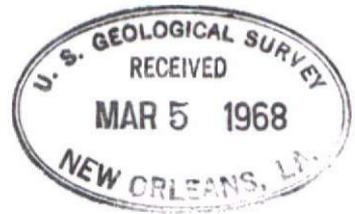


CERTIFICATION-DETERMINATION



Pursuant to the authority vested in the Secretary of the Interior under the Outer Continental Shelf Lands Act, approved August 7, 1953, 67 Stat. 462; 43 U.S.C. 1331 et seq., and delegated to the Director of the Geological Survey on April 30, 1965 (30 F.R. 6363, May 6, 1965), I do hereby:

- A. Approve the attached Agreement for the development and operation of the West Delta Block 73 G-15 Sand Reservoir A Unit, Gulf of Mexico, offshore Louisiana.
- B. Certify and determine that the unit plan of development and operation contemplated in the attached Agreement is in the interest of conservation.

Dated:

APR 3 - 1968

William D. Baker
Acting Director

United States Geological Survey

Contract No. 14-08-0001 8916

SCANNED



WEST DELTA BLOCK 73

G-15 SAND, RESERVOIR A

UNIT AGREEMENT (WEST DELTA AREA)

GULF OF MEXICO—OFFSHORE LOUISIANA

14-08-0001 8916

WHEREAS, Humble Oil & Refining Company, a Delaware corporation, hereinafter referred to as "Humble," pursuant to the provisions of the Outer Continental Shelf Lands Act of August 7, 1953, 67 Stat. 462, hereinafter referred to as the "Act," is the owner of oil and gas leases within the Unit Area, as hereinafter defined, subject to this Agreement and embracing lands in the Outer Continental Shelf, which lands are hereinafter more particularly described; and

WHEREAS, the Act authorizes the Secretary of the Interior in the interest of conservation to provide for unitization, pooling, and drilling agreements for oil and gas; and

WHEREAS, Humble deems it in the interest of conservation to unitize the leases insofar as the Unitized Interval, as hereinbelow defined, is concerned with the consent of the Director of the United States Geological Survey, hereinafter referred to as the "Director," and the Louisiana State Mineral Board for the purpose of initiating a reservoir pressure maintenance program and increasing the ultimate recovery of oil and gas therefrom by proper development and operation of the leases for production of oil and gas from the Unitized Interval under the provisions of Section 5 (a)(1) of the Act; and

WHEREAS, the Unit Area embraces lands within Zone 3 as defined and delineated in the Interim Agreement between the United States and the State of Louisiana, dated October 12, 1956, as amended; and

WHEREAS, Humble is the owner of all of the working interest in such oil and gas leases within the Unit Area.

NOW, THEREFORE, in consideration of the premises and obligations herein contained, Humble commits to this Agreement all its rights, title and interest in and to oil and gas in the Unitized Interval within the Unit Area, all in accordance with the following terms and conditions:

1. ENABLING ACT AND REGULATIONS

Said Act and all valid pertinent regulations are accepted and made a part of this Agreement, insofar as same are applicable hereto.

2. UNIT AREA

The area specified on the survey plat attached hereto and marked for identification as Exhibit A is hereby designated and recognized as constituting the G-15 Sand Unit Area containing 1775.27 acres. Such area is hereinafter referred to as the "Unit Area," or as "Unitized Acreage." These terms shall have no meaning except in relation to the Unitized Interval defined below.

Subject to the approval of the Director and the Louisiana State Mineral Board, the latter hereinafter referred to as the "Board," the above Unit Area shall, when practicable, be expanded to include therein additional acreage whenever such expansion is necessary or advisable to conform with the purposes of this Agreement.

