. All cost and expense of handling, settling, or  
6 otherwise discharging such claim or suit shall be an item of Unit Expense, subject to such limitation  
7 as is set forth in Exhibit "D". If a claim is made against any Working Interest Owner or if a Working  
8 Interest Owner is sued on account of any matter arising from Unit Operations over which such Working  
9 Interest Owner individually has no control because of the rights given Working Interest Owners and  
10 Unit Operator by this Plan, such Working Interest Owner shall immediately notify Unit Operator, and  
11 the claim or suit shall be treated as any other claim or suit involving Unit Operations hereunder.

12  
13           **22.3 Notice of Loss.** Unit Operator shall report to Working Interest Owners as soon as  
14 practicable after each occurrence, damage, or loss to Unit Equipment, and each accident, occurrence,  
15 claim, or suit involving third party bodily injury or property damage not covered by insurance carried  
16 for the benefit of Working Interest Owners.

17  
18  
19                           **ARTICLE 23**  
20                           **NONDISCRIMINATION**

21  
22           **23.1 Nondiscrimination.** During the performance of work under this Plan, Unit Operator  
23 agrees to comply with all of the provisions of Subsections (1) through (7) of Section 202, Executive  
24 Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967,  
25 and as subsequently amended, which are hereby incorporated by reference in this Plan.

26  
27  
28                           **ARTICLE 24**  
29                           **NOTICES**

30  
31           **24.1 Notices.** All notices or other communications required hereunder shall be in writing  
32 and shall be deemed to have been properly served when sent by mail, telegram, or facsimile to the  
33 address of the representative of each Working Interest Owner or the Operating Committee as furnished  
34 to Unit Operator in accordance with Article 12. A notice shall be deemed to have been received upon  
35 the earlier of (1) the fifth (5th) day after being properly mailed, (2) within twenty-four (24) hours from  
36 the time sent by telegram, or (3) upon confirmation of transmission via facsimile. All notices or  
37 communication to the Unit or to the Operating Committee shall be directed to Unit Operator.

38  
39  
40                           **ARTICLE 25**  
41                           **FORCE MAJEURE**

42  
43           **25.1 Force Majeure.** All obligations of any Person arising hereunder, except for the  
44 payment of money, shall be suspended while compliance is prevented, in whole or in part, by a labor  
45 dispute, fire, war, civil disturbance, act of God; by federal, state, or municipal laws; by any rule,  
46 regulation, or order of a governmental agency; by inability to secure materials; or by any other cause  
47 or causes, whether similar or dissimilar, beyond the reasonable control of such Person. No Person shall  
48 be required against his will to adjust or settle any labor disputes. Neither this Plan nor any lease or other  
49 instrument subject hereto shall be terminated by reason of suspension of Unit Operations due to any  
50 one or more of the causes set forth in this Article.

51  
52  
53                           **ARTICLE 26**  
54                           **EFFECTIVE DATE**

55  
56           **26.1 Effective Date.** The Operating Committee shall determine and give Working Interest  
57 Owners reasonable notice of the time when the Unit will take over and commence Unit Operations.  
58 The time so fixed shall be 7:00 a.m. of the first day of the selected month and shall not be more than  
59 six (6) months following the issuance of a final order by the Corporation Commission approving this  
60 Plan. The time so fixed shall be the Effective Date of this Plan. The order of the Corporation  
61 Commission shall be regarded as having become final when the time for appeal from the action of the  
62 Commission in regard thereto has expired, if no appeal is taken; or, if an appeal (or appeals) is taken,  
63 then upon the final determination thereof. If the approval of this Plan by the Corporation Commission  
64 and the approval of this Plan by the Working Interest Owners and Royalty Owners are by separate  
65 orders, the date of the later of such two (2) orders shall be regarded as the date of entry of the order  
66 approving the Unit and this Plan.

67  
68           **26.2 Non-Approval of Plan.** If an order of the Corporation Commission approving this Plan  
69 has not been entered prior to June 30, 1996, this Plan shall *ipso facto* terminate on that date  
70 ("Termination Date") and thereafter be of no further effect unless prior thereto this Plan has been  
71 signed, executed, or ratified by Working Interest Owners owning a combined voting interest of at least  
72 sixty-three percent (63%) and that such Working Interest Owners owning at least sixty-three percent  
73 (63%) of that percent to vote to extend the Termination Date for a period not to exceed one (1) year.

1 If the Termination Date is so extended and this Unit is not made effective on or before the extended  
2 Termination Date, this Plan shall *ipso facto* terminate on the extended termination date and thereafter  
3 be of no further effect.  
4

5 26.3 Failure to Take Over Operations. If Unit Operator fails to assume and take over Unit  
6 Operations on or before six (6) months after the date the order of the Commission approving the Unit  
7 and this Plan become final, the Unit shall be dissolved and all rights and obligations under this Plan shall  
8 terminate except that any and all cost and expense incurred by the Unit or Unit Operator incident to  
9 its organization or preparatory to commencement of Unit Operations shall be borne and paid for by the  
10 Working Interest Owners in proportion that the Unit Participation (Secondary) of each such Working  
11 Interest Owner bears to the total participation of all such Working Interest Owners.  
12

13 26.4 Certificate of Effectiveness. No later than thirty (30) days following the Effective  
14 Date, Unit Operator shall record with the County Clerks of Logan and Noble Counties, Oklahoma, and  
15 provide the Corporation Commission with, a Certificate of Effectiveness stating the Effective Date, the  
16 description of lands included within the Unit and the cause number, order number and date of the order  
17 of the Corporation Commission giving notice of the Unit created hereunder.  
18  
19

20 **ARTICLE 27**  
21 **TERM AND ABANDONMENT OF UNIT OPERATIONS**  
22

23 27.1 Term. This Plan and the Unit shall continue in effect until the Operating Committee  
24 determines that Unit Production can no longer be produced in paying quantities or that Unit Operations  
25 are no longer feasible and as to the Working Interest Owners and thereafter until (a) all Unit wells have  
26 been plugged and abandoned or turned over to Working Interest Owners in accordance with this  
27 section; (b) all Unit Equipment and real property acquired for the joint account have been disposed of  
28 by Unit Operator in accordance with instructions of Working Interest Owners; and (c) there has been  
29 a final accounting.  
30

31 27.1.1 Temporary Abandonment of Unitized Formation. The Unit and this Plan  
32 shall continue in effect while the Unitized Formation is temporarily abandoned by the Unit until  
33 the Operating Committee determines such formation shall be permanently abandoned. The  
34 term "temporarily abandoned" shall mean a cessation in Unit Production for a period not to  
35 exceed six (6) consecutive months.  
36

37 27.1.2 Meeting of Operating Committee to Terminate Unit Operations. The  
38 Operating Committee's meeting to determine the termination of Unit Operations shall be held  
39 in accordance with Articles 12.2, Meetings and 12.3 Voting Procedure.  
40

41 27.2 Abandonment of Unit Operations. Upon abandonment of Unit Operations:  
42

43 27.2.1 Oil and Gas Rights. Oil and Gas Rights in and to each of the several Tracts  
44 shall no longer be affected by this Plan and thereafter the Royalty Owners shall be governed  
45 by the terms and provisions of the leases, contracts, and other instruments affecting the  
46 separate Tracts. Upon termination of this Plan in the manner set out herein, Royalty Owners  
47 hereby grant Working Interest Owners a ninety (90) day extension to the term of their leases  
48 and contracts covering the lands committed to the Unit Area to permit the Working Interest  
49 Owners owning such contractual or leasehold rights to resume operations thereof. If so  
50 resumed, such leases and contracts shall remain in force and effect in accordance with the  
51 provisions thereof.  
52

53 27.2.2 Right to Operate. Working Interest Owners of any Tract that desire to take  
54 over and continue to operate wells located thereon may do so by paying Unit Operator, for  
55 credit to the joint account, the net salvage value of the casing and equipment in and on the  
56 wells taken over, as estimated by the Operating Committee, and by agreeing to properly plug  
57 such wells in compliance with applicable laws and regulations upon abandonment thereof.  
58

59 27.2.3 Salvaging Wells and Unit Equipment. Unit Operator shall salvage the Unit  
60 Equipment and as much of the casing and equipment in or on wells not taken over by Working  
61 Interest Owners of the separate Tracts as can economically and reasonably be salvaged, and  
62 shall plug and abandon the wells, or cause the same to be plugged and abandoned, in  
63 accordance with applicable laws and regulations. Unit Operator shall have six (6) months after  
64 permanent cessation of Unit Production within which to conduct such salvaging and plugging  
65 operations.  
66

67 27.2.4 Cost of Salvaging and Distribution of Assets. Working Interest Owners  
68 shall share in the cost of salvaging Unit Equipment and in the liquidation and distribution of the  
69 Unit Equipment, assets, and properties used in Unit Operations in proportion to their respective  
70 Unit Participations.

1 27.3 Certificate of Termination. At such time Unit Operations are abandoned and the  
2 affairs of the Unit terminated, Unit Operator shall submit to the County Clerks of Logan and Noble  
3 Counties, Oklahoma, and to the Secretary of the Corporation Commission for filing, a Certificate of  
4 Termination setting forth the fact and time of termination of the Unit.  
5

6 27.4 Obligations Payable After Termination. If any liability or obligation incurred prior to  
7 termination of the Unit shall accrue and become payable thereafter, the amount shall be borne and paid  
8 as Unit Expense in the same manner as if it had accrued prior to termination of the Unit.  
9

10  
11 **ARTICLE 28**  
12 **ABANDONMENT OF WELLS**  
13

14 28.1 Rights of Former Owners. If the Operating Committee determines to permanently  
15 abandon any well within the Unit Area prior to termination of the Plan, Unit Operator shall give written  
16 notice thereof to the Working Interest Owners of the Tract on which the well is located, and they shall  
17 have the option for a period of thirty (30) days after the sending of such notice to notify Unit Operator  
18 in writing of their election to take over and own the well. Within ten (10) days after the Working  
19 Interest Owners of the Tract have notified Unit Operator of their election to take over the well, they  
20 shall pay Unit Operator, for credit to the joint account, the amount estimated by the Operating  
21 Committee to be the net salvage value of the casing and unit equipment, through the wellhead, in and  
22 on the well. The Working Interest Owners of the Tract, by taking over the well, agree to promptly and  
23 effectively seal off the Unitized Formation to the satisfaction of the Operating Committee and upon  
24 abandonment, to plug such well in compliance with applicable laws and regulations.  
25

26 28.2 Plugging. If the Working Interest Owners of a Tract do not elect to take over a well  
27 located within the Unit Area that is proposed for abandonment, Unit Operator shall plug and abandon  
28 the well in compliance with applicable laws and regulations; provided any extra expense incurred in the  
29 plugging of a well with multiple completions shall be borne by the Working Interest Owner owning the  
30 other source of supply in the well. The term "extra expense" shall be defined as the difference  
31 between the charges incurred in plugging and abandoning the well with multiple completions and the  
32 normal cost of doing the same work on such well absent multiple completions.  
33  
34

35 **ARTICLE 29**  
36 **WITHDRAWAL OF WORKING INTEREST OWNERS**  
37

38 29.1 Withdrawal. Any Working Interest Owner may withdraw from this Plan by  
39 transferring, without warranty of title either express or implied, to those Working Interest Owners who  
40 do not desire to withdraw and who elect in writing within thirty (30) days after receipt of notice from  
41 the withdrawing Working Interest Owner, to acquire their proportionate share of same, all its Working  
42 Interest, together with its interest in all Unit Equipment and in all wells used in Unit Operations;  
43 provided, that such transfer shall not relieve such Working Interest Owner from any obligation or  
44 liability incurred or accrued prior to the first day of the month following receipt by Unit Operator of  
45 such transfer. The delivery of the transfer shall be made to Unit Operator for the transferees. The  
46 transferred interest shall be owned by the transferees in proportion to their respective Unit  
47 Participations. The transferees, in proportion to the respective interests so acquired, shall pay the  
48 transferor for its interest in Unit Equipment, the salvage value thereof less its share of the estimated  
49 cost of salvaging same and of plugging and abandoning all wells then being used or held for Unit  
50 Operations, as determined by the Operating Committee.  
51

52 In the event such withdrawing owner's interest in the aforesaid salvage value is less than such  
53 owner's share of such estimated costs the withdrawing owner, as a condition precedent to withdrawal,  
54 shall pay the Unit Operator, for the benefit of Working Interest Owners succeeding to its interest, a  
55 sum equal to the deficiency. Within sixty (60) days after receiving delivery of the transfer, Unit  
56 Operator shall render a final statement to the withdrawing owner for its share of Unit Expense,  
57 including any deficiency in salvage value, as determined by Working Interest Owners, incurred as of  
58 the first day of the month following the date of receipt of the transfer. Provided that all Unit Expense,  
59 including any deficiency hereunder, due from the withdrawing owner has been paid in full within thirty  
60 (30) days after the rendering of such final statement by the Unit Operator, the transfer shall be  
61 effective the first day of the month following its receipt by Unit Operator and, as of such effective  
62 date, withdrawing owner shall be relieved from all further obligations and liabilities hereunder and under  
63 the Plan, and the rights of the withdrawing Working Interest Owner hereunder and under the Plan shall  
64 cease insofar as they existed by virtue of the interest transferred.  
65

66 29.2 Limitation on Withdrawal. Notwithstanding anything set forth in Article 29.1, Working  
67 Interest Owners may refuse to permit the withdrawal of a Working Interest Owner if its Working  
68 Interest is burdened by any royalty, overriding royalty, production payment, net proceeds interest,  
69 carried interest, or any other interest created out of the Working Interest other than those of record  
70 as of March 15, 1995, unless the other Working Interest Owners agree to accept the Working Interest  
71 of the withdrawing Working Interest Owner subject to such burdens.

Exhibit "B"  
Page 24 of 42

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**ARTICLE 30  
APPROVAL**

30.1 Original, Counterpart, or Other Instrument. This Plan may be executed, ratified, or approved by any Person signing an original or a counterpart hereof, each of which shall be deemed to be an original, or by executing a ratification under which such Person ratifies this Plan the same as though such Person had executed the original or a counterpart. The signature and acknowledgment pages of all such originals and counterparts and all ratifications may be assembled on one instrument for recording purposes.

30.2 Commitment of Interests to Unit. The approval of this Plan by a Person as hereinbefore provided shall bind that Person and commit any and all interests owned or controlled by that Person as of the date of such approval, and shall also commit any additional interests which may thereafter be acquired by such Person.

30.3 Prior Agreements. It is recognized there may be certain existing agreements by and between several of the Working Interest Owners hereto covering a portion of the Oil and Gas Rights subject to this Plan. In case of any inconsistency or conflict between this Plan and those certain existing agreements, this Plan shall govern.

**ARTICLE 31  
SUCCESSORS AND ASSIGNS**

31.1 Successors and Assigns. This Plan and all agreements and covenants contained herein shall extend to, and be binding upon, and inure to the benefit of, all Persons hereto and their respective heirs, devisees, legal representatives, successors, and assigns, and shall constitute covenants running with the lands, leases, and interests covered hereby.

IN WITNESS WHEREOF, the Persons hereunto have approved this Plan on the dates opposite their respective signatures.

