

Drum Energy Corporation
Case No. 10776
Before Examiner Stogner
Exhibit No. 2A

CHARLE F. LEE & EMMA

20 SEP 1-401- (NO LISTING)

SPOKE W/ MRS. HOWSER SHE SAID THAT BOB

IN CA SHE WILL TRY TO GET ADDRESS.

11 NOV CALLED MRS. HOWSER SHE CAN'T FIND DOJ
ADDRESS.

CALLED TULSA CO. RECORDER - NO LISTING FOR
EITHER. (1-584-0471)

City Directory

1949

710 N. DENVER AVE.

710 N. DENVER AVE.

1954 &

EMMA E. LEE & A WIDOW

1961

710 N. DENVER AVE

NOTE AFTER - 4/18/45

ILLEGIBLE

FNB & TRUST CO.

2 NOVEMBER 1-918-586-1000. CALLED SPOKE WITH MELISSA. SHE REFERRED ME TO AMY ADAMS. SHE SAID SHE REPRESENTS ALL THE ENERGY COMPANIES IN THE AREA. SHE OFFERS TO SEND A LEASE OFFER TO:

LIBERTY BANK OF TULSA
P.O. BOX 1,
TULSA, OK 74102
ATTN: TRUST ~~OFFICE~~ ^{ENERGY} GAS DEPT.

F. GEORGE HEINZELL INTEREST IS BEING HANDLED BY
MRS. MARY ELLEN HEINZE
P.O. BOX 63
FAVIRNER, MD 20632
(301)934-4852

OFFER SENT

11 NOV ACCEPTED OFFER

15 NOV CALLED DONALD L. HANSEN, VERBALLY AGREED TO TERMS.
HE SAID ALL NECESSARY LEASES ARE READY.

10 MAR CALLED MR. HANSEN, HE SAID TO SEND THE FEES AND
THE LEASES.

11 MAR CHECK & LETTER SENT.

18 MAR CALLED MR. HANSEN. HE DOESN'T KNOW WHY THEY HAVEN'T
SENT LEASES BUT WILL LOOK INTO IT.

19 MAR SAYS THEY HAVE NOT RECEIVED THE LEASES BACK FROM
THE HOLES. THEY HAVE BEEN HAVING TROUBLE GETTING THEM
OFF THE HOLES. I'M TO GO TO THE HOLES AND GET THE LEASES
OFF THE HOLES.

ILLEGIBLE

19 843

called Robert Williams. He said that the heirs were not cooperating. I explained that our next step was force pooling. He said do it. Maybe that will shake them up.

JUNE 17

called Robert Williams for one more try. He said this time with Paul Edward and Jim ... He said his name is ... Send me a listing of the current trusts etc...

ILLEGIBLE

FNB & TRUST CO.

1-918-586-1000, O&G - MELLISSIA

NE

LIBERTY BANK of TULSA

P.O. Box 2

74102

ATTN: TRUST ENERGY DEPT. ←

AMY ADAMS:

F. GEORGE HEINZ III dec

MRS. MARY ELLEN

P.O. Box 68

FAULKNER MD 20632

(301) 934-4352 }

(301) 201-9117

ATTN: AMY ADAMS

(Collette Johnstone 1/6)

a widow
Individually and

1/6 --- 1/20 --- E

3/16 75th 3/20

write

1/16 (1/4)

JOE ALEXANDER
Oil & Gas Properties
P.O. Box 3081
Midland, TX 79702
(915) 685-1357

2 November, 1992

Liberty Bank of Tulsa
Trust Energy Dept.
P.O. Box 1
Tulsa, OK 74102

Attn: Amy Adams

Re: SW/4 Section 35, Township 19
South, Range 38 East, Lea Co.,
NM

Dear Ms. Adams:

Some time ago we spoke on the phone concerning an oil and gas lease covering the interests of the Maurice Powers Estate under the captioned tract. I am working for Drum Energy here in Midland and they would like to lease the estate's interest. They offer:

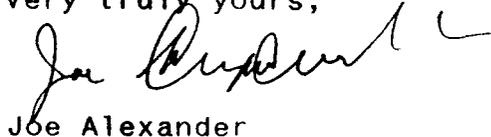
1/4 royalty and no bonus for a 1 year lease
or
3/16 royalty, \$75.00 per acre bonus for a 3 year lease

Please consider these offers carefully and let me know your decision at your earliest convenience.

I also will need help as to the heirs of the estate and their interests. As I told you, there are no curative documents in the Lea Co. records.

Please don't hesitate to call me if you have any questions.

Very truly yours,



Joe Alexander



Louise Lindsey

November 10, 1992

Joe Alexander
Oil & Gas Properties
P. O. Box 3081
Midland, TX 79702

Re: Lease Offer
Powers Heirs #3292 et al/8844905 et al
SW/4 Section 35-19S-38E
Lea County, New Mexico

Dear Mr. Alexander:

This letter acknowledges receipt of your lease offer covering the interest owned by the above captioned account. To assist us in the timely processing of your lease offer, please utilize the referenced account information on all future correspondence.

In anticipation of reaching an agreement, I have enclosed a copy of our oil and gas lease form for your review. Also, please be advised that a \$125.00 lease administration fee will be required for processing the oil and gas lease, if we reach a final agreement on bonus, term and royalty.

If you have any further questions, please feel free to contact me at (918) 586-5294.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Donald L. Hansen, Jr.', with a stylized flourish at the end.

Donald L. Hansen, Jr.
Vice President

DHL:lml

Enclosure: Oil & Gas Lease Form
Copy of Side Letter Agreement

COUNTY OF _____

STATE OF _____

Attention: _____

Re: Side Letter Agreement - "Favored Lessor Clause"

Oil and Gas Lease dated _____

Dear _____

As an express condition and covenant of the above captioned lease, it is explicitly agreed and understood between Lessor and Lessee (and Lessee's successors, assigns, and agents, hereinafter collectively referred to as "Lessee") that, if Lessee pays a higher bonus on a per net mineral acre basis or a higher royalty to any mineral owner who owns at least two (2) net mineral acres within the above captioned section, during the primary term of the captioned oil and gas lease, then Lessee shall, within thirty (30) days of such event, pay an additional bonus to Lessor equal to the difference between the higher bonus and the bonus paid herein, on a net per acre basis. If additional royalty is subsequently paid by the Lessee within the captioned section, then Lessee shall increase the royalty payable or due under the terms of the captioned oil and gas lease in an amount equal to the higher royalty. Any change in royalty will be made effective as of the date the above described oil and gas lease was originally executed.

In lieu of paying such additional bonus and/or royalty, Lessee may execute a full release of the above reference oil and gas lease.

If Lessor files a legal action to enforce any express or implied obligation of this Side Letter Agreement and receives a favorable judgment from a court of competent jurisdiction, then Lessee shall reimburse Lessor for all costs of such legal proceedings including reasonable attorney's fees.

COPY

Page 2

If you are in agreement with the above conditions, please indicate your acceptance by signing in the space provided below and promptly returning one (1) copy to the attention of the undersigned.

Yours truly,

Donald L. Hansen, Jr.
Vice President and Trust Officer

DLH:mac

Agreed to and Accepted this ____ day of _____, 1992.

By _____

OIL AND GAS LEASE

(PAID-UP)

THIS AGREEMENT, made and entered into this _____ day of _____, 19____, by and between

hereinafter called Lessor, and _____

hereinafter called Lessee.

WITNESSETH:

1. That Lessor, in consideration of (\$10.00) in hand paid, of the royalties herein provided, and the covenants and agreements of lessee hereinafter contained, hereby grants, leases, and lets unto Lessee for the purpose of exploring, drilling, and operating, for, and producing oil, gas, and related hydrocarbons, and laying pipelines, and building tanks, power stations, roads, telephone lines, and structures thereon which may be necessary to produce, save, care for, treat, and transport said products from the land leased hereunder only, the following described land situated in _____ County, _____ to wit:

There is in the possession of Lessor and Lessee and by reference made a part of this lease an unrecorded Side Letter Agreement of even date herewith executed by the parties hereto covering certain other additional covenants, conditions and provisions that are part of this lease agreement between Lessor and Lessee as though fully written and included herein.

of Section _____ Township _____ Range _____ and containing _____ acres, more or less. It is understood and agreed, however, that Lessee shall negotiate damage settlements and rights of way for all roads, pipelines, telephone lines, power stations, drill site locations, production facilities, or any other operations pursuant to exploration and production of any oil, gas, gas condensate or other minerals prior to commencement of each operation.

2. Subject to the other provisions herein contained, this lease shall be for a term of _____ years from this date (hereinafter called primary term) and as long thereafter as oil, gas or other related hydrocarbons are produced in paying quantities from the leased premises in accordance with the terms and provisions of this Oil and Gas Lease.

3. As royalty, Lessee shall deliver to the credit of Lessor, free of any cost (including, without limitation, costs of treating, compressing, marketing and/or transporting the products on or off the leased premises and other expenses of like nature) into the tanks or pipelines to which wells may be connected or to any other delivery point, (_____) of the proceeds from the sale of all the marketable substances which the Lessor owns, to include oil, gas, gas condensate and other hydrocarbons produced and saved from the leased premises. Lessee shall pay Lessor royalty on all gas produced from a well on the leased premises or on lands pooled with the leased premises and sold or used off the leased premises regardless of whether or not such gas is produced to the credit of Lessee or sold under a contract executed by or binding on Lessee. Should gas be sold under a sales contract not binding on Lessor, Lessor's royalty will be calculated based on the highest price paid for any of the gas produced from the well from which such gas is produced. In no event will the price paid Lessor for Lessor's share of gas be less than the price paid Lessee for Lessee's share of gas. Lessee agrees that it will not enter into any contract of sale of production from this lease which shall extend more than three years from the effective date of such sales contract unless such contract has adequate provisions for redetermination of price at intervals of not less frequently than three years to assure that production from this lease is not being sold for less than the then current fair market value. Within 120 days following the first sale of oil or gas produced from the leased premises, settlement shall be made by Lessee or its agent for royalties due hereunder with respect to such oil or gas sold off the premises, and such royalties shall be paid monthly thereafter without the necessity of Lessor executing a division or transfer order. Upon the Lessor's written request, the Lessor shall have the right to take the Lessor's royalty in kind. However, the Lessor shall not be obligated or compelled in any manner or circumstances to take the royalty in kind.

4. Where gas from a well producing gas only or gas and condensate only is not sold or used, Lessee may pay or tender as royalty, by check or draft of Lessee, to the owner of such royalty on or before ninety (90) days after the date on which said well is completed or shut-in and annually thereafter the sum of (\$) _____ and if such payment is made, it will be considered that gas is being produced within the meaning of paragraph two hereof. The provisions of this paragraph alone, however, shall not keep this lease in force for a period exceeding three (3) years from the expiration of the primary term. If, after the expiration of three years from and after the expiration of the primary term of this Oil and Gas Lease, actual sales of oil, gas or other hydrocarbons should cease for a period of _____ successive days or more, it shall be considered that production under this Oil and Gas Lease has permanently ceased, and this Oil and Gas Lease shall immediately terminate. In such event, Lessee shall, at the request of Lessor, execute and deliver to Lessor a recorded release of this Oil and Gas Lease. Lessee covenants and agrees to use such diligence to complete said well, and to produce, utilize, or market the gas and/or condensate from said well as a reasonably prudent operator would use under the same or similar circumstances. The full and timely payment by check or draft of the stated amount in lieu of actual production is an express obligation under the terms of this lease agreement. If Lessee should in any year during which a well is shut-in fail to make timely and proper payment of shut-in royalties, this Oil and Gas Lease shall immediately terminate, and Lessee, at the request of Lessor, shall execute and deliver to Lessor a recorded release of this Oil and Gas Lease. No shut-in royalties paid shall serve to reduce any proceeds due or payable under the terms and conditions of this Lease.