Exhibit A, attached hereto and made a part hereof, is a plat showing the Unit Area, boundaries, and oil and gas leases in said area to the extent known to the Unit Operator. Exhibit B, attached hereto and made a part hereof, is a schedule showing, to the extent known to the Unit Operator, the acreage and percentage and kind of ownership of oil and gas interest in all land in the Unit Area. Exhibits A and B shall be revised by the Unit Operator whenever changes render such revision necessary, and four (4) copies each shall be filed with the Oil and Gas Supervisor of the United States Geological Survey, hereinafter called "Supervisor," and the Board.

3. UNITIZED INTERVAL AND UNITIZED SUBSTANCES

All oil and gas in the Unitized Interval, hereinbelow defined, within the Unit Area are unitized under the terms of this Agreement and are referred to herein as "Unitized Substances." The Unitized Interval is defined as that interval appearing on the electrical log of Humble Oil & Refining Company's OCS G 1083, No. A-1 Well between the depths of 8,622 feet and 8,638 feet and all other intervals correlative therewith insofar

as such interval lies within the Unit Area. Such Unitized Interval is also identified as the G-15 Sand of Reservoir A of the West Delta Block 73 Field.

4. UNIT OPERATOR

Humble is hereby designated as Unit Operator and by signature hereto as Unit Operator agrees and consents to accept the duties and obligations of Unit Operator for the development and production of Unitized Substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as an owner of interest in Unitized Substances; and the term "working interest owner" when used herein shall include the Unit Operator as the owner of a working interest when such an interest is owned by it. A successor Unit Operator may be designated by the owners of the working interest in the Unitized Substances, and four (4) executed copies of the designation of successor Unit Operator shall be filed with the Supervisor and the Board. Such designation shall not become effective until (a) a Unit Operator so designated shall accept in writing the duties and responsibilities of Unit Operator, and (b) the designation shall have been filed with the Supervisor and the Board.

5. PARTICIPATION BETWEEN WORKING INTEREST OWNERS

Humble presently owns all of the leases covering Unitized Substances in the Unitized Interval within the Unitized Acreage, and Humble shall pay all costs and expenses incurred by it as Unit Operator in conducting unit operations. If any Unit Operating Agreement or Amendments thereto are adopted as a result of other parties joining the Unit Agreement, four (4) true copies of such Agreement or Amendments shall be filed with the Supervisor and with the Board prior to the effective date of the new joinders. Nothing contained in such Unit Operating Agreement, or any Amendment thereto, shall be deemed either to modify any of the terms and conditions of this Unit Agreement or to relieve the Unit Operator of any right or obligation established under this Unit Agreement, but such Unit Operating Agreement, or any Amendments thereto, shall prescribe the cost arrangements and the method of participation in Unitized Substances between working interest owners.

6. HISTORY OF DEVELOPMENT

There are twenty-one (21) wells in the Unit Area which have been completed in the Unitized Interval, and all of these wells are capable of production. The Unitized Interval is considered fully developed and the aforementioned wells are considered sufficient to produce all of the primary recoverable oil and gas from the Unit Area. Humble plans to make four additional completions in the Unitized Interval to provide for optimum injection coverage in pressure maintenance and secondary recovery operations. With the use of pressure maintenance techniques and secondary recovery methods as provided for herein, it is not contemplated that it will be necessary to drill any additional wells to produce all of the recoverable oil and gas from the Unitized Interval using proper conservation practices.

7. PLANS OF OPERATIONS

Although the Unitized Interval is now believed to be fully developed, nevertheless, the Unit Operator may drill other wells on his own initiative by filing plans of development subject to the approval of the Supervisor and the Board.

The Unit Operator concurrently herewith shall submit for the approval of the Supervisor and the Board an acceptable plan of development and operation of the Unit Area including a pressure maintenance operation, which, when approved by the Supervisor and the Board, shall constitute the further drilling and operating obligations of the Unit Operator under this Agreement for the period specified therein. All plans of operation filed by the Unit Operator shall be as complete and adequate as the Supervisor and the Board may determine to be necessary for timely development, prudent operation, and proper conservation of the oil and gas resources of the Unitized Interval. Such plans shall (a) specify the number and locations of any wells to be drilled, if any, and the proposed order and time for such drilling; and (b) to the extent practicable specify the operating practices regarded as necessary and advisable for

proper operation and conservation of natural resources. Said plans shall be modified or supplemented when necessary to meet changed conditions or to protect the interests of all parties to this Agreement. Reasonable diligence shall be exercised in complying with the obligations of the approved plan of operation.