UNIT OPERATOR AND WORKING INTEREST OWNER

UMC Petroleum Corporation

Attest:

\_\_\_\_\_  
Barbara A. Hinman  
Assistant Secretary

By: \_\_\_\_\_  
Sam D. Winegrad  
Title: Vice President of Land

**ACKNOWLEDGEMENT**

STATE OF COLORADO           §  
CITY AND COUNTY OF DENVER   §

On this 17th day of May, 1995, before me personally appeared Sam D. Winegrad, known to me to be the Vice President of Land for UMC Petroleum Corporation, and that he executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

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

My Commission Expires: September 3, 1997

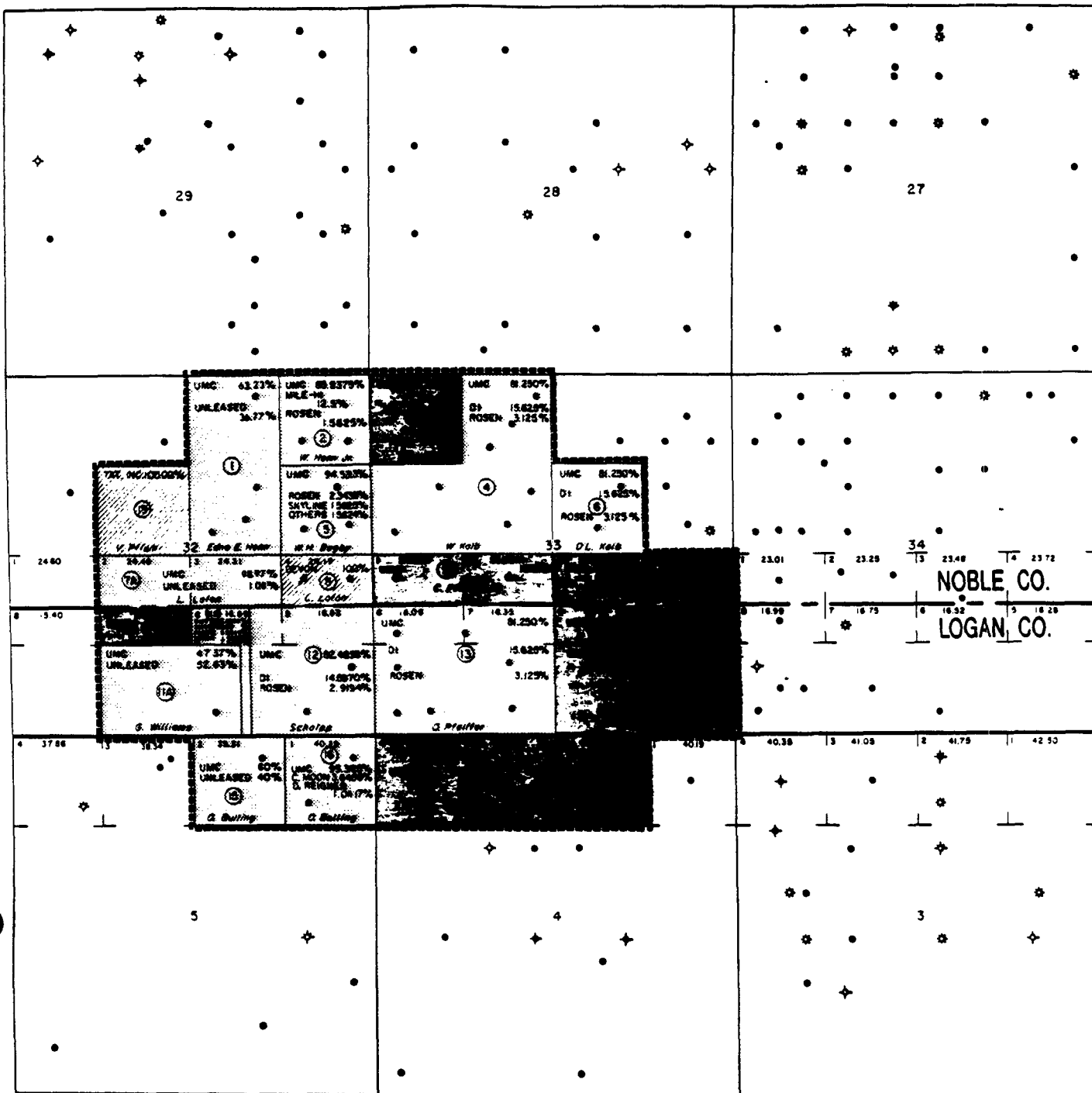
\_\_\_\_\_  
Kathleen R. Vigil, Notary Public  
410 - 17th Street, Suite 1400  
Denver, Colorado 80202

Exhibit "B"  
Page 25 of 42

R 2 W




T 20 N


T 19 N



NOBLE CO.  
LOGAN CO.

- LEGEND -

-  UMC Full Interest Leasehold
-  UMC Partial Interest Leasehold
-  Other Full Interest Leasehold

<b>UMC</b>	<b>UMC PETROLEUM CORPORATION</b>
<b>REVISIONS</b>	<b>PROPOSED SOUTH LUCIEN WATERFLOOD</b>
	<b>NOBLE and LOGAN COUNTIES, OKLAHOMA</b>
	<b>LAND MAP</b>
	<b>EXHIBIT "A"</b>
	SCALE: 1"=1000'
	
DATE: 8-1-68	DRAWN BY:
C1:	DRAFTED BY:

**EXHIBIT "B"**

**PLAN OF UNITIZATION  
SOUTH LUCIEN WATERFLOOD UNIT  
NOBLE AND LOGAN COUNTIES  
OKLAHOMA**

**Primary Tracts and Tract Participation**

<u>Tract</u>	<u>Tract Description</u>	<u>Tract Acreage</u>	<u>Participation Factor</u>
1	W/2NE/4 Section 32, T20N-R2W	80.00	0.000%
2	NE/4NE/4 Section 32, T20N-R2W	40.00	
2.510%			
3	NW/4NW/4 Section 33, T20N-R2W	40.00	.955%
4	NE/4NW/4, S/2NW/4 Section 33, T20N-R2W	120.00	25.807%
5	SE/4NE/4 Section 32, T20N-R2W	40.00	5.926%
6	SW/4NE/4 Section 33, T20N-R2W	40.00	7.271%
7A	Lot 2, 3, Section 32, T20N-R2W	48.77	0.000%
7B	Lot 7 Section 32, T20N-R2W	15.54	0.000%
8	Lot 4 Section 32, T20N-R2W	24.17	44.032%
9	Lots 1, 2 Section 33, T20N-R2W	47.60	3.438%
10A	Lots 3, 4 Section 33, T20N-R2W	46.40	0.000%
10B	Lots 5, 6 Section 33, T20N-R2W	33.60	0.000%
11A	Western portion of Lots 5, 6, S/2SE/4, SE/4SW/4, less and except western 10.04 acres of Lot 6 and western 5.6166 acres of E/2SW/4SE/4 Section 32, T20N-R2W	60.34	0.000%
11B	Western 10.04 acres of Lot 6 and western 5.6166 acres of E/2SW/4SE/4 Section 32, T20N-R2W	15.66	0.000%
12	Eastern 76 acres of Lot 5, 6, S/2SE/4 Section 32, T20N-R2W	76.00	2.628%
13	Lots 7, 8, S/2SW/4 Section 33, T20N-R2W	112.40	5.957%
14	S/2SE/4 Section 33, T20N-R2W	80.00	0.000%
15	Lot 2 Section 5, T19N-R2W	39.31	0.000%
16	Lot 1 Section 5, T19N-R2W	40.29	1.476%
17	Lots 3, 4 Section 4, T19N-R2W	81.16	0.000%
18	Lot 2 Section 4, T19N-R2W	40.29	0.000%
19	SE/4NW/4 Section 32, T20N-R2W	<u>40.00</u>	<u>0.000%</u>
	<b>TOTAL:</b>	<b>1161.53</b>	<b>100.000%</b>



## EXHIBIT "C"

PLAN OF UNITIZATION  
SOUTH LUCIEN WATERFLOOD UNIT  
NOBLE AND LOGAN COUNTIES  
OKLAHOMA

### Secondary Tracts and Tract Participation

Tract	Tract Description	Tract Acreage	Participation Factor
1	W/2NE/4 Section 32, T20N-R2W	80.00	6.3350%
2	NE/4NE/4 Section 32, T20N-R2W	40.00	3.0106%
3	NW/4NW/4 Section 33, T20N-R2W	40.00	3.1112%
4	NE/4NW/4, S/2NW/4 Section 33, T20N-R2W	120.00	13.3677%
5	SE/4NE/4 Section 32, T20N-R2W	40.00	5.7454%
6	SW/4NE/4 Section 33, T20N-R2W	40.00	5.3870%
7A	Lot 2, 3, Section 32, T20N-R2W	48.77	5.2172%
7B	Lot 7 Section 32, T20N-R2W	15.54	1.2060%
8	Lot 4 Section 32, T20N-R2W	24.17	7.0787%
9	Lots 1, 2 Section 33, T20N-R2W	47.60	5.0285%
10A	Lots 3, 4 Section 33, T20N-R2W	46.40	3.3905%
10B	Lots 5, 6 Section 33, T20N-R2W	33.60	1.2846%
11A	Western portion of Lots 5, 6, S/2SE/4, SES/4SW/4, less and except western 10.04 acres of Lot 6 and western 5.6166 acres of E/2SW/4SE/4 Section 32, T20N-R2W	60.34	5.3585%
11B	Western 10.04 acres of Lot 6 and western 5.6166 acres of E/2SW/4SE/4 Section 32, T20N-R2W	15.66	2.0616%
12	Eastern 76 acres of Lot 5, 6, S/2SE/4 Section 32, T20N-R2W	76.00	10.9288%
13	Lots 7, 8, S/2SW/4 Section 33, T20N-R2W	112.40	11.3322%
14	S/2SE/4 Section 33, T20N-R2W	80.00	.9752%
15	Lot 2 Section 5, T19N-R2W	39.31	1.5023%
16	Lot 1 Section 5, T19N-R2W	40.29	2.7781%
17	Lots 3, 4 Section 4, T19N-R2W	81.16	2.0253%
18	Lot 2 Section 4, T19N-R2W	40.29	.2100%
19	SE/4NW/4 Section 32, T20N-R2W	<u>40.00</u>	<u>2.6656%</u>
	<b>TOTAL:</b>	<b>1161.53</b>	<b>100.0000%</b>

EXHIBIT " D "

1 Attached to and made a part of Plan of Unitization  
2 South Lucien Waterflood Unit  
3 Logan and Noble Counties, Oklahoma  
4 dated May 15, 1995

ACCOUNTING PROCEDURE  
JOINT OPERATIONS

I. GENERAL PROVISIONS

1. Definitions

"Joint Property" shall mean the real and personal property subject to the agreement to which this Accounting Procedure is attached.  
"Joint Operations" shall mean all operations necessary or proper for the development, operation, protection and maintenance of the Joint Property.  
"Joint Account" shall mean the account showing the charges paid and credits received in the conduct of the Joint Operations and which are to be shared by the Parties.  
"Operator" shall mean the party designated to conduct the Joint Operations.  
"Non-Operators" shall mean the Parties to this agreement other than the Operator.  
"Parties" shall mean Operator and Non-Operators.  
"First Level Supervisors" shall mean those employees whose primary function in Joint Operations is the direct supervision of other employees and/or contract labor directly employed on the Joint Property in a field operating capacity.  
"Technical Employees" shall mean those employees having special and specific engineering, geological or other professional skills, and whose primary function in Joint Operations is the handling of specific operating conditions and problems for the benefit of the Joint Property.  
"Personal Expenses" shall mean travel and other reasonable reimbursable expenses of Operator's employees.  
"Material" shall mean personal property, equipment or supplies acquired or held for use on the Joint Property.  
"Controllable Material" shall mean Material which at the time is so classified in the Material Classification Manual as most recently recommended by the Council of Petroleum Accountants Societies.

2. Statement and Billings

Operator shall bill Non-Operators on or before the last day of each month for their proportionate share of the Joint Account for the preceding month. Such bills will be accompanied by statements which identify the authority for expenditure, lease or facility, and all charges and credits summarized by appropriate classifications of investment and expense except that items of Controllable Material and unusual charges and credits shall be separately identified and fully described in detail.

3. Advances and Payments by Non-Operators

- A. Unless otherwise provided for in the agreement, the Operator may require the Non-Operators to advance their share of estimated cash outlay for the succeeding month's operation within fifteen (15) days after receipt of the billing or by the first day of the month for which the advance is required, whichever is later. Operator shall adjust each monthly billing to reflect advances received from the Non-Operators.
- B. Each Non-Operator shall pay its proportion of all bills within fifteen (15) days after receipt. If payment is not made within such time, the unpaid balance shall bear interest monthly at the prime rate in effect at Chase Manhattan Bank, New York on the first day of the month in which delinquency occurs plus 1% or the maximum contract rate permitted by the applicable usury laws in the state in which the Joint Property is located, whichever is the lesser, plus attorney's fees, court costs, and other costs in connection with the collection of unpaid amounts.  
\* plus 4%

4. Adjustments

Payment of any such bills shall not prejudice the right of any Non-Operator to protest or question the correctness thereof; provided, however, all bills and statements rendered to Non-Operators by Operator during any calendar year shall conclusively be presumed to be true and correct after twenty-four (24) months following the end of any such calendar year, unless within the said twenty-four (24) month period a Non-Operator takes written exception thereto and makes claim on Operator for adjustment. No adjustment favorable to Operator shall be made unless it is made within the same prescribed period. The provisions of this paragraph shall not prevent adjustments resulting from a physical inventory of Controllable Material as provided for in Section V.

## 5. Audits

- A. A Non-Operator, upon notice in writing to Operator and all other Non-Operators, shall have the right to audit Operator's accounts and records relating to the Joint Account for any calendar year within the twenty-four (24) month period following the end of such calendar year; provided, however, the making of an audit shall not extend the time for the taking of written exception to and the adjustments of accounts as provided for in Paragraph 4 of this Section I. Where there are two or more Non-Operators, the Non-Operators shall make every reasonable effort to conduct a joint audit in a manner which will result in a minimum of inconvenience to the Operator. Operator shall bear no portion of the Non-Operators' audit cost incurred under this paragraph unless agreed to by the Operator. The audits shall not be conducted more than once each year without prior approval of Operator, except upon the resignation or removal of the Operator, and shall be made at the expense of those Non-Operators approving such audit.
- B. The Operator shall reply in writing to an audit report within 180 days after receipt of such report.

## 6. Approval By Non-Operators

Where an approval or other agreement of the Parties or Non-Operators is expressly required under other sections of this Accounting Procedure and if the agreement to which this Accounting Procedure is attached contains no contrary provisions in regard thereto, Operator shall notify all Non-Operators of the Operator's proposal, and the agreement or approval of a majority in interest of the Non-Operators shall be controlling on all Non-Operators.

## II. DIRECT CHARGES

Operator shall charge the Joint Account with the following items:

### 1. Ecological and Environmental

Costs incurred for the benefit of the Joint Property as a result of governmental or regulatory requirements to satisfy environmental considerations applicable to the Joint Operations. Such costs may include surveys of an ecological or archaeological nature and pollution control procedures as required by applicable laws and regulations.

### 2. Rentals and Royalties

Lease rentals and royalties paid by Operator for the Joint Operations.

