

A G R E E M E N T

THIS AGREEMENT made and entered into in triplicate in the City of Albuquerque, State of New Mexico, on this the 26th day of April, 1951, by and between U. S. FRIGIDICE, INC. (NSL), a corporation duly created, organized and existing under, and by virtue of the laws of the State of New Mexico, and having its principal place of business at 217 South 6th Street, Albuquerque, New Mexico, (hereinafter called the "Corporation"); and CHARLES L. JENKINS, doing business as Jenkins Drilling Company, and having his principal place of business at the Franciscan Hotel, Albuquerque, New Mexico, (hereinafter called "Jenkins").

WHEREAS, an agreement has been entered into on even date hereof between H. J. Cox and Charles L. Jenkins, doing business as Jenkins Drilling Company, to complete a well located in Mora County, New Mexico, as described therein,

AND WHEREAS, Jenkins, immediately upon completion of said contract, expects to move his equipment and drill a well upon the following described location:

In the extreme SE corner of a 605-acre tract of land more particularly described as being Section 2, Township 19N, Range 21E, Mora County, New Mexico

NOW THEREFORE, in consideration of One Dollar and other good and valuable considerations it is mutually agreed as follows:

1. Jenkins agrees to drill an oil and/or gas and/or CO₂ well to the depth of approximately 1420 feet for a total consideration of \$22.00 per foot.

2. Jenkins agrees to furnish rig and all pipe used for drilling. The Corporation agrees to furnish surface casing, production string and pay for any and all pipe left in the completed hole. The Corporation further agrees to furnish all cement, rental of cementing equipment and expense of testing, shooting and drilling in.

3. The Corporation further agrees to pay Jenkins at the rate of \$12.50 per hour for the expense of testing, shooting and drilling, with the first 24 hours free time. Free time as used herein, is described

as follows: that time when drilling is completed, Corporation shall have 24 hours free use of the rig to further develop production.

4. The Corporation further agrees to pay Jenkins for drilling said well at the rate of \$22.00 per foot, or \$60.00 per 24-hour day waiting or standby time.

5. It is understood and agreed between the parties hereto that payments are to be made as follows: first payment due when a depth of 500 feet has been reached and upon receipt of invoice from Jenkins; second payment due when a depth of 1000 feet has been reached and upon receipt of invoice from Jenkins; third payment due when the Corporation advises Jenkins to cease drilling and upon receipt of invoice from Jenkins; and final payment due at completion of day work for testing, shooting, drilling in, etc., and upon receipt of invoice from Jenkins.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

IN THE PRESENCE OF:

U. S. FRIGIDICE, INC. (NSL)
First Party

Edward P. Chase

By

[Signature]

M. Fulton

Charles L. Jenkins
Charles L. Jenkins
Second Party

AGREEMENT

THIS AGREEMENT made in the City of Albuquerque, State of New Mexico, on this the 26th day of April, 1951, by and between H. J. COX, of 217 South 6th Street, Albuquerque, New Mexico, hereinafter called First Party; and CHARLES L. JENKINS, an individual doing business as Jenkins Drilling Company, and having his principal place of business at the Franciscan Hotel, Albuquerque, New Mexico, hereinafter called Second Party.

WHEREAS, First Party is desirous of having Second Party complete a certain well in Mora County, New Mexico, the location thereof is described as follows:

In the SE of the SE $\frac{1}{4}$ of the NE $\frac{1}{4}$, Section 11,
Township 19, Range 21E, Mora County, New Mexico

WHEREAS, First Party desires that Second Party drill said well to approximately 1420 feet,

AND WHEREAS, Second Party is willing to undertake to do so upon the following terms and conditions.

NOW THEREFORE, in consideration of One Dollar and other good and valuable considerations it is mutually agreed as follows:

1. Second Party will move one of his drilling rigs upon said property at a date within 35 days from date hereof. It is mutually agreed between the parties hereto that Second Party shall complete certain contracts with his drilling rigs that he now has under contract. Thereafter a definite and certain time upon which Second Party shall move one of his drilling rigs upon said property will be mutually agreed upon between the parties hereto. In this connection it is expected that Second Party should be ready to move one of said rigs upon said property on or before 35 days from the date hereof, and Second Party will notify First Party at the above address the exact date he expects to move said rig upon said property. It is mutually agreed between the parties that they will immediately get together and set a date certain.

2. It is distinctly understood and agreed between the parties hereto that Second Party agrees to complete said well at a rate of \$12.50

per hour drilling time or \$60.00 per 24-hour day waiting or standby time. In connection with said waiting or standby time it is mutually understood that the first two hours breakdown time due to motor or rig trouble shall be paid by First Party. Any breakdown time exceeding two hours shall be borne by Second Party.

3. It is further understood and agreed between the parties hereto that First Party shall make payments every 15 days upon receipt of invoices from Second Party.

4. It is distinctly understood and agreed that First Party shall furnish all pipe, casing, cement and cementing equipment, together with any testing, shooting, etc. desired by First Party.

5. It is distinctly understood and agreed between the parties hereto that this drilling contract is in conjunction with a certain contract entered into on even date hereof between Second Party and U. S. Frigidice, Inc. In the event Second Party is prohibited from moving his drilling rig upon the property of U. S. Frigidice, Inc. by fault of First Party, then and in that event, First Party agrees to pay Second Party the original expense in moving said rig to location and Second Party's expense in moving to a new location not exceeding 150 miles radius from the hereinabove described location in Mora County, New Mexico.

6. It is understood and agreed between the parties hereto that drilling time shall begin on the above-described well when rigging up commences and shall end when rig is dismantled and ready to move.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

IN THE PRESENCE OF.

Edward P. Chase
M. Fulton

H. J. Cox
H. J. Cox, First Party

Jenkins Drilling Company

By Charles L. Jenkins
Charles L. Jenkins, Second Party