

UNIT AGREEMENT
SMACKOVER UNIT, LAKE COMO FIELD
JASPER COUNTY, MISSISSIPPI

October 1, 1974

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UNIT AGREEMENT

SMACKOVER UNIT, LAKE COMO FIELD,
JASPER COUNTY, MISSISSIPPI

THIS AGREEMENT, entered into as of the 1st day of
October, 1974,

W I T N E S S E T H:

WHEREAS, in the interest of the public welfare and to promote conservation and increase the ultimate recovery of Unitized Substances from the Lake Como Field, in Jasper County, Mississippi, and to protect the rights of the owners of interests therein, it is deemed necessary and desirable to unitize the Oil and Gas Rights in and to the Unitized Formation in order to conduct Unit Operations as herein provided, pursuant to Sections 53-3-101, et seq., or Section 53-3-7(d) or (e), Mississippi Code of 1972;

NOW, THEREFORE, it is provided as follows:

ARTICLE 1

DEFINITIONS

As used in this Agreement:

1.1 Unit Area is the land identified by Tracts in Exhibit A and shown on Exhibit B as to which this Agreement applies.

1.2 Unitized Formation is the subsurface portion of the Unit Area described as the Smackover Formation in the interval between 16,178 feet to 17,466 feet (top of the Norphlet Formation) on the electric log of the Texas Pacific Oil Company J. S. Scott No. 1-A Well located in the SE 1/4 of the SE 1/4 of Section 4, Township 1 North, Range 11 East, Jasper County, Mississippi, and all intervals in communication therewith correlative of said strata.

1.3 Unitized Substances are all oil and gas, and all associated and constituent substances other than Outside Substances within or produced from the Unitized Formation.

1.4 Working Interest is 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 primarily obligated to pay, either in cash or out of production or otherwise, a portion of the Unit Expense; however, Oil and Gas Rights that are free of lease or other instrument creating a Working Interest shall be regarded as a Working Interest.

1.5 Royalty Interest is a right to or interest in any portion of the Unitized Substances or proceeds thereof other than a Working Interest.

1.6 Royalty Owner is a Person who owns a Royalty Interest.

1.7 Working Interest Owner, Owner, or Lessee is a Person who owns a Working Interest.

1.8 Tract is the land identified as such and given a tract number in Exhibit A.

1.9 Unit Operating Agreement is the Agreement having the same Effective Date as this Agreement, entitled "Unit Operating Agreement, Lake Como Field, Smackover Unit, Jasper County, Mississippi," and with this Agreement constitutes the Plan of Unitization.

1.10 Unit Operator is the Working Interest Owner designated by Working Interest Owners under the Unit Operating Agreement to conduct Unit Operations, acting as operator and not as a Working Interest Owner.

1.11 Tract Participation is the percentage shown on Exhibit A for allocating Unitized Substances to a Tract.

1.12 Unit Participation of a Working Interest Owner is the sum of the percentages obtained by multiplying the

Working Interest of such Working Interest Owner in each Tract by the Tract Participation of such Tract.

1.13 Outside Substances are substances purchased or otherwise obtained for a consideration by Working Interest Owners and injected into the Unitized Formation and includes any Unitized Substance sold and repurchased by Operator.

1.14 Oil and Gas Rights are the rights to explore, develop, and operate lands within the Unit Area for the production of Unitized Substances, or to share in the production so obtained or the proceeds thereof.

1.15 Unit Operations are all operations conducted pursuant to this Agreement and the Unit Operating Agreement.

1.16 Unit Equipment is all personal property, lease and well equipment, plants, and other facilities and equipment taken over or otherwise acquired for the joint account for use in Unit Operations.

1.17 Unit Expense is all cost, expense, or indebtedness incurred by Working Interest Owners or Unit Operator pursuant to this Agreement and the Unit Operating Agreement for or on account of Unit Operations.

1.18 Effective Date is the time and date this Agreement becomes effective as provided in Article 14.

1.19 Person is any individual, corporation, partnership, association, receiver, trustee, curator, executor, administrator, guardian, tutor, fiduciary, or other representative of any kind, any department, agency, or instrumentality of the state, or any governmental subdivision thereof, or any other entity capable of holding an interest in the Unitized Formation.

