110 WEST LOUISIANA, SUITE 460 MIDLAND, TEXAS 79701 (915) 687-0127

LAND

SCOTT E WILSON

GEOLOGY -

MARK D WILSON

HEATHER WILSON ECHOLS

September 29, 1986

TO: OWNERS OF SMALL MINERAL INTERESTS (See Attached Addressee List)

RE: Township 16 South, Range 37 East, N.M.P.M. Section 26: S/2 containing 320.00 acres, more or less,

Lea County, New Mexico

Dear Owners:

On behalf of Yates Petroleum Corporation, et al, we would like to take an oil and gas lease covering your interest in the captioned lands. Your interest in the captioned lands is shown on the attached Addressee List. Enclosed for your consideration is an oil and gas lease in duplicate, which provides for a three-year primary term and a 3/16 royalty. As consideration for the lease, we will pay you \$10.00 if you own a 1/64th of 1% mineral interest or less, and we will pay you \$20.00 if you own a 1/32nd of 1% mineral interest.

If acceptable, please sign and return one copy of the lease to us. Upon receipt of the lease, we will mail you a check for the amount due.

We are unable to locate the parties underlined in red on the attached Addressee List. If you have any information regarding the location of the parties or their heirs, please send me any information you may have, or call me collect.

Very truly yours,

Sharon K. Hickey Land Secretary

/skh

Attachment

Encs.

### ADDRESSEE LIST

## Owners of Small Mineral Interests S/2 Sec. 26, T-16-S, R-37-E, Lea County, New Mexico

Florence M. Balkam and
Frank B. Balkam, her husband
919 N. Federa Avenue
Mason City, lowa 50401
(1/64th of 1%)

Mae Duncan Bauman 2530 S. Owasso Street Tulsa, Oklahorna 74114 (1/64th of 1%)

i\_ouis E. & Anna B. Booker\*

Mason City, Iowa 50401
(1/64th of 1%)

Hellen M. Brever 15 S. Taylor Mason City, Iowa 50401 (1/32nd of 1%)

Arthur and He ga Britson Roland, Iowa 50236 (1/64th of 1%)

H. L. Brown, Jr. P. O. Box 2237 Midland, Texas 79702 (1/64th of 1%)

Heirs of R. W. and Lucinda Brown P. O. Box 269( San Angelo, Texas 76902 - (1/64th of 1%)

Hazel and Earnest Bruggman Wilbur C. & Pearl Enfield Jessie Faye LaCoste c/o 1101 First Avenue Ackley, Iowa 50601 (1/64th of 1%)

Jennie Anderson Buck 9260 Hwy. 101 Waldport, Oregon 97394 (1/64th of 1%) W. C. Caldwell
P. O. Box 712
Mason City, lowa 50401
(1/64th of 1%)

Theodore D. Christakos, et al 528 Central Avenue Fort Dodge, lowa 50501 (1/32nd of 1%)

Evan and Theline Christiansen
Lake Mills, Iowa 50450
(1/64th of 1%)

Ellen A. Crepow

Mason City, Iowa 50401 (1/64th of 1%)

Floy Mae Mawhinney Dennis 8804 Crawford Avenue Sun Valley, California 91352 (1/32nd of 1%)

Lilliam Mabel Drew Clear Lake, lowa 50428 (1/64th of 1%)

Henry R. & Effie M. Elvidge Callender, lowa 50523 (1/64th of 1%)

J. D. & Myrtle I. Evans Madison, Wisconsin (1/64th of 1%)

Hazel G. Ferguson Eleanor Ferguson Kupel & Richard Kupel 3935 Freeman Hamilton, Ohio 45015 (1/64th of 1%)

Henrietta L. McDermott Fischer 3440 Grand Avenue Des Moines, Iowa 50312 (1/64th of 1%)

### ADDRESSEE LIST (Cont'd.)

### Owners of Small Mineral Interests S/2 Sec. 26, T-16-S, R-37-E, Lea County, New Mexico

Anna Joyce Francis 104-A South 4th Wyoming, Illinois 61491 (1/128th of 1%)

Florence L. Gossman 2800 42nd St. Des Moines, lova 50310

Frederick M. & Alta Grace Mason City, lova (1/64th of 1%)