8. ROYALTIES AND ALLOCATION

Royalty payable on Unitized Substances from the Unitized Interval shall be allocated on a net acre-foot basis to the respective tract or tracts committed hereto. A net acre-foot as used in this Agreement means one acre of producing formation which contains one foot of net oil pay. Oil and gas produced from the Unit Area prior to the effective date of this Agreement shall not be allocated under this Agreement. Royalty payments shall be calculated upon the production allocated to the tracts as specified on Exhibit C.

In the event any lands are added to the Unit Area pursuant to the expansion provisions of Section 2 hereof, a reasonable and fair participation shall be allocated to the new lands on a net acre-foot basis. The determination of the net acre-foot basis for such lands shall be done in the same manner and by the same procedures used to determine the tract percentages of participation as shown on Exhibit C. If the Unit Area is so expanded, the net acre-foot basis allocation made to each surface acre of each tract originally in said Unit Area, shall not be subject to change or re-allocation. The only change will be to increase the total number of net acre feet in the Unit Area by adding to the original total the total number of net acre feet allocated to new lands.

Exhibit C attached hereto and made a part hereof is a schedule setting out the number of net acre feet of productive sand under each tract and the tract percentages of participation in the Unit Area. The number of net acre feet and the tract percentages of participation as shown are accepted and approved by the Director and the Board as being correct, fair and equitable, provided, however, that such tract percentages of participation may be revised and Exhibit C will be revised to show any such changes resulting from an expanded Unit Area.

Except as otherwise specifically provided herein, Unit Operator shall have the right, privilege and duty of exercising any and all rights which are necessary for producing, storing, handling, allocating and distributing Unitized Substances including, though not by way of limitation, the right, subject to the applicable governmental regulations and prior approval of a plan of operation by the Supervisor and the Louisiana Commissioner of Conservation, as appropriate, to institute and conduct pressure maintenance and secondary recovery operations and to inject Unitized Substances and other gaseous and liquid substances, hereinafter referred to as "Outside Substances," or any combination thereof, into the Unitized Interval as Unit Operator may deem advisable in conformity with good operating practices. In the event Unitized Substances are injected into the Unitized Interval, no royalties shall be due thereon. Royalties shall be due on such Unitized Substances if and when the same is later produced and sold.

If Outside Substances are injected into the Unitized Interval, the portion of such Outside Substances recovered, used, or sold may with appropriate deduction for loss and depletion from any cause, be recovered royalty free pursuant to such conditions and formulas as may be prescribed or approved by the Supervisor and the Board.

9. RELINQUISHMENT OF LEASES

Pursuant to the provisions of 43 C.F.R. 3386.1, a lessee of record shall have the right to relinquish any and all leases committed hereto, in whole or in part; provided, however, that no relinquishment shall be made without the prior approval of the Director as to the Federal leases and of the Board as to the State Leases.

10. LEASES AND CONTRACTS CONFORMED AND EXTENDED

The terms, conditions and provisions of all leases, subleases and other contracts relating to exploration, drilling, development or operation for oil or gas on lands committed to this Agreement are hereby expressly modified and amended to the extent necessary to make the same conform to the provisions hereof, but otherwise to remain in full force and effect. The Director by his approval hereof, does hereby establish, alter, suspend, change or revoke the drilling, production, rental, and royalty requirements of Federal leases committed hereto and the regulations in respect thereto to conform said requirements to the provisions of this Agreement. Further, both the Director and the Board by approval hereof agree that all leases, subleases, and contracts are particularly modified in accordance with the following:

