

BEFORE THE
OIL CONSERVATION COMMISSION

Case No. 12734

Exhibit # **A-4-1**

Submitted By: Richardson Oper. Co.

Hearing Date: October 28 & 30, 2002

FORM 45- ORIGINAL
LEASE NO. **E-3150**

APPLICATION NO. **E-3150**

OIL AND GAS LEASE

THIS AGREEMENT, dated this the 10th day of December, A. D. 1949, made and entered into by and between the STATE OF NEW MEXICO, acting by and through its Commissioner of Public Lands, thereto duly authorized, party of the first part and hereinafter called the "Lessor," and John Burroughs, party of the second part, hereinafter called the "Lessee," whether one or more,

WITNESSETH:

WHEREAS, the said lessee has filed in the office of the Commissioner of Public Lands an application for an oil and gas lease covering the lands hereinafter described and has tendered therewith the required first payment being not less than the amount required by law and by the rules and regulations of the New Mexico State Land Office; and

WHEREAS, all of the requirements of law relative to said application and tender have been duly complied with and said application has been approved and allowed by the Commissioner of Public Lands;

THEREFORE, for and in consideration of the premises as well as the sum of Twenty nine thousand two hundred sixty one dollars fifty one cents (\$29,261.51) Dollars, the same being the amount of the tender above mentioned, paid in cash, and evidenced by official receipt No. C-20470 and of the further sum of \$ 5.00, filing fee, and of the covenants and agreements hereinafter contained in the part of the lessee to be paid, kept and performed, the said lessor has granted, demised, leased and let, and by these presents does grant, demise, lease and let unto the said lessee, exclusively, for the sole and only purpose of exploration, development and production of oil and/or gas thereon and therefrom with the right to own all oil and gas so produced and saved therefrom and not reserved as royalty by the lessor under the term of this lease, together with rights of way, easements and servitudes for pipe lines, telephone and telegraph lines, tanks, power houses, stations, gasoline plants, and fixtures for producing, treating and caring for such products, and housing and boarding employees, and any and all rights and privileges necessary, incident to or convenient for the economical operation of said land, for oil and gas, with right for such purposes to the free use of oil, gas, casing-head gas, or water from said lands, but not from lessor's water wells, and with the right of removing either during or after the term hereof, all and any improvements placed or created on the premises by the lessee, including the right to pull all casing, subject, however, to the conditions hereinafter set out, the following described land situate in the Count. Y of San Juan State of New Mexico, and more particularly described as follows:

LINE	Fraction	Sec.	Twp.	Range	SUBDIVISION				ACRES
					CORNER 1	CORNER 2	CORNER 3	CORNER 4	
1	C.S.	36	30N	15W	NE1/4	NE1/4	SW1/4	SE1/4	160.00
2	C.S.	36	30N	15W	NE1/4	NE1/4	SW1/4	SE1/4	160.00
3	C.S.	36	30N	15W	NE1/4	NE1/4	SW1/4	SE1/4	160.00
4	C.S.	36	30N	15W	NE1/4	NE1/4	SW1/4	SE1/4	160.00
5	C.S.	36	30N	15W	NE1/4	NE1/4	SW1/4	SE1/4	160.00
6	C.S.	36	30N	15W	NE1/4	NE1/4	SW1/4	SE1/4	160.00
7	C.S.	36	30N	15W	NE1/4	NE1/4	SW1/4	SE1/4	160.00
8	C.S.	36	30N	15W	NE1/4	NE1/4	SW1/4	SE1/4	160.00
9	C.S.	36	30N	15W	NE1/4	NE1/4	SW1/4	SE1/4	160.00
10	C.S.	36	30N	15W	NE1/4	NE1/4	SW1/4	SE1/4	160.00
11	C.S.	36	30N	15W	NE1/4	NE1/4	SW1/4	SE1/4	160.00
12	C.S.	36	30N	15W	NE1/4	NE1/4	SW1/4	SE1/4	160.00
13	C.S.	36	30N	15W	NE1/4	NE1/4	SW1/4	SE1/4	160.00
14	C.S.	36	30N	15W	NE1/4	NE1/4	SW1/4	SE1/4	160.00
15	C.S.	36	30N	15W	NE1/4	NE1/4	SW1/4	SE1/4	160.00
16	C.S.	36	30N	15W	NE1/4	NE1/4	SW1/4	SE1/4	160.00
17	C.S.	36	30N	15W	NE1/4	NE1/4	SW1/4	SE1/4	160.00
18	C.S.	36	30N	15W	NE1/4	NE1/4	SW1/4	SE1/4	160.00
19	C.S.	36	30N	15W	NE1/4	NE1/4	SW1/4	SE1/4	160.00
20	C.S.	36	30N	15W	NE1/4	NE1/4	SW1/4	SE1/4	160.00
21	C.S.	36	30N	15W	NE1/4	NE1/4	SW1/4	SE1/4	160.00
22	C.S.	36	30N	15W	NE1/4	NE1/4	SW1/4	SE1/4	160.00
23	C.S.	36	30N	15W	NE1/4	NE1/4	SW1/4	SE1/4	160.00
24	C.S.	36	30N	15W	NE1/4	NE1/4	SW1/4	SE1/4	160.00
25	C.S.	36	30N	15W	NE1/4	NE1/4	SW1/4	SE1/4	160.00
26	C.S.	36	30N	15W	NE1/4	NE1/4	SW1/4	SE1/4	160.00
27	C.S.	36	30N	15W	NE1/4	NE1/4	SW1/4	SE1/4	160.00
28	C.S.	36	30N	15W	NE1/4	NE1/4	SW1/4	SE1/4	160.00
29	C.S.	36	30N	15W	NE1/4	NE1/4	SW1/4	SE1/4	160.00
30	C.S.	36	30N	15W	NE1/4	NE1/4	SW1/4	SE1/4	160.00

6.3150

Lot	Institution	Sec.	Twp.	Range	SUBDIVISION				Acres
					Column 1	Column 2	Column 3	Column 4	
21	C.S.	2	31N	10W	40.35 Lot 1				40.35
22	C.S.	2	31N	10W			SW1/4		40.00
23	C.S.	2	31N	10W		NE1/4			40.00
24	C.S.	16	31N	10W	NE1/4		SW1/4		80.00
25	C.S.	16	31N	10W			SE1/4		40.00
26	C.S.	16	31N	10W	NE1/4				40.00
27	C.S.	16	31N	11W			SW1/4		40.00
28	C.S.	16	31N	11W				SE1/4	40.00
29	C.S.	36	31N	11W			SW1/4		40.00
30	C.S.	36	31N	11W			SE1/4		40.00
31	C.S.	2	31N	12W		NE1/4			40.00
32	C.S.	16	31N	12W		NE1/4			40.00
33	C.S.	16	31N	12W		NE1/4			40.00
34	C.S.	16	31N	12W	NE1/4	NE1/4		SE1/4	120.00
35	C.S.	32	31N	12W	NE1/4				40.00
36	C.S.	32	31N	12W		NE1/4			40.00
37	C.S.	36	31N	12W		NE1/4			40.00
38	C.S.	36	31N	12W			SW1/4	SE1/4	80.00
39	C.S.	36	31N	12W				SE1/4	40.00
40	C.S.	2	31N	13W			SW1/4	SE1/4	80.00
41	C.S.	16	31N	13W				SE1/4	40.00
42	C.S.	36	31N	13W				SE1/4	40.00
43	C.S.	36	31N	13W	NE1/4			SE1/4	80.00
44	C.S.	16	32N	8W	NE1/4				40.00
45	C.S.	16	32N	8W		NE1/4			40.00
46	C.S.	32	32N	8W				SE1/4	40.00
47	C.S.	36	32N	8W	NE1/4	NE1/4	SW1/4	SE1/4	160.00
48	C.S.	36	32N	8W	NE1/4	NE1/4	SW1/4	SE1/4	160.00
49	C.S.	32	32N	9W			SW1/4	SE1/4	80.00
50	C.S.	32	32N	9W	NE1/4	NE1/4			80.00
51	C.S.	36	32N	9W			SW1/4		40.00
52	C.S.	36	32N	9W				SE1/4	40.00
53	C.S.	36	32N	9W			SW1/4		40.00
54	C.S.	36	32N	9W	NE1/4				40.00
55	C.S.	16	32N	10W	NE1/4				40.00

Application of Richardson Operating
Co.
Record on Appeal, 681.

F-3150

	Line	Institution	Sec.	Twp.	Range	SUBDIVISION				Acres
						Column 1	Column 2	Column 3	Column 4	
7	21	O.S.	16	32N	10W		NW1/4			40.00
4	22	O.S.	16	32N	10W		NW1/4			40.00
4	23	O.S.	16	32N	10W	NE1/4			SE1/4	80.00
7	24	O.S.	36	32N	10W	NE1/4	NW1/4		SE1/4	120.00
5	25	O.S.	36	32N	10W	NE1/4		SW1/4		80.00
6	26	O.S.	36	32N	10W				SE1/4	40.00
4	27	O.S.	32	32N	11W	NE1/4				40.00
7	28	O.S.	36	32N	11W				SE1/4	40.00
10	29	O.S.	16	32N	12W	NW1/4				40.00
6	30	O.S.	16	32N	13W				SE1/4	40.00
	31									4367.39
	32									4327.39
	33									
	34									
	35									
	36									
	37									
	38									
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said lands having been awarded to lessee and designated as tract No. 39 at a public sale held by the Commissioner of Public Lands on December 10, 1949. (To be filled in only where lands are offered at public sale.)

TO HAVE AND TO HOLD said land, and all the rights and privileges granted hereunder, to and unto the lessee for a primary term of five (5) years from the date hereof, and as long thereafter as oil and gas in paying quantities, or either of them, is produced from said land by the lessee, subject to all the terms and conditions as hereinafter set forth.

In consideration of the premises the parties covenant and agree as follows:

1. Subject to the free use without royalty, as hereinafter provided, the lessee shall pay the lessor as royalty one-eighth part of the oil produced and saved from the leased premises or the cash value thereof, at the option of the lessor, such value to be the price prevailing the day oil is run into a pipeline, if the oil be taken in a pipeline, or into storage tanks, if the oil be stored.

2. Subject to the free use without royalty, as hereinafter provided, the lessee shall pay the lessor as royalty one-eighth of the cash value of gas, including casinghead gas, produced and saved from the leased premises and marketed or utilized, such value to be equal to the greater of the following amounts:

- (a) the net proceeds derived from sale of such gas in the field, or
- (b) five cents (\$0.05) per thousand cubic feet (m.c.f.), the volume of gas for such purposes to be computed on a pressure basis of 10 pounds above an assumed atmospheric pressure of 14.7 pounds per square inch, or 15.025 pounds per square inch absolute, at 60° Fahrenheit, and pursuant to appropriate regulations of the Commissioner of Public Lands which may provide, among other things, for a flowing temperature of 60° Fahrenheit to be assumed and applied in volume computation in all cases where a recording thermometer is not employed by the lessee in gas measurement, and for specific gravity tests at the lessee's expense at intervals not greater than one year in all cases where a recording gravitometer is not employed by the lessee in gas measurement.