ARTICLE 2

EXHIBITS

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

2.1.1 Exhibit A is a schedule that identifies each Tract in the Unit Area and shows its Tract Participation.

2.1.2 Exhibit B is a map or plat that shows the boundary lines of the Unit Area, the Tracts therein, and wells completed in the Unitized Formation.

2.2 Reference to Exhibits. When reference is made to an exhibit, it is to the original exhibit or, if revised, to the last revision.

2.3 Exhibits Considered Correct. Exhibits A and B shall be considered to be correct until 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 any Tract, because of diverse royalty or working interest ownership on the Effective Date, should have been divided into more than one Tract, or if any mechanical miscalculation or clerical error has been made, Unit Operator, with the approval of Working Interest Owners, shall correct the mistake by revising the exhibits to conform to the facts. The revision shall not include any re-evaluation of engineering or geological interpretations used in determining Tract Participation. Each such revision of an exhibit made prior to thirty (30) days after the Effective Date shall be effective as of the Effective Date. Each such revision thereafter made shall be effective at 7:00 a.m. on the first day of the calendar month next following the filing for record of the revised exhibit or on such other date as may be determined by Working Interest Owners and set forth in the revised exhibit.

2.5 Filing Revised Exhibits. If an exhibit is revised, Unit Operator shall execute an appropriate instrument with the revised exhibit attached and file the same for record in the county or counties in which this Agreement is filed.

ARTICLE 3

CREATION AND EFFECT OF UNIT

3.1 Oil and Gas Rights Unitized. All Oil and Gas Rights of Royalty Owners in and to the lands identified in Exhibit A, and all Oil and Gas Rights of Working Interest Owners in and to said lands, are hereby unitized insofar as the respective Oil and Gas Rights pertain to the Unitized Formation, so that Unit Operations may be conducted with respect to the Unitized Formation as if the Unit Area had been included in a single lease executed by all Royalty Owners, as lessors, in favor of all Working Interest Owners, as lessees, and as if the lease contained all of the provisions of this Agreement.

3.2 Personal Property Excepted. 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 Working Interest Owners. The rights and interests therein as among Working Interest Owners are set forth in the Unit Operating Agreement.

3.3 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 them conform to the provisions of this Agreement, but otherwise shall remain in effect.

3.4 Continuation of Leases and Term Interests. The portion of Unitized Substances produced and allocated to a Tract shall be deemed, for all purposes, to have been produced from such Tract, and operations with respect to any Tract shall be deemed for all purposes to be the conduct of operations for the production of oil or gas, or both, from

each Tract. Provided, however, when an oil, gas, and mineral lease contains land partially within and partially without the Unit Area, this Agreement and production from the Unit Area shall have no force and effect on lands lying outside the Unit Area and failure of the lessee or lessees thereof to drill and develop such lands lying outside the Unit Area within one (1) year or during the term of the lease, whichever is a longer period of time, from the date of determination of the Unit Area by the State Oil and Gas Board shall render such lease or leases on lands lying outside the Unit Area void and of no force and effect, unless held by production other than from production of Unitized Substances.

3.5 Titles Unaffected by Unitization. Nothing herein shall be construed to result in any transfer of title to Oil and Gas Rights.

3.6 Injection Rights. Working Interest Owners are hereby granted the right to inject into the Unitized Formation any substances in whatever amounts Working Interest Owners deem expedient for Unit Operations, together with the right to drill, use, and maintain injection wells in the Unit Area, and to use for injection purposes any nonproducing or abandoned wells or dry holes, and any producing wells completed in the Unitized Formation.

3.7 Development Obligation. Nothing herein shall relieve Working Interest Owners from any obligation to reasonably develop the lands and leases committed hereto.

3.8 Cooperative Agreements. Unit Operator may, after approval by Working Interest Owners, enter into cooperative agreements with respect to lands adjacent to the Unit Area for the purpose of coordinating operations.

ARTICLE 4

UNIT OPERATIONS

4.1 Unit Operator. Texas Pacific Oil Company, Inc., is hereby designated as the initial Unit Operator. Unit Operator

shall have the exclusive right to conduct Unit Operations, which shall conform to the provisions of this Agreement and the Unit Operating Agreement. If there is any conflict between such agreements, this Agreement shall govern.