(a) Drilling and producing operations performed hereunder upon any tract of Unitized Acreage will be accepted and deemed to be performed upon and for the benefit of each and every tract thereof, and no lease shall be deemed to expire by reason of failure to drill or produce wells situated on the tracts therein embraced;

(b) Suspension of drilling or producing operations on all Unitized Acreage pursuant to direction or consent of the Director, or his duly authorized representative, and the Board, shall be deemed to constitute such suspension pursuant to such direction or consent as to each and every tract of Unitized Land; and

(c) Any lease committed hereto shall continue in force beyond the term so provided therein, or as extended by law, for the life of this Agreement. Upon termination of this Agreement, the leases covered hereby may thereafter be maintained and continued in full force and effect in accordance with the original terms, provisions and conditions of the lease or leases and amendments thereto.

11. EFFECTIVE DATE AND TERM

This Agreement, following approval by the Director and the Board, shall become effective as of July 1, 1967, all in accordance with Louisiana Commissioner of Conservation's Order No. 678-E-1, and shall continue in full force and effect so long as Unitized Substances can be

produced in paying quantities sufficient to pay current operating costs, and as long thereafter as diligent operations, including secondary recovery, are being conducted, and for so long thereafter as Unitized Substances can be produced as aforesaid. If, pursuant to a suspension approved by the Supervisor, there is neither production nor operation, then this Unit Agreement shall continue as long as the suspension remains in effect. Termination of the Agreement under this paragraph shall be effective as of the first day of the month after the Unit Operator may determine, on confirmatory data satisfactory to the Director and the Board, that the unit is no longer paying. Such determination must be made promptly without any undue delay.

With the approval of the Director and the Board, this Agreement may be terminated for any other reason at any time by the owners of 90 percent of the working interest in the Unitized Substances. An application for termination under this paragraph shall be accompanied by evidence of the giving of at least thirty (30) days' notice of the proposed termination to all parties having an interest in this Agreement. Notice of an approved termination hereunder shall be given by Unit Operator to all parties having an interest in this Agreement.

12. METHOD OF MAKING ROYALTY PAYMENTS

Leases in the Unit Area contain acreage within Zone 3, as set forth in the Interim Agreement dated October 12, 1956. Royalty payable hereunder shall be paid in accordance with the provisions of this Agreement as authorized by said Interim Agreement, as amended.

13. APPEARANCES

Unit Operator shall, after notice to other parties affected, have the right to appear for or on behalf of any and all interests affected hereby before the Department of the Interior and/or Board, and to appeal from orders issued under the regulations of said Department or any other regulatory body, or to apply for relief from any of said

regulations or in any proceedings relative to operations before the Department of the Interior or any other legally constituted authority; provided, however, that any interested party shall also have the right at its own expense to be heard in any such proceedings.

14. NO WAIVER OF CERTAIN RIGHTS

Nothing in this Agreement contained shall be construed by any party having interests affected hereby as a waiver of the right to assert any legal or constitutional right or defense pertaining to the validity or invalidity of any law of the United States, or regulations issued hereunder in any way affecting such party, or as a waiver by any such party of any right beyond his or its authority to waive.

15. UNAVOIDABLE DELAY

All obligations under this Agreement requiring the Unit Operator to commence or continue drilling or to operate on or produce Unitized Substances from any of the lands covered by this Agreement shall be suspended while, but only so long as, Unit Operator, despite the exercise of due care and diligence, is prevented from complying with such obligations, in whole or in part, by strikes, acts of God, federal, or other applicable law, federal or other authorized governmental agencies, unavoidable accidents, uncontrollable delays in transportation, inability to obtain necessary materials in open market, or other matters beyond the reasonable control of the Unit Operator whether similar to matters herein enumerated or not.

