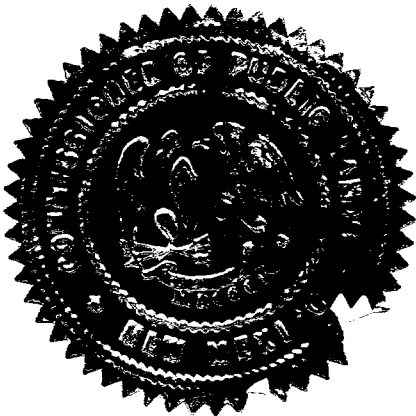
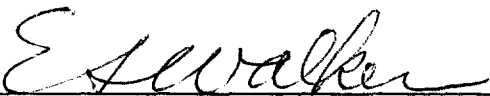


CERTIFICATION

I, E. S. Johnny Walker, duly elected, qualified and acting
Commissioner of Public Lands in and for the State of New Mexico ,
do hereby certify that the attached and foregoing are photographic
copies of potash lease No. M-274 dated June 30, 1931, assignment
No. One thereof dated March 14, 1939, and Release thereof dated
April 20, 1939, and release thereof dated April 20, 1939, are true
and a complete copies of the microfilm records of the originals
thereof as they appear on file in the State Land Office .

IN WITNESS WHEREOF, I have hereunto set my hand and seal
of office on this the 16th day of April, 1964.





E. S. JOHNNY WALKER
Commissioner of Public Lands

Case No. 3029

LEA 2 H. M. 274

APPLICATION NO. M-274

OTASH MINING LEASE
(UNDER ACT APPROVED MARCH 12, 1920)

THIS ADVENTURE OF LEASE entered into in duplicate this 30th day of June 1931, by and between the State of New Mexico acting in this behalf by J. J. Hinkle, its Commissioner of Public Lands, thereto duly authorized, party of the first part and hereinafter called the lessor and M. A. Lewis, whose post office address is First National Bank Building, Denver, Colorado, party of the second part and hereinafter called the lessee, under, pursuant and subject to the terms and provisions of Chapter 140 of the Session Laws of the New Mexico Legislature of 1920, and Chapter 99 of the Session Laws of the New Mexico Legislature of 1923, and hereinafter referred to as the Acts, all of the provisions of said statutes being hereby made a part hereof.

WITNESSETH:

SECTION 1. THAT WHEREAS, the said lessee has filed in the office of the Commissioner of Public Lands an application for a lease for the exploration, development and production of potassium, sodium, phosphorus and other minerals of similar occurrence and their salts and compounds upon the lands hereinafter described and has tendered the sum of Two hundred seventy two and no/100 dollars (\$272.00) as the first annual rental thereon, together with the sum of \$1.00 a plication fee, evidenced by official receipt No. 7333.

NOW, THEREFORE, in consideration of the said above tender, receipt whereof is hereby confessed and acknowledged, and of the rents and royalties to be paid and the covenants to be observed as herein set forth, the lessor does hereby grant, demise, lease and let to the lessee exclusively for the sole and only purpose of exploration, development and production of potassium, sodium, phosphorus and other minerals of similar occurrence and their salts and compounds upon and under the following described land situated in the County of Adair, State of New Mexico, and more particularly described as follows;

Section	Ang.	Typ.	Age.	Acres
All	17	EOS	302	640
All	17	EOS	302	640
All	13	POS	302	640
All	1	208	302	640

637.84

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Description continues:

Subdivisions	Sec.	Twp.	Rge.	Acres
Block 1	20	20N	20E	40
Block 2	20	20N	20E	40
Block 3	20	20N	20E	40

...acres, more or less, together with the right to construct and maintain thereon all works, buildings, plants, waterways or reservoirs necessary to the full enjoyment hereof, including the right to drill, maintain and operate water wells on the leased lands and to produce and use the water therefrom.

NO WATER AND NO OIL OR GAS SHALL BE PRODUCED OR PRIVILEGES HEREUNDER FOR A TERM OF TEN YEARS AND AS LONG THEREAFTER AS THE SAID MINERAL OR ANY OF THEM IN PAYING QUANTITIES SHALL BE PRODUCED FROM THE LEASED LANDS.