5. Within 30 days of the termination of this Lease for any reason, Lessee shall file a release hereof in the office of the County Clerk and shall furnish Lessor with a copy of said recorded release. In the event a release is not timely filed, Lessee agrees to reimburse any costs incurred by the Lessor to include administrative, legal or otherwise to obtain said release.

6. In the event a well or wells producing oil or gas in paying quantities should be completed on adjacent land and within six hundred sixty (660) feet of or draining said land, Lessee shall drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances.

COPY

7. If the Lessee shall commence to drill a well or commence reworking operations on an existing well within the primary term of this lease or any extension thereof, or on acreage pooled therewith, the Lessee shall have the right to drill such well to completion or complete reworking operations with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the primary term of this lease. If after the expiration of the primary term of this lease, production on the leased premises shall cease from any cause (other than a cessation contemplated in paragraph 4), this lease shall not terminate provided Lessee resumes or commences actual drilling or reworking of a well within sixty (60) days from the date of such cessation, and this lease shall remain in force and effect during the prosecution of such operations, and if paying production results therefrom, then as long as such paying production continues or the well or wells are capable of producing in paying quantities.

8. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said leased premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from that portion of this lease pooled in the unit, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis, bears to the total acreage so pooled in the particular unit involved.

9. In the event a portion of the leased premises is included in any drilling and spacing unit, production unit or other unit established by any regulatory agency or governmental body or by contract, operations on or production from such unit will maintain this oil and gas lease in force only as to the portion or portions of the leased premises underlying the surface area of such unit whether or not such operations are on or such production is from the portion of the leased premises included in such unit. If, at or after the end of the primary term hereof, this Oil and Gas Lease is being maintained as to a portion of the leased premises by operations on or production from a unit created by any regulatory agency, governmental body or by contract, then this Oil and Gas Lease shall automatically terminate as to the portion or portions of the land covered hereby which do not underlie the surface area of such unit or units. In addition to the foregoing provisions, this Oil and Gas Lease shall automatically terminate upon the expiration of its primary term, or extension thereof as contemplated by operations, as to all rights below the base of the deepest producing formation which is either actually producing hydrocarbons or has been tested by Lessee and proven to be capable of producing hydrocarbons in paying quantities. Upon expiration of the primary term of this Oil and Gas Lease, or extension thereof as contemplated by operations, Lessee shall execute and deliver to Lessor a recorded release of this Oil and Gas Lease releasing this Oil and Gas Lease as to the portions of the leased premises as to which this lease has automatically expired under the provisions of this paragraph.

10. Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells, tanks, creeks, rivers, streams and springs, for all operations hereunder, provided that no surface water or underground fresh water will be used for water flood or pressure maintenance purposes. Lessee shall have the right at any time within 180 days after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing except as to water wells in which Lessee will, only at Lessor's request, remove the casing from and plug and abandon such water well at Lessee's sole expense. When required by Lessor, Lessee will bury all pipelines below ordinary plow depth, and no well shall be drilled within four hundred (400) feet of any residence or barn now on said land without Lessor's consent. Lessor shall have the privilege, at its risk and expense, of using gas from any gas well on said land for stoves and inside lights in the principal dwelling thereon, out of any surplus gas not needed for operations hereunder.

11. The rights and estate of any party hereto may be assigned in whole or in part. All of the covenants, obligations and considerations of this lease shall extend and be binding upon the parties hereto, their heirs, successors, and assigns. No change or division in the ownership of said land, or of the royalties, or other monies, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after such record owner has been furnished notice of such change or division, supported by copies of the document evidencing such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless, pay or tender such royalties, or other monies to the credit of the decedent in the bank named above. Lessee shall notify Lessor of any assignment of Lessee's rights hereunder, stating the name and current mailing address of the assignee. Such assignment will contain a clause which states that the assignee ratifies and confirms all of the terms and conditions contained herein or made in addition hereto by a signed exhibit to the original document.

12. Except in the case of shut-in royalties, if Lessor owns an interest in said land less than the entire and undivided fee simple estate therein, then the royalties herein provided shall be paid the Lessor in the proportion which Lessor's interest bears to the whole undivided fee.

13. If Lessor files a legal action to enforce any express or implied obligation of this lease and receives a favorable judgment from a court of competent jurisdiction, then Lessee shall reimburse Lessor for all costs of such legal proceedings including reasonable attorney's fees.

14. Parties in interest. Lessee represents that he is not an officer, director, or employee of Liberty Bank and Trust Company of Oklahoma City, National Association or Liberty Bank and Trust Company of Tulsa, National Association or any of their subsidiaries, nor is Lessee acting on behalf of any such officer, director, or employee. Lessee also represents that he is not a co-trustee of any trust that is a party to this agreement, nor is Lessee acting on the behalf of such co-trustee.

15. This lease is made without warranty, express or implied. Liberty Bank and Trust Company of Oklahoma City, National Association or Liberty Bank and Trust Company of Tulsa, National Association does not, in any capacity, guarantee any interest contained herein. The terms and conditions stipulated within this document govern only the rights which may be owned or managed by the Bank as Trustee, co-Trustee, Agent, or Personal Representative. Lessee shall have the right at any time to redeem the leased premises for Lessor by payment of any mortgage, taxes, or other liens on the above described land, in the event of default by Lessor, and may deduct the amount of such payment from any royalties thereafter payable.

16. Lessor shall have a lien upon the implements, tools and movable machinery or personal chattels used in operating said property, and also upon the unsold oil and gas obtained from the land herein leased as security for the payment of any royalties due Lessor.

17. This lease shall be subject to all federal and state laws, executive orders, rules, or regulations, and to all orders, rules, and regulations of all federal or state officers, agencies, boards and commissions which relate to or affect performance of the express or implied covenants of this lease, and this lease shall not be forfeited for failure of Lessee to comply with the express or implied covenants of this lease, if such compliance is prevented by, or if such failure results from compliance with any such rule, order, law, or regulation.

In Testimony Whereof We Sign, this _____ day of _____, 19_____.

JOE ALEXANDER
Oil & Gas Properties
P.O. Box 3081
Midland, TX 79702
(915) 685-1357
March 11, 1993

Liberty Bank of Tulsa
Trust Energy Dept.
P.O. Box 1
Tulsa, OK 74109

Attn: Donald L. Hansen, Jr.

Re: Oil and Gas Lease covering
SW/4 Section 25, Township 19
South, Range 20 East, Lea Co,
New Mexico.

Dear Mr. Hansen,

Per our phone conversation of yesterday, I am enclosing a check for \$750.00. This check is to cover your lease administration fees for leases from the Powers Heirs covering the captioned tract.

The lease terms are 1/4 royalty and no bonus for a 1 year lease. The lessee on the leases will be:

Drum Energy Corp.
P.O. Box 2134
Midland, TX 79702

Since these are no bonus leases, Drum Energy will not be able to sign the Side Letter Agreement. We have paid other mineral owners a lease bonus for a lesser royalty lease in accordance with the terms originally offered to you.

I would appreciate it if you could expedite these leases.

It was a pleasure doing business with you. If you have any questions at all, please don't hesitate to call me.

Very truly yours,



Joe Alexander

ILLEGIBLE

John P. Cox Oil & Gas Enterprises
P.O. Box 10885
Midland, Texas 79702
Ph. 915/686-7532

July 7, 1993

Drum Energy Corporation
P.O. Box 2134
Midland, Texas 79702

Re: Proposed 6200' Blinberry Test
SW/4 Section 35, T20S, R38E
Lea County, New Mexico
Certified Mail P 237 050 439
June 11, 1993

Dear Mr. Mussett,

In response to the referenced proposal, and as a follow-up to our conversation today, this is to advise that John P. Cox Oil & Gas Enterprises will join in your proposed test under an A.A. P.L. form 610-1982 Model Form Operating Agreement as proposed provided said Operating Agreement includes the following elections and clarifications:

1. Option No. 2., under Article VII. D. 1., shall be chosen. It being our intention that our consent to drill and test the proposed well is not to be taken as consent to run pipe and complete the well until an evaluation of the logs and test information can be made in accordance with said option No. 2.
2. The Non-Consent recoupment number to be inserted in Article VI.2.(a). shall be 100% and in Article VI.2.(b). shall be 300%.
3. John P. Cox Oil & Gas Enterprises' liability shall be limited to the figures shown on the submitted AFE plus 15%, unless emergency conditions as described in Article VII.D.3. occur.
4. Lines 43 thru 46 of page -9-, Article VII.B. shall be deleted.
5. Article VIII.F. (Preferential Right to Purchase Provision) shall be deleted.

6. The enclosed notices and reports unless later modified is incorporated in this joinder letter and represents our expectation of the regularity and type of information we will be provided. This also includes telephone numbers and who to contact.

As I Advised today, we will forward checks in the amount of \$2257.00. representing our proportional 1.5625% amount of the dry hole costs, per your AFE and one in the amount of \$117.19, for our proportional part of the Plugging Bond. within thirty days of expected commencement of operations. Also enclosed is an executed AFE.

As soon as possible I will appreciate being furnished with a copy of the Title Opinion, and JOA incorporating the above clarifications for signature.

I will be looking forward to hearing from you as to the expected spud date.

Sincerely


John P. Cox, CPL

EXHIBIT
TO
JOINT OPERATING AGREEMENT

NOTICES AND REPORTS

A. In drilling any well hereunder, Operator agrees:

1. To conduct all operations in accordance with approved and accepted practices prevailing in the field where the well is drilled.
2. To make adequate evaluation and tests as a prudent Operator to determine if the well is capable of producing oil or gas from any formations encountered.
3. To accord Non-Operators the freedom of the derrick floor and full and free access to the well at their sole risk and expense.
4. To give Non-Operators reasonable notice in sufficient time to have a representative present before spudding, any testing, coring or logging of a prospective oil or gas zone. Said notification shall be given by telephone to Non-Operator's office to:

	OFFICE PHONE	HOME PHONE
John Cox	915/686-7532	915/687-1401
David Godsey	915/685-3116	915/682-1416

5. To advise Non-Operators before commencing operations, of the name and address of the geologist and/or engineer servicing the well.
6. To furnish Non-Operator the following reports, data, and information:

DURING THE DRILLING OF WELLS

- a. Daily on each weekday morning a telephone drilling and completion report to David Godsey 915/685-3116, giving the nature of all work done and depth and formations penetrated, beginning with the date actual work is commenced at the location and continuing until initial daily potential has been established or, if a dry hole, the well has been plugged and abandoned.
- b. Drilling Time Record.
- d. Water samples and water analyses.
- e. Photoprint of forms required by the government office or body that has jurisdiction in the premises.
- f. A log and history of the well (well record and formation record).
- g. Field prints and final prints of an Induction-Electric Survey and of a Gamma Ray/Acoustic Log (or equivalent).
- h. Mud Log (daily and final reports, if maintained).