Provided, however, the cash value for royalty purposes of carbon dioxide gas and of hydrocarbon gas delivered to a gasoling plant for extraction of liquid hydrocarbons shall be equal to the net proceeds derived from the sale of such gas, including any liquid hydrocarbons recovered therefrom.

Notwithstanding the foregoing provisions, the lessor acting by its Commissioner of Public Lands, may require the payment of royalty for all or any part of the gas produced and saved under this lease and marketed or utilized at a price per m.c.f. equal to the minimum price being paid for gas of this kind and quality and under like conditions in the same field or area or may reduce the royalty value of any such gas (to any amount not less than the net proceeds of sale thereof in the field) if the Commissioner of Public Lands shall determine such action to be necessary to the successful operation of the lands for oil or gas purposes or to the attainment of the greatest ultimate recovery of oil or gas or to the promotion of conservation of oil or gas.

3. Lessee agrees to make full settlement on the 20th day of each month for all royalties due the lessor for the preceding month, under this lease, and to permit the lessor or its agents, at all reasonable hours, to examine lessee's books relating to the production and disposition of oil and gas produced, lessee further agrees to submit to lessor annually upon forms furnished by lessor, verified reports showing lessee's operations for the preceding year.

4. It is expressly agreed that the consideration hereinbefore specified is a good, valid, and substantial consideration and sufficient in all respects to support each and every covenant herein, including specifically the option granted the lessee to prevent the termination of this lease from year to year, by the payment or tender of the further rental hereinafter provided for.

5. An annual rental, at the rate of \$250 per acre shall become due and payable to the lessor by the lessee, or by any transferee or assignee of the same, or any part thereof, when such transferee or assignee has been recognized, and such transfer or assignment approved by the lessor as hereinafter provided, upon each acre of the land above described and then claimed by such lessee, transferee or assignee hereunder, and the same shall be due and payable in advance to the lessor on the successive anniversary dates of this lease, but the annual rental on any assignment shall in no event be less than five dollars (\$5.00).

In event the lessee shall elect to surrender any or all of said acreage, he shall deliver to the Commissioner a duly executed release thereof and in event said lease has been recorded, then he shall upon request furnish and deliver to said Commissioner a certified copy of a duly recorded release.

6. The lessee may at any time by paying to the State of New Mexico, acting by its Commissioner of Public Lands, or other authorized officer, all amounts then due as provided herein and the further sum of Ten Dollars (\$10.00), surrender and cancel this lease insofar as the same covers all or any portion of the lands herein leased and be relieved from further obligations or liability hereunder, in the manner as hereinafter provided. Promptly this surrender shall and the option herein reserved to the lessee shall cease and become absolutely inoperative immediately and concurrently with the institution of any suit in any court of law or equity by the lessee, lessor or any assignee, to enforce this lease, or any of its terms express or implied.

7. All payments due hereunder shall be made on or before the day such payment is due, in cash or by certified check at the office of the Commissioner of Public Lands in Santa Fe, New Mexico.

8. The lessee with the consent of the lessor, shall have the right to assign this lease in whole or in part. Provided, however, that no assignment of any undivided interest in the lease or any part thereof, nor any assignment of less than a total subdivision shall be recognized or approved by the lessor, upon approval in writing by the lessor of an assignment, the assignor shall stand relieved from all obligations to the lessor with respect to the lands embraced in the assignment and the lessor shall likewise be relieved from all obligations to the assignor as to such tracts, and the assignee shall succeed to all of the rights and privileges of the assignor with respect to such tracts and shall be held to have assumed all of the duties and obligations of the assignor to the lessor as to such tracts.

9. Lessee agrees with reasonable diligence to affect all paying oil or gas wells drilled, within 300 feet of any of the land covered by this lease and retained hereunder.

10. The lessee agrees to notify the lessor of the location of each well before commencing drilling thereon, to keep a complete and accurate log of each well drilled and to furnish a copy thereof, verified by some person having actual knowledge of the facts, to the lessor upon the completion of any well, and to furnish the log of any unfinished well at any time when requested to do so by the lessor. If any lands embraced in this lease shall be included in any deed or contract of purchase outstanding and subsisting (and pursuant to any such map of the surface of such lands prior to the date of this lease, it is agreed and understood that the drilling operations shall be commenced on any such lands as sold unless and until the lessor or his assignee shall have filed a good and sufficient bond with the lessor as required by law, to secure the payment for such damage to the livestock, range, water, crops or valuable improvements on such lands as may be suffered by the purchaser holding such lands by such lessee. Provided, however, that no such bond shall be required if such purchaser shall give the right to require such bond to be given in the manner provided by law.

11. In drilling wells all water-bearing strata shall be noted in the log and the lessor reserves the right to require that all or any part of the casing shall be left in any non-productive well when the lessor deems it to be in the interest of the State of New Mexico to maintain said well or wells for water. For such casing so left in wells the lessor shall pay to the lessee the reasonable value thereof.

12. Lessee shall be liable and answer in damages to the range, livestock, growing crops, or any improvements caused by lessee's operations on said lands. When requested by the lessor, the lessee shall bury pipe-lines below plow depth.

12. The lessee shall not remove any machinery or fixtures placed on the premises, nor draw the casing from any well unless and until all payments and obligations due the lessor under the terms of this agreement shall have been paid or satisfied. The lessee's right to remove the casing is subject to the provision of paragraph 10 above.

13. Upon failure or default of the lessee or any assignee to comply with any of the provisions or covenants hereof, the lessor is hereby authorized to cancel this lease and such cancellation shall extend to and include all rights hereunder as to the whole of the tract so claimed, or possessed by the lessee or assignee so defaulting, but shall not extend to, nor affect the rights of any other lessee or assignee claiming any portion of the lands upon which no default has been made; provided, however, that before any such cancellation shall be made, the lessor shall mail to the lessee, or assignee so defaulting, by registered mail, addressed to the postoffice address of such lessee or assignee as shown by the records of the State Land Office, a notice of intention of cancellation specifying the default for which cancellation is to be made, and if within 30 days from the date of mailing said notice the said lessee or assignee shall remedy the default specified in said notice, cancellation shall not be made.

14. All the terms of this agreement shall extend to and bind the heirs, executors, administrators, successors and assigns of the parties hereto.

15. If the lessee shall have failed to make discovery of oil and/or gas in paying quantities during the primary term hereof, the lessee may continue this lease in full force and effect for an additional term of five (5) years and as long thereafter as oil and gas in paying quantities, or either of them is produced from the leased premises, by paying each year in advance, as herein provided, double the rental provided herein for the primary term, or the highest rental prevailing at the commencement of the secondary term in any rental district, or districts in which the lands, or any part thereof, may be situated, if it be greater than double the rental provided for the primary term.

16. If the lessee shall have maintained this lease in accordance with the provisions hereof and if at the expiration of the secondary term provided herein oil or gas is not being produced on said land but lessee is then engaged in bona fide drilling or reworking operations thereon, this lease shall remain in full force and effect so long as such operations are diligently prosecuted and, if they result in the production of oil or gas, so long thereafter as oil and gas in paying quantities or either of them is produced from said land; provided, however, such operations extending beyond the secondary term shall be approved by the lessor upon written application filed with the lessor on or before the expiration of said term, and a report of the status of all of such operations shall be made by the lessee to the lessor every 30 days and a cessation of such operations for more than 20 consecutive days shall be considered as an abandonment of such operations and thereupon the provisions hereof shall be of no further force or effect.

IN WITNESS WHEREOF, the party of the first part has hereunto signed and caused its name to be signed by its Commissioner of Public Lands thereunto duly authorized, with the seal of his office affixed, and the lessee has signed this agreement the day and year first above written.

STATE OF NEW MEXICO
By John B. Burroughs
COMMISSIONER OF PUBLIC LANDS, Lessor.
John B. Burroughs
Lessee. (SEAL)

Distributed this the 14th day of December 1949

(PERSONAL ACKNOWLEDGMENT)

STATE OF New Mexico
COUNTY OF Hoonaholt ss:
On this the 21st day of December 1949, personally appeared before me
John B. Burroughs
to me known to be the person who executed the foregoing instrument as Lessee, and acknowledged that
he executed the same as his free act and deed.

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

My Commission Expires January 1, 1950
James Payne
Notary Public.

(ACKNOWLEDGMENT BY ATTORNEY IN FACT)

STATE OF New Mexico
COUNTY OF Hoonaholt ss:
On this the 21st day of December 1949, personally appeared
before me John B. Burroughs
to me known to be the person who executed the foregoing instrument in behalf of
and acknowledged that he executed the same as the free act and deed of said

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

My Commission Expires January 1, 1950
James Payne
Notary Public.

(CORPORATE ACKNOWLEDGMENT ON BACK)

FORM 70-ORIGINAL

LEASE NO. 2-3225

APPLICATION NO. 25

OIL AND GAS LEASE

THIS AGREEMENT, dated this the 26th day of May, A. D. 1950, made and entered into by and between the STATE OF NEW MEXICO, acting by and through the undersigned, its Commissioner of Public Lands, thereunto duly authorized, party of the first part and hereinafter called the "Lessor," and W. H. ATKINS and L. T. LAMBERT, party of the second part, hereinafter called the "Lessee," whether one or more.

WITNESSETH:

WHEREAS, the said lessee has filed in the office of the Commissioner of Public Lands an application for an oil and gas lease covering the lands hereinafter described and has tendered therewith the required first payment being not less than the amount required by law and by the rules and regulations of the New Mexico State Land Office; and

WHEREAS, all of the requirements of law relative to said application and tender have been duly complied with and said application has been approved and allowed by the Commissioner of Public Lands:

THEREFORE, for and in consideration of the premises as well as the sum of

ONE HUNDRED SIXTY

(\$ 160.00)

Dollars, the

same being the amount of the tender above mentioned, paid in cash, and evidenced by official receipt No. 20822

and of the further sum of \$ 5.00 filling fee, and of the covenants and agreements hereinafter contained on the part of the lessee to be paid, kept and performed, the said lessor has granted and demised, leased and let, and by these presents does grant, demise, lease and let unto the said lessee, exclusively, for the sole and only purpose of exploration, development and production of oil and/or gas thereon and therefrom with the right to own all oil and gas so produced and saved therefrom and not reserved as royalty by the lessor under the term of this lease, together with rights of way, easements and servitudes for pipe lines, telephone and telegraph lines, tanks, power houses, stations, gasoline plants, and fixtures for producing, treating and caring for such products, and housing and boarding employees, and any and all rights and privileges necessary, incident to or convenient for the economical operation of said land, for oil and gas, with right for such purposes to the free use of oil, gas, casing-head gas, or water from said lands, but not from lessor's water wells, and with the right of removing either during or after the term hereof, all and any improvements placed or erected on the premises by the lessee, including the right to pull all casing, subject, however, to the conditions hereinafter set out, the following described land situate in the County of San Juan State of New Mexico, and more particularly described as follows:

No.	Institution	Sec.	Twp.	Range	SUBDIVISION				ACRES
					COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	
1	G.S.	16	22N	13W			S1/2S1/2		40.00
2	G.S.	36	22N	13W			S1/2S1/2		40.00
3	G.S.	2	22N	13W			S1/2S1/2		40.00
4	G.S.	36	25N	13W			S1/2S1/2		40.00
5	G.S.	2	26N	13W			S1/2S1/2		40.00
6	G.S.	16	22N	14W		S1/2S1/2			40.00
7	G.S.	2	22N	14W			S1/2S1/2		40.00
8	G.S.	16	22N	14W	S1/2S1/2				40.00
9	G.S.	2	22N	15W			S1/2S1/2		40.00
10	G.S.	2	20N	12W	S1/2S1/2				40.00
11	G.S.	16	20N	12W	S1/2S1/2				40.00
12	G.S.	2	20N	14W			S1/2S1/2		40.00
13	G.S.	16	20N	14W			S1/2S1/2		40.00
14	G.S.	36	21N	12W	S1/2S1/2				40.00
15	G.S.	32	21N	12W		S1/2S1/2			40.00
16	G.S.	16	22N	12W	S1/2S1/2				40.00
17									640.00
18									
19									
20									

BEFORE THE

OIL CONSERVATION COMMISSION

Case No. 12734

Exhibit #

A-4-2

Submitted By: Richardson Oper. Co.

