

Case 574 J.

EXHIBIT NO. 1

AMENDMENT TO OIL AND GAS LEASE  
AND RATIFICATION

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, on November 19, 1949 Roger J. Palmer, hereinafter called the "Undersigned", executed an Oil and Gas Lease to Frank B. Murta and Russell Cobb as lessees, which lease was recorded in Oil and Gas Book 7, Page 636, Office of the Rio Arriba County Clerk, New Mexico, reference being hereby made to said lease for all purposes, and

WHEREAS, D. H. Ankeny is now the owner of said lease and has drilled a test well for oil and gas on said land at great expense and has discovered gas in paying quantities but is unable to obtain a market outlet for said gas and the Undersigned is desirous of cooperating with lease owner by amending the terms of said oil and gas lease and ratifying the same as hereinafter stated.

NOW, THEREFORE, in consideration of the premises and \$10.00, and other cash in hand paid to the Undersigned, and effective November 19, 1949, the above described Oil and Gas Lease is hereby amended as follows:

1. To Paragraph 4 of said lease the following is hereby added: If gas, condensate, distillate or any gaseous substance classified as "gas" by any governmental authority is discovered on said land and such well or wells are shut in for lack of a market, then lessee or any assignee may pay or tender to the parties entitled to the royalty, an advance annual royalty equal to \$1.00 per acre for the acreage then held under this lease by the party making such payment, plus \$50.00 for each shut in well on such land, said payment to be made on or before May 15, 1953 and annually on said anniversary date thereafter, and such payment or tender shall be made in the manner provided below for the payment of delay rentals and in the bank to which delay rentals may be paid, and while such royalty is so paid

or tendered, this lease shall be considered as producing in paying quantities within the meaning of Paragraph 2 of said lease. That payment in full for said royalty on all of the land described in said lease is hereby acknowledged for the term of May 15, 1952 to May 15, 1953.

2. That to Paragraph 1 of said lease there is hereby added the following: If at any time after discovery of oil or gas the production thereof should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within 60 days thereafter, or (if it be within the primary term) commences or resumes the payment or tender of delay rentals on or before the rental paying date next ensuing after the expiration of three months from cessation of production. If, at the expiration of the primary term, oil or gas is not being produced on said land but lessee is then engaged in operations for drilling, mining or reworking of any well, this lease shall remain in force so long as such operations are commenced and prosecuted (whether on the same or successive wells) with reasonable diligence, and if they result in production so long thereafter as oil or gas is produced from said land.

3. That the Undersigned does hereby adopt, ratify and confirm said oil and gas lease as herein amended and does hereby state that the same is valid and subsisting and in full force and effect until May 15, 1953 and does hereby grant, lease and let the above described minerals to D. H. Ankeny in accordance with all of the terms and provisions of said above described lease as amended herein.

4. That the terms and provisions hereof shall bind and benefit the respective heirs, assigns and personal

representatives of the Undersigned and of D. H. Ankeny.

EXECUTED this 12 day of May, 1952.

Roger J. Palmer  
Roger J. Palmer, a single man

STATE OF NEW MEXICO )  
COUNTY OF Rio Arriba ) SS.

On this the 12th day of May, 1952, before me personally appeared Roger J. Palmer, a single man, to me personally known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

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

Mrs. Lottie M. Davis  
Notary Public

My Commission Expires:

MY COMMISSION EXPIRES NOV 7, 1955

14243

ILLEGIBLE

State of New Mexico  
County of Rio Arriba  
FILED FOR RECORD  
MAY 23 1952

Recorded by \_\_\_\_\_ A.D. \_\_\_\_\_  
in Vol. \_\_\_\_\_ Page \_\_\_\_\_  
County Clerk & Exonerated  
By \_\_\_\_\_