- i. Certified copy of photoprint of the plugging record required by the government office or body having jurisdiction in the premises, if the test is a dry hole.
 - j. Core analyses and core reports, if taken.
 - k. Any bottomhole pressure and surface pressure reports made.
 - l. Directional survey, if run.
 - m. Drill Stem tests, if taken.
 - n. Gas/oil ratio tests.
 - o. One copy of open flow potential and shut-in tests, if gas well.
 - p. Gas analyses.
- B. The following information shall be sent to Non-Operators at the following address and in the number of copies specified:

John P. Cox Oil & Gas Enterprises
P.O. Box 10885
Midland, Texas 79702
Ph. 916/686-7532 Home 915/687-1401

COPIES

- | | |
|---|--|
| 1 | Government forms, permits and Correspondence |
| 2 | Field Prints of logs and survey (IES or equivalent, GR/Acoustic or equivalent) |
| 2 | Final print logs |
| 2 | Mud log (daily and final prints, if maintained) |
| 1 | Drill Stem Test reports, if run |
| 1 | Core analyses, if taken |
| 1 | Any bottom hole pressure and surface pressure reports |
| 1 | Gas and water analyses |

**AUTHORITY FOR EXPENDITURE
DRUM ENERGY CORP.
HOUSE PROSPECT
FRANCIS EVELYN #1**

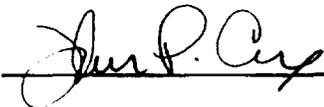
INTANGIBLE	PRODUCER	DRY HOLE
Abstract/Title opinion	\$ 6,000	\$ 6,000
Survey/Location/Damages	5,000	5,000
Drilling footage @ \$11.00	68,200	68,200
Rotary day work: 2 days @ \$4200	8,400	8,400
Pulling unit: 4 days @ \$1200	4,800	
Drilling fluid & trucking	8,000	8,000
Drilling mud and chemicals	4,000	4,000
Surface csg. cement & hardware	4,000	4,000
Production csg. cement & DV tool	22,900	
Pit lining	750	750
Mud logging	1,000	1,000
Open hole logging	5,600	5,600
Perforating	1,200	
Acidizing	2,200	
Frac	25,000	
Engineering/Supervision	4,500	3,600
Rental equipment	2,500	1,500
Trucking and forklift	4,000	2,500
Labor: surface installations	2,500	
Overhead	1,500	1,200
Plugging (cement, dry hole marker, site restoration) -		4,000
Contingencies: 10%	<u>17,600</u>	<u>11,800</u>
TOTAL INTANGIBLE	\$ 193,650	\$ 129,550
 TANGIBLE		
Surface csg.: 1600 feet 8 5/8 @ \$8.00	12,800	12,800
Production csg.: 6200 feet 5 1/2 @ \$3.75	23,250	
Tubing: 6200 feet 2 7/8 @ \$2.25	13,950	
Rods: 6200 feet @ .90	5,580	
Downhole pump	1,200	
Wellhead	1,750	750
Flowlines and connections	2,000	
Tankage: (2) 300 steel, (1) 500 fiberglass	8,000	
Pumping unit and base	15,000	
Motor and controls	2,500	
Heater treater	2,500	
Electrification	3,500	
Contingencies: 10%	<u>9,200</u>	<u>1,350</u>
TOTAL TANGIBLE	\$ 101,230	\$ 14,900
Cash plugging bond:	7,500	
TOTAL	\$ 302,380	\$ 144,450
YOUR SHARE: 0.015625 WI	\$ 4,725	\$ 2,257

It is recognized and understood that the amounts herein are estimates only and that approval of this authorization shall extend to the actual costs incurred in the conduct of the operation specified whether more or less than set out herein.

APPROVED BY WORKING INTEREST OWNER:

John P. Cox

DRUM ENERGY CORP.



6-29-93

Date

By:  6-11-93

Date

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ARTICLE V.
OPERATOR

A. Designation and Responsibilities of Operator:

TXO Production Corp. shall be the Operator of the Contract Area, and shall conduct and direct and have full control of all operations on the Contract Area as permitted and required by, and within the limits of this agreement. It shall conduct all such operations in a good and workmanlike manner, but it shall have no liability as Operator to the other parties for losses sustained or liabilities incurred, except such as may result from gross negligence or willful misconduct.

B. Resignation or Removal of Operator and Selection of Successor:

1. Resignation or Removal of Operator: Operator may resign at any time by giving written notice thereof to Non-Operators. If Operator terminates its legal existence, no longer owns an interest hereunder in the Contract Area, or is no longer capable of serving as Operator, Operator shall be deemed to have resigned without any action by Non-Operators, except the selection of a successor. Operator may be removed if it fails or refuses to carry out its duties hereunder, or becomes insolvent, bankrupt or is placed in receivership, by the affirmative vote of two (2) or more Non-Operators owning a majority interest based on ownership as shown on Exhibit "A" remaining after excluding the voting interest of Operator. Such resignation or removal shall not become effective until 7:00 o'clock A.M. on the first day of the calendar month following the expiration of ninety (90) days after the giving of notice of resignation by Operator or action by the Non-Operators to remove Operator, unless a successor Operator has been selected and assumes the duties of Operator at an earlier date. Operator, after effective date of resignation or removal, shall be bound by the terms hereof as a Non-Operator. A change of a corporate name or structure of Operator or transfer of Operator's interest to any single subsidiary, parent or successor corporation shall not be the basis for removal of Operator.

2. Selection of Successor Operator: Upon the resignation or removal of Operator, a successor Operator shall be selected by the parties. The successor Operator shall be selected from the parties owning an interest in the Contract Area at the time such successor Operator is selected. The successor Operator shall be selected by the affirmative vote of two (2) or more parties owning a majority interest based on ownership as shown on Exhibit "A"; provided, however, if an Operator which has been removed fails to vote or votes only to succeed itself, the successor Operator shall be selected by the affirmative vote of two (2) or more parties owning a majority interest based on ownership as shown on Exhibit "A" remaining after excluding the voting interest of the Operator that was removed.

C. Employees:

The number of employees used by Operator in conducting operations hereunder, their selection, and the hours of labor and the compensation for services performed shall be determined by Operator, and all such employees shall be the employees of Operator.

D. Drilling Contracts:

All wells drilled on the Contract Area shall be drilled on a competitive contract basis at the usual rates prevailing in the area. If it so desires, Operator may employ its own tools and equipment in the drilling of wells, but its charges therefor shall not exceed the prevailing rates in the area and the cost of such work shall be paid upon by the parties in writing before drilling operations are commenced, and such work shall be performed by Operator under the same terms and conditions as are customary and usual in the area in contracts of independent contractors who are doing work of a similar nature.

ARTICLE VI.
DRILLING AND DEVELOPMENT

A. Initial Well:

_____ have the option but not the obligation to
On or before the 1st day of September, 1988, Operator shall commence the drilling of a well for oil and gas at the following location:

165' FWL & 1980' FSL Section 74, Block 5, H&GN RR Co. Survey, Garza County, Texas

and shall thereafter continue the drilling of the well with due diligence to 7900' or a depth sufficient to test the Ellenberger formation, whichever is the lesser

unless granite or other practically impenetrable substance or condition in the hole, which renders further drilling impractical, is encountered at a lesser depth, or unless all parties agree to complete or abandon the well at a lesser depth.

Operator shall make reasonable tests of all formations encountered during drilling which give indication of containing oil and gas in quantities sufficient to test, unless this agreement shall be limited in its application to a specific formation or formations, in which event Operator shall be required to test only the formation or formations to which this agreement may apply.

I would recommend but not insist that the language highlighted in yellow also be deleted from the JOA. This would allow your investors to have a say so should you wish to sell, in order to maintain the practices under which you operate.

add "or resigned"

DRUM ENERGY
C O R P O R A T I O N

P.O. Box 2134
Midland, Texas 79702
915/684-9081
Fax 915/683-3520

June 11, 1993

John P. Cox
P.O. Box 10885
Midland, TX 79702

Re: SW/4 Section 35, T19S-R38E, Lea
County, NM

Dear Mr. Cox,

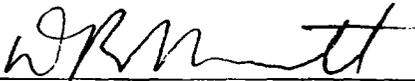
Records indicate that you own a 1.5625% mineral leasehold interest (2.5 net acres) under the above captioned property. Drum Energy Corporation intends to drill a well on this acreage to test the Blinbry Formation as soon as practicable. If you would like to participate in this project to the extent of your leasehold ownership we require execution of the enclosed Authority for Expenditure and a deposit of your share of estimated completed well costs at this time.

Operations will be conducted by Drum Energy Corporation under the A.A.P.L. Form 610-1982 Model Form Operating Agreement with COPAS-1984 Accounting Procedure. Drilling overhead to be \$3000 per month; workover and producing overhead to be \$300 per month per well. There will be no gas balancing agreement; operator will contract gas sales for the working interest owners. Working interest owners will pay in their proportionate share of \$7500 cash plugging bond on each well. This amount is refundable when plugging occurs and will bear interest to be credited to the working interest owners.

If it is your desire not to participate, we offer to purchase your interest for \$100 per net mineral acre and your delivery of a 75% net revenue interest assignment. Please indicate this preference by checking the space below and signing and returning a copy of this letter.

A stamped return envelope has been enclosed for your convenience. Thank you.

Yours truly,
DRUM ENERGY CORPORATION

By: 
David R. Mussett, President

_____ I wish to sell.

By: _____

Date: _____

calls

9 Oct CALLED JON. HE SAID THAT THEY PARTICIPATED, THEY
did not. I said I was not sure. He said they
WERE READY TO LEAVE. ASKED HIM IF THIS
WENT FOR ALL THE CALLS. HE SAID YES.

ILLEGIBLE

DAVID BRAD KYTE
JOHN COX
DAVID BRAD KYTE CONSERVATOR

On approval of lease or mineral deed described hereon, and on approval of title to same by drawee not later than 30 days after arrival of this draft at collecting bank 12 July, 1993

PAY TO THE ORDER OF Max Coll, III, Rt #9, Box 72F, Santa Fe, NM 87505

\$ 250.00

TWO HUNDRED FIFTY and no/100 DOLLARS

This draft is drawn to pay for Oil and Gas Lease, Mineral Deed dated July 12, 1993 and covering

SW/4 Section 35, Township 19 South, Range 38 East, NMPM, Lea County, New Mexico

The drawer, payee and endorsers hereof, and the grantors of the lease or mineral deed described hereon, do hereby constitute and appoint the collecting bank escrow agent to hold this draft for the time above specified subject alone to acceptance of payment hereof by the drawee, within said time, and without any right of the drawer, payee or endorsers hereof, or said grantors, to recall or demand return of this draft prior to the expiration of the above specified time, and there shall be no liability whatsoever on the collecting bank for refusal to return the same prior to such expiration.

In the event this draft is not paid within said time, the collecting bank shall return the same to forwarding bank and no liability for payment or otherwise shall be attached to any of the parties hereto.

to DRUM Energy Corp. (684-9081) DRAWEE

AT Texas National Bank (Attn: Fran Havlik)

P.O. Box 3090, Midland, TX 79702 ENTRY SAFETY

Collecting Bank

Joe Alexander, ^{Drawer} Agent

Form No. 525 Pound Printing & Stationery Co.,
2325 Fanning Street • Houston, Texas 77002 (713) 669-8166

Standard Form

ILLEGIBLE

Joe Alexander Oil & Gas Properties
P.O. Box 3081
Midland, TX 79702
(915) 685-1357

July 13, 1993

Mr. Max W. Coll, II
Rt #9, Box 72F
Santa Fe, NM 87505

Dear Mr. Coll:

Enclosed please find an Oil & Gas Lease , covering SW/4 Section 35, T-19S R-38E, Lea Co., NM, and a draft in the amount of \$250.00. This is the lease that you negotiated with David Mussett of DRUM Energy.