Hearing Date: October 28 & 30, 2002

Application of Richardson Operating Co.
Record on Appeal, 685.

said lands having been awarded to lessee and designated as tract No. at a public sale held by the Commissioner of Public Lands on, 19..... (To be filled in only where lands are offered at public sale.)

TO HAVE AND TO HOLD said land, and all the rights and privileges granted hereunder, to and unto the lessee for a primary term of five (5) years from the date hereof, and as long thereafter as oil and gas in paying quantities, or either of them, is produced from said land by the lessee, subject to all the terms and conditions as hereinafter set forth.

In consideration of the premises the parties covenant and agree as follows:

1. Subject to the free use without royalty, as hereinbefore provided, the lessee shall pay the lessor as royalty one-eighth part of the oil produced and saved from the leased premises or the cash value thereof, at the option of the lessor, such value to be the price prevailing the day oil is run into a pipe line, if the oil be run in to a pipe line, or into storage tanks, if the oil be stored.

2. Subject to the free use without royalty, as hereinbefore provided, the lessee shall pay the lessor as royalty one-eighth of the cash value of gas, including casinghead gas, produced and saved from the leased premises and marketed or utilized, such value to be equal to the greater of the following amounts:

(a) the net proceeds derived from sale of such gas in the field, or

(b) five cents (\$0.05) per thousand cubic feet (m.c.f.), the volume of gas for such purposes to be computed on a pressure basis of 10 ounces above an assumed atmospheric pressure of 14.7 pounds per square inch, or 15.025 pounds per square inch absolute, at 60° Fahrenheit, and pursuant to appropriate regulations of the Commissioner of Public Lands which may provide, among other things, for a flowing temperature of 60° Fahrenheit to be assumed and applied in volume computation in all cases where a recording thermometer is not employed by the lessee in gas measurement, and for specific gravity tests at the lessee's expense at intervals not greater than one year in all cases where a recording gravitometer is not employed by the lessee in gas measurement;

Provided, however, the cash value for royalty purposes of carbon dioxide gas and of hydrocarbon gas delivered to a gasoline plant for extraction of liquid hydrocarbons shall be equal to the net proceeds derived from the sale of such gas, including any liquid hydrocarbons recovered therefrom.

Notwithstanding the foregoing provisions, the lessor acting by its Commissioner of Public Lands, may require the payment of royalty for all or any part of the gas produced and saved under this lease and marketed or utilized at a price per m.c.f. equal to the maximum price being paid for gas of like kind and quality and under like conditions in the same field or area or may reduce the royalty value of any such gas (to any amount not less than the net proceeds of sale thereof in the field) if the Commissioner of Public Lands shall determine such action to be necessary to the successful operation of the lands for oil or gas purposes or to encouragement of the greatest ultimate recovery of oil or gas or to the promotion of conservation of oil or gas.

3. Lessee agrees to make full settlement on the 20th day of each month for all royalties due the lessor for the preceding month, under this lease, and to permit the lessor or its agents, at all reasonable hours, to examine lessee's books relating to the production and disposition of oil and gas produced. Lessee further agrees to submit to lessor annually upon forms furnished by lessor, verified reports showing lessee's operations for the preceding year.

4. It is expressly agreed that the consideration hereinbefore specified is a good, valid and substantial consideration and sufficient in all respects to support each and every covenant herein, including specifically the option granted the lessee to prevent the termination of this lease from year to year, by the payment or tender of the further rental hereinafter provided for.

An annual rental, at the rate of^{25¢}..... per acre shall become due and payable to the lessor by the lessee, or by any transferee or assignee of the same, or any part hereof, where such transferee or assignee has been recognized, and such transfer or assignment approved by the lessor as hereinafter provided, upon each acre of the land above described and then claimed by such lessee, transferee or assignee hereunder, and the same shall be due and payable in advance to the lessor on the successive anniversary dates of this lease, but the annual rental on any assignment shall in no event be less than Six Dollars (\$6.00).

In event the lessee shall elect to surrender any or all of said acreage, he shall deliver to the Commissioner a duly executed release thereof and in event said lease has been recorded, then he shall upon request furnish and deliver to said Commissioner a certified copy of a duly recorded release.

5. The lessee may at any time by paying to the State of New Mexico, acting by its Commissioner of Public Lands, or other authorized officer, all amounts then due as provided herein and the further sum of Ten Dollars (\$10.00), surrender and cancel this lease insofar as the same covers all or any portion of the lands herein leased and be relieved from further obligations or liability hereunder, in the manner as hereinbefore provided. Provided, this surrender clause and the option herein reserved to the lessee shall cease and become absolutely inoperative immediately and concurrently with the institution of any suit in any court of law or equity by the lessee, lessor or any assignee, to enforce this lease, or any of its terms express or implied.

6. All payments due hereunder shall be made on or before the day each payment is due, in cash or by certified exchange at the Office of the Commissioner of Public Lands in Santa Fe, New Mexico.

7. The lessee with the consent of the lessor, shall have the right to assign this lease in whole or in part. Provided, however, that no assignment of any undivided interest in the lease or any part thereof nor any assignment of less than a legal subdivision shall be recognized or approved by the lessor. Upon approval in writing by the lessor of an assignment, the assignor shall stand relieved from all obligations to the lessor with respect to the lands embraced in the assignment and the lessor shall likewise be relieved from all obligations to the assignor as to such tracts, and the assignee shall succeed to all of the rights and privileges of the assignor with respect to such tracts and shall be held to have assumed all of the duties and obligations of the assignor to the lessor as to such tracts.

8. Lessee agrees with reasonable diligence to offset all paying oil or gas wells drilled, within 300 feet of any of the land covered by this lease and retained hereunder.

9. The lessee agrees to notify the lessor of the location of each well before commencing drilling thereon, to keep a complete and accurate log of each well drilled and to furnish a copy thereof, verified by some person having actual knowledge of the facts, to the lessor upon the completion of any well, and to furnish the log of any unfinished well at any time when requested to do so by the lessor. If any lands embraced in this lease shall be included in any deed or contract of purchase outstanding and subsisting issued pursuant to any sale made of the surface of such lands prior to the date of this lease, it is agreed and understood that no drilling operations shall be commenced on any such lands so sold unless and until the lessee or his assignee shall have filed a good and sufficient bond with the lessor as required by law, to secure the payment for such damage to the livestock, range, water, crops or tangible improvements on such lands as may be suffered by the purchaser holding such deed or contract of purchase, or his successors, by reason of the developments, use and occupation of such lands by such lessee. Provided, however, that no such bond shall be required if such purchaser shall waive the right to require such bond to be given in the manner provided by law.

10. In drilling wells all water-bearing strata shall be noted in the log, and the lessor reserves the right to require that all or any part of the casing shall be left in any non-productive well when lessor deems it to the interest of the State of New Mexico to maintain said well or wells for water. For such casing so left in wells the lessor shall pay to the lessee the reasonable value thereof.

11. Lessee shall be liable and agrees to pay for all damages to the range, livestock, growing crops or improvements caused by lessee's operations on said lands. When requested by the lessor, the lessee shall bury pipe-lines below plow depth.

12. The lessee shall not remove any machinery or fixtures placed on premises, nor draw the casing from any well unless and until all payments and obligations due the lessor under the terms of this agreement shall have been paid or satisfied. The lessee's right to remove the casing is subject to the provision of paragraph 10 above.

13. Upon failure or default of the lessee or any assignee to comply with any of the provisions or covenants hereof, the lessor is hereby authorized to cancel this lease and such cancellation shall extend to and include all rights hereunder as to the whole of the tract so claimed, or possessed by the lessee or assignee so defaulting, but shall not extend to, nor affect the rights of any other lessee or assignee claiming any portion of the lands upon which no default has been made; provided, however, that before any such cancellation shall be made, the lessor shall mail to the lessee, or assignee so defaulting, by registered mail, addressed to the postoffice address of such lessee or assignee as shown by the records of the State Land Office, a notice of intention of cancellation specifying the default for which cancellation is to be made, and if within 30 days from the date of mailing said notice the said lessee or assignee shall remedy the default specified in said notice, cancellation shall not be made.

14. All the terms of this agreement shall extend to and bind the heirs, executors, administrators, successors and assigns of the parties hereto.

15. If the lessee shall have failed to make discovery of oil and/or gas in paying quantities during the primary term hereof, the lessee may continue this lease in full force and effect for an additional term of five (5) years and as long thereafter as oil and gas in paying quantities, or either of them is produced from the leased premises, by paying each year in advance, as herein provided, double the rental provided herein for the primary term, or the highest rental prevailing at the commencement of the secondary term in any rental district, or districts in which the lands, or any part thereof, may be situated, if it be greater than double the rental provided for the primary term.

16. If the lessee shall have maintained this lease in accordance with the provisions hereof and if at the expiration of the secondary term provided herein oil or gas is not being produced on said land but lessee is then engaged in bona fide drilling or reworking operations thereon, this lease shall remain in full force and effect so long as such operations are diligently prosecuted and, if they result in the production of oil or gas, so long thereafter as oil and gas in paying quantities or either of them is produced from said land; provided, however, such operations extending beyond the secondary term shall be approved by the lessor upon written application filed with the lessor on or before the expiration of said term, and a report of the status of all of such operations shall be made by the lessee to the lessor every 30 days and a cessation of such operations for more than 20 consecutive days shall be considered as an abandonment of such operations and thereupon the provisions hereof shall be of no further force or effect.

IN WITNESS WHEREOF, the party of the first part has hereunto signed and caused its name to be signed by its Commissioner of Public Lands thereunto duly authorized, with the seal of his office affixed, and the lessee has signed this agreement the day and year first above written.

STATE OF NEW MEXICO
By W. H. Barringer
COMMISSIONER OF PUBLIC LANDS, Lessor.
W. H. Barringer
Lessee. (SEAL)

Distributed this the 15th day of June, 1950.