### 3. Labor

- A. (1) Salaries and wages of Operator's field employees <sup>or consultants</sup> directly employed on the Joint Property in the conduct of Joint Operations.
- (2) Salaries of First Level Supervisors in the field.
- (3) Salaries and wages of Technical Employees <sup>or consultants</sup> directly employed on the Joint Property if such charges are excluded from the overhead rates.
- (4) Salaries and wages of Technical Employees either temporarily or permanently assigned to and directly employed in the operation of the Joint Property if such charges are excluded from the overhead rates.
- B. Operator's cost of holiday, vacation, sickness and disability benefits and other customary allowances paid to employees whose salaries and wages are chargeable to the Joint Account under Paragraph 3A of this Section II. Such costs under this Paragraph 3B may be charged on a "when and as paid basis" or by "percentage assessment" on the amount of salaries and wages chargeable to the Joint Account under Paragraph 3A of this Section II. If percentage assessment is used, the rate shall be based on the Operator's cost experience.
- C. Expenditures or contributions made pursuant to assessments imposed by governmental authority which are applicable to Operator's costs chargeable to the Joint Account under Paragraphs 3A and 3B of this Section II.
- D. Personal Expenses of those employees <sup>or consultants</sup> <sup>or fees</sup> whose salaries and wages are chargeable to the Joint Account under Paragraph 3A of this Section II.

### 4. Employee Benefits

Operator's current costs of established plans for employees' group life insurance, hospitalization, pension, retirement, stock purchase, thrift, bonus, and other benefit plans of a like nature, applicable to Operator's labor cost chargeable to the Joint Account under Paragraphs 3A and 3B of this Section II shall be Operator's actual cost not to exceed the percent most recently recommended by the Council of Petroleum Accountants Societies.

### 5. Material

Material purchased or furnished by Operator for use on the Joint Property as provided under Section IV. Only such Material shall be purchased for or transferred to the Joint Property as may be required for immediate use and is reasonably practical and consistent with efficient and economical operations. The accumulation of surplus stocks shall be avoided.

### 6. Transportation

Transportation of employees and Material necessary for the Joint Operations but subject to the following limitations:

- A. If Material is moved to the Joint Property from the Operator's warehouse or other properties, no charge shall be made to the Joint Account for a distance greater than the distance from the nearest reliable supply store where like material is normally available or railway receiving point nearest the Joint Property unless agreed to by the Parties.

- B. If surplus Material is moved to Operator's warehouse or other storage point, no charge shall be made to the Joint Account for a distance greater than the distance to the nearest reliable supply store where like material is normally available, or railway receiving point nearest the Joint Property unless agreed to by the Parties. No charge shall be made to the Joint Account for moving Material to other properties belonging to Operator, unless agreed to by the Parties.
- C. In the application of subparagraphs A and B above, the option to equalize or charge actual trucking cost is available when the actual charge is \$400 or less excluding accessorial charges. The \$400 will be adjusted to the amount most recently recommended by the Council of Petroleum Accountants Societies.

## 7. Services

The cost of contract services, equipment and utilities provided by outside sources, except services excluded by Paragraph 10 of Section II and Paragraph i, ii, and iii, of Section III. The cost of professional consultant services and contract services of technical personnel directly engaged on the Joint Property if such charges are excluded from the overhead rates. The cost of professional consultant services or contract services of technical personnel not directly engaged on the Joint Property shall not be charged to the Joint Account unless previously agreed to by the Parties.

## 8. Equipment and Facilities Furnished By Operator

- A. Operator shall charge the Joint Account for use of Operator owned equipment and facilities at rates commensurate with costs of ownership and operation. Such rates shall include costs of maintenance, repairs, other operating expense, insurance, taxes, depreciation, and interest on gross investment less accumulated depreciation not to exceed twelve percent (12%) per annum. Such rates shall not exceed average commercial rates currently prevailing in the immediate area of the Joint Property.
- B. In lieu of charges in paragraph 8A above, Operator may elect to use average commercial rates prevailing in the immediate area of the Joint Property less 20%. For automotive equipment, Operator may elect to use rates published by the Petroleum Motor Transport Association.

## 9. Damages and Losses to Joint Property

All costs or expenses necessary for the repair or replacement of Joint Property made necessary because of damages or losses incurred by fire, flood, storm, theft, accident, or other cause, except those resulting from Operator's gross negligence or willful misconduct. Operator shall furnish Non-Operator written notice of damages or losses incurred as soon as practicable after a report thereof has been received by Operator.

## 10. Legal Expense

Title materials and examination  
of title

Expense of handling, investigating and settling litigation or claims, discharging of liens, payment of judgements and amounts paid for settlement of claims incurred in or resulting from operations under the agreement or necessary to protect or recover the Joint Property, except that no charge for services of Operator's legal staff or fees or expense of outside attorneys shall be made unless previously agreed to by the Parties. ~~All other legal expense is considered to be covered by the overhead provisions of Section III unless otherwise agreed to by the Parties, except as provided in Section I, Paragraph 9.~~ All third party costs, whether legal, professional or otherwise incurred in compliance with state and/or federal rules and regulations with respect to spacing, proration, production and the NGPA of 1978 shall constitute a direct charge to the Joint Account.

## 11. Taxes

All taxes of every kind and nature assessed or levied upon or in connection with the Joint Property, the operation thereof, or the production therefrom, and which taxes have been paid by the Operator for the benefit of the Parties. If the ad valorem taxes are based in whole or in part upon separate valuations of each party's working interest, then notwithstanding anything to the contrary herein, charges to the Joint Account shall be made and paid by the Parties hereto in accordance with the tax value generated by each party's working interest.

## 12. Insurance

Net premiums paid for insurance required to be carried for the Joint Operations for the protection of the Parties. In the event Joint Operations are conducted in a state in which Operator may act as self-insurer for Worker's Compensation and/or Employers Liability under the respective state's laws, Operator may, at its election, include the risk under its self-insurance program and in that event, Operator shall include a charge at Operator's cost not to exceed manual rates.

## 13. Abandonment and Reclamation

Costs incurred for abandonment of the Joint Property, including costs required by governmental or other regulatory authority.

## 14. Communications

Cost of acquiring, leasing, installing, operating, repairing and maintaining communication systems, including radio and microwave facilities directly serving the Joint Property. In the event communication facilities/systems serving the Joint Property are Operator owned, charges to the Joint Account shall be made as provided in Paragraph 8 of this Section II.

## 15. Other Expenditures

Any other expenditure not covered or dealt with in the foregoing provisions of this Section II, or in Section III and which is of direct benefit to the Joint Property and is incurred by the Operator in the necessary and proper conduct of the Joint Operations.

The cost of preparing and filing Federal Form 1065 and related schedules for the partnership shall be considered a direct cost, if applicable.

## III. OVERHEAD

## 1. Overhead - Drilling and Producing Operations

- i. As compensation for administrative, supervision, office services and warehousing costs, Operator shall charge drilling and producing operations on either:

(X) Fixed Rate Basis, Paragraph 1A, or  
 ( ) Percentage Basis, Paragraph 1B

Unless otherwise agreed to by the Parties, such charge shall be in lieu of costs and expenses of all offices and salaries or wages plus applicable burdens and expenses of all personnel, except those directly chargeable under Paragraph 3A, Section II. The cost and expense of services from outside sources in connection with matters of taxation, traffic, accounting or matters before or involving governmental agencies shall be considered as included in the overhead rates provided for in the above selected Paragraph of this Section III unless such cost and expense are agreed to by the Parties as a direct charge to the Joint Account.

- ii. The salaries, wages and Personal Expenses of Technical Employees and/or the cost of professional consultant services and contract services of technical personnel directly employed on the Joint Property:

( ) shall be covered by the overhead rates, or  
 (X) shall not be covered by the overhead rates.

- iii. The salaries, wages and Personal Expenses of Technical Employees and/or costs of professional consultant services and contract services of technical personnel either temporarily or permanently assigned to and directly employed in the operation of the Joint Property:

( ) shall be covered by the overhead rates, or  
 (X) shall not be covered by the overhead rates.

Any charges estimated to exceed \$10,000 shall be subject to approval by the Working Interest Owners provided for under Article

## A. Overhead - Fixed Rate Basis

- (1) Operator shall charge the Joint Account at the following rates per well per month:

Drilling Well Rate \$ 4,300.00  
 (Prorated for less than a full month)

Producing Well Rate \$ 430.00  
 Injection Well Rate \$ 430.00

- (2) Application of Overhead - Fixed Rate Basis shall be as follows:

## (a) Drilling Well Rate

- (1) Charges for drilling wells shall begin on the date the well is spudded and terminate on the date the drilling rig, completion rig, or other units used in completion of the well is released, whichever is later, except that no charge shall be made during suspension of drilling or completion operations for fifteen (15) or more consecutive calendar days.
- (2) Charges for wells undergoing any type of workover or recompletion for a period of five (5) consecutive work days or more shall be made at the drilling well rate. Such charges shall be applied for the period from date workover operations, with rig or other units used in workover, commence through date of rig or other unit release, except that no charge shall be made during suspension of operations for fifteen (15) or more consecutive calendar days.

## (b) Producing Well Rates

- (1) An active well either produced or injected into for any portion of the month shall be considered as a one-well charge for the entire month.
- (2) Each active completion in a multi-completed well in which production is not commingled down hole shall be considered as a one-well charge providing each completion is considered a separate well by the governing regulatory authority.
- (3) An inactive gas well shut in because of overproduction or failure of purchaser to take the production shall be considered as a one-well charge providing the gas well is directly connected to a permanent sales outlet.
- (4) A one-well charge shall be made for the month in which plugging and abandonment operations are completed on any well. This one-well charge shall be made whether or not the well has produced except when drilling well rate applies.
- (5) All other inactive wells (including but not limited to inactive wells covered by unit allowable, lease allowable, transferred allowable, etc.) shall not qualify for an overhead charge.
- (3) The well rates shall be adjusted as of the first day of April each year following the effective date of the agreement to which this Accounting Procedure is attached. The adjustment shall be computed by multiplying the rate currently in use by the percentage increase or decrease in the average weekly earnings of Crude Petroleum and Gas Production Workers for the last calendar year compared to the calendar year preceding as shown by the index of average weekly earnings of Crude Petroleum and Gas Production Workers as published by the United States Department of Labor, Bureau of Labor Statistics, or the equivalent Canadian index as published by Statistics Canada, as applicable. The adjusted rates shall be the rates currently in use, plus or minus the computed adjustment.

## B. Overhead - Percentage Basis

- (1) Operator shall charge the Joint Account at the following rates:

Exhibit "B"  
 Page 32 of 42

(a) Development

\_\_\_\_\_ Percent ( \_\_\_\_\_ %) of the cost of development of the Joint Property exclusive of costs provided under Paragraph 10 of Section II and all salvage credits.

(b) Operating

\_\_\_\_\_ Percent ( \_\_\_\_\_ %) of the cost of operating the Joint Property exclusive of costs provided under Paragraphs 2 and 10 of Section II, all salvage credits, the value of injected substances purchased for secondary recovery and all taxes and assessments which are levied, assessed and paid upon the mineral interest in and to the Joint Property.

(2) Application of Overhead - Percentage Basis shall be as follows:

For the purpose of determining charges on a percentage basis under Paragraph 1B of this Section III, development shall include all costs in connection with drilling, re-drilling, deepening, or any remedial operations on any or all wells involving the use of drilling rig and crew capable of drilling to the producing interval on the Joint Property; also, preliminary expenditures necessary in preparation for drilling and expenditures incurred in abandoning when the well is not completed as a producer, and original cost of construction or installation of fixed assets, the expansion of fixed assets and any other project clearly discernible as a fixed asset, except Major Construction as defined in Paragraph 2 of this Section III. All other costs shall be considered as operating.

2. Overhead - Major Construction

To compensate Operator for overhead costs incurred in the construction and installation of fixed assets, the expansion of fixed assets, and any other project clearly discernible as a fixed asset required for the development and operation of the Joint Property, Operator shall either negotiate a rate prior to the beginning of construction, or shall charge the Joint Account for overhead based on the following rates for any Major Construction project in excess of \$ 25,000.00 :

- A. 5 % of first \$100,000 or total cost if less, plus
- B. 3 % of costs in excess of \$100,000 but less than \$1,000,000, plus
- C. 2 % of costs in excess of \$1,000,000.

Total cost shall mean the gross cost of any one project. For the purpose of this paragraph, the component parts of a single project shall not be treated separately and the cost of drilling and workover wells and artificial lift equipment shall be excluded.

3. Catastrophe Overhead

To compensate Operator for overhead costs incurred in the event of expenditures resulting from a single occurrence due to oil spill, blowout, explosion, fire, storm, hurricane, or other catastrophes as agreed to by the Parties, which are necessary to restore the Joint Property to the equivalent condition that existed prior to the event causing the expenditures, Operator shall either negotiate a rate prior to charging the Joint Account or shall charge the Joint Account for overhead based on the following rates:

- A. 5 % of total costs through \$100,000; plus
- B. 3 % of total costs in excess of \$100,000 but less than \$1,000,000; plus
- C. 2 % of total costs in excess of \$1,000,000.

Expenditures subject to the overheads above will not be reduced by insurance recoveries, and no other overhead provisions of this Section III shall apply.

4. Amendment of Rates

The overhead rates provided for in this Section III may be amended from time to time only by mutual agreement between the Parties hereto if, in practice, the rates are found to be insufficient or excessive.

**IV. PRICING OF JOINT ACCOUNT MATERIAL PURCHASES, TRANSFERS AND DISPOSITIONS**

Operator is responsible for Joint Account Material and shall make proper and timely charges and credits for all Material movements affecting the Joint Property. Operator shall provide all Material for use on the Joint Property; however, at Operator's option, such Material may be supplied by the Non-Operator. Operator shall make timely disposition of idle and/or surplus Material, such disposal being made either through sale to Operator or Non-Operator, division in kind, or sale to outsiders. Operator may purchase, but shall be under no obligation to purchase, interest of Non-Operators in surplus condition A or B Material. The disposal of surplus Controllable Material not purchased by the Operator shall be agreed to by the Parties.

1. Purchases

Material purchased shall be charged at the price paid by Operator after deduction of all discounts received. In case of Material found to be defective or returned to vendor for any other reasons, credit shall be passed to the Joint Account when adjustment has been received by the Operator.

2. Transfers and Dispositions

Material furnished to the Joint Property and Material transferred from the Joint Property or disposed of by the Operator, unless otherwise agreed to by the Parties, shall be priced on the following basis exclusive of cash discounts:

**A. New Material (Condition A)****(1) Tubular Goods Other than Line Pipe**

- (a) Tubular goods, sized 2½ inches OD and larger, except line pipe, shall be priced at Eastern mill published carload base prices effective as of date of movement plus transportation cost using the 80,000 pound carload weight basis to the railway receiving point nearest the Joint Property for which published rail rates for tubular goods exist. If the 80,000 pound rail rate is not offered, the 70,000 pound or 90,000 pound rail rate may be used. Freight charges for tubing will be calculated from Lorain, Ohio and casing from Youngstown, Ohio.
- (b) For grades which are special to one mill only, prices shall be computed at the mill base of that mill plus transportation cost from that mill to the railway receiving point nearest the Joint Property as provided above in Paragraph 2.A.(1)(a). For transportation cost from points other than Eastern mills, the 30,000 pound Oil Field Haulers Association interstate truck rate shall be used.
- (c) Special end finish tubular goods shall be priced at the lowest published out-of-stock price, f.o.b. Houston, Texas, plus transportation cost, using Oil Field Haulers Association interstate 30,000 pound truck rate, to the railway receiving point nearest the Joint Property.
- (d) Macaroni tubing (size less than 2½ inch OD) shall be priced at the lowest published out-of-stock prices f.o.b. the supplier plus transportation costs, using the Oil Field Haulers Association interstate truck rate per weight of tubing transferred, to the railway receiving point nearest the Joint Property.