SECTION 2. In consideration of the premises, the lessee hereby agrees as follows, to-wit:

(a) Within twelve (12) months from date hereof, unless extension be granted, to begin actual drilling upon some portion of the leased lands with machinery and equipment suitable for taking and preserving a core of salt formation, and to continue such drilling with reasonable diligence until a depth of 1000 feet shall be reached or the formations containing the minerals hereinabove mentioned shall have been completely penetrated and satisfactory samples thereof furnished the Commissioner of Public Lands by the lessee. Provided, however, that where deposits of said minerals are so situated that prospecting work may be effectually carried on by shafts, tunnels, open cuts or in any manner other than by drilling test wells, such prospecting work may be accepted by the Commissioner of Public Lands in lieu of the drilling of test wells as herein provided.

(b) Upon the completion of the first well, as hereinabove provided for, to drill at least one such test well to completion on the said premises during each and every year thereafter during the ten year primary term of this lease or until the number of wells completed shall equal the number of sections of land of 640 acres each contained in this lease, a minor fraction of such a

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section to be disregarded and a major fraction to be treated and regarded as a full section for the purpose of this paragraph. Provided, however, that where conditions existent on the lands may justify, exploratory work other than by the drilling of wells may be accepted in lieu of such drilling upon proper showing thereof made by the lessee.

(c) To pay to the Commissioner of Public Lands annually in advance on the successive anniversary dates of this lease the sum of ten cents (10¢) per acre for each and every acre of land as to which the lease may be in force when such payments shall become due, such rental payments to continue so long as this lease shall remain in force. Provided, however, that the annual rental on this lease shall not in any case be less than one hundred (\$100.00) dollars to be paid in cash.

(d) To pay to the Commissioner of Public Lands of the State of New Mexico a royalty of five percent of the value of the minerals produced hereunder, except sodium chloride or common salt, such royalty to be computed upon the value of said minerals delivered at the nearest or most accessible railroad shipping point; and to pay to the Commissioner of Public Lands of the State of New Mexico a royalty of ten percent of the actual sale price on all sodium chloride or common salt produced hereunder at the place of extraction; all such royalty provided for herein is expressly reserved to the lessor as provided by statute.

(e) To pay when due all taxes lawfully assessed and levied under the laws of the State of New Mexico upon the improvements, output of mines and other rights, property and assets of the lessee.

(f) To furnish monthly certified statements in detail in such form as may be prescribed by the lessor, of the amount and value of output from the leasehold delivered at the nearest or most accessible railroad shipping point, as a basis for determining the amount of royalties, and to permit at all reasonable times the inspection by the Commissioner of Public Lands or his duly authorized agent of all books and accounts of the lessee relating thereto, it being a condition of this grant that falsification of any such statements, records, books or accounts by the lessee shall be deemed and taken as sufficient ground for the cancellation of this lease.

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(g) To furnish the Commissioner of Public Lands annually a map showing all prospecting and development work on the leased lands and other related information, together with a report showing all buildings, structures and workings placed thereon and a complete statement of the amount of potassium and other minerals produced and saved by lessee's operations hereunder.

(h) If said minerals or any of them in commercially paying quantities shall be discovered on the lands embraced herein, to develop and produce in commercial quantities with reasonable diligence the potassium and other mineral deposits susceptible of such production; to carry on all mining, re-surfing, refining and other operations in a good and workmanlike manner in accordance with approved methods and practices, having due regard to the health and safety of employees, the prevention of waste and the preservation and conservation of the property for further productive operations, and to observe all state laws relative to the health and safety of such employees, all mining and related productive operations to be subject to inspection by the Commissioner of Public Lands or his duly authorized agent and by other duly constituted state authority.