(PERSONAL ACKNOWLEDGMENT)

STATE OF Texas
COUNTY OF Cameron ss:

On this the 14th day of June, 1950, personally appeared before me

W. H. Barringer
to me known to be the person, who executed the foregoing instrument as Lessee.

(PERSONAL ACKNOWLEDGMENT)

STATE OF TENNESSEE

COUNTY OF SHELBY

On this the 16 day of June 1950, personally appeared before me W. H. Barringer to me known to be the person who executed the foregoing instrument as Lessee, and acknowledged that he executed the same as free act and deed.

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

June Kennedy
Notary Public

My Commission Expires Apr. 6, 1951

Application of Richardson Operating
Co.
Record on Appeal, 687.

LEASE NO. E-6714APPLICATION NO. E-6714

OIL AND GAS LEASE

THIS AGREEMENT, dated this the 10th day of December, A. D. 1952, made and entered into by and between the STATE OF NEW MEXICO, acting by and through the undersigned, its Commissioner of Public Lands, thereunto duly authorized, party of the first part and hereinafter called the "Lessor," and PUBCO DEVELOPMENT, INC. (N.S.L.) Petroleum Corporation

P. O. BOX 3360, ALBUQUERQUE, NEW MEXICO 87103

party of the second part, hereinafter called the "Lessee," whether one or more,

WITNESSETH:

WHEREAS, the said lessee has filed in the office of the Commissioner of Public Lands an application for an oil and gas lease covering the lands hereinafter described and has tendered therewith the required first payment being not less than the amount required by law and by the rules and regulations of the New Mexico State Land Office; and

WHEREAS, all of the requirements of law relative to said application and tender have been duly complied with and said application has been approved and allowed by the Commissioner of Public Lands:

THEREFORE, for and in consideration of the premises as well as the sum of THREE THOUSAND TWO HUNDRED EIGHTY-SIX DOLLARS AND SEVENTY CENTS (\$ 3,286.70) Dollars, the

same being the amount of the tender above mentioned, paid in cash, and evidenced by official receipt No. D-26596

and of the further sum of \$ 5.00 filing fee, and of the covenants and agreements hereinafter contained on the part of the lessee to be paid, kept and performed, the said lessor has granted and demised, leased and let and by these presents does grant, demise, lease and let unto the said lessee, exclusively, for the sole and only purpose of exploration, development and production of oil and/or gas thereon and therefrom with the right to own all oil and gas so produced and saved therefrom and not reserved as royalty by the lessor under the term of this lease, together with rights of way, easements and servitudes for pipe lines, telephone and telegraph lines, tanks, power houses, stations, gasoline plants, and fixtures for producing, treating and caring for such products, and housing and boarding employees, and any and all rights and privileges necessary, incident to or convenient for the economical operation of said land, for oil and gas, with right for such purposes to the free use of oil, gas, casing-head gas, or water from said lands, but not from lessor's water wells, and with the right of removing either during or after the term hereof, all and any improvements placed or erected on the premises by the lessee, including the right to pull all casing, subject, however, to the conditions hereinafter

set out, the following described land situate in the County of San Juan State of New Mexico, and more particularly described as follows:

LINE	Institution	Sec.	Twp.	Range	SUBDIVISION				ACRES
					COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	
1	C. S.	2	29N	14W			SW 1/4 NE 1/4	SE 1/4 NE 1/4	80.00
2	C. S.	2	29N	14W			SW 1/4 NW 1/4		40.00
3	C. S.	32	30N	14W			Lot 2 42.89	Lot 1 43.27	86.16
4	C. S.	36	30N	14W	Lot 1 35.41				35.41
5	C. S.	36	30N	14W			SW 1/4 NW 1/4		40.00
6	C. S.	36	30N	14W				Lot 5 47.10	47.10
7									328.67
8									114.34
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									

BEFORE THE

OIL CONSERVATION COMMISSION

Case No. 12734

Exhibit #

A-4-3

Submitted By: Richardson Oper. Co.

Hearing Date: October 28 & 30, 2002

SEE MICS. INST. NO. 4484

Application of Richardson Operating
Co.
Record on Appeal, 689.

said lands having been awarded to lessee and designated as tract No. 0-8 at a public sale held by the Commissioner of Public Lands on December 10th, 1952. (To be filled in only where lands are offered at public sale.)

TO HAVE AND TO HOLD said land, and all the rights and privileges granted hereunder, to and unto the lessee for a primary term of five (5) years from the date hereof, and as long thereafter as oil and gas in paying quantities, or either of them, is produced from said land by the lessee, subject to all the terms and conditions as hereinafter set forth.

In consideration of the premises the parties covenant and agree as follows:

1. Subject to the free use without royalty, as hereinbefore provided, the lessee shall pay the lessor as royalty one-eighth part of the oil produced and saved from the leased premises or the cash value thereof, at the option of the lessor, such value to be the price prevailing the day oil is run into a pipe line, if the oil be run into a pipe line, or into storage tanks, if the oil be stored.

2. Subject to the free use without royalty, as hereinbefore provided, the lessee shall pay the lessor as royalty one-eighth of the cash value of gas, including casinghead gas, produced and saved from the leased premises and marketed or utilized, such value to be equal to the greater of the following amounts:

(a) the net proceeds derived from sale of such gas in the field, or

(b) five cents (\$.05) per thousand cubic feet (m.c.f.), the volume of gas for such purposes to be computed on a pressure basis of 10 ounces above an assumed atmospheric pressure of 14.4 pounds per square inch, or 15.025 pounds per square inch absolute, at 60° Fahrenheit, and pursuant to appropriate regulations of the Commissioner of Public Lands which may provide, among other things, for a flowing temperature of 60° Fahrenheit to be assumed and applied in volume computation in all cases where a recording thermometer is not applied by the lessee in gas measurement, and for specific gravity tests at the lessee's expense at intervals not greater than one year in all cases where a recording gravitometer is not employed by the lessee in gas measurement;

Provided, however, the cash value for royalty purposes of carbon dioxide gas and of hydrocarbon gas delivered to a gasoline plant for extraction of liquid hydrocarbons shall be equal to the net proceeds derived from the sale of such gas, including any liquid hydrocarbons recovered therefrom.

Notwithstanding the foregoing provisions, the lessor acting by its Commissioner of Public Lands, may require the payment of royalty for all or any part of the gas produced and saved under this lease and marketed or utilized at a price per m.c.f. equal to the maximum price being paid for gas of like kind and quality and under like conditions in the same field or area or may reduce the royalty value of any such gas (to any amount not less than the net proceeds of sale thereof in the field) the Commissioner of Public Lands shall determine such action to be necessary to the successful operation of the lands for oil or gas purposes or to encouragement of the greatest ultimate recovery of oil or gas or to the promotion of conservation of oil or gas.

3. Lessee agrees to make full settlement on the 20th day of each month for all royalties due the lessor for the preceding month, under this lease, and to permit the lessor or its agents, at all reasonable hours, to examine lessee's books relating to the production and disposition of oil and gas produced. Lessee further agrees to submit to lessor annually upon forms furnished by lessor, verified reports showing lessee's operations for the preceding year.

4. It is expressly agreed that the consideration hereinbefore specified is a good, valid and substantial consideration and sufficient in all respects to support each and every covenant herein, including specifically the option granted the lessee to prevent the termination of this lease from year to year by the payment or tender of the further rental hereinafter provided for.

An annual rental, at the rate of 25¢ per acre shall become due and payable to the lessor by the lessee, or by any transferee or assignee of the same, or any part hereof, where such transferee or assignee has been recognized, and such transfer or assignment approved by the lessor as hereinafter provided, upon each acre of the land described and then claimed by such lessee, transferee or assignee hereunder, and the same shall be due and payable in advance to the lessor on the successive anniversary dates of this lease, but the annual rental on any assignment shall in no event be less than Six Dollars (\$6.00).

In event the lessee shall elect to surrender any or all of said acreage, he shall deliver to the Commissioner a duly executed release thereof and in event said lease has been recorded, then he shall upon request furnish and deliver to said Commissioner a certified copy of a duly recorded release.

5. The lessee may at any time by paying to the State of New Mexico, acting by its Commissioner of Public Lands, or other authorized officer, all amounts then due as provided herein and the further sum of Ten Dollars (\$10.00), surrender and cancel this lease insofar as the same covers all or any portion of the lands herein leased and be relieved from further obligations or liability hereunder, in the manner as hereinbefore provided. Provided, this surrender clause and the option herein reserved to the lessee shall cease and become absolutely inoperative immediately and currently with the institution of any suit in any court of law or equity by the lessee, lessor or any assignee, to enforce this lease, or any of its terms express or implied.

6. All payments due hereunder shall be made on or before the day such payment is due, in cash or by certified exchange at the Office of the Commissioner of Public Lands in Santa Fe, New Mexico.

7. The lessee with the consent of the lessor, shall have the right to assign this lease in whole or in part. Provided, however, that no assignment of any undivided interest in the lease or any part thereof nor any assignment of less than a legal subdivision shall be recognized or approved by the lessor. Upon approval in writing by the lessor of an assignment, the assignor shall stand relieved from all obligations to the lessor with respect to the lands embraced in the assignment and the lessor shall likewise be relieved from all obligations to the assignor as to such tracts, and the assignee shall succeed to all of the rights and privileges of the assignor with respect to such tracts and shall be held to have assumed all of the duties and obligations of the assignor to the lessor as to such tracts.

8. Lessee agrees with reasonable diligence to offset all paying oil or gas wells drilled, within 300 feet of any of the land covered by this lease and retained hereunder.

9. The lessee agrees to notify the lessor of the location of each well before commencing drilling thereon, to keep a complete and accurate log of each well drilled and to furnish a copy thereof, verified by some person having actual knowledge of the facts, to the lessor upon the completion of any well, and to furnish the log of any unfinished well at any time when requested to do so by the lessor. If any lands embraced in this lease shall be included in any deed or contract of purchase outstanding and subsisting issued pursuant to any sale made of the surface of such lands prior to the date of this lease, it is agreed and understood that no drilling operations shall be commenced on any such lands so sold unless and until the lessee or his assignee shall have filed a good and sufficient bond with the lessor as required by law, to secure the payment for such damage to the livestock, range, water, crops or tangible improvements on such lands as may be suffered by the purchaser holding such deed or contract of purchase, or his successors, by reason of the developments, use and occupation of such lands by such lessee. Provided, however, that no such bond shall be required if such purchaser shall waive the right to require such bond to be given in the manner provided by law.

10. In drilling wells all water-bearing strata shall be noted in the log, and the lessor reserves the right to require that all or any part of the casing shall be left in any non-productive well when lessor deems it to be in the interest of the State of New Mexico to maintain said well or wells for water. For such casing so left in wells the lessor shall pay to the lessee the reasonable value thereof.

11. Lessee shall be liable and agrees to pay for all damages to the range, livestock, growing crops or improvements caused by lessee's operations on said lands. When requested by the lessor, the lessee shall bury pipe-lines below plow depth.

from any well unless and until all payments and obligations due the lessor or the terms of this agreement shall have been paid or satisfied. The lessee's right to remove the casing is subject to the provision of paragraph 10 above.