Please sign the lease before a Notary Public. Make sure the Notary Public completes the acknowledgment, located on the last page of the lease, including his/her signature, seal and the date his/her commission expires. Take the executed lease and collection draft to your bank for forwarding here to Midland.

You requested that the lease be made out to you as your "Sole and Separate Property". We have styled the lease accordingly. However, our title opinion shows Martha M. Coll as a community owner. Please provide the documentation necessary to prove that this is Sole and Separate Property. It will be required before we can pay the draft.

If you have any questions, or I can be of any further service, please don't hesitate to call me.

Sincerely,

Joe Alexander

OIL AND GAS LEASE
(Paid Up)

THIS AGREEMENT made and entered into this 12th day of July, 1993, by and between Max W. Coll, II dealing herein with his sole and separate property, Rt. 9 Box 72F, Santa Fe, NM 87505, hereinafter called "Lessor", whether one or more, and DRUM Energy Corporation, P.O. Box 2134, Midland, TX 79702, hereinafter called "Lessee".

1. Lessor, in consideration of the sum of Ten Dollars and other good and valuable consideration (\$10.00 OGVC), in hand paid, the receipt of which is hereby acknowledged, and of the royalties herein provided and the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting drilling and operating for and producing oil and gas, injecting gas, waters, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, roadways, telephone lines and other structures and things thereon to produce, save, take care of, treat, process, store and transport oil, as and other hydrocarbons, that may be produced from the following described land in Lea County, New Mexico, to-wit:

Township 19 South, Range 38 East NMPM
Section 35: SW/4

2. Without reference to the commencement, prosecution or cessation at any time of drilling or other development operations, or to the discovery, development or cessation at any time of production of oil, gas or other hydrocarbons, and notwithstanding anything else herein contained to the contrary, this lease shall be for a term of one (1) year from the date hereof, hereinafter called "primary term", and as long thereafter as oil, gas or other hydrocarbons are produced from said land or land with which said land is pooled hereunder.

3. The royalties to be paid by Lessee are: (a) on oil, and other liquid hydrocarbons saved at the well, one-fourth (1/4) of that produced and saved from said land, same to be delivered at the wells or to the credit of Lessor in the pipelines to which the wells may be connected; Lessor's interest in either case shall bear its proportion of any expenses for treating oil to make it marketable as crude; (b) on gas, including casinghead gas and all gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the mouth of the well of one-fourth (1/4) of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-fourth (1/4) of the amount realized from such sale; (c) at any time, and from time to time, either at or after the expiration of the primary term of this lease, if there is a gas well or wells on said land (and for the purposes of this clause (c) the term "gas well" shall include wells capable of producing natural gas, condensate, distillate, or any gaseous substance and wells classified as gas wells by any governmental authority) and such well or wells are or have been shut-in before or after production therefrom, it shall be deemed that said well or wells are producing gas within the meaning of paragraph 2 of this lease and this lease shall not terminate. In such event, Lessee covenants and agrees to pay as royalty, shut-in gas royalty in the amount of one dollar (\$1.00) per mineral acre per annum as long as such well or wells are shut-in and this lease is not maintained in force or effect by other provisions hereof. Such shut-in royalty shall be made by check or draft of Lessee mailed or delivered to the parties entitled thereto. In the event Lessee is obligated to pay the shut-in royalty above indicated, the first payment of such shut-in royalty shall be due and payable on or before ninety (90) days following the date on which the well is shut-in, or if shut-in during the primary term then on or before ninety (90) days following the expiration of the primary term, and subsequent payments, if required under the terms of this paragraph, shall be due and payable annually on or before the anniversary of the date of the original payment. It is specifically provided that this is a paid-up lease during the term set out above as "primary term" and there shall be no obligation or liability on the Lessee to make any shut-in royalty payment or other payment during said primary term, and without any such payment this lease shall remain in full force and effect during said primary term. The obligation to pay the shut-in royalty provided for above, shall be a covenant running with the land and, under no conditions, shall the failure to comply with such obligation serve or be used to terminate this lease or to work any forfeiture.

4. Lessee is hereby granted the right and power, from time to time to pool or combine this lease, the land covered by it or any part or horizon thereof with any other land, lease, leases, mineral estates or parts thereof for the production of oil or gas. Units pooled hereunder shall not exceed the standard proration unit fixed by law or by the New Mexico Oil Conservation Commission or by other lawful authority for the pool or area in which said land is situated, plus a tolerance of 10%. Lessee shall file written unit designations in the county in which the premises are located and such units may be designated from time to time and either before or after the completion of wells. Drilling operations on or production from any part of any such unit shall be contained for all purposes, except the payment of royalty, as operations conducted upon or production from the land described in this lease. There shall be allocated to the land covered by this lease included in any such unit that portion of the total production of pooled minerals from wells in the unit, after deducting any used in lease or unit operations, which the number of surface acres in the land covered by this lease included in the unit bears to the total number of surface acres in the unit. The production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production of pooled minerals from the portion of said land covered hereby and included in

said unit in the same manner as though produced from said land under the terms of this lease. Any pooled unit designated by lessee, as provided herein, may be dissolved by Lessee by recording an appropriate instrument in the County where the land is situated at any time after the completion of a dry hole or the cessation of Production on said unit.

5. If, at the expiration of the primary term of this lease, oil, gas or other hydrocarbons are not being produced from the lease premises, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, this lease shall remain in force so long as drilling or reworking operations are prosecuted (whether on the same or different wells) with no cessation of more than sixty (60) consecutive days, and if they result in production, so long thereafter as oil, gas or other hydrocarbons are produced from said land. If production of oil, gas or other hydrocarbons on said land should cease from any cause after the primary term, this lease nevertheless shall continue in force and effect as long as additional drilling operations or reworking operations are conducted on this lease, which additional operations shall be deemed to be had when not more than sixty (60) days elapse between the abandonment of operations on one well and the commencement of operations on another well, and if production is obtained this lease shall continue as long thereafter as oil, gas or other hydrocarbons are produced from said land, and as long thereafter as additional operations, either drilling or reworking, are had thereon. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 660 feet of and draining the leased premises. Lessee agrees to drill such offset well as a reasonably prudent operator would drill under the same or similar circumstances. The judgment of the Lessee, when not fraudulently exercised, in carrying out the purpose of this lease shall be conclusive.

6. Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells and tanks, for all operations hereunder, including, but not limited to, repressuring, pressure maintenance, cycling, and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. No well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, executors, administrators, successors and assigns of the parties hereto, but no change or division in ownership of the land or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee or impair the effectiveness of any payment heretofore made by Lessee. No such change or division to the ownership of the land or royalties shall impair the effectiveness of any payment theretofore made by Lessee or be binding upon Lessee for any purpose (and irrespective of whether Lessee has either actual or constructive knowledge thereof) until 60 days after such person acquiring any interest has furnished Lessee with the instrument, or instruments, or certified copies thereof, constituting his chain of title from the original Lessor.

8. Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure. The term "force majeure" as employed herein shall mean: any act of God including but not limited to storms, floods, washouts, landslides and lightning; acts of the public enemy; wars, blockades, insurrection or riots; strikes or lockouts; epidemics or quarantine regulations; laws, acts, orders or requests of federal, state, municipal or other governments or other governmental officers or agents under color of authority; freight embargoes or failures; exhaustion or unavailability or delays in delivery of any product labor, service or material. If Lessee is required, ordered or directed by any federal, state or municipal law, executive order, rule, regulation or request enacted or promulgated under color of authority to cease drilling operations, reworking operations or producing operations on the land covered by this lease or if Lessee by force majeure is prevented from conducting drilling operations, reworking operations, or producing operations, then until such time as such law, order, rule, regulation, request or force majeure is terminated, and for a period of ninety (90) days after such termination each and every provision of this lease that might operate to terminate it, or the estate conveyed by it, shall be suspended and inoperative and this lease shall continue in full force. If any period of suspension occurs during the primary term, the time thereof shall be added to such term.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee, at its option, may discharge any tax, mortgage, other lien upon said land and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce the same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's right under the warranty in the event of failure of title in whole or in part, it is agreed that if Lessor does not own, or have the right to lease, the entire mineral estate herein purported to be leased in the land above described, then the royalties and any other sums payable hereunder shall be reduced proportionately. Should any party named above as Lessor fail to execute this lease, or should any party execute the lease who is not named as a Lessor, it shall nevertheless be binding upon the party or parties executing the same.

10. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part, to Lessor, or his heirs and assigns by delivering or mailing a release thereof to the lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, expressed or implied, of this agreement as to the acreage so surrendered.

IN WITNESS WHEREOF, this instrument is executed the day and year first above written.

Max W. Coll, II
SSN:

ACKNOWLEDGMENT

STATE OF New Mexico
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____ 1993, by Max W. Coll II, in the capacities stated therein.

NOTARY PUBLIC

My commission expires:

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____ 1993, by _____, in the capacities stated therein.

NOTARY PUBLIC

My commission expires:

On approval of lease or mineral deed described hereon, do hereby consent to pay to the collecting bank for payment of this draft for the full amount of the face of the draft, and without any right of the drawer, payee or endorser hereof, to recall or demand return of this draft prior to the expiration of the above specified time, and there shall be no liability whatsoever on the collecting bank for return of this draft prior to such expiration.

ORDER OF Jon F. Coll, P.O. Box 1818, Roswell, NM 88201
\$ 250.00
TWO HUNDRED FIFTY and no/100 DOLLARS

This draft is drawn to pay for Oil and Gas Lease, Mineral Deed dated 12 July, 1993 and covering Section 35 Township 19 South Range 38E, NMP, Lea County, New Mexico
The drawer, payee and endorsers hereon, and the grantors of the lease or mineral deed described hereon, do hereby consent to pay to the collecting bank for payment of this draft for the full amount of the face of the draft, and without any right of the drawer, payee or endorser hereof, to recall or demand return of this draft prior to the expiration of the above specified time, and there shall be no liability whatsoever on the collecting bank for return of this draft prior to such expiration.

TO DRUM Energy Corp (684-9081) DRAWEE
Ant Texas National Bank (AFTN) Fran Havlik
P.O. Box 3090, MIland, TX 79702
Collecting Bank
Joe Alexander, Agent
Standard Form

Form No. 525 Pound Printing & Stationery Co.,
2325 Fannin Street, Houston, Texas 77002 (713) 658-9159

Joe Alexander Oil & Gas Properties
P.O. Box 3081
Midland, TX 79702
(915) 685-1357

July 13, 1993

Mr. Jon F. Coll
P.O. Box 1818
Roswell, NM 88201

Dear Mr. Coll:

Enclosed please find an Oil & Gas Lease , covering SW/4 Section 35, T-19S R-38E, Lea Co., NM, and a draft in the amount of \$250 00. This is the lease that you negotiated with David Mussett of DRUM Energy.

Please sign the lease before a Notary Public. Make sure the Notary Public completes the acknowledgment, located on the last page of the lease, including his/her signature, seal and the date his/her commission expires. Take the executed lease and collection draft to your bank for forwarding here to Midland.

You requested that the lease be made out to you as your "Sole and Separate Property". We have styled the lease accordingly. However, our title opinion shows Mary R. Coll as a community owner. Please provide the documentation necessary to prove that this is Sole and Separate Property. It will be required before we can pay the draft.

If you have any questions, or I can be of any further service, please don't hesitate to call me.

Sincerely,

Joe Alexander

OIL AND GAS LEASE
(Paid Up)

THIS AGREEMENT made and entered into this 12th day of July, 1993, by and between Jon F. Coll, dealing herein with his sole and separate property, P.O. Box 1818, Roswell, NM 88201, hereinafter called "Lessor", whether one or more, and DRUM Energy Corporation, P.O. Box 2134, Midland, TX 79702, hereinafter called "Lessee".