**(2) Line Pipe**

- (a) Line pipe movements (except size 24 inch OD and larger with walls ¼ inch and over) 30,000 pounds or more shall be priced under provisions of tubular goods pricing in Paragraph A.(1)(a) as provided above. Freight charges shall be calculated from Lorain, Ohio.
  - (b) Line pipe movements (except size 24 inch OD and larger with walls ¼ inch and over) less than 30,000 pounds shall be priced at Eastern mill published carload base prices effective as of date of shipment, plus 20 percent, plus transportation costs based on freight rates as set forth under provisions of tubular goods pricing in Paragraph A.(1)(a) as provided above. Freight charges shall be calculated from Lorain, Ohio.
  - (c) Line pipe 24 inch OD and over and ¼ inch wall and larger shall be priced f.o.b. the point of manufacture at current new published prices plus transportation cost to the railway receiving point nearest the Joint Property.
  - (d) Line pipe, including fabricated line pipe, drive pipe and conduit not listed on published price lists shall be priced at quoted prices plus freight to the railway receiving point nearest the Joint Property or at prices agreed to by the Parties.
- (3) Other Material shall be priced at the current new price, in effect at date of movement, as listed by a reliable supply store nearest the Joint Property, or point of manufacture, plus transportation costs, if applicable, to the railway receiving point nearest the Joint Property.
- (4) Unused new Material, except tubular goods, moved from the Joint Property shall be priced at the current new price, in effect on date of movement, as listed by a reliable supply store nearest the Joint Property, or point of manufacture, plus transportation costs, if applicable, to the railway receiving point nearest the Joint Property. Unused new tubulars will be priced as provided above in Paragraph 2 A (1) and (2).

**B. Good Used Material (Condition B)**

Material in sound and serviceable condition and suitable for reuse without reconditioning:

**(1) Material moved to the Joint Property**

At seventy-five percent (75%) of current new price, as determined by Paragraph A.

**(2) Material used on and moved from the Joint Property**

- (a) At seventy-five percent (75%) of current new price, as determined by Paragraph A, if Material was originally charged to the Joint Account as new Material or
- (b) At sixty-five percent (65%) of current new price, as determined by Paragraph A, if Material was originally charged to the Joint Account as used Material.

**(3) Material not used on and moved from the Joint Property**

At seventy-five percent (75%) of current new price as determined by Paragraph A.

The cost of reconditioning, if any, shall be absorbed by the transferring property.

**C. Other Used Material****(1) Condition C**

Material which is not in sound and serviceable condition and not suitable for its original function until after reconditioning shall be priced at fifty percent (50%) of current new price as determined by Paragraph A. The cost of reconditioning shall be charged to the receiving property, provided Condition C value plus cost of reconditioning does not exceed Condition B value.

**(2) Condition D**

Material, excluding junk, no longer suitable for its original purpose, but usable for some other purpose shall be priced on a basis commensurate with its use. Operator may dispose of Condition D Material under procedures normally used by Operator without prior approval of Non-Operators.

- (a) Casing, tubing, or drill pipe used as line pipe shall be priced as Grade A and B seamless line pipe of comparable size and weight. Used casing, tubing or drill pipe utilized as line pipe shall be priced at used line pipe prices.
- (b) Casing, tubing or drill pipe used as higher pressure service lines than standard line pipe, e.g. power oil lines, shall be priced under normal pricing procedures for casing, tubing, or drill pipe. Upset tubular goods shall be priced on a non upset basis.

**(3) Condition E**

Junk shall be priced at prevailing prices. Operator may dispose of Condition E Material under procedures normally utilized by Operator without prior approval of Non-Operators.

**D. Obsolete Material**

Material which is serviceable and usable for its original function but condition and/or value of such Material is not equivalent to that which would justify a price as provided above may be specially priced as agreed to by the Parties. Such price should result in the Joint Account being charged with the value of the service rendered by such Material.

**E. Pricing Conditions**

- (1) Loading or unloading costs may be charged to the Joint Account at the rate of twenty-five cents (25¢) per hundred weight on all tubular goods movements, in lieu of actual loading or unloading costs sustained at the stocking point. The above rate shall be adjusted as of the first day of April each year following January 1, 1985 by the same percentage increase or decrease used to adjust overhead rates in Section III, Paragraph 1.A(3). Each year, the rate calculated shall be rounded to the nearest cent and shall be the rate in effect until the first day of April next year. Such rate shall be published each year by the Council of Petroleum Accountants Societies.
- (2) Material involving erection costs shall be charged at applicable percentage of the current knocked-down price of new Material.

**3. Premium Prices**

Whenever Material is not readily obtainable at published or listed prices because of national emergencies, strikes or other unusual causes over which the Operator has no control, the Operator may charge the Joint Account for the required Material at the Operator's actual cost incurred in providing such Material, in making it suitable for use, and in moving it to the Joint Property; provided notice in writing is furnished to Non-Operators of the proposed charge prior to billing Non-Operators for such Material. Each Non-Operator shall have the right, by so electing and notifying Operator within ten days after receiving notice from Operator, to furnish in kind all or part of his share of such Material suitable for use and acceptable to Operator.

**4. Warranty of Material Furnished By Operator**

Operator does not warrant the Material furnished. In case of defective Material, credit shall not be passed to the Joint Account until adjustment has been received by Operator from the manufacturers or their agents.

**V. INVENTORIES**

The Operator shall maintain detailed records of Controllable Material.

**1. Periodic Inventories, Notice and Representation**

At reasonable intervals, inventories shall be taken by Operator of the Joint Account Controllable Material. Written notice of intention to take inventory shall be given by Operator at least thirty (30) days before any inventory is to begin so that Non-Operators may be represented when any inventory is taken. Failure of Non-Operators to be represented at an inventory shall bind Non-Operators to accept the inventory taken by Operator.

**2. Reconciliation and Adjustment of Inventories**

Adjustments to the Joint Account resulting from the reconciliation of a physical inventory shall be made within six months following the taking of the inventory. Inventory adjustments shall be made by Operator to the Joint Account for overages and shortages, but, Operator shall be held accountable only for shortages due to lack of reasonable diligence.

**3. Special Inventories**

Special inventories may be taken whenever there is any sale, change of interest, or change of Operator in the Joint Property. It shall be the duty of the party selling to notify all other Parties as quickly as possible after the transfer of interest takes place. In such cases, both the seller and the purchaser shall be governed by such inventory. In cases involving a change of Operator, all Parties shall be governed by such inventory.

**4. Expense of Conducting Inventories**

- A. The expense of conducting periodic inventories shall not be charged to the Joint Account unless agreed to by the Parties.
- B. The expense of conducting special inventories shall be charged to the Parties requesting such inventories, except inventories required due to change of Operator shall be charged to the Joint Account.



## **EXHIBIT "E"**

### **PRE-UNITIZATION EXPENSE**

#### **SOUTH LUCIEN WATERFLOOD UNIT LOGAN AND NOBLE COUNTIES, OKLAHOMA**

Pre-Unitization Expenses shall include, but not necessarily be limited to, the following categories:

1. Pre-production and printing expenses incurred in printing and binding the Unit Agreement, Unit Operating Agreement, engineering reports, legal opinions, agreements, and all other documents and instruments necessary for the formation and approval of the Unit.
2. Postage and all mailouts to the working interests and mineral interests involved.
3. Recording fees, where applicable, for agreements, ratifications, certificates, and other instruments that are required to be recorded in various places.
4. Actual expenses, excluding salaries of Unit Operator, incurred by personnel directly involved in the formation and approval of the Unit.
5. Long distance telephone expenses directly associated with obtaining the approval by the royalty, overriding royalty, and Working Interest Owners.
6. Cost of rental of meeting rooms for Operating Committee when conducted outside the offices of the Unit Operator or other Working Interest Owners.
7. Outside legal expenses necessary to present the application for unitization to various governmental agencies having jurisdiction over such matters.
8. Cost of engineering, contract land work, which may include curative work, outside computer time, if applicable, and any other items necessary for the formation and approval of the Unit. In addition, expenses incurred for original title opinions, supplemental title opinions, and updates of title work, as deemed necessary shall be included.
9. All costs involved in well testing expense to establish the value of these wells, consulting fees attributed directly to such testing (where applicable), and other expenditures necessary as a prelude to the formation of the Unit prior to the Effective Date.
10. Any extraordinary costs not included in any of the above categories when authorized by the Operating Committee as may be required under the Plan.
11. Acquisition of any leasehold or equipment for the specific account of any Working Interest Owner prior to the formation of the Unit shall not be charged as a Pre-Unitization Expense, and any costs directly attributed to such acquisition for the benefit of the specific working interest owner shall also be excluded from the category of Pre-Unitization Expense.

EXHIBIT "F"

PRIMARY UNIT OPERATING EXPENSE

SOUTH LUCIEN WATERFLOOD UNIT  
LOGAN AND NOBLE COUNTIES, OKLAHOMA

TRACT NO.	LEASE	TOTAL WELLS	WELLS	TRACT EXPENSE ALLOCATION FACTOR
=====	=====	=====	=====	=====
1	EDNA HENN	0		0.00000000
2	HENN 32-2,3	2	HENN NO. 32-2A HENN NO. 32-3A	0.10526316 0.00000000
3	KOLB 33	1	KOLB NO. 33-2	0.05263158
4	L.S. KOLB	6	LS KOLB NO. 3 LS KOLB NO. 5 LS KOLB NO. 6 LS KOLB NO. 7 LS KOLB NO. 8 LS KOLB NO. 9	0.31578947 0.00000000 0.00000000 0.00000000 0.00000000 0.00000000
5	HENN 32-1	1	HENN NO. 32-1	0.05263158
6	D.L. KOLB	2	D. KOLB NO. 2 D. KOLB NO. 3	0.10526316 0.00000000
7 A	GLOCKER #1A	0		0.00000000
7 B	GLOCKER A2	0		0.00000000
8	GLOCKER #1	1	GLOCKER NO.1	0.05263158
9	C. PFEIFFER	2	C. PFEIFFER NO. 2 C. PFEIFFER NO. 1	0.10526316 0.00000000
10 A	PFEIFFER 33-1	0		0.00000000
10 B	PFEIFFER 33-1	0		0.00000000
11 A	MAHLER	0		0.00000000
11 B	LAFON	0		0.00000000
12	R. SCHLOPP	1	SCHLOPP NO. 3	0.05263158
13	O. PFEIFFER	2	O. PFEIFFER NO. 2 O. PFEIFFER NO. 3	0.10526316 0.00000000
14	WARD PFEIFFER	0		0.00000000
15	O. BULLING	0		0.00000000
16	BULLING A/B	1	BULLING NO. A1	0.05263158
17	F. PFEIFFER	0		0.00000000
18	DAVIS PFEIFFER	0		0.00000000
19	RIST	0		0.00000000
		=====	=====	=====
	TOTAL	19		1.00000000

## EXHIBIT "G"

### INVENTORY AND PRICING PROCEDURE

#### SOUTH LUCIEN WATERFLOOD UNIT LOGAN AND NOBLE COUNTIES, OKLAHOMA

1. INVENTORY EXPENSE. The cost of physical inventory will be charged as unit expense. An allowance of \$200.00 per day per person, plus normal personal living expense including travel time between assigned office and unit location, not to exceed two days round trip. Witness of Working Interest Owners of inventory on own tract will not qualify for this allowance.

2. PHYSICAL INVENTORY. All equipment, including loose and idle, will be inventoried. Loose, idle or scrap equipment shall be noted on inventory and it will be the responsibility of each Working Interest Owner to remove such material or equipment from its lease at its sole expense within a reasonable time not to exceed twelve (12) months. All material and equipment, other than loose, idle or scrap material and equipment inventoried will be referred to hereinafter as "loaned equipment." Any item of material and equipment in obvious poor condition shall be noted on inventory by inventory crews.

It is recognized and agreed that certain inventories material and equipment now in use may become surplus due to consolidation under unit operation. It is further agreed that such material and equipment will be loaned to the unit during the interim time of such consolidation at no cost to the unit. From time to time, as such consolidation progresses, Unit Operator will notify Working Interest Owners in writing of such surplus material or equipment declared surplus and such Working Interest Owners will remove such material or equipment from the unit area at their sole risk, cost and expense within a reasonable time. All such loaned equipment considered necessary for unit operations and not released as surplus within one year from the effective date of the unit will become unit property and credit will be given to the respective Working Interest Owners and priced according to the provisions of Exhibit "E," Section IV (Pricing of Joint Account Materials, Purchases, Transfers and Dispositions).

For purposes of inventory only, all controllable material and equipment inventoried and retained for unit operation, with the exception of loose, idle and scrap items in obvious poor condition and all material and equipment of less than Condition "B" value, will be priced according to the provisions of Exhibit "E," Section IV.

Each Operator's record of casing head and valves will be accepted for the inventory.

Prior to or on date of inventory, each Operator will furnish Unit Operator, from its records of unitized wells, the following:

Casing - size, weight and grade, if known, and depth set.  
Tubing - size, grade, weight and footage.  
Tubing Anchors and Packers - manufacturer, type and size.  
Sucker Rods - size and footage or number.  
Downhole Pumps or other Flow Equipment.  
Casing heads - make, size, series, test, type of valves of controllable nature.

The inventory shall be conducted in accordance with Article 10 of the Unit Operating Agreement and shall be limited to those items of equipment normally considered controllable by operators of oil and gas properties and indicated in Material Classification Manual prepared by the Council of Petroleum Accountants' Society of North America, in general use at the time of such inventory.



## **EXHIBIT "I"**

### **INSURANCE**

#### **SOUTH LUCIEN WATERFLOOD UNIT LOGAN AND NOBLE COUNTIES, OKLAHOMA**

For Operations by Unit Operator: The Unit Operator shall carry for the benefit of the joint account insurance to cover the Unit Operator's operations on the lands covered by this Agreement as follows:

- A. Workmen's Compensation and/or Employer's Liability Insurance in amount reasonably sufficient to cover liability for injury to or death of Unit Operator's employees, such insurance, if required by laws of the state in which the leased lands are located, to be in conformity with such laws.
- B. Comprehensive General Liability Insurance with limits of not less than \$300,000.00 covering injury to or death of one person, and not less than \$300,000.00 covering injury or death of more than one person by reason of one accident, and Property Damage Liability Insurance with limits of not less than \$100,000.00 for each accident and \$100,000.00 in the aggregate, including coverage for the hazards of contractual liability, contractor's protective liability, owners protective liability, products and completed operations. Policy should also extend to cover loss from explosion, blowout and cratering, and underground property damage without limitation for oil and gas. This insurance will not provide pollution coverage.
- C. Comprehensive Automobile Liability Insurance with limits of not less than \$100,000.00 covering injury to or death of one person and not less than \$300,000.00 covering injury to or death of more than one person by reason of one accident, and not less than \$100,000.00 covering property of third persons, including coverage for all owned, hired and non-owned vehicles.
- D. Umbrella Liability Insurance in the amounts not less than \$3,000,000.00, excess of all primary limits.
- E. As respect to losses to jointly-owned property, it is understood and agreed that except in the case of gross negligence or willful misconduct no Party to this agreement nor his insurers shall have any right of recovery against any other Party to this agreement, their agents, directors, officers, or employees, or against their respective property, and the rights of recovery with respect to such property are mutually waived. Any insurance policies covering any interest provided for hereunder covering jointly-owned property shall be endorsed to effectuate this waiver of subrogation.