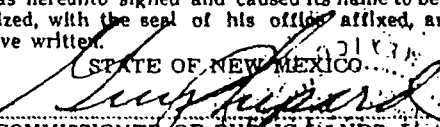
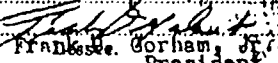
13. Upon failure or default of the lessee or any assignee to comply with any of the provisions or covenants hereof, the lessor is hereby authorized to cancel this lease and such cancellation shall extend to and include all rights hereunder as to the whole of the tract so claimed, or possessed by the lessee or assignee so defaulting, but shall not extend to, nor affect the rights of any other lessee or assignee claiming any portion of the lands upon which no default has been made; provided, however, that before any such cancellation shall be made, the lessor shall mail to the lessee, or assignee so defaulting, by registered mail, addressed to the postoffice address of such lessee or assignee as shown by the records of the State Land Office, a notice of intention of cancellation specifying the default for which cancellation is to be made, and if within 30 days from the date of mailing said notice the said lessee or assignee shall remedy the default specified in said notice, cancellation shall not be made.

14. All the terms of this agreement shall extend to and bind the heirs, executors, administrators, successors and assigns of the parties hereto.

15. If the lessee shall have failed to make discovery of oil and/or gas in paying quantities during the primary term hereof, the lessee may continue this lease in full force and effect for an additional term of five (5) years and as long thereafter as oil and gas in paying quantities, or either of them is produced from the leased premises, by paying each year in advance, as herein provided, double the rental provided herein for the primary term, or the highest rental prevailing at the commencement of the secondary term in any rental district, or districts in which the lands, or any part thereof, may be situated, if it be greater than double the rental provided for the primary term.

16. If the lessee shall have maintained this lease in accordance with the provisions hereof and if at the expiration of the secondary term provided herein oil or gas is not being produced on said land but lessee is then engaged in bona fide drilling or reworking operations thereon, this lease shall remain in full force and effect so long as such operations are diligently prosecuted and, if they result in the production of oil or gas, so long thereafter as oil and gas in paying quantities or either of them is produced from said land; provided, however, such operations extending beyond the secondary term shall be approved by the lessor upon written application filed with the lessor on or before the expiration of said term, and a report of the status of all of such operations shall be made by the lessee to the lessor every 30 days and a cessation of such operations for more than 20 consecutive days shall be considered as an abandonment of such operations and thereupon the provisions hereof shall be of no further force or effect.

IN WITNESS WHEREOF, the party of the first part has hereunto signed and caused its name to be signed by its Commissioner of Public Lands thereunto duly authorized, with the seal of his office affixed, and the lessee has signed this agreement the day and year first above written.

By 
COMMISSIONER OF PUBLIC LANDS, Lessor,
PUBCO DEVELOPMENT, INC.
BY 
Frank E. Gorham, Jr., Vice-President (SEAL)

Distributed this the 19th day of December 1952

(PERSONAL ACKNOWLEDGEMENT)

STATE OF _____
COUNTY OF _____ ss:

On this the _____ day of _____, 19____, personally appeared before me

to me known to be the person _____ who executed the foregoing instrument as Lessee, and acknowledged that he _____ executed the same as _____ free act and deed.

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

My Commission Expires: _____

Notary Public.

(ACKNOWLEDGMENT BY ATTORNEY IN FACT)

STATE OF _____
COUNTY OF _____ ss:

On this the _____ day of _____, 19____, personally appeared before me _____

to me known to be the person _____ who executed the foregoing instrument in behalf of _____

and acknowledged that _____ he _____ executed the same as the free act and deed of said _____

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

My Commission Expires: _____

Notary Public.

(CORPORATE ACKNOWLEDGMENT ON BACK)

Application of Richardson Operating
Co.
Record on Appeal, 691.

(ACKNOWLEDGMENT BY CORPORATION)

STATE OF New Mexico
COUNTY OF Bernalillo } ss:

On this the 17th day of December, 1952, personally appeared

Frank S. Graham, Jr.

to me personally known, who being by me duly sworn did say that he is the Vice President of

Public Development, Inc.

and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said

Frank S. Graham, Jr.

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

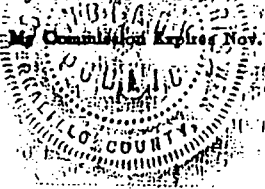
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

Barbara Shaw Marks

Notary Public.

My Commission Expires:

My Commission Expires Nov. 7, 1956



RECEIVED
STATE LAND OFFICE
DEC 18 1 28 PM '52
SAN F. H. M.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OIL AND GAS LEASE
(COMPETITIVE PUBLIC DOMAIN LANDS)

Land Office and Serial Number

MM 4465

THIS IDENTURE OF LEASE, entered into, as of **APR -1 1968**, by and between
the UNITED STATES OF AMERICA, through the Bureau of Land Management, hereinafter called the lessor, and

Dugan Production Corporation
P. O. Box 234
Farmington, New Mexico 87401

hereinafter called the lessee, under, pursuant, and subject to the terms and provisions of the Act of February 25, 1920, (41 Stat. 437), as amended, (30 U.S.C. Sec. 181 *et seq.*) hereinafter referred to as the Act, and to all reasonable regulations of the Secretary of the Interior now or hereafter in force when not inconsistent with any express and specific provisions herein, which are made a part hereof.

WITNESSETH:

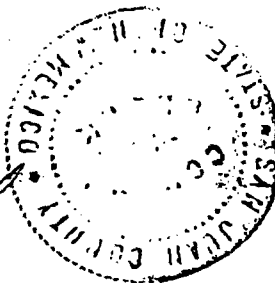
Sec. 1. *Rights of lessee.* That the lessor, in consideration of rents and royalties to be paid, and the conditions and covenants to be observed as herein set forth, does hereby grant and lease to the lessee the exclusive right and privilege to drill for, mine, extract, remove, and dispose of all the oil and gas deposits, except helium gas, in or under the following-described tracts of land situated in the

San Juan

T. 30 N., R. 14 W., NMPM
Sec. 27: 824
Sec. 31: Lots 1, 2, 3, 4, N404

FILED OR RECORDED

BOOK 685 PAGE 39
SAN JUAN COUNTY, NEW MEXICO
Dec 4 85 068 - 34 485
1970 JUN 24 AM 11:18
County Clerk
Deputy



containing **483.88**

acres, more or less, together with the right to construct and maintain thereupon all works, buildings, plants, waterways, roads, telegraph or telephone lines, pipelines, reservoirs, tanks, pumping stations, or other structures necessary to the full enjoyment thereof, for a period of five (5) years, and so long thereafter as oil or gas is produced in paying quantities; subject to any unit agreement heretofore or hereafter approved by the Secretary of the Interior, the provisions of said agreement to govern the lands subject thereto where inconsistencies with the terms of this lease occur.

Sec. 2. In consideration of the foregoing, the lessee agrees:

(a) *Bonds.* (1) To maintain any bond furnished by the lessee as a condition for the issuance of this lease.

(2) To furnish prior to beginning of drilling operations and maintain at all times thereafter as required by the lessor a bond in the penal sum of \$10,000 with approved corporate surety, or with deposit of United States bonds as surety therefor, conditioned upon compliance with the terms of this lease, unless a bond of that amount is already being maintained or unless such a bond furnished by an operator of the lease is accepted, or unless a bond has been filed under 3 CFR 3126.1 applicable to this lease.

(b) *Cooperative or unit plan.* Within thirty (30) days of demand, or, if the leased land is committed to an approved unit or cooperative plan and such plan is terminated prior to the expiration of this lease, within thirty (30) days of demand made thereafter, to subscribe and to operate under such reasonable cooperative or unit plan for the development and operation of the area, field, or pool, or part thereof, embracing the lands included herein as the Secretary of the Interior may then determine to be practicable and necessary or advisable,

which plan shall adequately protect the rights of all parties in interest, including the United States.

(c) *Wells.* (1) To drill and produce all wells necessary to protect the leased land from drainage by wells on lands not the property of the lessor, or lands of the United States leased at a lower royalty rate, or as to which the royalties and rentals are paid into different funds than are those of this lease; or in lieu of any part of such drilling and production, with the consent of the Director of the Geological Survey, to compensate the lessor, in full, each month for the estimated loss of royalty through drainage in the amount determined by said Director.

(2) At the election of the lessee, to drill and produce other wells in conformity with any system of well spacing or production allotments affecting the field or area in which the leased lands are situated, which is authorized and sanctioned by applicable law or by the Secretary of the Interior.

(3) Promptly after due notice, in writing, to drill and produce such other wells as the Secretary of the Interior may reasonably require in order that the leased premises may be properly and timely developed and produced in accordance with good operating practice.

BEFORE THE
OIL CONSERVATION COMMISSION

Case No. 12734

Exhibit #

A-4-4
Submitted By: Richardson Oper. Co.
hearing Date: October 28 & 30, 2002

Application of Richardson Operating
Co.
Record on Appeal, 694.

SENT BY: FARMINGTON N.M.

11-8-1 : 10:33 : DUGAN PRODUCTION -

303 830 8009: # 3/ 6
37-H

(d) *Rentals and royalties.* (1) To pay rentals and royalties in amount or value of production removed or sold from the leased lands as set forth in the rental and royalty schedule attached to and made a part hereof.

(2) It is expressly agreed that the Secretary of the Interior may establish reasonable minimum values for purposes of computing royalty on any or all oil, gas, natural gasoline, and other products obtained from gas, due consideration being given to the highest price paid for a part or for a majority of production of like quality in the same field, to the price received by the lessee, to posted prices, and to other relevant matters and, whenever appropriate, after notice and opportunity to be heard.

(3) When paid in value, such royalties on production shall be due and payable monthly on the last day of the month next following the month in which produced. When paid in amount of production, such royalty products shall be delivered in merchantable condition on the premises where produced without cost to lessor, unless otherwise agreed to by the parties hereto, at such times and in such tanks provided by the lessee as reasonably may be required by the lessor, but in no case shall the lessee be required to hold such royalty oil or other products in storage beyond the last day of the month next following the month in which produced nor be responsible or held liable for the loss or destruction of royalty oil or other products in storage from causes over which he has no control.

(4) Rentals or minimum royalties may be waived, suspended, or reduced; and royalties on the entire leasehold or any portion thereof segregated for royalty purposes may be reduced if the Secretary of the Interior finds that, for the purpose of encouraging the the greatest ultimate recovery of oil or gas and in the interest of conservation of natural resources, it is necessary, in his judgment, to do so in order to promote development, or because the lease cannot be successfully operated under the terms fixed herein.

(e) *Payments.* Unless otherwise directed by the Secretary of the Interior, to make rental, royalty; or other payments to the lessor, to the order of the Bureau of Land Management at the places mentioned in the regulation 43 CFR 3102.2. If there is no well on the leased lands capable of producing oil or gas in paying quantities, the failure to pay rental on or before the anniversary date shall automatically terminate the lease by operation of law. However, if the time for payment falls on a day in which the proper Land Office to receive payment is closed, payment shall be deemed timely if made on the next official working day.