4.2 Method of Operation. To the end that the quantity of Unitized Substances ultimately recoverable may be increased and waste prevented, Working Interest Owners shall, with diligence and in accordance with good engineering and production practices, engage in pressure maintenance and secondary recovery operations in an effort to increase the amount of Unitized Substances which may ultimately be recovered from the Unitized Formation. The Working Interest Owners shall install and utilize such equipment as may be determined to be feasible or desirable, in the sole discretion of Working Interest Owners, for the purpose of secondary recovery operations, pressure maintenance or any other method generally recognized and approved by the industry by which additional Unitized Substances may be recovered. Unit Operator shall operate such equipment and installation in the manner and at such times as would be done by a reasonably prudent operator under all the circumstances and conditions then prevailing, having due regard for the rights of both the Working Interest Owners and Royalty Owners. All Unitized Substances contained in the Unit Area shall be produced and sold as rapidly as possible without excessive damage to the reservoir and without decreasing the ultimate recovery of such Unitized Substances.

4.3 Change of Method of Operation. Nothing herein shall prevent Working Interest Owners from discontinuing or changing in whole or in part any method of operation which, in their opinion, is no longer in accord with good engineering and production practices. Other methods of operation may be conducted or changes may be made by Working Interest Owners from time to time, at their sole discretion, if determined by them

to be feasible, necessary, or desirable to increase the ultimate recovery of Unitized Substances, including any tertiary recovery system or miscible flood.

ARTICLE 5

TRACT PARTICIPATION

5.1 Tract Participation. The Tract Participation for each Tract is shown on Exhibit A. The participation percentages shown on Exhibit A were determined in accordance with the following formulas:

Formula for Determining Phase I Tract Participation, the result to be expressed as a decimal:

1/3 x (times)	$\frac{\text{Productive Acres in Tract}}{\text{Total productive acres in total unitized area.}}$
Plus 1/3 x (times)	$\frac{\text{Current Oil Production in Tract}}{\text{Total current oil production in total unitized area.}}$
Plus 1/3 x (times)	$\frac{\text{Net Hydrocarbon Acre Feet in Tract}}{\text{Total net hydrocarbon acre feet in total unitized area.}}$

Formula for Determining Phase II Tract Participation:

1 x (times)	$\frac{\text{Net Hydrocarbon Acre Feet in Tract}}{\text{Total net hydrocarbon acre feet in total unitized area.}}$
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5.1.1 Periods of Applicability. Phase I Tract Participation shall be applicable from the Effective Date until 7:00 a.m. on the first day of the month after the time the cumulative production of oil from the Unitized Formation produced after July 1, 1974 totals 1,000,000 barrels. Thereafter, Phase II Tract Participation shall be applicable.

5.2 Relative Tract Participations. If the Unit Area is changed, the revised Tract Participations of the Tracts in the Unit Area and which were within the Unit Area prior to the change shall remain in the same ratio one to another.

ARTICLE 6

ALLOCATION OF UNITIZED SUBSTANCES

6.1 Allocation to Tracts. All Unitized Substances produced and saved shall be allocated to the several Tracts in accordance with the respective Tract Participations effective during the period that the Unitized Substances were produced. The amount of Unitized Substances allocated to each Tract, regardless of whether the amount is more or less than the actual production of Unitized Substances from the well or wells, if any, on such Tract, shall be deemed for all purposes to have been produced from such Tract.

6.2 Distribution Within Tracts. The Unitized Substances allocated to each Tract shall be distributed among, or accounted for to, the Persons entitled to share in the production from such Tract in the same manner, in the same proportions, and upon the same conditions as they would have participated and shared in the production from such Tract, or in the proceeds thereof, had this Agreement not been entered into, and with the same legal effect. If any Oil and Gas Rights in a Tract hereafter become divided and owned in severalty as to different parts of the Tract, the owners of the divided interests, in the absence of an agreement providing for a different division, shall share in the Unitized Substances allocated to the Tract, or in the proceeds thereof, in proportion to the surface acreage of their respective parts of the Tract. Any royalty or other payment which depends upon per well production or pipeline runs from a well or wells on a Tract shall, after the Effective Date, be determined by dividing the Unitized Substances allocated to the Tract by the number of wells on the Tract capable of producing Unitized Substances on the Effective Date; however, if any Tract has no well thereon capable of producing Unitized Substances on the Effective Date, the Tract shall, for the purpose of this determination, be deemed to have one such well thereon.