Clifford & Clara Gray
P. O. Box 61
McDonald, Nev Mexico 88262
(1/64th of 1%)

Ada L. Grew 74
Moville, Iowa 51039
(1/32nd of 1%)

William & Pearl M. Hans (1/64th of 1%)

Earl L. & Kathryn Hansen Swea City, lowa 50590 (1/32nd of 1%)

C. A. & Lillian Hanson Kason City, Iowa (1/64th of 1%)

C. R. & Ruby Femphill and W. J. & Muriel J. Parrott

Mason City, lowa
(1/64th of 1%)

Mildred L. Hitchcock \*\*
Mason City, Iowa
(1/64th of 1%)

F. C. & Eva Holmes Hampton, Iowa 50441 (1/64th of 1%)

W. A. & Hazel dorn 630 - 33rd Avenue San Francisco, Calif. 94121 (1/64th of 1%) Barbara M. Jackson 308 N. Madison Wyoming, Illinois 61491 (1/128th of 1%)

FredKemper Mexico, Missouri 65265 (1/32nd of 1%)

Lillian Kennedy Mason City, Iowa (1/64th of 1%)

Everett W. Kischer and June M. Thieman Newell, Iowa 50568 (1/64th of 1%)

Jessie Faye LaCoste P. O. Box 76 Nora Springs, Iowa 50458 (1/64th of 1%)

Emma B. LaRoe Mason City, Iowa (1/64th of 1%)

Cynthia E. & Charles R. Larson 406 W. Broadway Eagle Grove, Iowa 50533 (1/64th of 1%)

Cora I. Lohr Lau & George L. Lau Mason City, Iowa (1/64th of 1%)

G. A. Lee 341 Evenson Emmons, Minnesota 56029

Estella Maple 76
Banning, California 92220
(1/64th of 1%)

Leonard Arthur Miller and Genevieve B. Miller 411 - 4th St. North Humboldt, Iowa 50548 (1/64th of 1%)

### ADDRESSEE LIST

### Owners of Small Mineral Interests S/2 Sec. 26, T-16-S, R-37-E, Lea County, New Mexico

The response content to the content of the property of the content of the content

Dale R. & Leota F. Morgan RR Box 9298 Spirit Lake, Iowa 51360 (1/64th of 1%)

Mary M. Morgar Star Route, Box 77 Bayard, Nebrasła 69334 (1/64th of 1%)

Andrew E. & Bessie R. Nelson Mason City, Iowa (1/64th of 1%)

Gary E. Ogden 214 East 43rd St. Kansas City, Missouri 64111 (1/128th of 1%)

Robert E. Ogder 1464 Del Norte Corona, Califorria 91719 (1/128th of 1%)

Ethel Armentrout Peterson
Banning, Calif. 92220
(1/64th of 1%)

Frank O. & Ella M. Peterson Callender, Iowa 50523 (1/64th of 1%)

Blanche L. Probert
Shirley F. Porter
H. Newell Probert
6233 - 40th Avenue, N.E.
Seattle, Washing on 98115
(1/32nd of 1%)

John Satoka
P. O. Box 522
Bartlesville, Oklahoma 74003
(1/64th of 1%)

Harry & Laura C. Schrader Rudd, Iowa 50491 (1/64th of 1%)

Gertrude J. Sproule Scullin 502 North 5th St. Humboldt, Iowa 50548 (1/32nd of 1%)

Martha H. Slepicka 120 E. North St. Manly, Iowa 50456 (1/64th of 1%)

Charles E. & Madge L. Shipps Mason City, Iowa (1/64th of 1%)

J. F. & Verona Sofranko (1/64th of 1%)

R. Kent Standish 914 - 4th St. Waterloo, lowa 50501 (1/64th of 1%)

Cora M. Werthenbach c/o Mrs. Amerett Schmitz 1707 S. Massachusetts Ave. Mason City, Iowa 50401 (1/64th of 1%)

G. L. & Christina Whitman
P. O. Box 2202
Waterloo, Iowa 50501
(1/64th of 1%)

Robert H. & Elizabeth H. Woodburn Hampton, Iowa 50441 (1/64th of 1%)