16. NON-DISCRIMINATION

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

17. COUNTERPARTS

This Agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument in writing specifically referring

hereto and shall be binding upon all those parties who have executed such a counterpart, ratification, or consent hereto with the same force and effect as if all such parties had signed the same document and regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands within the above described Unit Area.

18. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon the lessees, their successors and assigns.

IN WITNESS WHEREOF, Humble has caused this Agreement to be executed as Lessee and Unit Operator this 14th day of December 1967.

WITNESSES:

[Signature]
Judith L. Flagg

HCM
m
564

HUMBLE OIL & REFINING COMPANY

By [Signature]

From OK
copy
RJM

STATE MINERAL BOARD ON BEHALF OF THE STATE OF LOUISIANA

By [Signature]
SECRETARY

Margerie Landry Lucas
MARGERIE LANDRY LUCAS
Joan W. Maggio
JOAN W. MAGGIO

UNITED STATES OF AMERICA

By _____

STATE OF LOUISIANA)
)
PARISH OF EAST BATON ROUGE)

BEFORE ME, the undersigned authority, personally came and appeared
MARGERIE LANDRY LUCAS, who by me being first duly sworn, deposed and said:

That she is one of the witnesses to the execution of the foregoing instrument
and that she saw C. J. BONNECARRERE sign said instrument as SECRETARY of
the STATE MINERAL BOARD, in the presence of appearer and JOAN W. MAGGIO,
the other subscribing witness.

Margerie Landry Lucas
MARGERIE LANDRY LUCAS

SWORN TO and SUBSCRIBED BEFORE ME

on this 21st day of February
1968.

Richard K. Kattimer
Notary Public in and for East Baton Rouge
Parish, Louisiana.

SCANNED

58

STATE OF LOUISIANA

PARISH OF ORLEANS

BEFORE ME, the undersigned authority, on this day personally appeared J. Mullane, to me personally known, who acknowledged that he executed the above and foregoing instrument as Agent and Attorney in Fact for HUMBLE OIL & REFINING COMPANY and acknowledged said instrument to be the free act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 14th day of December, 1967.

Alexander Cook

SCANNED

E X H I B I T "B"

West Delta Block 73
 G-15 Sand, Reservoir A
 Unit Agreement (West Delta Area)
 Gulf of Mexico, Off Louisiana

<u>Tract No.</u>	<u>Lease Number</u>	<u>West Delta Block (Portion)</u>	<u>Lease Effective Date</u>	<u>Lease Expiration Date</u>	<u>Numbers of Acres</u>	<u>Basic Royalty Ownership *</u>	<u>Lease Ownership</u>
✓ 1	OCS-G 1083	73	6/1/62	5/31/67	849.00	U. S. All	← Humble Oil & Refining Company
✓ 2	OCS-G 1084	74	6/1/62	5/31/67	386.91	U. S. All	← Humble Oil & Refining Company
✓ 3	OCS-G 1090	91	6/1/62	5/31/67	86.81	U. S. All	← Humble Oil & Refining Company
✓ 4	OCS-G 1091	92	6/1/62	5/31/67	<u>452.55</u>	U. S. All	← Humble Oil & Refining Company
					Total 1,775.27 Acres		

* Subject to Interim Agreement between United States and the State of Louisiana, dated October 12, 1956, as amended.

SCANNED

ok

EXHIBIT C

WEST DELTA BLOCK 73 G-15 SAND, RESERVOIR A
 UNIT AGREEMENT
 GULF OF MEXICO

<u>Tract Number</u>	<u>Number of Acres Committed</u>	<u>Number of Acre Feet Allocated</u>	<u>Percentage of Participation in Unitized Sand</u>
1	849.00	9,104.77	43.827
2	386.91	3,146.80	15.148
3	86.81	907.74	4.370
4	<u>452.55</u>	<u>7,614.89</u>	<u>36.655</u>
	1,775.27	20,774.20	100.000

SCANNED