6.3 Taking Unitized Substances in Kind. The Unitized Substances allocated to each Tract shall be delivered in kind to the respective Persons entitled thereto by virtue of the ownership of Oil and Gas Rights therein or by purchase from such owners. Such Persons shall have the right to construct, maintain, and operate within the Unit Area all necessary facilities for that purpose, provided they are so constructed, maintained, and operated as not to interfere with Unit Operations. Any extra expenditures incurred by Unit Operator by reason of the delivery in kind of any portion of Unitized Substances shall be borne by the owner of such portion. If a Royalty Owner has the right to take in kind a share of Unitized Substances and fails to do so, the Working Interest Owner whose Working Interest is subject to such Royalty Interest shall be entitled to take in kind such share of Unitized Substances.

6.4 Failure to Take in Kind. If any Person fails to take in kind or separately dispose of such Person's share of Unitized Substances, Unit Operator shall have the right, but not the obligation, for the time being and subject to revocation at will by the Person owning the share, to purchase or sell to others such share; however, all contracts of sale by Unit Operator of any other Person's share of Unitized Substances shall be only for such reasonable periods of time as are consistent with the minimum needs of the industry under the circumstances, but in no event shall any such contract be for a period in excess of one year. The proceeds of the Unitized Substances so disposed of by Unit Operator shall be paid to the Working Interest Owners of each affected Tract or a Person designated by such Working Interest Owners who shall distribute such proceeds to the Persons entitled thereto. Notwithstanding the foregoing, Unit Operator shall not make a sale into interstate commerce of any other Person's share of gas production without first

giving such other Person sixty (60) days' notice of such intended sale.

6.5 Responsibility for Royalty Settlements. Any Person receiving in kind or separately disposing of all or part of the Unitized Substances allocated to any Tract shall be responsible for the payment of all royalties, overriding royalties, production payments, and all other payments chargeable against or payable out of such Unitized Substances, and shall indemnify all Persons, including Unit Operator, against any liability for such payment.

6.6 Royalty on Outside Substances. No payment shall be due or payable to Royalty Owners on substances produced from the Unitized Formation that are deemed to be Outside Substances. If any Outside Substance consisting of gases is injected into the Unitized Formation, seventy-five percent (75%) of any like substance contained in Unitized Substances subsequently produced and sold, or used for other than Unit Operations, shall be deemed to be a part of the Outside Substance so injected until the total quantity deemed to be such Outside Substance equals the total quantity of such Outside Substance so injected. If any Outside Substance consisting of liquefied petroleum gas or other liquid hydrocarbons is injected into the Unitized Formation, seventy-five percent (75%) of all Unitized Substances produced and sold after one year from the time the injection of such Outside Substance was commenced shall be deemed to be a part of the Outside Substance so injected until the total value of the production deemed to be such Outside Substance equals the total cost of the Outside Substance so injected. Such seventy-five percent (75%) of the Unitized Substances deemed to be Outside Substances will be in addition to that which is being recovered for gases as hereinabove provided if both liquefied petroleum gas or other liquid hydrocarbons and gases are injected.

ARTICLE 7

PRODUCTION AS OF THE EFFECTIVE DATE

7.1 Oil or Liquid Hydrocarbons in Lease Tanks. Unit Operator shall gauge or otherwise determine the amount of merchantable oil or other liquid hydrocarbons produced from the Unitized Formation that are in lease and power-oil tanks as of 7:00 a.m. on the Effective Date. Oil or other liquid hydrocarbons in treating vessels, separation equipment, and tanks below pipeline connections shall not be considered merchantable. Any merchantable oil or other liquid hydrocarbons that are a part of or attributable to the prior allowable of the wells from which they were produced shall remain the property of the persons entitled thereto. Any such merchantable oil or other liquid hydrocarbons not promptly removed may be sold by Unit Operator for the account of the Working Interest Owners entitled thereto who shall pay royalty due thereon under the provisions of applicable leases or other contracts. Any oil or liquid hydrocarbons in excess of that attributable to the prior allowable of the wells from which they were produced shall be credited to all Tracts as if they were Unitized Substances.

7.2 Overproduction. If, as of the Effective Date, any Tract is overproduced with respect to the allowable of the wells on that Tract, and if the amount of overproduction has been sold or otherwise disposed of, such overproduction shall be charged against such Tract as having been delivered to the Persons entitled to Unitized Substances allocated to such Tract.

ARTICLE 8

USE OR LOSS OF UNITIZED SUBSTANCES

8.1 Use of Unitized Substances. Working Interest Owners may use or consume Unitized Substances for Unit Operations, including but not limited to the injection thereof into the Unitized Formation.