(f) *Contracts for disposal of products.* To file with the Oil and Gas Supervisor of the Geological Survey not later than thirty (30) days after the effective date thereof any contract, or evidence of other arrangement for the sale or disposal of oil, gas, natural gasoline, and other products of the leased land: *Provided, That* nothing in any such contract or other arrangement shall be construed as modifying any of the provisions of this lease, including, but not limited to, provisions relating to gas waste, taking royalty in kind, and the method of computing royalties due as based on a minimum valuation and in accordance with the Oil and Gas Operating Regulations.

(g) *Statements, plats, and reports.* At such times and in such form as the lessor may prescribe, to furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amount used for production purposes or unavoidably lost; a plat showing development work and improvements on the leased lands; and a report with respect to stockholders, investments, depreciation, and costs.

(h) *Well records.* To keep a daily drilling record, a log, and complete information on all well surveys and tests in form acceptable to or prescribed by the lessor of all wells drilled on the leased lands,

and an acceptable record of all subsurface investigations affecting said lands, and to furnish them, in copies thereof, to the lessor when required. All information obtained under this paragraph, upon the request of lessor, shall not be open to inspection by the public until the expiration of the lease.

(i) *Inspection.* To keep open at all reasonable times for the inspection of any duly authorized office of the Department, the leased premises and all wells, improvements, machinery, and fixtures thereon and all books, accounts, maps and records relative to operations and surveys or investigations on the leased lands or under the lease. All information obtained pursuant to any such inspection, upon the request of the lessee shall not be open to inspection by the public until the expiration of the lease.

(j) *Diligence, prevention of waste, health and safety of workmen.* To exercise reasonable diligence in drilling and producing the wells herein provided for unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations in accordance with approved methods and practices as provided in the Oil and Gas Operating Regulations, having due regard for the prevention of waste of oil or gas or damage to deposits or formations containing oil, gas, or water or to coal measures or other mineral deposits, for conservation of gas energy, for the preservation and conservation of the property for future productive operations, and for the health and safety of workmen and employees; to plug properly and effectively all wells drilled in accordance with the provisions of this lease or of any prior lease or permit upon which the right to this lease was predicated before abandoning the same; to carry out at expense of the lessee all reasonable orders of the lessor relative to the matters in this paragraph, and that on failure of the lessee so to do the lessor shall have the right to enter on the property and to accomplish the purpose of such orders at the lessee's cost: *Provided, That* the lessee shall not be held responsible for delays or casualties occasioned by causes beyond lessee's control.

(k) *Taxes and wages, freedom of purchase.* To pay when due, all taxes lawfully assessed and levied under the laws of the State or the United States upon improvements, oil and gas produced from the lands hereunder, or other rights, property or assets of the lessor; to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees at least twice each month in the lawful money of the United States.

(l) *Equal Opportunity clause.* During the performance of this contract the lessee agrees as follows:

(1) The lessee will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The lessee will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The lessee agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

(2) The lessee will, in all solicitations or advertisements for employees placed by or on behalf of the lessee, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

(3) The lessee will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by

the agency contracting officer, advising the labor union or workers' representative of the lessee's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The lessee will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the lessee's noncompliance with the nondiscrimination clauses of this contract or with any such rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the lessee may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The lessee will include the provisions of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The lessee will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance. *Provided, however,* That in the event the lessee becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the lessee may request the United States to enter into such litigation to protect the interests of the United States.

(m) *Assignment of oil and gas lease or interest therein.* As required by applicable law, to file for approval by the lessor any instrument of transfer made of this lease or any interest therein, including assignments of record title, operating agreements and subleases, working or royalty interests, within ninety (90) days from the date of final execution thereof.

(n) *Pipelines to purchase or convey at reasonable rates and without discrimination.* If owner, or operator, or owner of a controlling interest in any pipeline or of any company operating the same which may be operated accessible to the oil or gas derived from lands under this lease, to accept and convey and, if a purchaser of such products, to purchase at reasonable rates and without discrimination the oil or gas of the Government or of any citizen or company not the owner of any pipeline, operating a lease or purchasing or selling oil, gas, natural gasoline, or other products under the provisions of the Act, or under the provisions of the Act of August 7, 1947 (61 Stat. 913; 30 U.S.C. 351).

(o) *Lands patented with oil and gas deposits reserved to the United States.* To comply with all statutory requirements and regulations thereunder, if the lands embraced herein have been or shall hereafter be disposed of under the laws reserving to the United States the deposits of oil and gas therein, subject to such conditions as are or may hereafter be provided by the laws reserving such oil or gas.

(p) *Reserved or segregated lands.* If any of the land included in this lease is embraced in a reservation

or segregated for any particular purpose, to conduct operations thereunder in conformity with such requirements as may be made by the Director, Bureau of Land Management, for the protection and use of the land the purpose for which it was reserved or segregated so far as may be consistent with the use of the land for the purpose of this lease, which latter shall be regarded as the dominant use unless otherwise provided herein or separately stipulated.

(q) *Protection of surface, natural resources, and improvements.* To take such reasonable steps as may be needed to prevent operations on the leased lands from unnecessarily: (1) causing or contributing to soil erosion or damaging crops, including forage, and timber growth thereon or on Federal or non-Federal lands in the vicinity; (2) polluting air and water; (3) damaging improvements owned by the United States or other parties; (4) destroying, damaging or removing fossils, historic prehistoric ruins, or artifacts; and upon any partial total relinquishment of the cancellation or expiration of this lease, or at any other time prior thereto when required and to the extent deemed necessary by the lessor to fill any pits, ditches and other excavation remove or cover all debris, and so far as reasonable possible, restore the surface of the leased land and access roads to their former condition, including the removal of structures as and if required. The lessor may prescribe the steps to be taken and restoration to be made with respect to the leased lands and improvements thereon whether or not owned by the United States.

(r) *Overriding royalties.* Not to create overriding royalties in excess of five percent except as otherwise authorized by the regulations.

(s) *Deliver premises in case of forfeiture.* To deliver up to the lessor in good order and condition the land leased including all improvements which are necessary for the preservation of producing wells.

Sec. 3. The lessor reserves:

(a) *Easements and rights-of-way.* The right to permit for joint or several use easements or rights-of-way, including easements in tunnels upon, through or in the lands leased, occupied, or used as may be necessary or appropriate to the working of the same or of other lands containing the deposits described in the Act, and the treatment and shipment of products therefrom by or under authority of the Government, its lessees or permittees, and for other public purposes.

(b) *Disposition of surface.* The right to lease, sell, or otherwise dispose of the surface of the leased lands under existing law or laws hereafter enacted, insofar as said surface is not necessary for the use of the lessee in the extraction and removal of the oil and gas therein, or to dispose of any resource in such kind which will not unreasonably interfere with operations under this lease.

(c) *Monopoly and fair prices.* Full power and authority to promulgate and enforce all orders necessary to insure the sale of the production of the leased lands to the United States and to the public at reasonable prices, to protect the interests of the United States, to prevent monopoly, and to safeguard the public welfare.

(d) *Helium.* Pursuant to Sec. 1 of the Act, as amended, the ownership and the right to extract helium from all gas produced under this lease, subject to such rules and regulations as shall be prescribed by the Secretary of the Interior. In case the lessor elects to take the helium, the lessee shall deliver all gas containing same, or portion thereof desired, to the lessor at any point on the leased premises in the manner required by the lessor, for the extraction of the helium in such plant or reduction works for that purpose as the lessor may provide, whereupon the residue shall be returned to the lessee with no substantial delay in the delivery of gas produced from the well to the purchaser thereof. The lessee shall not suffer a diminution of value of the gas from which the helium has been extracted, or loss otherwise, for which he is not reasonably compensated, save for the value of the helium extracted. The lessor further reserves the right to erect, maintain, and operate any and all reduction works, and other equipment necessary for the extraction of helium on the premises leased.

SENT BY: FARMINGTON N.M.

11-8-1 10:39 DUGAN PRODUCTION -

303 830 8009:# 6/ 6

Form 3120-9
(February 1965)
(formerly 4-1691a & b)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RENTALS AND ROYALTIES FOR OIL AND GAS LEASES

SCHEDULE "A" - NONCOMPETITIVE

RENTALS. To pay the lessor in advance on or before the first day of the month in which the lease issues a rental at the following rates:

- a. If the lands are wholly outside the known geologic structure of a producing oil or gas field: 50 cents per acre or fraction thereof for each lease year.
- b. On leases wholly or partly within the geologic structure of a producing oil or gas field:
 1. If not committed to a cooperative or unit plan which includes a well capable of producing oil or gas and contains a general provision for allocation of production beginning with the first lease year after 30 days' notice that all or part of the land is included in such a structure and for each year thereafter, prior to a discovery of oil or gas on the lands herein, \$2 per acre or fraction thereof.

2. On the lands committed to an approved cooperative or unit plan which includes a well capable of producing oil or gas and contains a general provision for allocation of production, for the lands not within the participating area an annual rental of 50 cents per acre or fraction thereof each lease year following discovery.

MINIMUM ROYALTY. To pay the lessor in lieu of rental at the expiration of each lease year after discovery a minimum royalty of \$1 per acre or, if there is production, the difference between the actual royalty paid during the year and the prescribed minimum royalty of \$1 per acre, provided that on unitized leases, the minimum royalty shall be payable only on the participating acreage.

ROYALTY ON PRODUCTION. To pay the lessor 12½ percent royalty on the production removed or sold from the leased lands.

SCHEDULE "B" - COMPETITIVE

ROYALTY ON PRODUCTION. To pay the lessor the following royalty on production removed or sold from the leased lands.

1. When the average production for the month in barrels per well per day is:

OVER	NOT OVER	PERCENT OF ROYALTY	OVER	NOT OVER	PERCENT OF ROYALTY
	50	12.5	130	150	19
50	60	13	150	200	20
60	70	14	200	250	21
70	80	15	250	300	22
80	90	16	300	350	23
90	110	17	350	400	24
110	130	18	400		25

2. On gas, including inflammable gas, helium, carbon dioxide and all other natural gases and mixtures thereof, and on natural or casinghead gasoline and

other liquid products obtained from gas; when the average production of gas per well per day for the month does not exceed 5,000,000 cubic feet, 12-1/2 percent; and when said production of gas exceeds 5,000,000 cubic feet, 16-2/3 percent of the amount or value of the gas and liquid products produced, said amount or value of such liquid products to be net after an allowance for the cost of manufacture.

MINIMUM ROYALTY. To pay the lessor in lieu of rental at the expiration of each lease year after discovery a minimum royalty of \$1 per acre or, if there is production, the difference between the actual royalty paid during the year and the prescribed minimum royalty of \$1 per acre, provided that on unitized leases, the minimum royalty shall be payable only on the participating acreage.

RENTALS. To pay the lessor in advance on or before the first day of the month in which the lease issued and for each lease year thereafter prior to a discovery of oil or gas on the leased lands, an annual rental of \$2 per acre or fraction thereof.

NOTICE

The average production per well per day for oil and gas shall be determined pursuant to 30 CFR, Part 221, "Oil and Gas Operating Regulations."