1. Lessor, in consideration of the sum of Ten Dollars and other good and valuable consideration (\$10.00 OGVC), in hand paid, the receipt of which is hereby acknowledged, and of the royalties herein provided and the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting drilling and operating for and producing oil and gas, injecting gas, waters, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, roadways, telephone lines and other structures and things thereon to produce, save, take care of, treat, process, store and transport oil, as and other hydrocarbons, that may be produced from the following described land in Lea County, New Mexico, to-wit:

Township 19 South, Range 38 East NMPM
Section 35: SW/4

2. Without reference to the commencement, prosecution or cessation at any time of drilling or other development operations, or to the discovery, development or cessation at any time of production of oil, gas or other hydrocarbons, and notwithstanding anything else herein contained to the contrary, this lease shall be for a term of one (1) year from the date hereof, hereinafter called "primary term", and as long thereafter as oil, gas or other hydrocarbons are produced from said land or land with which said land is pooled hereunder.

3. The royalties to be paid by Lessee are: (a) on oil, and other liquid hydrocarbons saved at the well, one-fourth (1/4) of that produced and saved from said land, same to be delivered at the wells or to the credit of Lessor in the pipelines to which the wells may be connected; Lessor's interest in either case shall bear its proportion of any expenses for treating oil to make it marketable as crude; (b) on gas, including casinghead gas and all gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the mouth of the well of one-fourth (1/4) of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-fourth (1/4) of the amount realized from such sale; (c) at any time, and from time to time, either at or after the expiration of the primary term of this lease, if there is a gas well or wells on said land (and for the purposes of this clause (c) the term "gas well" shall include wells capable of producing natural gas, condensate, distillate, or any gaseous substance and wells classified as gas wells by any governmental authority) and such well or wells are or have been shut-in before or after production therefrom, it shall be deemed that said well or wells are producing gas within the meaning of paragraph 2 of this lease and this lease shall not terminate. In such event, Lessee covenants and agrees to pay as royalty, shut-in gas royalty in the amount of one dollar (\$1.00) per mineral acre per annum as long as such well or wells are shut-in and this lease is not maintained in force or effect by other provisions hereof. Such shut-in royalty shall be made by check or draft of Lessee mailed or delivered to the parties entitled thereto. In the event Lessee is obligated to pay the shut-in royalty above indicated, the first payment of such shut-in royalty shall be due and payable on or before ninety (90) days following the date on which the well is shut-in, or if shut-in during the primary term then on or before ninety (90) days following the expiration of the primary term, and subsequent payments, if required under the terms of this paragraph, shall be due and payable annually on or before the anniversary of the date of the original payment. It is specifically provided that this is a paid-up lease during the term set out above as "primary term" and there shall be no obligation or liability on the Lessee to make any shut-in royalty payment or other payment during said primary term, and without any such payment this lease shall remain in full force and effect during said primary term. The obligation to pay the shut-in royalty provided for above, shall be a covenant running with the land and, under no conditions, shall the failure to comply with such obligation serve or be used to terminate this lease or to work any forfeiture.

4. Lessee is hereby granted the right and power, from time to time to pool or combine this lease, the land covered by it or any part or horizon thereof with any other land, lease, leases, mineral estates or parts thereof for the production of oil or gas. Units pooled hereunder shall not exceed the standard proration unit fixed by law or by the New Mexico Oil Conservation Commission or by other lawful authority for the pool or area in which said land is situated, plus a tolerance of 10%. Lessee shall file written unit designations in the county in which the premises are located and such units may be designated from time to time and either before or after the completion of wells. Drilling operations on or production from any part of any such unit shall be contained for all purposes, except the payment of royalty, as operations conducted upon or production from the land described in this lease. There shall be allocated to the land covered by this lease included in any such unit that portion of the total production of pooled minerals from wells in the unit, after deducting any used in lease or unit operations, which the number of surface acres in the land covered by this lease included in the unit bears to the total number of surface acres in the unit. The production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production of pooled minerals from the portion of said land covered hereby and included in

said unit in the same manner as though produced from said land under the terms of this lease. Any pooled unit designated by lessee, as provided herein, may be dissolved by Lessee by recording an appropriate instrument in the County where the land is situated at any time after the completion of a dry hole or the cessation of Production on said unit.

5. If, at the expiration of the primary term of this lease, oil, gas or other hydrocarbons are not being produced from the lease premises, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, this lease shall remain in force so long as drilling or reworking operations are prosecuted (whether on the same or different wells) with no cessation of more than sixty (60) consecutive days, and if they result in production, so long thereafter as oil, gas or other hydrocarbons are produced from said land. If production of oil, gas or other hydrocarbons on said land should cease from any cause after the primary term, this lease nevertheless shall continue in force and effect as long as additional drilling operations or reworking operations are conducted on this lease, which additional operations shall be deemed to be had when not more than sixty (60) days elapse between the abandonment of operations on one well and the commencement of operations on another well, and if production is obtained this lease shall continue as long thereafter as oil, gas or other hydrocarbons are produced from said land, and as long thereafter as additional operations, either drilling or reworking, are had thereon. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 660 feet of and draining the leased premises. Lessee agrees to drill such offset well as a reasonably prudent operator would drill under the same or similar circumstances. The judgment of the Lessee, when not fraudulently exercised, in carrying out the purpose of this lease shall be conclusive.

6. Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells and tanks, for all operations hereunder, including, but not limited to, repressuring, pressure maintenance, cycling, and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. No well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, executors, administrators, successors and assigns of the parties hereto, but no change or division in ownership of the land or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee or impair the effectiveness of any payment heretofore made by Lessee. No such change or division to the ownership of the land or royalties shall impair the effectiveness of any payment theretofore made by Lessee or be binding upon Lessee for any purpose (and irrespective of whether Lessee has either actual or constructive knowledge thereof) until 60 days after such person acquiring any interest has furnished Lessee with the instrument, or instruments, or certified copies thereof, constituting his chain of title from the original Lessor.

8. Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure. The term "force majeure" as employed herein shall mean: any act of God including but not limited to storms, floods, washouts, landslides and lightning; acts of the public enemy; wars, blockades, insurrection or riots; strikes or lockouts; epidemics or quarantine regulations; laws, acts, orders or requests of federal, state, municipal or other governments or other governmental officers or agents under color of authority; freight embargoes or failures; exhaustion or unavailability or delays in delivery of any product labor, service or material. If Lessee is required, ordered or directed by any federal, state or municipal law, executive order, rule, regulation or request enacted or promulgated under color of authority to cease drilling operations, reworking operations or producing operations on the land covered by this lease or if Lessee by force majeure is prevented from conducting drilling operations, reworking operations, or producing operations, then until such time as such law, order, rule, regulation, request or force majeure is terminated, and for a period of ninety (90) days after such termination each and every provision of this lease that might operate to terminate it, or the estate conveyed by it, shall be suspended and inoperative and this lease shall continue in full force. If any period of suspension occurs during the primary term, the time thereof shall be added to such term.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee, at its option, may discharge any tax, mortgage, other lien upon said land and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce the same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's right under the warranty in the event of failure of title in whole or in part, it is agreed that if Lessor does not own, or have the right to lease, the entire mineral estate herein purported to be leased in the land above described, then the royalties and any other sums payable hereunder shall be reduced proportionately. Should any party named above as Lessor fail to execute this lease, or should any party execute the lease who is not named as a Lessor, it shall nevertheless be binding upon the party or parties executing the same.

10. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part, to Lessor, or his heirs and assigns by delivering or mailing a release thereof to the lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, expressed or implied, of this agreement as to the acreage so surrendered.

IN WITNESS WHEREOF, this instrument is executed the day and year first above written.

Jon F. Coll
SSN:

ACKNOWLEDGMENT

STATE OF New Mexico
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____ 1993, by Jon F. Coll, in the capacities stated therein.

NOTARY PUBLIC

My commission expires:

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____ 1993, by _____, in the capacities stated therein.

NOTARY PUBLIC

My commission expires:

-

Joe Alexander Oil & Gas Properties
P.O. Box 3081
Midland, TX 79702
(915) 685-1357

July 13, 1993

Mr. Charles H. Coll
P.O. Box 1818
Roswell, NM 88201

Dear Mr. Coll:

Enclosed please find an Oil & Gas Lease , covering SW/4 Section 35, T-19S R-38E, Lea Co., NM, and a draft in the amount of \$250.00. This is the lease that you negotiated with David Mussett of DRUM Energy.

Please sign the lease before a Notary Public. Make sure the Notary Public completes the acknowledgment, located on the last page of the lease, including his/her signature, seal and the date his/her commission expires. Take the executed lease and collection draft to your bank for forwarding here to Midland.

If you have any questions, or I can be of any further service, please don't hesitate to call me.

Sincerely,

Joe Alexander

On approval of lease or mineral deed described
on and on approval of title to same by drawee
later than 30 days after arrival of this draft at
collecting bank.

12 July 1993

PAY TO THE ORDER OF Charles H. Coll, P.O. Box 1818, Roswell, NM 88201

\$250.00

TWO HUNDRED FIFTY and no/100

DOLLARS

This draft is drawn to pay for Oil and Gas Lease, Mineral Deed dated 12 July 1993

SM 74 Section 35, Township 19 South, Range 38E, NMPM, Lea County, New Mexico

The drawer, payee and endorser hereof, and the grantors of the lease or mineral deed described hereon, do hereby constitute and appoint the collecting bank escrow agent to hold this draft for the time above specified subject alone to acceptance of payment hereof by the drawee, within said time, and without any right of the drawer, payee or endorser hereof, or said grantors, to recall or demand return of this draft prior to the expiration of the above specified time, and there shall be no liability whatsoever on the collecting bank for refusal to return the same prior to such expiration. In the event this draft is not paid within said time, the collecting bank shall return the same to forwarding bank and no liability for payment or otherwise shall be attached to any of the parties hereto.

DRUM Energy Corp. (684 9081) DRAWER
Texas National Bank (Attn: Fran Haylik)
P.O. Box 3090, Midland, TX 79702
Collecting Bank

Joe Alexander Agent

Form No. 525 Pound Printing & Stationery Co.
222 Plaster Street Houston, Texas 77002 (713) 659-3159

Standard Form

OIL AND GAS LEASE
(Paid Up)

THIS AGREEMENT made and entered into this 12th day of July, 1993, by and between Charles H. Coll, dealing herein with his sole and separate property, P.O. Box 1818, Roswell, NM 88201, hereinafter called "Lessor", whether one or more, and DRUM Energy Corporation, P.O. Box 2134, Midland, TX 79702, hereinafter called "Lessee".

1. Lessor, in consideration of the sum of Ten Dollars and other good and valuable consideration (\$10.00 OGVC), in hand paid, the receipt of which is hereby acknowledged, and of the royalties herein provided and the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting drilling and operating for and producing oil and gas, injecting gas, waters, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, roadways, telephone lines and other structures and things thereon to produce, save, take care of, treat, process, store and transport oil, as and other hydrocarbons, that may be produced from the following described land in Lea County, New Mexico, to-wit:

Township 19 South, Range 38 East NMPM
Section 35: SW/4

2. Without reference to the commencement, prosecution or cessation at any time of drilling or other development operations, or to the discovery, development or cessation at any time of production of oil, gas or other hydrocarbons, and notwithstanding anything else herein contained to the contrary, this lease shall be for a term of one (1) year from the date hereof, hereinafter called "primary term", and as long thereafter as oil, gas or other hydrocarbons are produced from said land or land with which said land is pooled hereunder.

