

RENTAL AGREEMENT

This Agreement made and entered into this 11th day of July, 1938, by and between Morris Zeligson, Party of the First Part, and Winston Marks, Party of the Second part, as follows:

WHEREAS, Party of the First Part is the owner of approximately 1200 feet of 12-1/2" Casing, now located in the vicinity of Ellis, Kansas, and

WHEREAS, Party of the Second Part is now drilling a well for oil and gas upon the following described lease in Celfax County, New Mexico, being SE 1/4 Sec. 5. T19P 25 N R 24 E

Party of the First Part agrees to rent and furnish above mentioned casing, to Party of the Second Part under the following terms and conditions:

Party of the Second part is to pay Party of the First Part the sum of \$500.00, and the cost of hauling from the present location to the drilling location, and an additional consideration of one 80-acre lease to be an offset to the drilling well, and an 80-acre lease within one mile of the drilling well, These payments to cover a rental period of 120 days.

In the event the well is a producer, Second Party will retain casing at a price of \$2.15 per foot for the Lapweld, and \$2.50 per foot for whatever Seamless is furnished. Said title to casing to remain in First Party's name unless and until full and complete payment is made by Second Party.

In the event of a dry hole, Second Party is to pay for any and all damages to the casing or collars and threads, and to pay for any pipe that may not be recovered from the well at prices hereinbefore mentioned. It will be assumed by both parties that the threads and collars are to be in first class order before running in the hole unless otherwise notified by Second Party before running, and when pipe recovered in event of dry hole, First Party will have same inspected at the drill-

ing location who will at that time designate any damages.

Party of the Second Part agrees to assume all responsibility in connection with the use and running of above casing and saves Party of the First Part free and harmless from any responsibility whatsoever as to the performance or representation of this casing, but Second Party to have full privilege of inspection of casing before running into well and at the time of loading, and to accept only pipe which is satisfactory upon the inspection.

Party of the Second Part agrees to either return or pay for the casing within or at the expiration of 120 days from the signing of this agreement. In the event casing is to be returned, Party of the Second Part will re-deliver casing to the vicinity of its present location free of any cost to First Party.

IT IS AGREED by both parties that accompanying this agreement, Party of the Second Part will furnish a guarantee to indemnify and save First Party harmless from any liens and encumbrances, and to guarantee the performance of Party of Second Part in this agreement in its entirety. Said indemnification to specifically refer to this agreement and its particulars, such as against liens, value of material and re-delivery.

IN WITNESS WHEREOF, the Parties have hereunto set their hands and seals this 11th day of July, 1938.

Norris Zeligson
Party of the First Part

Winston Marks
Party of the Second Part

STATE OF TEXAS)
) ss.
COUNTY OF POTTER)

Before me, the undersigned authority, a Notary Public, in and for Potter County, Texas, on this day personally appeared Winston Marks a free sole, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 11th day of July,
A. D. 1938.

(SEAL)

W. S. Fekens
Notary Public, Potter County, Texas

STATE OF OKLAHOMA)
) ss.
COUNTY OF TULSA)

On this, the 10th day of August, 1939, before me personally
appeared Morris Zeligson, to me known to be the identical person described
in and who executed the foregoing instrument and acknowledged that he
executed the same as his free act and deed.

(SEAL)

Maxine Witt
Notary Public

STATE OF NEW MEXICO)
) ss.
COUNTY OF COLFAX)

I, Doris O'Brien, County Clerk of Colfax County, New Mexico,
hereby certify that the above and foregoing constitutes a true,
perfect, and complete copy of the Rental Agreement filed in my office
on the 11th day of August, 1939, under filing number M-3170, and
which said Rental Agreement is still on file in my office.

Dated this 11th day of April, 1940.

Doris O'Brien
County Clerk of Colfax County, N. M.

By A. J. Stanley Deputy