8.2 Royalty Payments. No royalty, overriding royalty, production, or other payments shall be payable on account of Unitized Substances used, lost, or consumed in Unit Operations.

ARTICLE 9

TITLES

9.1 Warranty and Indemnity. Each Person who, by acceptance of produced Unitized Substances or the proceeds thereof, may claim to own a Working Interest or Royalty Interest in and to any Tract or in the Unitized Substances allocated thereto, shall be deemed to have warranted its title to such interest, and, upon receipt of the Unitized Substances or the proceeds thereof to the credit of such interest, shall indemnify and hold harmless all other Persons in interest from any loss due to failure, in whole or in part, of its title to any such interest.

9.2 Production Where Title is in Dispute. If the title or right of any Person claiming the right to receive in kind all or any portion of the Unitized Substances allocated to a Tract is in dispute, Unit Operator at the direction of Working Interest Owners shall either:

- (a) require that the Person to whom such Unitized Substances are delivered or to whom the proceeds thereof are paid furnish security for the proper accounting therefor to the rightful owner if the title or right of such Person fails in whole or in part, or
- (b) withhold and market the portion of Unitized Substances with respect to which title or right is in dispute, and impound the proceeds thereof until such time as the title or right thereto is established by a final judgment of a court of competent jurisdiction or otherwise to the satisfaction of Working Interest Owners, whereupon the proceeds so impounded shall be paid to the Person rightfully entitled thereto.

9.3 Payment of Taxes to Protect Title. If any taxes are not paid when due by or for any owner of surface rights to lands within the Unit Area, or severed mineral interests or Royalty Interests in such lands, or lands outside the Unit Area on which Unit Equipment is located, Unit Operator may, with approval of Working Interest Owners, at any time prior to tax sale, or expiration of period of redemption after tax sale, pay the tax and redeem or purchase such rights, interests, or property. Any such payment shall be an item of Unit Expense. Unit Operator shall, if possible, withhold from any proceeds derived from the sale of Unitized Substances otherwise due any delinquent taxpayer an amount sufficient to defray the costs of such payment, such withholding to be credited to Working Interest Owners. Such withholding shall be without prejudice to any other remedy available to Unit Operator or Working Interest Owners.

9.4 Transfer of Title. Any conveyance of all or any part of any interest owned by a Person with respect to any Tract shall be subject to this Agreement. No change of title shall be binding upon Unit Operator, or upon any Person other than the Person so transferring, until 7:00 a.m. on the first day of the calendar month next succeeding the date of receipt by Unit Operator of a photo copy or a certified copy of the recorded instrument evidencing such change in ownership.

ARTICLE 10

EASEMENTS OR USE OF SURFACE

10.1 Grant of Easements. Working Interest Owners shall have the right to use as much of the surface of the land within the Unit Area as may be reasonably necessary for Unit Operations and the removal of Unitized Substances from the Unit Area; however, nothing herein shall be construed as leasing or otherwise conveying to Working Interest Owners a campsite or a plant site for water injection, gas injection, or gas processing.

10.2 Use of Water. Working Interest Owners shall have and are hereby granted free use of water from the Unit Area for Unit Operations, except water from any well, lake, pond, or irrigation ditch of a Royalty Owner.

10.3 Surface Damages. Working Interest Owners shall pay the owner for damages to growing crops, timber, fences, improvements, and structures on the Unit Area that result from Unit Operations.

ARTICLE 11

ENLARGEMENTS OF UNIT AREA

11.1 Enlargements of Unit Area. The Unit Area may be enlarged to include acreage reasonably proved to be productive by adding to or including within the Unit Area a pool or pools or any portion or portions or combinations thereof not theretofore included, and extensions of existing pools, upon such terms as may be determined by Working Interest Owners, including but not limited to, the following:

In providing for allocation of production from the Unit Area, there shall first be allocated to each pool or portion thereof so added a portion of the total production of oil or gas, or both, from all pools affected within the Unit Area, as enlarged, such allocation to be based on the relative contribution which such added pool or portion or extensions thereof are expected to make, during the remaining course of Unit Operations, to the total production of oil or gas, or both, to the unit as enlarged.