(i) To deliver up to the lessor upon the termination of this lease as a result of forfeiture or otherwise, the lands covered hereby including all fixtures and improvements other than structures, buildings, derricks, machinery, equipment, tools and personal property located and used above ground and other than pumps, engines, air compressors, dynamos, motors, cars and other similar appliances used underground and situated on any of said lands, in good order and condition so as to permit of immediate continued operation to the full extent and capacity of the leased premises. Provided, that upon such termination of the lease the lessee shall have ninety days from such termination to remove such machinery, tools, equipment and personal property from the leased premises and all such property shall become the property of the lessor if not so removed within said period of ninety days or within such extension of time as may be granted by the Commissioner of Public Lands.

(k) To comply with all statutory requirements where the surface of the lands embraced herein has been or may be leased, sold or otherwise disposed of under State laws reserving to the State of New Mexico the mineral deposits there-

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(1) Not to assign or sublet the premises covered hereby without the written consent and approval of the Commissioner of Public Lands.

(m) To take and preserve a core of all formations penetrated by any test well containing any of the minerals mentioned in Section 1 hereof, one-quarter of such core to be the property of the lessor and to be stored and preserved or disposed of as the Commissioner of Public Lands may from time to time direct, and the lessee further agrees to furnish the Commissioner of Public Lands promptly copies of any and all analysis made by or for the lessee of cores taken from test wells drilled on the leased premises, and copies of analysis of samples of minerals mined therefrom upon demand of the Commissioner of Public Lands.

(n) Before commencing operations hereunder to furnish the Commissioner of Public Lands a good and sufficient bond in the penal sum of not to exceed ten thousand (\$10,000.00) dollars conditioned upon the faithful performance by the lessee of all and singular, the terms and conditions of this lease, and keep such bond in force and effect so long as lessee's operations shall continue under the terms hereof.

SECTION 3. The lessor hereby expressly reserves:

(a) The right to permit for joint or several such easements and rights of way upon, through or in the lands hereby issued as may be necessary or appropriate to the use or disposal of the lands for purposes other than the purposes of this lease, and the right to dispose of the surface of the said lands under the laws of the State of New Mexico now existing or hereafter enacted, insofar as said surface is not necessary or required for use of the lessee in extracting and removing the potash and other mineral deposits therein contained. And the lessor further expressly reserves the right to lease the said lands for minerals other than those described in Section 1 hereof, but the workings of said lands under such lease, for such other minerals shall not be permitted where such operations will prevent or materially interfere with the operations of the lessee hereunder.

SECTION 4. The lessee may at any time, by paying to the State of New Mexico through its Commissioner of Public Lands all amounts then due the lessor as provided herein and the further sum of ten and no/100 (\$10.00) dollars

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surrender and cancel this lease insofar as the same covers all or any portion of the land herein leased, and be relieved from further obligations or liabilities hereunder as to the lands surrendered. Provided, that all wages or monies due and payable to the workmen employed by the lessee shall have been paid and that a satisfactory showing is made to the Commissioner of Public Lands that all creditors or others having an interest in or lien or claim against the lessee are fairly and equitably protected, but in no case shall such termination be effective until the lessee shall have made adequate provision for the reservation of any mines, productive works and permanent improvements on the lands covered hereby; and provided further, that 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 lessor, lessee or any assignee to enforce this lease or any of its terms, express or implied.

SECTION 5. If the lessee shall fail to comply with the provisions of this lease or make default in the performance or observance of any of the terms, covenants and stipulations here, and such default shall continue for thirty days after service of written notice thereof by the Commissioner of Public Lands, then the Commissioner of Public Lands may and he is hereby expressly authorized to declare a forfeiture and cancellation of this lease. A waiver of any particular cause of forfeiture shall not prevent the cancellation and forfeiture of this lease for any other cause of forfeiture or for the same cause occurring at any other time.

SECTION 6. It is expressly understood and agreed that all of the obligations, covenants, agreements, rights and privileges of this lease shall extend to and be binding upon and inure to the benefit of the lawful assigns or successors in interest of the parties hereto.

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 instrument this day and year first above written.

STATE OF NEW MEXICO

BY

Commissioner of Public Lands

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STATE OF MICHIGAN

COUNTY OF SAGINAW

On this the 30th day of June 1931, personally
appeared before me M. A. Lewis, 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.

Wm. A. Lewis
Notary Public

My commission expires:

May 15, 1933

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