3. The royalties to be paid by Lessee are: (a) on oil, and other liquid hydrocarbons saved at the well, one-fourth (1/4) of that produced and saved from said land, same to be delivered at the wells or to the credit of Lessor in the pipelines to which the wells may be connected; Lessor's interest in either case shall bear its proportion of any expenses for treating oil to make it marketable as crude; (b) on gas, including casinghead gas and all gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the mouth of the well of one-fourth (1/4) of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-fourth (1/4) of the amount realized from such sale; (c) at any time, and from time to time, either at or after the expiration of the primary term of this lease, if there is a gas well or wells on said land (and for the purposes of this clause (c) the term "gas well" shall include wells capable of producing natural gas, condensate, distillate, or any gaseous substance and wells classified as gas wells by any governmental authority) and such well or wells are or have been shut-in before or after production therefrom, it shall be deemed that said well or wells are producing gas within the meaning of paragraph 2 of this lease and this lease shall not terminate. In such event, Lessee covenants and agrees to pay as royalty, shut-in gas royalty in the amount of one dollar (\$1.00) per mineral acre per annum as long as such well or wells are shut-in and this lease is not maintained in force or effect by other provisions hereof. Such shut-in royalty shall be made by check or draft of Lessee mailed or delivered to the parties entitled thereto. In the event Lessee is obligated to pay the shut-in royalty above indicated, the first payment of such shut-in royalty shall be due and payable on or before ninety (90) days following the date on which the well is shut-in, or if shut-in during the primary term then on or before ninety (90) days following the expiration of the primary term, and subsequent payments, if required under the terms of this paragraph, shall be due and payable annually on or before the anniversary of the date of the original payment. It is specifically provided that this is a paid-up lease during the term set out above as "primary term" and there shall be no obligation or liability on the Lessee to make any shut-in royalty payment or other payment during said primary term, and without any such payment this lease shall remain in full force and effect during said primary term. The obligation to pay the shut-in royalty provided for above, shall be a covenant running with the land and, under no conditions, shall the failure to comply with such obligation serve or be used to terminate this lease or to work any forfeiture.

4. Lessee is hereby granted the right and power, from time to time to pool or combine this lease, the land covered by it or any part or horizon thereof with any other land, lease, leases, mineral estates or parts thereof for the production of oil or gas. Units pooled hereunder shall not exceed the standard proration unit fixed by law or by the New Mexico Oil Conservation Commission or by other lawful authority for the pool or area in which said land is situated, plus a tolerance of 10%. Lessee shall file written unit designations in the county in which the premises are located and such units may be designated from time to time and either before or after the completion of wells. Drilling operations on or production from any part of any such unit shall be contained for all purposes, except the payment of royalty, as operations conducted upon or production from the land described in this lease. There shall be allocated to the land covered by this lease included in any such unit that portion of the total production of pooled minerals from wells in the unit, after deducting any used in lease or unit operations, which the number of surface acres in the land covered by this lease included in the unit bears to the total number of surface acres in the unit. The production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production of pooled minerals from the portion of said land covered hereby and included in

said unit in the same manner as though produced from said land under the terms of this lease. Any pooled unit designated by lessee, as provided herein, may be dissolved by Lessee by recording an appropriate instrument in the County where the land is situated at any time after the completion of a dry hole or the cessation of Production on said unit.

5. If, at the expiration of the primary term of this lease, oil, gas or other hydrocarbons are not being produced from the lease premises, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, this lease shall remain in force so long as drilling or reworking operations are prosecuted (whether on the same or different wells) with no cessation of more than sixty (60) consecutive days, and if they result in production, so long thereafter as oil, gas or other hydrocarbons are produced from said land. If production of oil, gas or other hydrocarbons on said land should cease from any cause after the primary term, this lease nevertheless shall continue in force and effect as long as additional drilling operations or reworking operations are conducted on this lease, which additional operations shall be deemed to be had when not more than sixty (60) days elapse between the abandonment of operations on one well and the commencement of operations on another well, and if production is obtained this lease shall continue as long thereafter as oil, gas or other hydrocarbons are produced from said land, and as long thereafter as additional operations, either drilling or reworking, are had thereon. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 660 feet of and draining the leased premises. Lessee agrees to drill such offset well as a reasonably prudent operator would drill under the same or similar circumstances. The judgment of the Lessee, when not fraudulently exercised, in carrying out the purpose of this lease shall be conclusive.

6. Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells and tanks, for all operations hereunder, including, but not limited to, repressuring, pressure maintenance, cycling, and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. No well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, executors, administrators, successors and assigns of the parties hereto, but no change or division in ownership of the land or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee or impair the effectiveness of any payment heretofore made by Lessee. No such change or division to the ownership of the land or royalties shall impair the effectiveness of any payment theretofore made by Lessee or be binding upon Lessee for any purpose (and irrespective of whether Lessee has either actual or constructive knowledge thereof) until 60 days after such person acquiring any interest has furnished Lessee with the instrument, or instruments, or certified copies thereof, constituting his chain of title from the original Lessor.

8. Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure. The term "force majeure" as employed herein shall mean: any act of God including but not limited to storms, floods, washouts, landslides and lightning; acts of the public enemy; wars, blockades, insurrection or riots; strikes or lockouts; epidemics or quarantine regulations; laws, acts, orders or requests of federal, state, municipal or other governments or other governmental officers or agents under color of authority; freight embargoes or failures; exhaustion or unavailability or delays in delivery of any product labor, service or material. If Lessee is required, ordered or directed by any federal, state or municipal law, executive order, rule, regulation or request enacted or promulgated under color of authority to cease drilling operations, reworking operations or producing operations on the land covered by this lease or if Lessee by force majeure is prevented from conducting drilling operations, reworking operations, or producing operations, then until such time as such law, order, rule, regulation, request or force majeure is terminated, and for a period of ninety (90) days after such termination each and every provision of this lease that might operate to terminate it, or the estate conveyed by it, shall be suspended and inoperative and this lease shall continue in full force. If any period of suspension occurs during the primary term, the time thereof shall be added to such term.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee, at its option, may discharge any tax, mortgage, other lien upon said land and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce the same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's right under the warranty in the event of failure of title in whole or in part, it is agreed that if Lessor does not own, or have the right to lease, the entire mineral estate herein purported to be leased in the land above described, then the royalties and any other sums payable hereunder shall be reduced proportionately. Should any party named above as Lessor fail to execute this lease, or should any party execute the lease who is not named as a Lessor, it shall nevertheless be binding upon the party or parties executing the same.

10. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part, to Lessor, or his heirs and assigns by delivering or mailing a release thereof to the lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, expressed or implied, of this agreement as to the acreage so surrendered.

IN WITNESS WHEREOF, this instrument is executed the day and year first above written.

Charles H. Coll
SSN:

ACKNOWLEDGMENT

STATE OF New Mexico
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____ 1993, by Charles H. Coll, in the capacities stated therein.

NOTARY PUBLIC

My commission expires:

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____ 1993, by _____, in the capacities stated therein.

NOTARY PUBLIC

My commission expires:

On approval of lease or mineral deed described hereon and approval of title to same by drawer not later than 30 days after arrival of this draft at collecting bank.

12 July 1993

PAY TO THE ORDER OF James N. Golladay, Hammermill SENTRY SAFETY PAPER COMPANY, NEW MEXICO
TWO HUNDRED FIFTY and no/100- DOLLARS \$250.00

This draft is drawn on the National Bank of Commerce, Dallas, Texas, and is payable to the order of the drawer, James N. Golladay, Hammermill SENTRY SAFETY PAPER COMPANY, NEW MEXICO. The drawer, payee and endorsers hereof, and the grantors of the lease or mineral deed described hereon do hereby constitute and appoint the collecting bank escrow agent to hold this draft for the time above specified subject alone to acceptance of payment hereof by the drawer, within said time, and without any right of the drawer, payee or endorsers hereof, or said grantors, to recall or demand return of this draft prior to the expiration of the above specified time, and there shall be no liability whatsoever on the collecting bank for refusal to return the same prior to such expiration. If the terms hereof are not paid within the time specified, the collecting bank shall return the same to the drawer, and the drawer shall be liable for payment of interest thereon from the date of the return of the draft to the drawer. The drawer, payee and endorsers hereof, and the grantors of the lease or mineral deed described hereon do hereby constitute and appoint the collecting bank escrow agent to hold this draft for the time above specified subject alone to acceptance of payment hereof by the drawer, within said time, and without any right of the drawer, payee or endorsers hereof, or said grantors, to recall or demand return of this draft prior to the expiration of the above specified time, and there shall be no liability whatsoever on the collecting bank for refusal to return the same prior to such expiration. If the terms hereof are not paid within the time specified, the collecting bank shall return the same to the drawer, and the drawer shall be liable for payment of interest thereon from the date of the return of the draft to the drawer.

P. O. Box 30990, Midland, TX 79702
Joe Alexander, A/Ren B/Sigmond Form
Eighth NG, 13230th Printing & Stationery Rep
13230th Printing & Stationery Rep
13230th Printing & Stationery Rep

Joe Alexander Oil & Gas Properties
P.O. Box 3081
Midland, TX 79702
(915) 685-1357

July 13, 1993

Mr. James N. Coll
P.O. Box 1818
Roswell, NM 88201

Dear Mr. Coll:

Enclosed please find an **Oil & Gas Lease**, covering SW/4 Section 35, T-19S R-38E, Lea Co., NM, and a draft in the amount of **\$250.00**. This is the lease that you negotiated with David Mussett of DRUM Energy.

Please sign the lease **before a Notary Public**. Make sure the Notary Public completes the acknowledgment, located on the last page of the lease, including his/her signature, seal and the date his/her commission expires. Take the executed lease and collection draft to your bank for forwarding here to Midland.

You requested that the lease be made out to you as your "Sole and Separate Property". We have styled the lease accordingly. However, our title opinion shows Florence M. Coll as a community owner. Please provide the documentation necessary to prove that this is Sole and Separate Property. It will be required before we can pay the draft.

If you have any questions, or I can be of any further service, please don't hesitate to call me.

Sincerely,

Joe Alexander

OIL AND GAS LEASE
(Paid Up)

THIS AGREEMENT made and entered into this 12th day of July, 1993, by and between James N. Coll, dealing herein with his sole and separate property, P.O. Box 1818, Roswell, NM 88201, hereinafter called "Lessor", whether one or more, and DRUM Energy Corporation, P.O. Box 2134, Midland, TX 79702, hereinafter called "Lessee":

1. Lessor, in consideration of the sum of Ten Dollars and other good and valuable consideration (\$10.00 OGVC), in hand paid, the receipt of which is hereby acknowledged, and of the royalties herein provided and the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting drilling and operating for and producing oil and gas, injecting gas, waters, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, roadways, telephone lines and other structures and things thereon to produce, save, take care of, treat, process, store and transport oil, as and other hydrocarbons, that may be produced from the following described land in Lea County, New Mexico, to-wit:

Township 19 South, Range 38 East NMPM
Section 35: SW/4

2. Without reference to the commencement, prosecution or cessation at any time of drilling or other development operations, or to the discovery, development or cessation at any time of production of oil, gas or other hydrocarbons, and notwithstanding anything else herein contained to the contrary, this lease shall be for a term of one (1) year from the date hereof, hereinafter called "primary term", and as long thereafter as oil, gas or other hydrocarbons are produced from said land or land with which said land is pooled hereunder.