The production so allocated to each added pool or portion thereof shall be allocated to the separately owned Tracts in the added Unit Area on the basis of the relative contribution of each such Tract, as provided in paragraph (c) of Section 3, Chapter 236, Mississippi Laws of 1964, being Section 53-3-105(c), Mississippi Code of 1972.

There shall be no retroactive allocation or adjustment of Unit Expense or of interests in the Unitized Substances produced, or proceeds thereof; however, this limitation shall not prevent an adjustment of investment by reason of the enlargement.

The enlargement of the Unit Area shall only be authorized pursuant to the vote of the Working Interest Owners.

11.2 Determination of Tract Participation. Working Interest Owners, subject to Section 5.2 and based upon the same relative factors and consideration specified in Section 5.1, shall determine the Tract Participation of each tract within the Unit Area as enlarged, and shall revise Exhibits A and B accordingly.

11.3 Effective Date. The Effective Date of any enlargement of the Unit Area shall be 7:00 a.m. on the first day of the calendar month following compliance with conditions for enlargement as specified by Working Interest Owners, approval of the enlargement by the State Oil and Gas Board of Mississippi, and the filing for record of revised Exhibits A and B in the records of Jasper County, Mississippi.

ARTICLE 12

RELATIONSHIPS OF PERSONS

12.1 No Partnership. All duties, obligations, and liabilities arising hereunder shall be several and not joint or collective. This Agreement shall not be construed to create an association or trust, or to impose a partnership or fiduciary duty, obligation, or liability. Each Person affected hereby shall be individually responsible for its own obligations.

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

12.3 Royalty Owners Free of Costs. This Agreement 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 interest created out of a Working Interest, shall be subject to the security rights provided by the Unit Operating Agreement. The owner of any such interest shall be subrogated to the security rights available against the Working Interest out of which such interest was created.

ARTICLE 13

FORCE MAJEURE

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

ARTICLE 14

EFFECTIVE DATE

14.1 Effective Date. This Agreement shall become effective as of the date determined by Working Interest Owners in accordance with the voting provisions of the Unit Operating Agreement. Such determination by Working Interest Owners shall be made in accordance with an order approving this unit by State Oil and Gas Board of Mississippi.

14.2 Ipso Facto Termination. If this unit is not made effective on or before January 1, 1976, this Agreement

shall ipso facto terminate on that date (hereinafter called "termination date") and thereafter be of no further effect, unless prior thereto Working Interest Owners owning a combined Unit Participation of at least seventy-five percent (75%) have approved this Agreement and Working Interest Owners owning seventy-five percent (75%) or more of that percent have decided to extend the termination date for a period not to exceed one year. If the termination date is so extended and this unit is not made effective on or before the extended termination date, this Agreement shall ipso facto terminate on the extended termination date and thereafter be of no further effect. For the purpose of this Section, Unit Participation shall be as calculated on the basis of Tract Participations shown on the original Exhibit A.

14.3 Certificate of Effectiveness. Unit Operator shall file for record in Jasper County, Mississippi, a certificate stating the Effective Date.

ARTICLE 15

TERM

15.1 Term. This Agreement shall remain in effect so long as Unitized Substances are produced in paying quantities without a cessation of more than ninety (90) days, or so long as other Unit Operations are conducted without a cessation of more than ninety (90) days, unless sooner terminated by Working Interest Owners owning a combined Unit Participation of seventy-five percent (75%) or more whenever such Working Interest Owners determine that Unit Operations are no longer economically feasible.

15.2 Effect of Termination. Upon termination of this Agreement, the further development and operation of the Unitized Formation as a unit shall cease. The relationships among owners of Oil and Gas Rights shall thereafter be governed by the terms and provisions of the leases and other instruments, not including this Agreement, affecting the separate Tracts.

15.3 Salvaging Equipment Upon Termination. If not otherwise granted by the leases or other instruments affecting the separate Tracts, Working Interest Owners shall have a period of six (6) months after the date of termination of this Agreement within which to salvage and remove Unit Equipment.

15.4 Certificate of Termination. Upon termination of this Agreement, Unit Operator shall record in Jasper County, Mississippi, a certificate that this Agreement has terminated, stating its termination date.

ARTICLE 16

APPROVAL

16.1 Original, Counterpart, or Other Instrument. An owner of Oil and Gas Rights may approve this Agreement by signing the original, a counterpart thereof, or other instrument approving this Agreement. The signing of any such instrument shall have the same effect as if all Persons had signed the same instrument and shall constitute approval of the entire Plan of Unitization composed of this Agreement and the Unit Operating Agreement.