In determining the amount or value of gas and liquid products produced, the amount or value shall be net after an allowance for the cost of manufacture. The allowance for cost of manufacture may exceed two-thirds of the amount or value of any product only on approval by the Secretary of the Interior.

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

Date/Time: 11/02/01 09:38 AM

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01 02-25-1920;041STAT0437;30USC181ETSEQ
Case Type 311211: O&G LSE SIMO PUBLIC LAND
Commodity 459: OIL & GAS L
Case Disposition: AUTHORIZED

Total Acres
1,840.000

Serial Number
NMNM-- - 019163

Serial Number: NMNM-- - 019163

Name & Address			Int Rel	% Interest
DUGAN PRODUCTION CORP	PO BOX 420	FARMINGTON NM 87499	OPERATING RIGHTS	0.000000000
QUESTAR EXPL & PROD CO	1331 17TH ST #800	DENVER CO 80202	LESSEE	100.000000000
RICHARDSON PRODUCTION CO	1700 LINCOLN #1700	DENVER CO 80203	OPERATING RIGHTS	0.000000000

Serial Number: NMNM-- - 019163

Mer Twp	Rng	Sec	STyp	SNr	Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23 0300N	0140W	017	ALIQ			ALL;	FARMINGTON	SAN JUAN	BUREAU OF LAND MGMT
23 0300N	0140W	018	ALIQ			SE,S2SW;	FARMINGTON	SAN JUAN	BUREAU OF LAND MGMT
23 0300N	0140W	019	ALIQ			ALL;	FARMINGTON	SAN JUAN	BUREAU OF LAND MGMT
23 0300N	0140W	020	ALIQ			W2;	FARMINGTON	SAN JUAN	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 019163

Act Date	Code	Action	Action Remarks	Pending Office
07/22/1973	387	CASE ESTABLISHED	SPAR25;	
07/23/1973	888	DRAWING HELD		
07/10/1973	237	LEASE ISSUED		
07/01/1973	496	FUND CODE	05;145003	
10/01/1973	530	RLTY RATE - 12 1/2%		
10/01/1973	868	EFFECTIVE DATE		
10/01/1973	909	BOND ACCEPTED	EFF 05/01/67;NM0140	
06/30/1981	500	GEOGRAPHIC NAME	UNDEFINED FLD;	
06/30/1981	510	KMA CLASSIFIED		
02/24/1982	315	RENTAL RATE DET/ADJ	\$2.00;	
04/30/1982	140	ASGN FILED	MTN FUEL/CELSIUS	
05/19/1982	139	ASGN APPROVED	EFF 05/01/82;	
01/10/1983	512	KMA EXPANDED		
01/10/1983	650	HELD BY PROD - ACTUAL		
01/10/1983	658	MEMO OF 1ST PROD-ACTUAL	CA NMA-011, #1 CLB	
04/13/1983	932	TRF OPER RGTS FILED		
05/16/1983	933	TRF OPER RGTS APPROVED	EFF 05/01/83;	
07/18/1983	512	KMA EXPANDED		
08/02/1983	246	LEASE COMMITTED TO CA	NMA-0011 EFF 11/15/82	
10/19/1983	932	TRF OPER RGTS FILED		
11/29/1983	102	NOTICE SENT-PROD STATUS		
12/14/1983	658	MEMO OF 1ST PROD-ACTUAL	CA NMA-069, #1 CLB	
01/05/1984	512	KMA EXPANDED		
02/06/1984	933	TRF OPER RGTS APPROVED	EFF 11/01/83;	
09/26/1987	974	AUTOMATED RECORD VERIF	MLM/CB	
10/20/1988	963	CASE MICROFILMED	CNUM 106,530	
03/30/1989	575	APD FILED		
04/07/1989	575	APD FILED		
05/16/1989	576	APD APPROVED	3 TURKS TOAST NRK	
06/02/1989	576	APD APPROVED	4 TURKS TOAST NRK	
11/06/1989	932	TRF OPER RGTS FILED	CELSIUS ENE/DUGAN	
11/19/1989	933	TRF OPER RGTS APPROVED	EFF 12/01/89;	
12/19/1989	974	AUTOMATED RECORD VERIF	TF/MT	
03/19/1990	932	TRF OPER RGTS FILED	CELSIUS ENE/DUGAN	
05/18/1990	933	TRF OPER RGTS APPROVED	EFF 04/01/90;	
05/18/1990	974	AUTOMATED RECORD VERIF	GLC/MT	

Application of Richardson Operating Co.
Record on Appeal, 699.

**BEFORE THE
OIL CONSERVATION COMMISSION**

Case No. 12734
 Exhibit # **A-4-5**
 Submitted By: Richardson Oper. Co.
 Hearing Date: October 28 & 30, 2002

**NO WARRANTY IS MADE BY BLM
FOR USE OF THE DATA FOR**

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page

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06/18/1994	933	TRF OPER RGTS APPROVED	EFF 04/01/94;
05/11/1998	575	APD FILED	RICHARDSON OPERATING
05/20/1998	576	APD APPROVED	20-1 WF FEDERAL LB
05/19/1999	817	MERGER RECOGNIZED	CELSIUS/QUESTAR EXPL
05/19/1999	974	AUTOMATED RECORD VERIF	AT
01/24/2000	932	TRF OPER RGTS FILED	QUESTAR/RICHARDSON
03/21/2000	933	TRF OPER RGTS APPROVED	EFF 02/01/00;
03/21/2000	974	AUTOMATED RECORD VERIF	JLV
05/02/2000	575	APD FILED	RICHARDSON OPERATING
05/31/2000	576	APD APPROVED	4 WF FEDERAL 20

Line Nr Remarks

Serial Number: NMNM-- - 019163

0002	03/21/2000 - BONDED OPERATOR
0003	DUGAN PROD CO - NM0140 SW/NM
0004	RICHARDSON OPERATING - NM1711 SW/NM

Application of Richardson Operating
Co.

Record on Appeal, 700.

NO WARRANTY IS MADE BY BLM
FOR USE OF THE DATA FOR
PURPOSES NOT INTENDED BY BLM

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

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01 12-22-1987;101STAT1330;30USC181 ET SE
Case Type 312021: O&G LSE COMP PD -1987
Commodity 459: OIL & GAS L
Case Disposition: AUTHORIZED

Total Acres
480.000

Serial Number
NMNM-- - 097841

Serial Number: NMNM-- - 097841

Name & Address			Int Rel	% Interest
RICHARDSON PRODUCTION CO	1700 LINCOLN #1700	DENVER CO 80203	LESSEE	100.000000000

Serial Number: NMNM-- - 097841

Mer Twp	Rng	Sec	STyp	SNr	Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23 0300N	0140W	020	ALIQ		SE;		FARMINGTON	SAN JUAN	BUREAU OF LAND MGMT
23 0300N	0140W	027	ALIQ		N2;		FARMINGTON	SAN JUAN	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 097841

Act Date	Code	Action	Action Remarks	Pending Office
10/15/1996	387	CASE ESTABLISHED	9610020	
10/16/1996	191	SALE HELD		
10/16/1996	267	BID RECEIVED	\$38400.00;	
10/16/1996	392	MONIES RECEIVED	\$960.00;	
10/29/1996	392	MONIES RECEIVED	\$37440.00;	
10/06/1996	237	LEASE ISSUED		
10/06/1996	974	AUTOMATED RECORD VERIF	AT	
12/01/1996	496	FUND CODE	05;145003	
12/01/1996	530	RLTY RATE - 12 1/2%		
12/01/1996	868	EFFECTIVE DATE		
12/06/1996	084	RENTAL RECEIVED BY MMS	\$720.00;11/MULTIPLE	
03/20/1997	963	CASE MICROFILMED		
11/18/1997	084	RENTAL RECEIVED BY MMS	\$720.00;21/0000000222	
11/09/1998	084	RENTAL RECEIVED BY MMS	\$720.00;21/0000000238	
11/24/1999	084	RENTAL RECEIVED BY MMS	\$720.00;21/24	
01/24/2000	575	APD FILED	RICHARDSON OPER CO	
03/02/2000	576	APD APPROVED	3 WF FEDERAL 20	
09/21/2000	650	HELD BY PROD - ACTUAL	WF FEDERAL 20 #3	
09/21/2000	658	MEMO OF 1ST PROD-ACTUAL	/1/WF FEDERAL 20 #3	
10/12/2000	575	APD FILED	RICHARDSON OPER CO	PETROLEUM MANAGEMENT T
11/22/2000	084	RENTAL RECEIVED BY MMS	\$719.50;23/286	
02/20/2001	084	RENTAL RECEIVED BY MMS	\$0.50;22/293	
08/08/2001	643	PRODUCTION DETERMINATION	/1/	

Line Nr Remarks

Serial Number: NMNM-- - 097841

Application of Richardson Operating
Co.

Record on Appeal, 702.

BEFORE THE
OIL CONSERVATION COMMISSION
Case No. 12734
Exhibit # A-4-6
Submitted By: Richardson Oper. Co.
Hearing Date: October 28 & 30, 2002

NO WARRANTY IS MADE BY BLM
FOR USE OF THE DATA FOR
PURPOSES NOT INTENDED BY BLM

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

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01 12-22-1987;101STAT1330;30USC181 ET SE
Case Type 312021: O&G LSE COMP PD -1987
Commodity 459: OIL & GAS L
Case Disposition: AUTHORIZED

Total Acres
1,120.000

Serial Number
NMNM-- - 097843

Serial Number: NMNM-- - 097843

Name & Address	Int	Rel	% Interest
ABO PETROLEUM CORP 105 S 4TH ST	ARTESIA NM 88210	LESSEE	20.000000000
MYCO INDUSTRIES INC PO BOX 840	ARTESIA NM 882020840	LESSEE	20.000000000
RICHARDSON PRODUCTION CO 1700 LINCOLN #1700	DENVER CO 80203	OPERATING RIGHTS	0.000000000
YATES DRILLING CO 105 S 4TH ST	ARTESIA NM 88210	LESSEE	20.000000000
YATES PETROLEUM CORP 105 S 4TH ST	ARTESIA NM 88210	LESSEE	40.000000000

Serial Number: NMNM-- - 097843

Mer Twp Rng Sec	STyp SNr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23 0300N 0140W 028	ALL	ENTIRE SECTION	FARMINGTON	SAN JUAN	BUREAU OF LAND MGMT
23 0300N 0140W 029	ALIQ	NW,S2;	FARMINGTON	SAN JUAN	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 097843