3. The royalties to be paid by Lessee are: (a) on oil, and other liquid hydrocarbons saved at the well, one-fourth (1/4) of that produced and saved from said land, same to be delivered at the wells or to the credit of Lessor in the pipelines to which the wells may be connected; Lessor's interest in either case shall bear its proportion of any expenses for treating oil to make it marketable as crude; (b) on gas, including casinghead gas and all gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the mouth of the well of one-fourth (1/4) of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-fourth (1/4) of the amount realized from such sale; (c) at any time, and from time to time, either at or after the expiration of the primary term of this lease, if there is a gas well or wells on said land (and for the purposes of this clause (c) the term "gas well" shall include wells capable of producing natural gas, condensate, distillate, or any gaseous substance and wells classified as gas wells by any governmental authority) and such well or wells are or have been shut-in before or after production therefrom, it shall be deemed that said well or wells are producing gas within the meaning of paragraph 2 of this lease and this lease shall not terminate. In such event, Lessee covenants and agrees to pay as royalty, shut-in gas royalty in the amount of one dollar (\$1.00) per mineral acre per annum as long as such well or wells are shut-in and this lease is not maintained in force or effect by other provisions hereof. Such shut-in royalty shall be made by check or draft of Lessee mailed or delivered to the parties entitled thereto. In the event Lessee is obligated to pay the shut-in royalty above indicated, the first payment of such shut-in royalty shall be due and payable on or before ninety (90) days following the date on which the well is shut-in, or if shut-in during the primary term then on or before ninety (90) days following the expiration of the primary term, and subsequent payments, if required under the terms of this paragraph, shall be due and payable annually on or before the anniversary of the date of the original payment. It is specifically provided that this is a paid-up lease during the term set out above as "primary term" and there shall be no obligation or liability on the Lessee to make any shut-in royalty payment or other payment during said primary term, and without any such payment this lease shall remain in full force and effect during said primary term. The obligation to pay the shut-in royalty provided for above, shall be a covenant running with the land and, under no conditions, shall the failure to comply with such obligation serve or be used to terminate this lease or to work any forfeiture.

4. Lessee is hereby granted the right and power, from time to time to pool or combine this lease, the land covered by it or any part or horizon thereof with any other land, lease, leases, mineral estates or parts thereof for the production of oil or gas. Units pooled hereunder shall not exceed the standard proration unit fixed by law or by the New Mexico Oil Conservation Commission or by other lawful authority for the pool or area in which said land is situated, plus a tolerance of 10%. Lessee shall file written unit designations in the county in which the premises are located and such units may be designated from time to time and either before or after the completion of wells. Drilling operations on or production from any part of any such unit shall be contained for all purposes, except the payment of royalty, as operations conducted upon or production from the land described in this lease. There shall be allocated to the land covered by this lease included in any such unit that portion of the total production of pooled minerals from wells in the unit, after deducting any used in lease or unit operations, which the number of surface acres in the land covered by this lease included in the unit bears to the total number of surface acres in the unit. The production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production of pooled minerals from the portion of said land covered hereby and included in

said unit in the same manner as though produced from said land under the terms of this lease. Any pooled unit designated by lessee, as provided herein, may be dissolved by Lessee by recording an appropriate instrument in the County where the land is situated at any time after the completion of a dry hole or the cessation of Production on said unit.

5. If, at the expiration of the primary term of this lease, oil, gas or other hydrocarbons are not being produced from the lease premises, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, this lease shall remain in force so long as drilling or reworking operations are prosecuted (whether on the same or different wells) with no cessation of more than sixty (60) consecutive days, and if they result in production, so long thereafter as oil, gas or other hydrocarbons are produced from said land. If production of oil, gas or other hydrocarbons on said land should cease from any cause after the primary term, this lease nevertheless shall continue in force and effect as long as additional drilling operations or reworking operations are conducted on this lease, which additional operations shall be deemed to be had when not more than sixty (60) days elapse between the abandonment of operations on one well and the commencement of operations on another well, and if production is obtained this lease shall continue as long thereafter as oil, gas or other hydrocarbons are produced from said land, and as long thereafter as additional operations, either drilling or reworking, are had thereon. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 660 feet of and draining the leased premises. Lessee agrees to drill such offset well as a reasonably prudent operator would drill under the same or similar circumstances. The judgment of the Lessee, when not fraudulently exercised, in carrying out the purpose of this lease shall be conclusive.

6. Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells and tanks, for all operations hereunder, including, but not limited to, repressuring, pressure maintenance, cycling, and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. No well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, executors, administrators, successors and assigns of the parties hereto, but no change or division in ownership of the land or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee or impair the effectiveness of any payment heretofore made by Lessee. No such change or division to the ownership of the land or royalties shall impair the effectiveness of any payment theretofore made by Lessee or be binding upon Lessee for any purpose (and irrespective of whether Lessee has either actual or constructive knowledge thereof) until 60 days after such person acquiring any interest has furnished Lessee with the instrument, or instruments, or certified copies thereof, constituting his chain of title from the original Lessor.

8. Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure. The term "force majeure" as employed herein shall mean: any act of God including but not limited to storms, floods, washouts, landslides and lightning; acts of the public enemy; wars, blockades, insurrection or riots; strikes or lockouts; epidemics or quarantine regulations; laws, acts, orders or requests of federal, state, municipal or other governments or other governmental officers or agents under color of authority; freight embargoes or failures; exhaustion or unavailability or delays in delivery of any product labor, service or material. If Lessee is required, ordered or directed by any federal, state or municipal law, executive order, rule, regulation or request enacted or promulgated under color of authority to cease drilling operations, reworking operations or producing operations on the land covered by this lease or if Lessee by force majeure is prevented from conducting drilling operations, reworking operations, or producing operations, then until such time as such law, order, rule, regulation, request or force majeure is terminated, and for a period of ninety (90) days after such termination each and every provision of this lease that might operate to terminate it, or the estate conveyed by it, shall be suspended and inoperative and this lease shall continue in full force. If any period of suspension occurs during the primary term, the time thereof shall be added to such term.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee, at its option, may discharge any tax, mortgage, other lien upon said land and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce the same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's right under the warranty in the event of failure of title in whole or in part, it is agreed that if Lessor does not own, or have the right to lease, the entire mineral estate herein purported to be leased in the land above described, then the royalties and any other sums payable hereunder shall be reduced proportionately. Should any party named above as Lessor fail to execute this lease, or should any party execute the lease who is not named as a Lessor, it shall nevertheless be binding upon the party or parties executing the same.

10. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part, to Lessor, or his heirs and assigns by delivering or mailing a release thereof to the lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, expressed or implied, of this agreement as to the acreage so surrendered.

IN WITNESS WHEREOF, this instrument is executed the day and year first above written.

James N. Coll
SSN:

ACKNOWLEDGMENT

STATE OF New Mexico
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____ 1993, by James N. Coll, in the capacities stated therein.

NOTARY PUBLIC

My commission expires:

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____ 1993, by _____, in the capacities stated therein.

NOTARY PUBLIC

My commission expires:

SUN (ORYX)

16 Oct 1-214-688-8300. Spoke with ALLEN BEARS. He says
Oryx NOT INTERESTED IN LEASING, WANTS TO SELL
MINERALS. SEND OFFER IN WRITING TO:
P.O. BOX 200
Dallas, TX 75221

ALLEN'S PHONE NR. IS (214-715-8390)
(LTR sent)

29 Oct Oryx turned offer down.

5 NOV CALLED ALLEN (Left msg to call)

9 NOV " " " " "

13 NOV " " " " "

24 Nov " " " " "

4 JAN " " " " "

21 JAN " " " " "

10 FEB " " " " "

MAR LTR offer SENT.

11 MAY DAVID CALLED TALKED TO HIS SECRETARY
ASKED HIM TO CALL.

SUN (ORYX)

16 Oct 1-214-685-8390. Spoke with ALLEN BEARS. He says
ORYX NOT INTERESTED IN LEASING. WANTS TO SELL
MINERALS. SEND OFFER IN WRITING TO:
P.O. BOX 2000
DALLAS, TX. 75221

ALLEN'S PHONE NR. IS (214-715-8390)

(LTR sent)

29 Oct ORYX turned offer down.

6 Nov CALLED ALLEN (LEFT MSG TO CALL)

9 Nov " " " " "

13 Nov " " " " "

24 Nov " " " " "

4 JAN " " " " "

27 JAN " " " " "

10 FEB " " " " "

MAR LTR OFFER SENT.

11 MAY DAVID CALLED TALKED TO HIS SECRETARY
ASKED HIM TO CALL.

JOE ALEXANDER
Oil & Gas Properties
P.O. Box 3081
Midland, TX 79702
(915) 685-1357
16 October, 1992

Oryx Energy Co.
P.O. Box 2880
Dallas, TX 75221

Attn: Allen Beers

Re: SW/4 Section 35, Township 19
South, Range 38 East and NW/4
Section 2, Township 20 South,
Range 38 East, Lea Co., NM

Dear Mr. Beers:

As per our phone conversation of this date, we are interested in buying the mineral interest formerly owned by SUN Oil Co. under the captioned tracts, We offer \$200.00 per acre for the 1/4 interest under SW/4 Section 35 and the 1/144 interest under the NW/4 of Section 2.

Please consider this offer carefully and let me know your decision as soon as possible.

Very truly yours,



Joe Alexander



Oryx Energy Company
13155 Noel Road
Dallas TX 75240-5067
PO Box 2880
Dallas TX 75221-2880
214 745 4000

Northern Region
Exploration Division

October 29, 1992

Joe Alexander
Oil & Gas Properties
P.O. Box 3081
Midland TX 79702

RE: YOUR OFFER LETTER
LEA COUNTY, NEW MEXICO

Dear Mr. Alexander:

We appreciate your offering Oryx the opportunity to review the above captioned, however, at this time Oryx will have to respectfully decline.

Thank you for considering Oryx and should you have any future proposals please let us know.

Sincerely,

ORYX ENERGY COMPANY

Alan Beers, CPL
Landman, Northern U.S.

CAB/dg

DRUM ENERGY
CORPORATION

P.O. Box 2134
Midland, Texas 79702
915/684-9081
Fax 915/683-3520

June 11, 1993

Attention: Mr. Allen Beers
Oryx Energy Company
P.O. Box 2880
Dallas, TX 75221

Re: SW/4 Section 35, T19S-R38E, Lea
County, NM

Dear Mr. Beers,

Records indicate that Oryx Energy owns a 12.5% mineral interest (20 net acres) under the above captioned property. Drum Energy Corporation intends to drill a well on this acreage to test the Blinbry Formation as soon as practicable. If you would like to participate in this project to the extent of your mineral ownership we require execution of the enclosed Authority for Expenditure and a deposit of your share of estimated completed well costs at this time.

Operations will be conducted by Drum Energy Corporation under the A.A.P.L. Form 610-1982 Model Form Operating Agreement with COPAS-1984 Accounting Procedure. Drilling overhead to be \$3000 per month; workover and producing overhead to be \$300 per month per well. There will be no gas balancing agreement; operator will contract gas sales for the working interest owners. Working interest owners will pay in their proportionate share of \$7500 cash plugging bond on each well. This amount is refundable when plugging occurs and will bear interest to be credited to the working interest owners.

If it is your desire not to participate, we offer to lease or to purchase your interest. General lease terms offered are: \$100 per net mineral acre bonus, 1/4 royalty, and 1 year primary term. We offer \$300 per net mineral acre for purchase of your interest.

Please indicate your choice by checking the appropriate space below and signing and returning this letter. An extra copy is provided. If you are returning the Authority for Expenditure and deposit, no action is needed here.