16.2 Commitment of Interests to Unit. The approval of this Agreement by a Person shall bind that Person and commit all interests owned or controlled by that Person as of the date of such approval, and additional interests thereafter acquired.

16.3 Alternate Voluntary Unit. In the event this unit does not qualify as a statutory unit pursuant to Sections 53-3-101, et seq., Mississippi Code of 1972, the Working Interest Owners may elect to operate the Unit pursuant to Section 53-3-7(d) or (e), Mississippi Code of 1972.

ARTICLE 17

DETERMINATIONS BY WORKING INTEREST OWNERS

17.1 Determinations by Working Interest Owners. All decisions, determinations, or approvals by Working Interest

Owners hereunder shall be made pursuant to the voting procedure of the Unit Operating Agreement unless otherwise provided herein.

ARTICLE 18

SUCCESSORS AND ASSIGNS

18.1 Successors and Assigns. This Agreement shall extend to, be binding upon, and inure to the benefit of the Royalty Owners and Working Interest Owners and their respective heirs, devisees, legal representatives, successors, and assigns, and shall constitute a covenant running with the lands, leases, and interests covered hereby.

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

WORKING INTEREST OWNERS

ATTEST:

By: _____

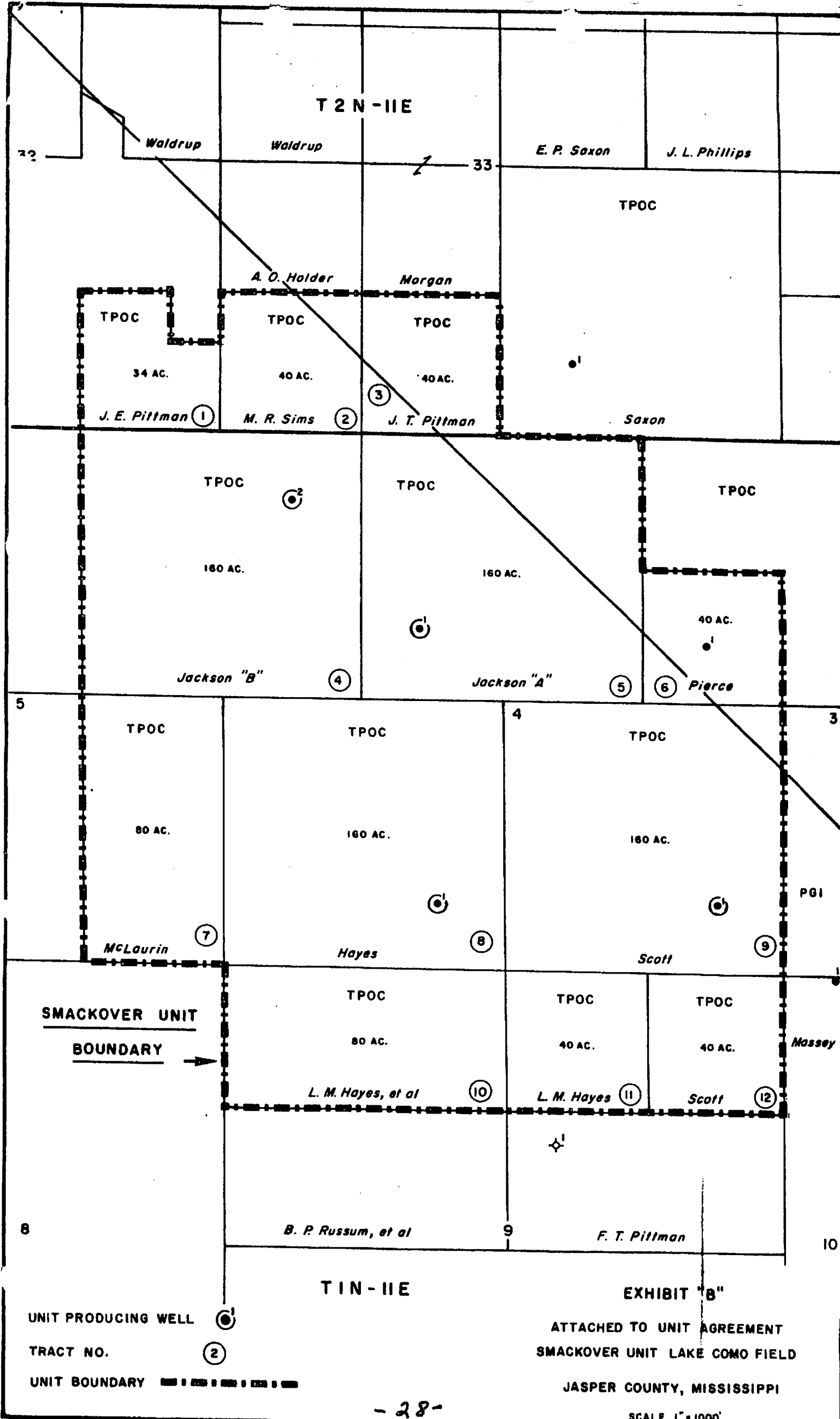
Date: _____

Address: _____

EXHIBIT "A"
 ATTACHED TO SMACKOVER UNIT LAKE COMO FIELD
 UNIT AGREEMENT
 JASPER COUNTY, MISSISSIPPI

Tract No.	Tract Name	Lane Description	Acres	Tract Participation (Percentage)	
				Phase I	Phase II
1	Texas Pacific Oil Co., Inc. J. E. Pittman	SE/4 SE/4 Less 6 Acres in NEC, Section 32 T2N-R11E	34	.28462	.08665
2	Texas Pacific Oil Co., Inc. M. P. Sims	SW/4 SW/4, Section 33-T2N-R11E	40	1.71097	1.24403