It is the intent of the Unit Operator to provide the Working Interest Owners with the above limits of liability reduced to their interests. A per well charge will be made to the Joint Account for this coverage. Unit Operator has the right to use deductibles or self-insured retentions in

place of the above-described insurance limits of liability. Such deductibles and/or self-insured retentions shall be charged to the Joint Account when incurred. Working Interest Owners will be notified of the use of deductibles or self-insured retentions exceeding \$50,000.

The above coverages and limits may be modified from time to time subject to market availability and reasonable cost, and upon the approval of the Parties, and such approval shall not be unreasonably withheld.

All uninsured losses shall be charged to the Joint Account.

Any and all contractors or sub-contractors of Unit Operator performing work under this agreement shall be required to carry insurance coverage in amount and as designated by the Unit Operator.

Upon written request, the Unit Operator shall furnish a Working Interest Owner with a Certificate of Insurance evidencing that coverages as set forth above are in force and providing that the insurer shall notify the Working Interest Owner at least 20 days prior to the date of cancellation or the date on which a material change in coverage will become effective.

**EXHIBIT "J"**

**USEABLE WELLS**

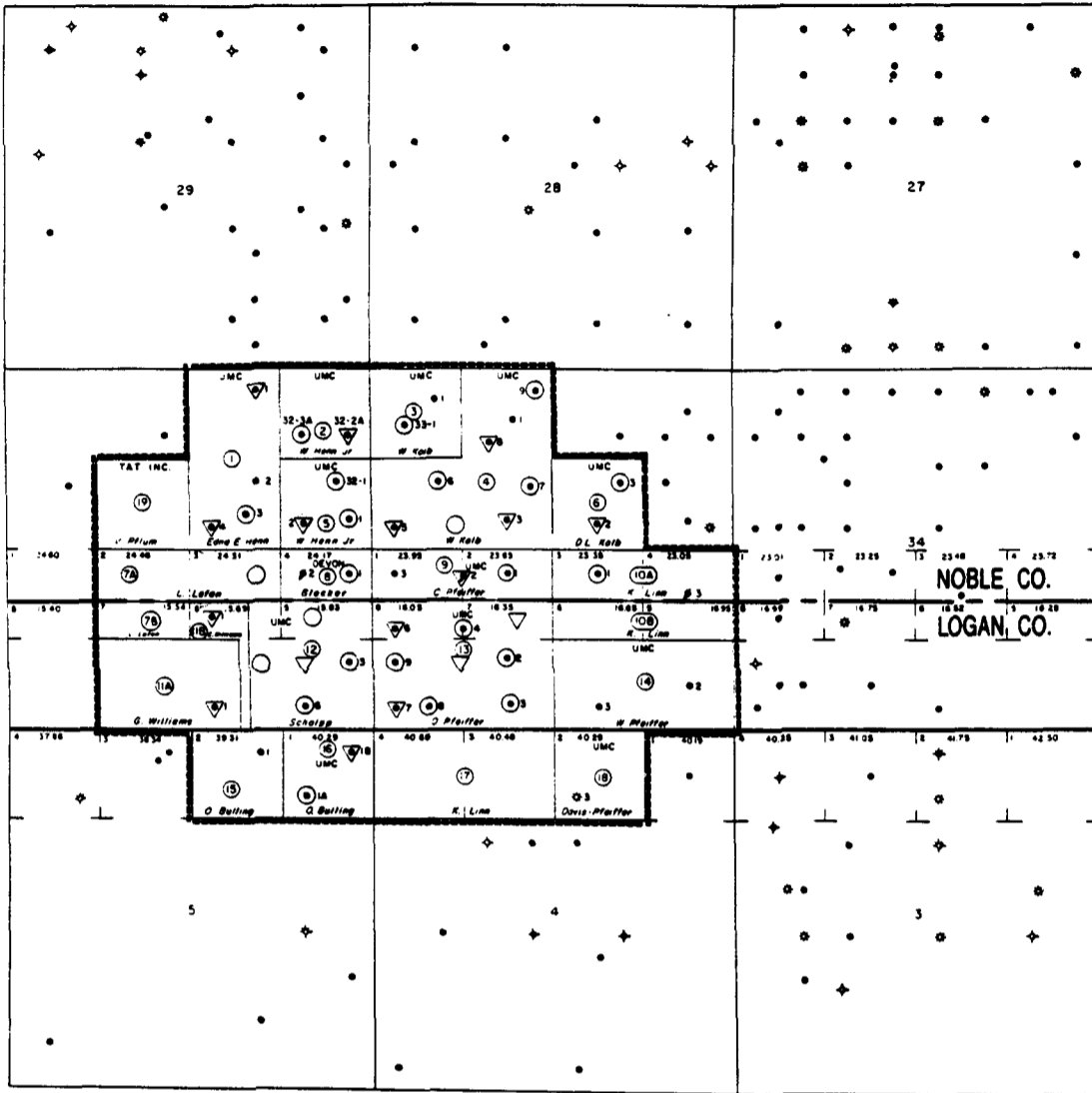
**SOUTH LUCIEN WATERFLOOD UNIT  
LOGAN AND NOBLE COUNTIES, OKLAHOMA**

TRACT NO.	LEASE	TOTAL WELLS	NO. USEABLE WELLS	USEABLE WELLS	NO. UNUSEABLE WELLS	UNUSEABLE WELLS
1	EDNA HENN	4	2	Wm. HENN NO. 3 Wm. HENN NO. 4	2	DUNCAN HENN NO Wm. HENN No. 2
2	HENN 32-2,3	2	2	HENN NO. 32-2A HENN NO. 32-3A	0	
3	KOLB 33	1	1	KOLB NO. 33-2	0	
4	L.S. KOLB	7	6	LS KOLB NO. 3 LS KOLB NO. 5 LS KOLB NO. 6 LS KOLB NO. 7 LS KOLB NO. 8 LS KOLB NO. 9	1	LS KOLB NO. 1
5	HENN 32-1	3	3	HENN NO. 32-1 Wm. HENN NO. 1 Wm. HENN NO. 2	0	
6	D.L. KOLB	2	2	D. KOLB NO. 2 D. KOLB NO. 3	0	
7 A	GLOCKER #1A	1	0		1	GLOCKER NO. A1
7 B	GLOCKER A2	0	0		0	
8	GLOCKER #1	2	1	GLOCKER NO.1	1	GLOCKER NO. 2
9	C. PFEIFFER	3	2	C. PFEIFFER NO. 2 C. PFEIFFER NO. 1	1	C. PFEIFFER NO. 3
10 A	PFEIFFER 33-1	1	1	PFEIFFER No. 1	0	
10 B	PFEIFFER 33-1	0	0		0	
11 A	MAHLER	2	1	MAHLER NO. 1	1	M. MAHLER UT NO.
11 B	LAFON	0	0		0	
12	R. SCHLOPP	3	2	SCHOLPP NO. 3 SCHOLPP NO. 6	1	SCHOLPP NO. 5
13	O. PFEIFFER	7	7	O. PFEIFFER NO. 2 O. PFEIFFER NO. 3 O. PFEIFFER NO. 4 O. PFEIFFER NO. 6 O. PFEIFFER NO. 7 O. PFEIFFER NO. 8 O. PFEIFFER NO. 9	0	
14	WARD PFEIFFER	2	1	W. PFEIFFER NO. 3	2	W. PFEIFFER NO. 2
15	O. BULLING	0	0		0	
16	BULLING A/B	2	2	BULLING NO. A1 BULLING NO. B1	0	
17	F. PFEIFFER	0	0		0	
18	DAVIS PFEIFFER	1	0		1	D. PFEIFFER NO. 3
19	RIST	1	0		1	
<b>SUB-TOTAL</b>		<b>44</b>	<b>33</b>		<b>12</b>	

R 2 W

T 20 N

T 19 N



- LEGEND -  
 ○ PROPOSED PRODUCERS  
 ▽ PROPOSED INJECTORS

<b>UMC</b>		<b>UMC PETROLEUM CORPORATION</b>
<b>REVISIONS</b>		<b>PROPOSED SOUTH LUCIEN WATERFLOOD</b>
		<b>NOBLE and LOGAN COUNTIES, OKLAHOMA</b>
		<b>WATERFLOOD CONFIGURATION</b>
		Scale 1" = 1000'
		0 1000 2000 3000
DATE 2-18-58		BY: [ ]
BY: [ ]		CHECKED BY: [ ]

Exhibit "C"  
 Page 1 of 1





COMPENSATED DENSITY  
DUAL SPACED NEUTRON  
LOG

COMP. HAZELWOOD PRODUCTION AND EXPLORATION CO.

WELL F. HEN 892-1

FIELD --- COUNTY NOBLE ST. OKLA.

COMPANY HAZELWOOD PRODUCTION AND EXPLORATION CO.  
WELL E. HEN 892-1  
FIELD ---  
COUNTY NOBLE STATE OKLA.  
RPT NO. LOCATION NE SE NE  
OTHER SERVICES  
DIGI CAL  
SEC. 32 TWP. 29N R2E. 2W  
C.L. ELEV. 1128  
K.B. 11 FT. ABOVE PERM. DRIFTUM  
ELEV.: K.B. 1139  
D.F. 1138  
C.L. 1128

ENVIRONMENT	DRIFTUM	NO. REMOVED FROM	K.B.	11	FT. ABOVE PERM. DRIFTUM
WELLING REMOVED FROM	K.B.				
DATE	5/13/04				
LOG NO.	ONE				
EPH-DRILLER	5204				
EPH-HELEX	5212				
TR. LOG INTER.	5230				
TP LOG INTER.	5230				
NO. LOG-DRILLER	8 5/8	0	595		
NO. LOG-HELEX	---				
BIT SIZE	7 7/8				
THE FLUID IN HOLE	WATER BRINE MD				
END. 1 VISC.	9.0	1.50			
N 1 FLUID LOSS	10.0	1.8.0	NL		
CHARGE OF SAMPLE	CIRCULATED				
N 0 REM. TEMP.	9.8	0.74	F		
W 0 REM. TEMP.	2.1	0.74	F		
MC 0 REM. TEMP.	---	---	F		
CHARGE WPT. REC.	RECORDED				
IN Q. WPT.	1.7	0.112	F		
LINE SINCE CIRC.	9 HOURS				
LINE ON BOTTOM	1139				
W. REC. TEMP.	112	FE TO	FE		
W. 1 LOCATION	4941	1 SPRING			
LOGGED BY	PROJECT				
ATTENDED BY	MR. HAZELWOOD				

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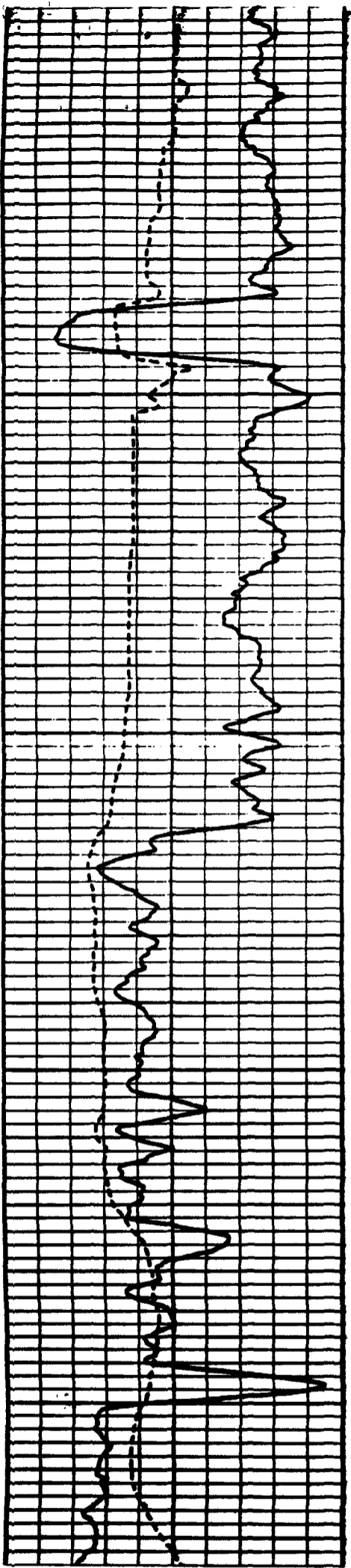
SERVICE TICKET NO.: 100210 RPT SERIAL NO.: PCN VERSION: V1.71 3/12/04

EQUIPMENT DATA							
GAMMA		ACOUSTIC		DENSITY		NEUTRON	
RUN NO.	ONE	RUN NO.		RUN NO.	ONE	RUN NO.	ONE
SERIAL NO.	100230	SERIAL NO.		SERIAL NO.	2000	SERIAL NO.	100230
MODEL NO.	2000	MODEL NO.		MODEL NO.	1270	MODEL NO.	2000
DIAMETER	3 3/8	NO. OF CHPT.		DIAMETER	3 5/8	DIAMETER	3 3/8
DETECTOR MODEL NO.	25002	SPACING		LOG TYPE	COL-000	LOG TYPE	COL-000
TYPE	SCINT			SOURCE TYPE	CS137	SOURCE TYPE	AMER-241
LENGTH	4	LOG	YES NO	SERIAL NO.	00000	SERIAL NO.	4000
DISTANCE TO SOURCE	354	FROM	YES NO	STRENGTH	50000	STRENGTH	150