A stamped return envelope has been enclosed for your convenience. Thank you.

Yours truly,
DRUM ENERGY CORPORATION

By: WRM
David R. Mussett, President

We wish to lease.

We wish to sell.

By: _____

Date: _____

**AUTHORITY FOR EXPENDITURE
DRUM ENERGY CORP.
HOUSE PROSPECT
FRANCIS EVELYN #1**

INTANGIBLE	PRODUCER	DRY HOLE
Abstract/Title opinion	\$ 6,000	\$ 6,000
Survey/Location/Damages	5,000	5,000
Drilling footage @ \$11.00	68,200	68,200
Rotary day work: 2 days @ \$4200	8,400	8,400
Pulling unit: 4 days @ \$1200	4,800	
Drilling fluid & trucking	8,000	8,000
Drilling mud and chemicals	4,000	4,000
Surface csg. cement & hardware	4,000	4,000
Production csg. cement & DV tool	22,900	
Pit lining	750	750
Mud logging	1,000	1,000
Open hole logging	5,600	5,600
Perforating	1,200	
Acidizing	2,200	
Frac	25,000	
Engineering/Supervision	4,500	3,600
Rental equipment	2,500	1,500
Trucking and forklift	4,000	2,500
Labor: surface installations	2,500	
Overhead	1,500	1,200
Plugging (cement, dry hole marker, site restoration)		4,000
Contingencies: 10%	<u>17,600</u>	<u>11,800</u>
TOTAL INTANGIBLE	\$ 193,650	\$ 129,550

TANGIBLE

Surface csg.: 1600 feet 8 5/8 @ \$8.00	12,800	12,800
Production csg.: 6200 feet 5 1/2 @ \$3.75	23,250	
Tubing: 6200 feet 2 7/8 @ \$2.25	13,950	
Rods: 6200 feet @ .90	5,580	
Downhole pump	1,200	
Wellhead	1,750	750
Flowlines and connections	2,000	
Tankage: (2) 300 steel, (1) 500 fiberglass	8,000	
Pumping unit and base	15,000	
Motor and controls	2,500	
Heater treater	2,500	
Electrification	3,500	
Contingencies: 10%	<u>9,200</u>	<u>1,350</u>
TOTAL TANGIBLE	\$ 101,230	\$ 14,900

Cash plugging bond: 7,500

TOTAL **\$ 302,380** **\$ 144,450**

YOUR SHARE: 0.125 WI **\$ 37,798** **\$ 18,056**

It is recognized and understood that the amounts herein are estimates only and that approval of this authorization shall extend to the actual costs incurred in the conduct of the operation specified whether more or less than that set out herein.

APPROVED BY WORKING INTEREST OWNER:
ORYX Energy Company

DRUM ENERGY CORP.

By: WRM 6-11-93

Date

Date

JOE ALEXANDER
Oil & Gas Properties
P.O. Box 3081
Midland, TX 79702
(915) 685-1357
10 March, 1993

Oryx Energy Co.
P.O. Box 2880
Dallas, TX 75221

Attn: Allen Beers

Re: SW/4 Section 35, Township 19
South, Range 38 East and NW/4
Section 2, Township 20 South,
Range 38 East, Lea Co., NM

Dear Mr. Beers:

On 16 October, 1992 I made an offer for the minerals formerly owned by Sun Oil Co. under the captioned tract. You informed me by letter dated 29 October that my offer was not accepted. Since that time we have acquired leases covering the other interests in the tract and intend to drill in the very near future.

We are now offering \$300.00 per acre for the 1/4 interest under the SW/4 of Section 35 and the 1/144 interest under the NW/4 of Section 2.

Please consider this offer carefully and let me know your decision as soon as possible.

If this offer is unacceptable, we will be happy to provide ORYX with the opportunity to participate in our wells.

Very truly yours,

Joe Alexander

INTEREST Acquired Fm H.B. Waldrop in 1930^{06C}

W. Roy Williams

29 Sept. 1-405 (NO LISTING)

3 Oct NO LISTING IN CITY DIRECTORIES / ^{PHONE BOOKS} FOR TULSA 1953 TO PRESENT.

11 Oct Reception Book - Returned to H.B. WALDROP.

13 Oct Asked Mrs. (Waldrop) HOWARD - SHE KNEW NOTHING OF HIM.

15 JUNE NOT IN MAT' / PHONE DIRECTORY.

MINNIE P. GRAY

29 Sep 1-405 (NO LISTING)

11 NOV LETTER, NO ANSWER

JUNE 23 1-405-424-2822. Spoke with Mrs. Johnson. SHE SAYS THAT SHE HAS BEEN RELEASED by the COURT, FROM CONSERVATORSHIP. SAID Mrs. GRAY HAD NO HEIRS. THE COURT AWARDED HER Mrs. GRAY'S HORSE. DID NOT KNOW OF ANY OTHER ASSETS. ASKED HER IF SHE KNEW WHAT COURT RULING WAS ON REST & RESIDUE. SHE SAID NO. Agreed to send me whatever PAPERS SHE HAD. CALL BACK Friday.

JUNE 28 CALLED. NO ANSWER.

JULY 5 " " "

JULY 14 CALLED. She Agreed to provide whatever PAPERS SHE HAS BUT WANTS A LETTER FROM ME REQUESTING THEM.

DRUM ENERGY
CORPORATION

P.O. Box 2134
Midland, Texas 79702
915/684-9081
Fax 915/683-3520

June 11, 1993

Thelma P. Johnson, Guardian
Estate of Minnie B. Gray
1514 NE 9th St.
Oklahoma City, OK 73117

Re: SW/4 Section 35, T19S-R38E, Lea
County, NM

Dear Ms. Johnson,

Records indicate that the estate of Minnie B. Gray owns a 3.125% mineral interest (5 net acres) under the above captioned property. Drum Energy Corporation intends to drill a well on this acreage to test the Blinberry Formation as soon as practicable. We offer to lease or to purchase your interest. General lease terms offered are: \$100 per net mineral acre bonus, 1/4 royalty, and 1 year primary term. We offer \$300 per net mineral acre for purchase of your interest.

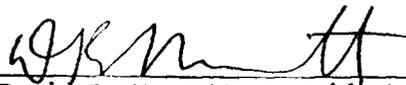
If, instead, you would like to participate in this project to the extent of your mineral ownership we require execution of the enclosed Authority for Expenditure and a deposit of your share of estimated completed well costs at this time.

Operations will be conducted by Drum Energy Corporation under the A.A.P.L. Form 610-1982 Model Form Operating Agreement with COPAS-1984 Accounting Procedure. Drilling overhead to be \$3000 per month; workover and producing overhead to be \$300 per month per well. There will be no gas balancing agreement; operator will contract gas sales for the working interest owners. Working interest owners will pay in their proportionate share of \$7500 cash plugging bond on each well. This amount is refundable when plugging occurs and will bear interest to be credited to the working interest owners.

Please indicate your choice by checking the appropriate space below and signing and returning this letter. An extra copy is provided. If you are returning the Authority for Expenditure and deposit, no action is needed here.

A stamped return envelope has been enclosed for your convenience. Thank you.

Yours truly,
DRUM ENERGY CORPORATION

By: 
David R. Mussett, President

We wish to lease.

We wish to sell.

By: _____

Date: _____

**AUTHORITY FOR EXPENDITURE
DRUM ENERGY CORP.
HOUSE PROSPECT
FRANCIS EVELYN #1**

INTANGIBLE	PRODUCER	DRY HOLE
Abstract/Title opinion	\$ 6,000	\$ 6,000
Survey/Location/Damages	5,000	5,000
Drilling footage @ \$11.00	68,200	68,200
Rotary day work: 2 days @ \$4200	8,400	8,400
Pulling unit: 4 days @ \$1200	4,800	
Drilling fluid & trucking	8,000	8,000
Drilling mud and chemicals	4,000	4,000
Surface csg. cement & hardware	4,000	4,000
Production csg. cement & DV tool	22,900	
Pit lining	750	750
Mud logging	1,000	1,000
Open hole logging	5,600	5,600
Perforating	1,200	
Acidizing	2,200	
Frac	25,000	
Engineering/Supervision	4,500	3,600
Rental equipment	2,500	1,500
Trucking and forklift	4,000	2,500
Labor: surface installations	2,500	
Overhead	1,500	1,200
Plugging (cement, dry hole marker, site restoration)		4,000
Contingencies: 10%	17,600	11,800
TOTAL INTANGIBLE	\$ 193,650	\$ 129,550
 TANGIBLE		
Surface csg.: 1600 feet 8 5/8 @ \$8.00	12,800	12,800
Production csg.: 6200 feet 5 1/2 @ \$3.75	23,250	
Tubing: 6200 feet 2 7/8 @ \$2.25	13,950	
Rods: 6200 feet @ .90	5,580	
Downhole pump	1,200	
Wellhead	1,750	750
Flowlines and connections	2,000	
Tankage: (2) 300 steel, (1) 500 fiberglass	8,000	
Pumping unit and base	15,000	
Motor and controls	2,500	
Heater treater	2,500	
Electrification	3,500	
Contingencies: 10%	9,200	1,350
TOTAL TANGIBLE	\$ 101,230	\$ 14,900
Cash plugging bond:	7,500	
TOTAL	\$ 302,380	\$ 144,450
YOUR SHARE: 0.03125 WI	\$ 9,449	\$ 4,514

It is recognized and understood that the amounts herein are estimates only and that approval of this authorization shall extend to the actual costs incurred in the conduct of the operation specified whether more or less than set out herein.

APPROVED BY WORKING INTEREST OWNER:
Estate of Minnie B. Gray

DRUM ENERGY CORP.

By: WBRM 6-11-93

Date

Date

Mrs. Thelma P. Johnson
1514 N.E. 9th Street
Oklahoma City, Oklahoma 73117

June 22, 1993

Mr. David R. Mussett - President
Drum Energy Corporation
Post Office Box 2134
Midland, Texas 79702

Dear Mr. Mussett:

Reference is made to your letter dated June 11, 1993 concerning the mineral rights under the property described as SW/4, Section 35, T19s-R38E, Lea County, New Mexico.

Please forward a copy of your lease stating the terms and conditions for my review.

Thank you,

Thelma P. Johnson
(Mrs) Thelma P. Johnson

Joe Alexander Oil & Gas Properties
P.O. Box 3081
Midland, TX 79702
(915) 685-1357.

July 14, 1993

Ms. Thelma P. Johnson
1514 NE 9th St.
Oklahoma City, OK 73117

Dear Thelma:

In reference to the New Mexico mineral holdings of Minnie B. Gray, deceased and our telephone conversation of this date, I represent DRUM Energy Corporation of Midland, TX. They are attempting to obtain an Oil & Gas lease covering the Minnie B. Gray interest. I understand that you were the guardian of her estate and are in possession of some papers that will help us determine the ownership of this property and subsequently a lease.

Please send me photocopies of any papers you have that will help us. I am also interested in the court and cause or docket number of Mrs. Gray's case. Please provide this if you have it.

If you have any questions, please don't hesitate to call me.

Sincerely,

Joe Alexander

7 - 22 - 93

Mr Joe Anderson
Post Office Box 3081
Midland, Texas 79702

Re. Mrs Minnie B Gray Estate Guardianship

Dear Mr. Anderson

I do not have the document of resignation from the court.
Upon inquiry I was informed that the records were sealed.
To continue action in this matter would probably be use-
less in my favor.

Sincerely,

Thelma P. Johnson
(Mrs.) Thelma P. Johnson

tpj/