3	Texas Pacific Oil Co., Inc. J. T. Pittman	SE/4 SW/4 Section 33-T2N-R11E	40	.37186	.45419
4	Texas Pacific Oil Co., Inc. Jackson "B"	E/2 of NE/4 Section 5 & W/2 of NW/4 Section 4-T1N-R11E	160	16.01440	11.85271
5	Texas Pacific Oil Co., Inc. Jackson "A"	E/2 of NW/4 & W/2 of NE/4 Section 4-T1N-R11E	160	20.17113	17.24618
6	Texas Pacific Oil Co., Inc. Pierce	SE/4 NE/4 Section 4-T1N-R11E	40	.41170	.57371
7	Texas Pacific Oil Co., Inc. McLaurin	E/2 of SE/4 Section 5-T1N-R11E	80	3.05076	2.27398
8	Texas Pacific Oil Co., Inc. Hayes	SW/4 Section 4-T1N-R11E	160	25.02019	26.44946
9	Texas Pacific Oil Co., Inc. Scott	SE/4 Section 4-T1N-R11E	160	26.07963	29.95846
10	Texas Pacific Oil Co., Inc. L. M. Hayes, et al	N/2 of NW/4 Section 9-T1N-R11E	80	1.75190	2.76895
11	Texas Pacific Oil Co., Inc. L. M. Hayes, et al	NW/4 NE/4 Section 9-T1N-R11E	40	2.57027	3.95421
12	Texas Pacific Oil Co., Inc.	NE/4 NE/4 Section 9-T1N-R11E	40	2.56257	3.13747
			1034	100.00000	100.00000

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T 2 N - 11 E

Waldrup

Waldrup

E. P. Saxon

J. L. Phillips

TPOC

A. O. Holder

Morgan

TPOC

TPOC

TPOC

34 AC.

40 AC.

40 AC.

J. E. Pittman (1)

M. R. Sims (2)

J. T. Pittman (3)

Saxon

TPOC

TPOC

TPOC

160 AC.

160 AC.

40 AC.

Jackson "B" (4)

Jackson "A" (5)

(6) Pierce

TPOC

TPOC

TPOC

80 AC.

160 AC.

160 AC.

MCLaurin (7)

Hayes (8)

Scott (9)

SMACKOVER UNIT

BOUNDARY

TPOC

TPOC

TPOC

80 AC.

40 AC.

40 AC.

L. M. Hayes, et al (10)

L. M. Hayes (11)

Scott (12)

B. P. Russum, et al

F. T. Pittman

T 1 N - 11 E

EXHIBIT "B"

UNIT PRODUCING WELL

TRACT NO.

UNIT BOUNDARY

ATTACHED TO UNIT AGREEMENT
SMACKOVER UNIT LAKE COMO FIELD

JASPER COUNTY, MISSISSIPPI

SCALE 1" = 1000'