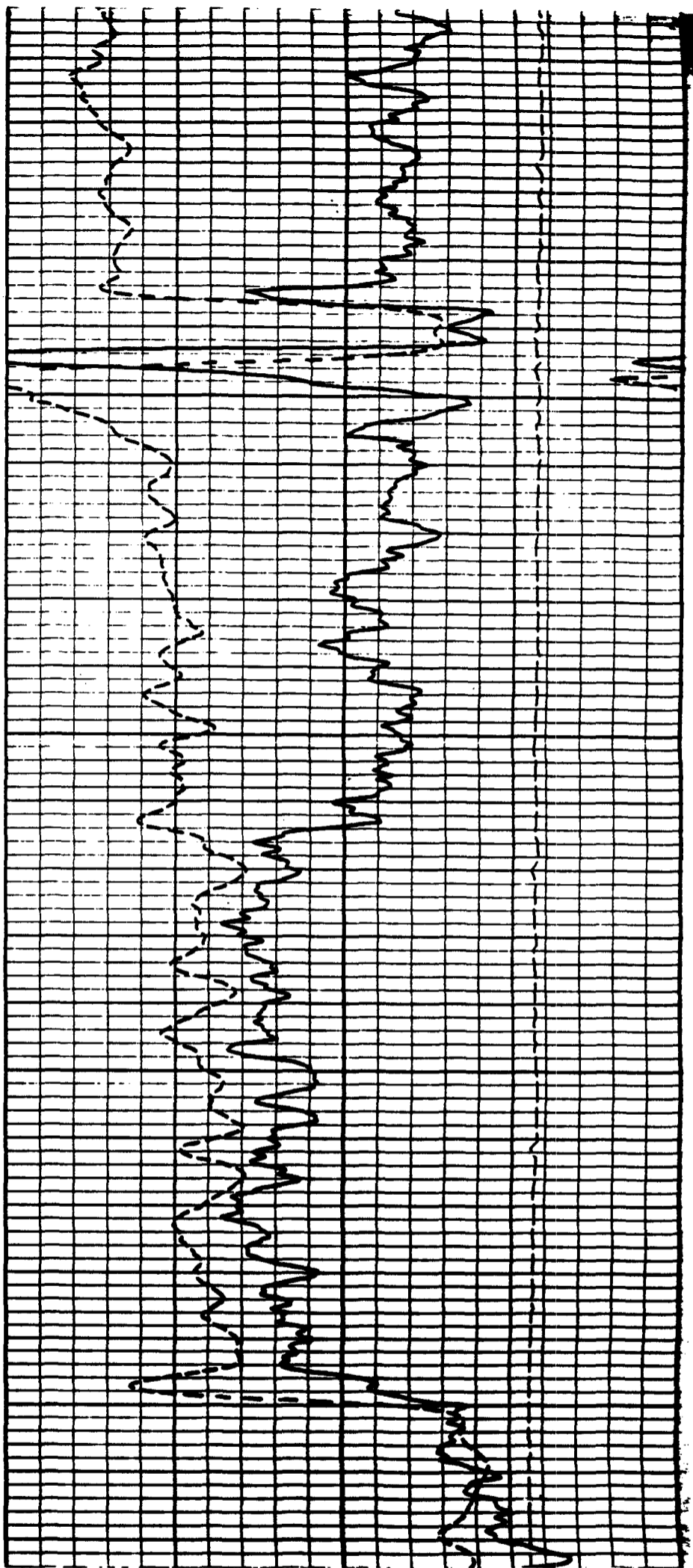
LOGGING DATA														
GAMMA			GAMMA		ACOUSTIC		DENSITY			NEUTRON				
RUN NO.	DEPTH	SPEED	SCALE	L	R	SCALE	L	R	MATRIX	L	R	MATRIX		
ONE	5210	3000	30	0	150				2.0	3.0	2.71	30	-10	LINE

REMARKS:

MELIX DOES NOT GUARANTEE THE ACCURACY OF ANY INTERPRETATION OF LOG DATA, CONVERSION OF LOG DATA TO PHYSICAL ROCK PARAMETERS, OR RECOMMENDATIONS WHICH MAY BE GIVEN BY MELIX PERSONNEL OR WHICH MAY APPEAR ON THE LOG OR IN ANY OTHER FORM. ANY USER OF SUCH DATA, INTERPRETATIONS, OR CONVERSIONS, OR RECOMMENDATIONS AGREES THAT MELIX IS NOT RESPONSIBLE, EXCEPT WHERE DUE TO GROSS NEGLIGENCE OR WILLFUL MISCONDUCT FOR ANY LOSS, DAMAGES, OR EXPENSES RESULTING FROM THE USE THEREOF.

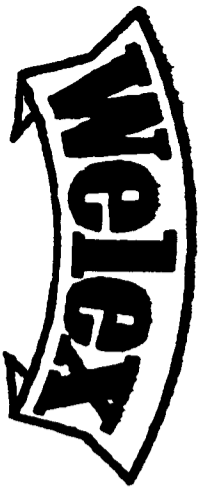


4400.



4500.

4600.



DUAL INDUCTION  
GUARD LOG

COMP. HAZELWOOD PRODUCTION AND EXPLORATION CO.  
WELL E. HENW 432-1  
FIELD ---  
COUNTY NOBLE ST. OKLA.

COMPANY HAZELWOOD PRODUCTION AND EXPLORATION CO.  
WELL E. HENW 432-1  
FIELD ---  
COUNTY NOBLE STATE OKLA.  
RPI NO. ---  
LOCATION NE SE NE  
OTHER SERVICES ---

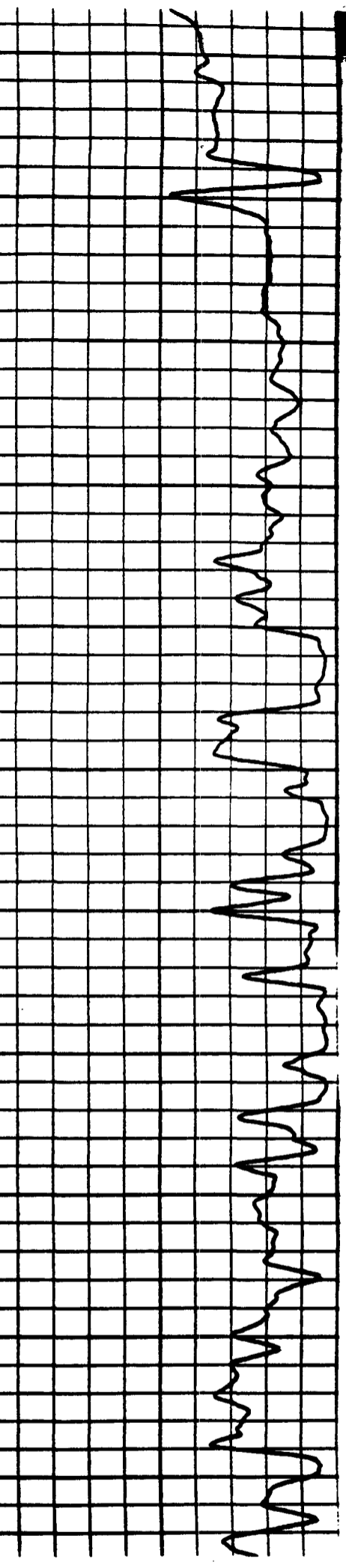
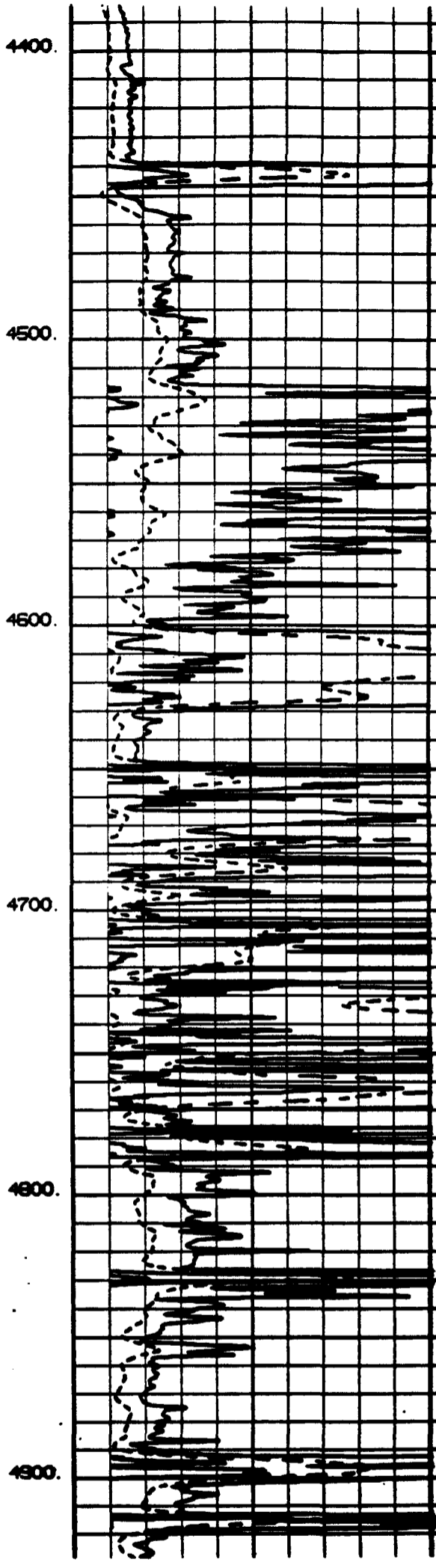
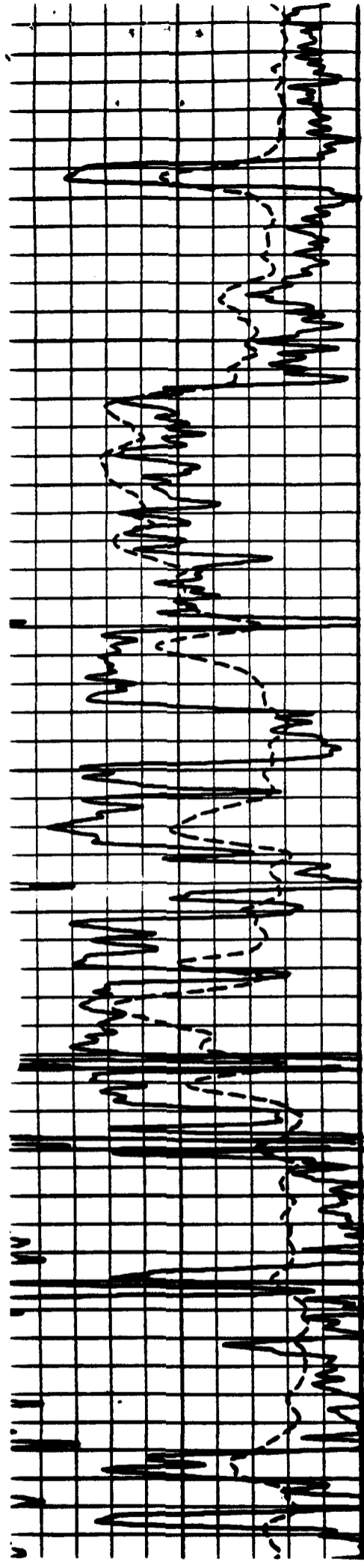
PERMITS/DRTUM	C.L.	SEC. 32	TWP. 20N	RGE. 2W	ELEV. 1128	ELEV. K.B. 1139
LOG MEASURED FROM	K.B.				11 FT. ABOVE PERM. DRTUM	D.F. 1138
DRILLING MEASURED FROM	K.B.					C.L. 1128
DATE	5/13/84					
RUN NO.	ONE					
DEPTH-DRILLER	5284					
DEPTH-MELEX	5212					
BTM. LOG INTER.	5289					
TOP LOG INTER.	386					
COSING-DRILLER	8 5/8 @ 395					
COSING-MELEX	386					
BIT SIZE	7 7/8					
TYPE FLUID IN HOLE	WATER BRSED MUD					
DENS. : VISC.	9.0 : 90					
PH : FLUID LOSS	10.0 : 6.0 ML					
SOURCE OF SAMPLE	CIRCULATED					
RF e MENS. TEMP.	2.6 @ 74	F				
RPF e MENS. TEMP.	2.1 @ 74	F				
RNC e MENS. TEMP.	---	F				
SOURCE: RPF : RNC	MEASURED: ---					
RF e BHT	1.7 @ 112	F				
RPF e BHT	---	F				
RNC e BHT	---	F				
TIME SINCE CIRC.	9 HOURS					
TIME ON BOTTOM	0700					
NOV. REC. TEMP.	112	Fe TO				
EQUIP. : LOCATION	4541 : SPANNE					
RECORDED BY	PICKETT					
INTERVIEWED BY	MR. HAZELWOOD					

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SERVICE TICKET NO.:	188218	RPI SERIAL NO.:		PCN VERSION:	V1.71 3/12/84
CHANGE IN MUD TYPE OR ADDITIONAL SAMPLES			RESISTIVITY SCALE CHANGES		
DATE : SAMPLE NO.	:	:	TYPE LOG	DEPTH	SCALE UP HOLE
DEPTH-DRILLER					
TYPE FLUID IN HOLE					
DENS. : VISC.	:	:			
PH : FLUID LOSS	:	ML			
SOURCE OF SAMPLE			RESISTIVITY EQUIPMENT DATA		
RF e MENS. TEMP.	@	F	RUN NO.	TOOL TYPE AND NO.	FRS TYPE
RPF e MENS. TEMP.	@	F	ONE	01G 97009	
RNC e MENS. TEMP.	@	F		CLIND 67355	
SOURCE: RPF : RNC	CALC : CALC			GRAB 184179	
RF e BHT	1.7 @ 112	F			
RPF e BHT	1.4 @ 112	F			
RNC e BHT	@	F			
BENCH CORRECTIONS: SHALLOW. MEDIUM. DEEP.					
REMARKS:					

MELEX DOES NOT GUARANTEE THE ACCURACY OF RAW INTERPRETATION OF LOG DATA. CONVERSION OF LOG DATA TO PHYSICAL ROCK PARAMETERS, OR RECOMMENDATIONS WHICH MAY BE GIVEN BY MELEX PERSONNEL OR WHICH MAY APPEAR ON THE LOG OR IN ANY OTHER FORM, ARE USER OF SUCH DATA, INTERPRETATIONS, OR CONVERSIONS, OR RECOMMENDATIONS AGREE THAT MELEX IS NOT RESPONSIBLE, EXCEPT WHERE DUE TO GROSS NEGLIGENCE OR WILLFUL MISCONDUCT FOR RAW LOSS, DAMAGES, OR EXPENSES RESULTING FROM THE USE THEREOF.

2" = 100'



4400.  
4500.  
4600.  
4700.  
4800.  
4900.