Act Date	Code	Action	Action Remarks	Pending Office
10/15/1996	387	CASE ESTABLISHED	9610022	
10/16/1996	191	SALE HELD		
10/16/1996	267	BID RECEIVED	\$70560.00;	
10/16/1996	392	MONIES RECEIVED	\$70560.00;	
11/06/1996	237	LEASE ISSUED		
11/06/1996	974	AUTOMATED RECORD VERIF	AT	
12/01/1996	496	FUND CODE	05;145003	
12/01/1996	530	RLTY RATE - 12 1/2%		
12/01/1996	868	EFFECTIVE DATE		
12/06/1996	084	RENTAL RECEIVED BY MMS	\$1680.00;11/MULTIPLE	
03/20/1997	963	CASE MICROFILMED	1	
10/16/1997	084	RENTAL RECEIVED BY MMS	\$1680.00;21/000000077	
10/19/1998	084	RENTAL RECEIVED BY MMS	\$1680.00;21/000000083	
03/01/1999	246	LEASE COMMITTED TO CA	NMNM102966;	
03/09/1999	651	HELD BY PROD - ALLOCATED		
03/09/1999	660	MEMO OF 1ST PROD-ALLOC	/1/NM102966;FEDWF29#1	
03/19/1999	575	APD FILED	RICHARDSON OPER CO	
04/19/1999	576	APD APPROVED	1 WF FEDERAL 28	
07/06/1999	575	APD FILED	RICHARDSON OPER CO	
08/06/1999	576	APD APPROVED	2 WF FEDERAL 28	
10/22/1999	084	RENTAL RECEIVED BY MMS	\$1680;21/900	
11/19/1999	643	PRODUCTION DETERMINATION	/1/	
11/22/1999	575	APD FILED	RICHARDSON OPER CO	
11/30/1999	932	TRF OPER RGTS FILED	(1)YATES/RICHARDSON	
11/30/1999	932	TRF OPER RGTS FILED	(2)YATES/RICHARDSON	
12/13/1999	933	TRF OPER RGTS APPROVED	01EFF 12/01/99;	
12/13/1999	933	TRF OPER RGTS APPROVED	02EFF 12/01/99;	
12/13/1999	974	AUTOMATED RECORD VERIF	LR	
12/21/1999	576	APD APPROVED	2 WF FEDERAL 29	
06/22/2000	932	TRF OPER RGTS FILED	(1)YATES/RICHARDSON	
06/22/2000	932	TRF OPER RGTS FILED	(2)YATES/RICHARDSON	
07/2000	933	TRF OPER RGTS APPROVED	01EFF 07/01/00;	
07/2000	933	TRF OPER RGTS APPROVED	02EFF 07/01/00;	
08/07/2000	974	AUTOMATED RECORD VERIF	MV/MV	
08/24/2000	575	APD FILED	/2/RICHARDSON OPER CO	
08/24/2000	575	APD FILED	RICHARDSON OPER CO	

*Application of Richardson Operating Co.
Record on Appeal, 704.*

**BEFORE THE
OIL CONSERVATION COMMISSION**
Case No. 12734
Exhibit # **A-4-7**
Submitted By: Richardson Oper. Co.
Hearing Date: October 28 & 30, 2002

NO WARRANTY IS MADE BY BLM
FOR USE OF THE DATA FOR
PURPOSES NOT INTENDED BY BLM

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page

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09/21/2000	575	APD FILED	/2/RICHARDSON OPER CO
09/21/2000	575	APD FILED	RICHARDSON OPER CO
10/27/2000	576	APD APPROVED	3 WF FEDERAL 28
10/27/2000	576	APD APPROVED	3 WF FEDERAL 29
10/27/2000	576	APD APPROVED	4 WF FEDERAL 28
10/27/2000	576	APD APPROVED	4 WF FEDERAL 29
07/09/2001	932	TRF OPER RGTS FILED	(1) YATES/RICHARDSON
07/09/2001	932	TRF OPER RGTS FILED	(2) YATES/RICHARDSON
07/09/2001	932	TRF OPER RGTS FILED	(3) YATES/RICHARDSON
07/09/2001	932	TRF OPER RGTS FILED	(4) YATES/RICHARDSON
07/09/2001	932	TRF OPER RGTS FILED	(5) YATES/RICHARDSON
07/09/2001	932	TRF OPER RGTS FILED	(6) YATES/RICHARDSON
08/09/2001	933	TRF OPER RGTS APPROVED	01EFF 08/01/01;
08/09/2001	933	TRF OPER RGTS APPROVED	02EFF 08/01/01;
08/09/2001	933	TRF OPER RGTS APPROVED	03EFF 08/01/01;
08/09/2001	933	TRF OPER RGTS APPROVED	04EFF 08/01/01;
08/09/2001	933	TRF OPER RGTS APPROVED	05EFF 08/01/01;
08/09/2001	933	TRF OPER RGTS APPROVED	06EFF 08/01/01;
08/09/2001	974	AUTOMATED RECORD VERIF	JLV

Line Nr Remarks

Serial Number: NMNM-- - 097843

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

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01 12-22-1987;101STAT1330;30USC181 ET SE
Case Type 312021: O&G LSE COMP PD -1987
Commodity 459: OIL & GAS L
Case Disposition: AUTHORIZED

Total Acres
160.000

Serial Number
NMNM-- - 097844

Serial Number: NMNM-- - 097844

Name & Address	Int Rel	% Interest
ABO PETROLEUM CORP 105 S 4TH ST	ARTESIA NM 88210	LESSEE 20.000000000
MYCO INDUSTRIES INC PO BOX 840	ARTESIA NM 882020840	LESSEE 20.000000000
RICHARDSON PRODUCTION CO 1700 LINCOLN #1700	DENVER CO 80203	OPERATING RIGHTS 0.000000000
YATES DRILLING CO 105 S 4TH ST	ARTESIA NM 88210	LESSEE 20.000000000
YATES PETROLEUM CORP 105 S 4TH ST	ARTESIA NM 88210	LESSEE 40.000000000

Serial Number: NMNM-- - 097844

Mer Twp Rng Sec	STyp SNr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23 0300N 0140W 029	ALIQ	NE;	FARMINGTON	SAN JUAN	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 097844

Act Date	Code	Action	Action Remarks	Pending Office
10/15/1996	387	CASE ESTABLISHED	9610023	
10/16/1996	191	SALE HELD		
10/16/1996	267	BID RECEIVED	\$9760.00;	
10/16/1996	392	MONIES RECEIVED	\$9760.00;	
10/06/1996	237	LEASE ISSUED		
11/06/1996	974	AUTOMATED RECORD VERIF	AT	
12/01/1996	496	FUND CODE	05;145003	
12/01/1996	530	RLTY RATE - 12 1/2%		
12/01/1996	868	EFFECTIVE DATE		
12/06/1996	084	RENTAL RECEIVED BY MMS	\$240.00;11/MULTIPLE	
03/20/1997	963	CASE MICROFILMED		
10/16/1997	084	RENTAL RECEIVED BY MMS	\$240.00;21/0000000779	
10/19/1998	084	RENTAL RECEIVED BY MMS	\$240.00;21/0000000838	
11/18/1998	575	APD FILED	RICHARDSON OPER CO	PETROLEUM MANAGEMENT T
03/01/1999	246	LEASE COMMITTED TO CA	NMNM102966;	
03/09/1999	650	HELD BY PROD - ACTUAL		
03/09/1999	658	MEMO OF 1ST PROD-ACTUAL	/1/NM102966;FEDWF29#1	
10/22/1999	084	RENTAL RECEIVED BY MMS	\$240.00;21/900	
11/19/1999	643	PRODUCTION DETERMINATION	/1/	
11/30/1999	932	TRF OPER RGTS FILED	YATES/RICHARDSON	
12/30/1999	933	TRF OPER RGTS APPROVED	EFF 12/01/99;	
12/30/1999	974	AUTOMATED RECORD VERIF	JLV	

Line Nr Remarks

Serial Number: NMNM-- - 097844

Application of Richardson Operating Co.

Record on Appeal, 707.

BEFORE THE
OIL CONSERVATION COMMISSION
Case No. 12734
Exhibit # **A-4-8**
Submitted By: Richardson Oper. Co.
Hearing Date: October 28 & 30, 2002

NO WARRANTY IS MADE BY BLM
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**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

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01 12-22-1987;101STAT1330;30USC181 ET SE
Case Type 312021: O&G LSE COMP PD -1987
Commodity 459: OIL & GAS L
Case Disposition: AUTHORIZED

Total Acres
960.000

Serial Number
NMNM-- - 099003

Serial Number: NMNM-- - 099003

Name & Address	Int Rel	% Interest
ABO PETROLEUM CORP 105 S 4TH ST	ARTESIA NM 88210	LESSEE 20.000000000
MYCO INDUSTRIES INC PO BOX 840	ARTESIA NM 882020840	LESSEE 20.000000000
RICHARDSON PRODUCTION CO 1700 LINCOLN #1700	DENVER CO 80203	OPERATING RIGHTS 0.000000000
YATES DRILLING CO 105 S 4TH ST	ARTESIA NM 88210	LESSEE 20.000000000
YATES PETROLEUM CORP 105 S 4TH ST	ARTESIA NM 88210	LESSEE 40.000000000

Serial Number: NMNM-- - 099003

Mer Twp Rng Sec	STyp SNr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23 0300N 0140W 030	ALL	ENTIRE SECTION	FARMINGTON	SAN JUAN	BUREAU OF LAND MGMT
23 0300N 0140W 031	ALIQ	N2;	FARMINGTON	SAN JUAN	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 099003

Act Date	Code	Action	Action Remarks	Pending Office
07/16/1997	191	SALE HELD		
07/16/1997	267	BID RECEIVED	\$35520.00;	
07/16/1997	392	MONIES RECEIVED	\$35520.00;	
04/1997	237	LEASE ISSUED		
04/1997	974	AUTOMATED RECORD VERIF	BCO	
08/07/1997	600	RECORDS NOTED		
09/01/1997	496	FUND CODE	05;145003	
09/01/1997	530	RLTY RATE - 12 1/2%		
09/01/1997	868	EFFECTIVE DATE		
09/10/1997	084	RENTAL RECEIVED BY MMS	\$1440.00;11/MULTIPLE	
05/06/1998	575	APD FILED	RICHARDSON OPERATING	
05/15/1998	576	APD APPROVED	30-1 WF FEDERAL	
06/02/1998	963	CASE MICROFILMED		
07/15/1998	084	RENTAL RECEIVED BY MMS	\$1440.00;21/000000082	
03/29/1999	932	TRF OPER RGTS FILED	YATES ETAL/RICHARDSON	
04/13/1999	933	TRF OPER RGTS APPROVED	EFF 04/01/99;	
04/13/1999	974	AUTOMATED RECORD VERIF	JLV	
05/12/1999	650	HELD BY PROD - ACTUAL		
05/12/1999	658	MEMO OF 1ST PROD-ACTUAL	/1/#30-1 WF FEDERAL	
07/26/1999	084	RENTAL RECEIVED BY MMS	\$1,440.00;21/00000008	
12/07/1999	643	PRODUCTION DETERMINATION	/1/	
03/28/2000	575	APD FILED	RICHARDSON OPER CO	
05/24/2000	576	APD APPROVED	2 WF FEDERAL 30	

Line Nr Remarks

Serial Number: NMNM-- - 099003

Application of Richardson Operating
Co.

Record on Appeal, 709.

BEFORE THE
OIL CONSERVATION COMMISSION

Case No. 12734

Exhibit #

Submitted By: Richardson Oper. Co.

Hearing Date: October 28 & 30, 2002

NO WARRANTY IS MADE BY BLM
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PURPOSES NOT INTENDED BY BLM