## South Lucien Waterflood Unit

I. Source of Supply: The Cleveland Formation as identified by the interval 4,514' to 4,600' in the Henn 32-1.

### II. Casing Description for the Proposed Injection Wells

A. Surface: 8 5/8" 24# J-55 set at 500'

B. Production (Injection): 5 1/2" 15.5# J-55 set at 5,200'

### III. Injection Fluid

a. Type: Saltwater

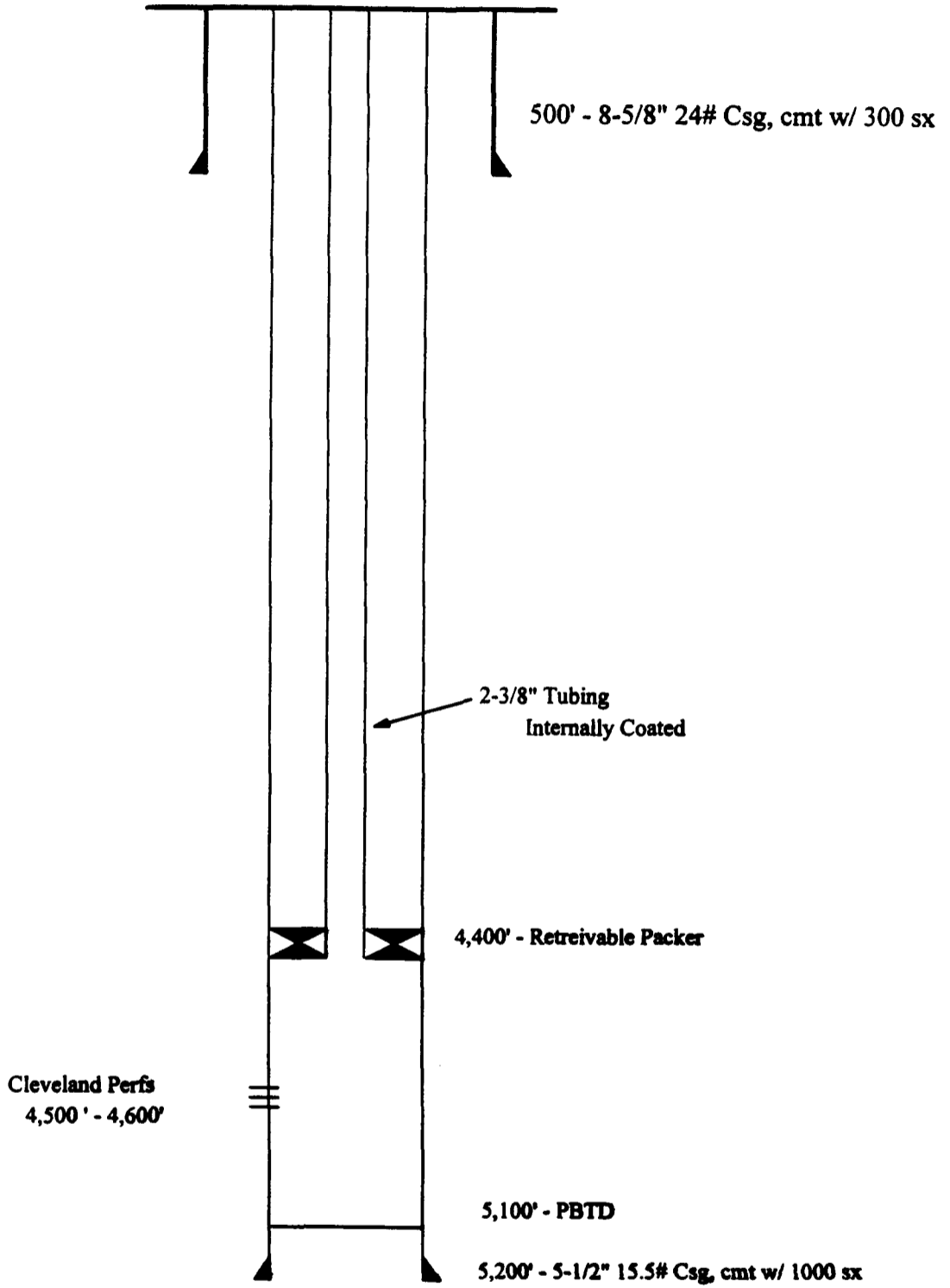
B. Source: Layton and Perry Formations

C. Injection Volumes:

1.) Total Unit: 7300 BWPD

2.) Individual Well Rate: 450 BWPD

**PROPOSED INJECTOR**  
**South Lucien Waterflood Unit**  
**Noble / Logan Counties**



# AFFIDAVIT OF PUBLICATION

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT: UMC PETROLEUM CORPORATION

RELIEF SOUGHT: UNITIZATION ENHANCED RECOVERY UNIT

LEGAL DESCRIPTION: NORTH HALF OF THE NORTHWEST QUARTER AND THE NORTHWEST QUARTER OF SECTION 4, TOWNSHIP 19 NORTH, RANGE 2 WEST; THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 5, TOWNSHIP 19 NORTH, RANGE 2 WEST; THE NORTHEAST QUARTER AND THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER AND LOTS 2, 3, 4, 5, 6, 7 AND 8 AND THE SOUTH HALF OF THE SOUTH HALF OF SECTION 33, TOWNSHIP 20 NORTH, RANGE 2 WEST, LOGAN AND NOBLE COUNTIES, OKLAHOMA.

CAUSE CD 950003570

### NOTICE OF HEARING

STATE OF OKLAHOMA: To all persons, owners, producers, operators, purchasers and take'rs of oil and gas and all other interested persons, particularly in Logan and Noble Counties, Oklahoma, and more particularly 1st Interstate Bank of Denver; A.B. Still; Advent Trading Co.; Alan G. Sanborn; Alan Robert Hyden; Alberta Dean MacKenzie; Amerada Hess Corp; Amoco Production Company; Ann Marguerite Snell; Ann Taylor; Anna K. Barker; Aquatco Inc.; Audrey V Hicks; Audrie Hittell Dury; Ben Roberts; Berexco, Inc.; Bessie MacNeal Scudder; Betty L. Henn Betty Lou Grati; Betty Lou Waters; Beverly C. Cass; Beverly Tyler; BHP Petroleum USA, Inc.; Billie Jean Hooten; Blanche Tyler Davis; Bobwhite Production, Inc.; Bonnie Clare Neilson; Brian S. Meritt; Trustee; Burdveyetta J. Linn; C Woods Trust, Wells Fargo Bank NA AU; C.W. Dobson; Harry M. Hoxsey, et al; Carl G. Klotz; Carl H. Tiedemann; Carmen Richards; Carol R Kolb; Carthal Monroe Talley, Jr.; Catherine A. Wilson; Catherine Burchard; Catherine Crutchfield Light; Champlin Oil & Refining Co.; Charles A Carry Estate; Albert J Carry & Charles A Carry, Jr.; Administrators; Charles A Kettering; Charles E. & Mary A. Whitam; Charles M. Moon, Jr.; Charou S Larronde; S/S Trustee, Larronde Family Trust; Charter National Bank-Colonial; Cheyenne Oil Properties; Christine L Probert Estate, Mrs.

**FILED**  
SEP 29 1995

COURT CLERK'S OFFICE - OKC  
CORPORATION COMMISSION  
OF OKLAHOMA

State of Oklahoma  
County of Oklahoma

SS. NOTICE OF HEARING

Case: CD 950003570

Account: 9980

Karen Tetteleton of lawful age, being duly sworn and

authorized, says that he/she is a manager with The Edmond Evening Sun, a daily newspaper printed in the City of Edmond, Oklahoma County, Oklahoma, a newspaper qualified to publish legal notices, advertisements and publications as provided in Section 106 of Title 25, Oklahoma Statutes 1961, as amended, and complies with all other requirements of the laws of Oklahoma with reference to Legal Publications.

That said notice, a true copy of which is attached hereto, was published in the regular edition of said newspaper during the period and time of publication and not in a supplement, on the following dates:

September 26, 1995

Publishing Fee: \$208.33

Subscribed and sworn to before me this 27 th day of September, 1995.

*[Signature]*

*[Signature]*  
Notary Public

My commission expires:

June 14, 1997

PUBLISHER'S ADDRESS:  
The Edmond Evening Sun  
P. O. Box 2470  
Edmond, OK 73083-2470  
(405) 341-2121

SOUTH HALF OF SECTION 33,  
TOWNSHIP 20 NORTH, RANGE 2 WEST,  
LOGAN AND NOBLE COUNTIES,  
OKLAHOMA.

CAUSE CD 950003570

**NOTICE OF HEARING**

STATE OF OKLAHOMA: To all persons, owners, producers, operators, purchasers and takers of oil and gas and all other interested persons, particularly in Logan and Noble Counties, Oklahoma, and more particularly 1st Interstate Bank of Denver; A.B. Still; Advent Trading Co.; Alan G. Sanborn; Alan Robert Hyden; Alberta Dean MacKenzie; Amerada Hess Corp; Amoco Production Company; Ann Marguerite Snell; Ann Taylor; Anna K. Barker; Aquaenco Inc.; Audrey V Hicks; Audrie Hittell Duty; Ben Roberts; Berexco, Inc.; Bessie MacNeal Scudder; Betty L. Henn Betty Lou Graft; Betty Lou Waters; Beverly C. Cass; Beverly Tyler; BHP Petroleum USA, Inc.; Billie Jean Hooten; Blanche Tyler Davis; Bobwhite Production, Inc.; Bonnie Clare Nelson; Brian S. Meritt, Trustee; Burdeyetta J. Linn; C Woods Trust, Wells Fargo Bank NA AU; C.W. Dobson; Harry M. Hoxsey, et al; Carl G. Klotz; Carl H. Tiedemann; Carmen Richards; Carol R Kolb; Carthal Monroe Talley, Jr.; Catherine A. Wilson; Catherine Burchard; Catherine Crutchfield Light; Champlin Oil & Refining Co.; Charles A Carry Estate, Albert J Carry & Charles A Carry, Jr., Administrators; Charles A Kettenring; Charles E. & Mary A. Whitham; Charles M. Moon, Jr.; Charlou S Larronde, S/S Trustee, Larronde Family Trust; Charter National Bank-Colonial; Cheyenne Oil Properties; Christine L Probert Estate, Mrs. France L. Harris Executrx; Clara L Kodytek; Clare L. Nelson; Cook Royalties; Cooperative Refinery Association; Cortlandt V.D. Hubbard, Executor Estate of Lida H. Caldwell; Covington Oil Co., Inc.; Daniel R. Higbee; David J. Flackman; David Ross; David Sheard; Dean Brown; Dee Anne Johnson; Devon Energy Corporation NV; Devon Energy Partners, A Limited Partnership; DI Energy Inc., Attn: G C Winsler; Don E. McInturf; Donald K Reigner & Celeste S Moon Charles M Moon Jr., Trustees, U/W/O Celeste S Moon; Donald V D Ferguson; Donna Lee Good; Doris Wall; Dorothy A Hayes; Dorothy E Ellis; Douglas G Dumont; Edgar K. Whitcomb; Edna E. Henn; Edna M. Anderson Estate Jessie J. Morrow, Conservator; Edward Gilpin Robinson; Edward L. Henn; Edwin C. Hamilton; Elaine James Brunn; Elizabeth D. White; Elleo Hittell Phillips; Ellis Rudy; Elora P. Henn; Elsie E Morris & Claude I Morris; Elson Oil Company, Partnership; Emily F. Blunt; Energy Reserves Group, Inc.; Ernest A. Watson Estate; Estate of John H. Stoutenberg, Deceased; Estate of Roberta Jensen; Ethel Anna Brown; Ethyle G Travis; Eugenia Porter Rayzor; Eva D Stern; Evelyn N. Davis; Evelyn T Stevens; First Bank of Hennessey; First National Bank & Trust Co of Oklahoma City, Trustee U/A with and for Milton B. May; Fleischaker Production Co LC; Florence A Rogers; Foster Memorial Hospital; Frances Lawrence; Frances M. Rosen Revocable Trust Susan Michelson, Trustee; Frank C. Jones; Franklin H Hittell;

legal notices, adver  
Oklahoma Statutes  
of Oklahoma with re

That said notice, a t  
of said newspaper c  
following dates:

September 26, 199

Publishing Fee: \$21

Subscribed and sw

My commission

June 14, 1997



**STEAD & HEATH, P.C.**

**ATTORNEYS AT LAW**

2419 Wilcox Drive  
Norman, Oklahoma 73069

Robin Stead  
Donald F. Heath, Jr.

Telephone: (405) 329-7781  
Fax: (405) 366-1713

October 12, 1995

Michael D. Stack  
Michael D. Stack, Inc.  
701 N.W. 63rd, Suite 500  
Oklahoma City, Oklahoma 73116

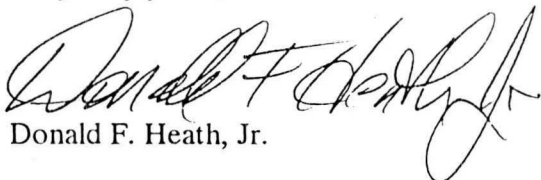
**By Fax and First Class Mail**

Re: Application for waterflood unit  
Cause CD 950-003570  
Logan and Noble Counties, Oklahoma

Dear Mr. Stack:

My client Virginia A. Pflum is a respondent in the captioned application by UMC Petroleum Corporation. Please be advised that Ms. Pflum protests this application and asks that it be set for hearing on the protest docket. The initial hearing is set for October 17, 1995. Please call with available dates for a protested hearing. Thank you for your cooperation.

Very truly yours,



Donald F. Heath, Jr.

cc: Court Clerk of the Corporation Commission  
Virginia A. Pflum

DFH/  
stack.l

**FILED**  
OCT 13 1995  
COURT CLERK'S OFFICE — OKC  
CORPORATION COMMISSION  
OF OKLAHOMA

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT: UMC PETROLEUM CORPORATION )  
)  
RELIEF SOUGHT: UNITIZATION ENHANCED )  
RECOVERY UNIT )  
)

LEGAL DESCRIPTION: NORTH HALF OF THE )  
NORTHWEST QUARTER AND THE NORTHWEST )  
QUARTER OF THE NORTHEAST QUARTER OF )  
SECTION 4, TOWNSHIP 19 NORTH, RANGE 2 )  
WEST; THE NORTH HALF OF THE NORTHEAST )  
QUARTER OF SECTION 5, TOWNSHIP 19 NORTH, )  
RANGE 2 WEST; THE NORTHEAST QUARTER AND )  
THE SOUTHEAST QUARTER OF THE NORTHWEST )  
QUARTER AND LOTS 2, 3, 4, 5, 6, 7 AND )  
THE SOUTHEAST QUARTER OF THE SOUTHWEST )  
QUARTER AND THE SOUTH HALF OF THE )  
SOUTHEAST QUARTER OF SECTION 32, TOWNSHIP )  
20 NORTH, RANGE 2 WEST; THE NORTHWEST )  
QUARTER AND THE SOUTHWEST QUARTER OF THE )  
NORTHEAST QUARTER AND LOTS 1, 2, 3, 4, 5, )  
6, 7, AND 8 AND THE SOUTH HALF OF THE )  
SOUTH HALF OF SECTION 33, TOWNSHIP 20 )  
NORTH, RANGE 2 WEST, LOGAN AND NOBLE )  
COUNTIES, OKLAHOMA.

CAUSE CD 950003570

**FILED**

SEP 25 1995

COURT CLERK'S OFFICE - OKC  
CORPORATION COMMISSION  
OF OKLAHOMA

AFFIDAVIT OF MAILING AND NON-MAILING

STATE OF OKLAHOMA )  
) SS:  
COUNTY OF OKLAHOMA )

The undersigned, of lawful age, being first duly sworn upon oath, states: I am the Attorney for **UMC PETROLEUM CORPORATION**, the above named Applicant. I certify that on the 29<sup>th</sup> day of September, 1995, I mailed a copy of the Application and Notice of Hearing, on file in the above styled Cause, to the respondents named on the Application's Exhibit "A", at their respective mailing addresses.

I certify that to the respondents whose addresses are unknown as named on the Application's Exhibit "A", I was unable to mail a copy of the Application and Notice of Hearing, on file in the above styled Cause.

*Elizabeth A. George*  
MICHAEL D. STACK OBA #8530  
ELIZABETH A. GEORGE OBA #11641

Subscribed and sworn to before me this 29<sup>th</sup> day of September, 1995.

*Shelia Speer*  
NOTARY PUBLIC

MY COMMISSION EXPIRES:

August 20, 1996

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT: UMC PETROLEUM CORPORATION )  
)  
RELIEF SOUGHT: UNITIZATION ENHANCED )  
RECOVERY UNIT )  
)

LEGAL DESCRIPTION: NORTH HALF OF THE )  
NORTHWEST QUARTER AND THE NORTHWEST )  
QUARTER OF THE NORTHEAST QUARTER OF )  
SECTION 4, TOWNSHIP 19 NORTH, RANGE 2 )  
WEST; THE NORTH HALF OF THE NORTHEAST )  
QUARTER OF SECTION 5, TOWNSHIP 19 NORTH, )  
RANGE 2 WEST; THE NORTHEAST QUARTER AND )  
THE SOUTHEAST QUARTER OF THE NORTHWEST )  
QUARTER AND LOTS 2, 3, 4, 5, 6, 7 AND )  
THE SOUTHEAST QUARTER OF THE SOUTHWEST )  
QUARTER AND THE SOUTH HALF OF THE )  
SOUTHEAST QUARTER OF SECTION 32, TOWNSHIP )  
20 NORTH, RANGE 2 WEST; THE NORTHWEST )  
QUARTER AND THE SOUTHWEST QUARTER OF THE )  
NORTHEAST QUARTER AND LOTS 1, 2, 3, 4, 5, )  
6, 7, AND 8 AND THE SOUTH HALF OF THE )  
SOUTH HALF OF SECTION 33, TOWNSHIP 20 )  
NORTH, RANGE 2 WEST, LOGAN AND NOBLE )  
COUNTIES, OKLAHOMA. )

CAUSE CD 950 003570

**FILED**  
SEP 20 1995

COURT CLERK'S OFFICE - OKC  
CORPORATION COMMISSION  
OF OKLAHOMA

NOTICE OF HEARING

STATE OF OKLAHOMA: To all persons, owners, producers, operators, purchasers and takers of oil and gas and all other interested persons, particularly in **Logan and Noble** Counties, Oklahoma, and more particularly 1st Interstate Bank of Denver; A.B. Still; Advent Trading Co.; Alan G Sanborn; Alan Robert Hyden; Alberta Dean MacKenzie; Amerada Hess Corp; Amoco Production Company; Ann Marguerite Snell; Ann Taylor; Anna K Barker; Aquaenco Inc.; Audrey V Hicks; Audrie Hittell Duty; Ben Roberts; Berexco, Inc.; Bessie MacNeal Scudder; Betty L. Henn Betty Lou Graft; Betty Lou Waters; Beverly C Cass; Beverly Tyler; BHP Petroleum USA, Inc.; Billie Jean Hooten; Blanche Tyler Davis; Bobwhite Production, Inc.; Bonnie Clare Nelson; Brian S. Meritt, Trustee; Burdeyetta J. Linn; C Woods Trust, Wells Fargo Bank NA AU; C.W. Dobson; Harry M. Hoxsey, et al; Carl G. Klotz; Carl H. Tiedemann; Carmen Richards; Carol R Kolb; Carthal Monroe Talley, Jr.; Catherine A Wilson; Catherine Burchard; Catherine Crutchfield Light; Champlin Oil & Refining Co.; Charles A Carry Estate, Albert J Carry & Charles A Carry Jr., Administrators; Charles A Kettenring; Charles E. & Mary A. Whitham; Charles M. Moon, Jr.; Charlou S Larronde, S/S Trustee, Larronde Family Trust; Charter National Bank-Colonial; Cheyenne Oil Properties; Christine L Probert Estate, Mrs. France L. Harris Executrx; Clara L Kodytek; Clare L. Nelson; Cook Royalties; Cooperative Refinery Association; Cortlandt V.D. Hubbard, Executor Estate of Lida H. Caldwell; Covington Oil Co., Inc.; Daniel R. Higbee; David J. Flackman; David Ross; David Sheard; Dean Brown; Dee Anne Johnson; Devon Energy Corporation NV; Devon Energy Partners, A Limited Partnership; DI Energy Inc., Attn: G C Winsler; Don E. McInturff; Donald K Reigner & Celeste S Moon Charles M Moon Jr., Trustees, U/W/O Celeste S Moon; Donald V D Ferguson; Donna Lee Good; Doris Wall; Dorothy A Hayes; Dorothy E Ellis; Douglas G Dumont; Edgar K. Whitcomb; Edna E. Henn; Edna M. Anderson Estate Jessie J. Morrow, Conservator; Edward Gilpin Robinson; Edward L. Henn; Edwin C. Hamilton; Elaine James Brunn; Elizabeth D. White; Elleo Hittell Phillips; Ellis Rudy; Elora P. Henn; Elsie E Morris & Claude I Morris; Elson Oil Company, Partnership; Emily F. Blunt; Energy Reserves Group, Inc.; Ernest A. Watson Estate; Estate of John H. Stoutenberg, Deceased; Estate of Roberta Jensen; Ethel Anna Brown; Ethyle G Travis; Eugenia Porter Rayzor; Eva D Stern; Evelyn N. Davis; Evelyn T Stevens; First Bank of Hennessey; First National Bank & Trust Co of Oklahoma City, Trustee U/A with and for Milton B. May; Fleischaker Production Co LC; Florence A Rogers; Foster

Memorial Hospital; Frances Lawrence; Frances M. Rosen Revocable Trust Susan Michelson, Trustee; Frank C. Jones; Franklin H Hittell; Fred W Dunlevy; G L Allen; Gaylord B Lyon; Gemini Oil Company; Gene Davidson (dba) Davidson Oil; George Burchard; George C & Elizabeth B Sittler; George G. Travis; George S. Drewett, Jr.; Gertrude Payne Lee, Trustee, The Lee Family; Gladys D & Armin G Clement; Glenda King Davis; Gloria G Williams; Guaranty Bank & Trust; Guy Tyler; Hargrove Hudson Trust, First National Bank & Trust Tulsa, Trustee; Harriet Wenig; Harry B. Davis; Hazlewood Production & Exploration, Co.; Headington Minerals, Inc.; Hebrew University Medical School; Helen Albright; Helen Jane Curry Revocable Trust Walter Stephen Curry, Trustee; Helen Jones; Hepzy I Cudworth; Hortense Jones Cannon; Hubert Douglas Jr.; Hulda Pendleton; Ida Lou Lackey; Imperial Oil Company of California; Inca Oil Corp.; J R Sorrels; J W Thompson; J. David Rosen and Betty R. Rosen; J. Keith Miller; J.T. Hoke, Jr., & George D. Rosen; J.W. Thompson; Jack D McCarty; Jack H. Eddy; James B. Kite; James D Osborne; James L Keating; James R Seaboch; James R. Tetirick, Jr.; Jane Blackmer; Janice Lombardi; Jeneral Oil Company; Jerry R. Brown; Joann Ash Estes, Gladys Brinker & Walter Brinker Ash, Trustees; Joanne King; Johanna B Kloster Estate Rev. Orval Awerkamp, Executor; John E O Larronde; John A. Busch, Executor (UWO) Joseph Busch, Deceased; John Aaron Linn; John C Bulling; John H Webb; John H. Crutchfield; John H. Mugler Trust, Maxine Mugler, Sara Lynn (Sally) Carnes, Hayden Mugler Wood, Co-Trustees; John Henry Pfeiffer; John O. Scudder; John Zelle Estate Catherine Zella, Administrator; Johnson & Gill; Jolene Kay Talley; Joseph B. Singer Oil Company; Joseph W Walden; Joyce Hyden; Joyce Toscan; Julie K Hyden; Karla Schall Colle; Katharina Schnurr; Katherine B Seifert Estate, Arthur C. Pfeil, Administrator; Katherine Linn; Kathryn L Niedner; Larry W McCook; Laura Sauble Moore; Lawrence I. Travis; Leonard L. Nelson, Jr.; Leonard R. Sauble; Linda Sue Gideon; Lola G. Braine; Lora Lee Woodall; Lorena V Chambless Family Trust, Lorena V Chambless, Trustee; Lorraine E. Vitt; Lottie G Morris; Louis H Adams; Louise Fish Sargent; Lucille Lobrano, Individually & Attorney in fact for Bill, Dick, Edward, Jack Deloach, Jame, Elvira & Anna Lobrano; Lydia C. Blake; Lydia Lafon; Margaret Bersani; Margaret Jo Gleeson; Margaret M. Hunsaker; Margot Sue Moore, (formerly Margot Sue Grant); Marie Gilmore Trust, Marie E. Gilmore & H N Gilmore, Co-Trustees; Marie Hamilton; Marion Eddy; Marion S. Bernstein; Marion White; Marjorie Bassett Dupuy; Marjorie Dumont Underwood; Marjorie Helen Sheard Estate, David F. Sheard Executor; Marjorie Miles Smith; Marjorie W. Birdsall; Martha F Biaggi; Martha R. Burk; Martha Ted Miller; Mary Allen Meriwether; Mary E. Bliss; Mary E. Kershaw; Mary Jane Brown; Mary Louise McLeod; Mary O D Swaim Trust, Frank M Swaim & Byron L Lehmbek Jr., Trustees; Maryon P Zion; Maxine Jones; MEH Inc.; Melcone Corporation; Merylene Joy Owens; Methodist Home for Children; Methodist Hospital; Michael David Schall & Karen B Schall; Michael M Rosen & Sarah A Rosen; Michael N. Cowan; Michael Robert Pines; Mildred E. Elledge; Mildred E. Bryan; Mile-Hi Petroleum, A Division of Malibu Investments; Milton B. May Trust, Boatmen's First National Bank of Oklahoma NA, Trustee; Miriam E. Davis; Mobil Oil Company; Mobil Oil Corp.; Nancy Ann Graddy; Nancy Duel; Nancy E Weisman; Nancy L Leefeldt; Nina Zimmerman; Noel N Poche; Oilsearch Corporation; Olive W Montford; United National Bank, Trust Dept.; Oliver T Tetirick; Opal M Kolb; Orion Properties, Inc.; Pacific Enterprises Oil Company (USA) formerly Terra Resources Inc.; Pactola Development Co.; Patty Jo Luter; Paul B. Meritt, Trustee U/D Jean O Meritt F/B/O Brian S. Meritt; Pauline L Bassett; Peter H Askew; Phillip S Kolb; Phyllis J Malone; Producers Oil Company; R D Jones, Inc.; R E Kershaw; Ramsey Engineering Incorporated; Ramsey Property Management, Inc.; Ray H. Scholpp; Ray Newman; Richard Ballard Robinson; Richard Barker & Irma Barker; Rita Annette Nissenbaum; Robert A. Glidewell Trust Lora Lee Woodall & Betty Lou Graft, Co-Trustees; Robert Carlin Donahue Jr.; Robert J. Bolay; Robert Miles Travis; Robert Osborne; Ruth Baumann Pawson; Ruth Bireley and Mildred Garrison; Ruth Nelson Falcon; Ruthie Jo Reavis; S. Christopher Early; Sabine



Royalty Trust; San Diego Society Crippled Children; Sandra Kay Watson Winters; Santa Fe Minerals, Inc., c/o Amoco Production Company; Santa Fe Minerals, Inc., formerly Santa Fe-Andover Oil Company; Sarah Kathryn Couch Sarah Scovill Curtiss; Scope Exploration, Inc.; Security Pacific National Bank, Conservator of the Estate of Leola Crawford Neilson; Shirley A Alexander; Shirley Jean Hentges; Singer Brothers; Skyline Enterprises, Ltd.; Society of St Vincent De Paul in Diocese of Brooklyn Long Island NY; Spindletop Exploration Co., Inc.; Stafford, Frey & Martel; Steven E. Lillegard, Successor Personal Representative of the Estate of Elisabeth S Lillegard; Stroud National Bank; Sue Dusinberre Hodgson; Sylvia B Travis Grandchildren's Trust, Rita A. Nissenbaum, Trustee; Sylvia K Spotts; T A T, Inc.; Texas Commerce Bank-Midland NA; The Bay Petroleum Corp.; The Rector Church Wardens & Vestrymen of St Mary's Protestant Episcopal Church; Thomas M Rigdon; Thomas N. Berry Company; Total Petroleum, Inc.; Toto Gas Company; Underwriters Group Diversified Roy TR Series D, Commonwealth Trust Company, Trustee; Unit Operations, Inc.; United Western Energy Corp.; Verlin Turk; Verna M Light; Violet M. Hamilton Sheila Hamilton Estate, Minor; Virginia A Pflum; Virginia Wells; Vonda Jean Athon; W H Bagby; W H Bartlett; W H Glover, Jr.; Walter Roy; Warren E Dunlevy; Wells Fargo Bank NA; Ruth Csobaji Unitrust Oil, Gas & Mineral Administrator; Wells Fargo Bank, N.A., Trustee G McCluer Trust; Wells Fargo Bank, N.A., Trustee; Wells Fargo Bank NA, Trustee Oil, Gas & Mineral Administrator; Wilbur Finnell; Wilbur Lafon; William F Knight Jr.; William F. Mullen, Inc.; William James Pines; William Jay Fish; William Mullen Company; William Oscar Deering & Eva Margaret Deering; Willis Drilling Co., and C. Julie M Husson.

NOTICE IS HEREBY GIVEN THAT the Applicant in this cause is requesting that the Commission issue an enhanced recovery project for the unitized management, operation and further development of the **Cleveland Formation**, a separate common source of supply underlying certain tracts in Logan and Noble Counties, as set forth herein.

NOTICE IS FURTHER GIVEN THAT this cause be set before an Administrative Law Judge for hearing, taking of evidence and reporting to the Commission.

NOTICE IS FURTHER GIVEN THAT this cause will be heard before an Administrative Law Judge on the Merits Docket at the **Corporation Commission, First Floor, Jim Thorpe Building, Oklahoma City, Oklahoma**, at 8:30 a.m., on the 17th day of October, 1995, and that this notice be published as required by law and the rules of the Commission.

NOTICE IS FURTHER GIVEN THAT any person interested or protesting the application please advise the Attorney of record and the Court Clerk's Office of the Corporation Commission five (5) days before the hearing date above.

NOTICE IS FURTHER GIVEN that the Applicant and interested parties may present testimony by telephone. The cost of telephonic communication shall be paid by the person and persons requesting its use. Interested parties who wish to participate by telephone shall contact the Applicant or Applicant's attorney, prior to the hearing date, and provide their name and phone number.

NOTICE IS FURTHER GIVEN THAT this cause, if protested, may be subject to a prehearing or settlement conference pursuant to OCCRP 165:5-11-2.

UMC PETROLEUM CORPORATION  
CAUSE CD NO. 950  
PAGE 4

NOTICE IS FURTHER GIVEN that all interested persons may appear and be heard. For information concerning this action, contact **Ed McLaughlin, UMC Petroleum Corporation, 410 Seventeenth Street, Suite 1400, Denver, CO 80202, (303) 573-5100,** or Michael D. Stack, Attorney for Applicant, 701 N.W. 63rd - Suite 500, Oklahoma City, OK 73116 (405) 843-0363.

CORPORATION COMMISSION OF OKLAHOMA

\_\_\_\_\_  
CODY L. GRAVES, CHAIRMAN

\_\_\_\_\_  
BOB ANTHONY, VICE CHAIRMAN

\_\_\_\_\_  
ED APPLE, COMMISSIONER

DONE AND PERFORMED THIS 20th DAY OF SEPTEMBER, 1995.

ATTEST:

\_\_\_\_\_  
CHARLOTTE W. FLANAGAN, Secretary

.\UMC\705.NO

OKLAHOMA CORPORATION COMMISSION

OCTOBER 16, 1995

10:40 AM

D O C K E T

PAGE NO. 1

UMC PETROLEUM CORP  
APPLICANT

CASE: CD 950003570 OG

RELIEF TYPE: UNITIZATION

ATTORNEY: STACK, MICHAEL

PROCEEDINGS

1	09/20/1995	APPLICATION FILED ON 09/20/1995	A27
2	09/20/1995	Notice of Hearing (October 17, 1995)	P03
3	09/25/1995	Affidavit of Mailing & Non-Mailing	P05
4	09/28/1995	Publication/Noble ✓	P09
5	09/29/1995	Publication/Oklahoma ✓	P09
6	10/02/1995	Publication - Logan ✓	P05
7	10/13/1995	Letter - Donald Heath	P05