# Three (XMX YEAR PAID UP LEASE) OIL AND GAS LEASE

Form 345 Hall-Poorbaugh Press Roswell, New Mexico

THIS AGREEMENT made this	23rd	day of	September	<u>.</u>	1986 , between
Lessor (whether one or more), whose address and Yates Petroleum Corpo Abo Petroleum Corpora 1. Lessor in considers ion of	ration (¼), MYC	O Industries, Inc.	(¼), Yates Drillin	g Compa <b>րչ</b> (Հ	) wandesseth:
(\$ 10.00 ) in hind paid, of the selusively unto Lessee for the purpose of inve	royalties herein provide stigating, exploring, pr	d and of the agreements of ospecting, drilling and mini	Lessee herein contained ing for and producing oil	, hereby grants, lea and gas, laying pir	ses and lets ex- be lines, building
roads, tanks, power stations, telephone lines thereto, to produce, save, take care of, treat			s employees, the following	described land in	
Township 16 South. Section 26: S/2 containing 320.00 a	_				
2. Without reference to the commencer velopment or ceasation at any time of producthing else herein contained to the contrary.	ction of oil or gas and	without further payments term of XIXX years from t	than the royalties herein his date (called "primary	provided, and notw	ithstanding any-
or gas is produced from said land or land w  3. The royalties to paid by Lessee are credit of Lessor into the pipe line to which market price therefor prevailing for the field	(a) on oil, 3/16 the wells may be cont	of that produced and save sected; Lessee may from tin	ed from said land, the same ne to time purchase any ro	yalty oil in its posse	ssion, paying the
duced from said land, and sold, or used off the					
of the gas so sold or used, provided that on well on this lease or on acreage pooled ther the date on which said well is shut, in and t not terminate and it will be considered that be made by check or draft of Lessee mailed use of oil, gas, coal and water from said la puted after deducting any >> used.	rewith but gas is not be hereafter at annual int gas is being produced d or delivered to the p	eing sold or used, Lessee mervals the sum of \$1.00 per from this lease in paying parties entitled thereto on c	ay pay or tender as royalt; acre, and if such payment quantities. Payment or ter or before the date said pa	y, on or before ninety t is made or tendered ider of said shut-in yment is due. Lessee	y (90) days after I, this lease shall gas royalty may shall have free
4. Leasee, at its option, is hereby give and gas, or either of them with other land, it is necessary or advisable to do so in orde the New Mexico Oil Conse vation Commissic and gas in and under and that may be prod and units pooled for gas seresunder shall n all authority having jurisdiction prescribe or with those prescribed by givernmental regul thereof as above provided a. to oil in any one need not conform in size or area with the not conform as to area with gas units. The portions thereof into other units. Leasee a had describing and designating the pooled acreage completing an oil or gas will on the leased p capable of producing oil or gas in paying of the total part of this instrument or the instrument designation of this instrument or the instrument designation of this instrument or the instrument designation of the oil and gas, or asid unit a pro rata portion of the oil and gas, or included in the pooled unit bears to the total auch production whether it be oil and gas, or included in the pooled unit bears to the total guern of the production whether it be oil and gas, or included in the pooled unit bears to the total guern of the production whether it be oil and gas, or included in the pooled unit bears to the total guern of the production, and to any moxifications thereof, authority. In such event, the royalty payalt the terms of any such agreement or plan of Mexico is computed and poid. This lease shall and the asme may be recorded either before  5. If at the expiration of the primary term of should cease from any case, this lease shall and the asme may be recorded either before if they result in the production of oil or gas and the same may be recorded either before if they result in the production of oil or gas and the same may be recorded either before and the same may be recorded either before a first the expiration of the primary term of should cease from any case, this lease shall and the production, but shall remain in force if they result in the production of oil or gas in paying quantities	lease or leases in the: re properly to explore, on, or other lawful aut uced from said premise tot substantially exceed permit the creation of attions. Leasee under tie e or more strata and as unit or units into wh e pooling in one or m all file for record in the e as a pooled unit. Lease premises, and the pooled unit. Lease unantities has theretofor drilling on or production ther such operations for ing the pooled unit, shail located on the premises be treated for all pur e of computing the roys either of them, from th gas, or either of them, either of them, mount all number of surface as or either of them, and lection from an oil well nit: and production from pooled unit. In addition formation or mineral si, which have been app pole to Leasor hereunder f operation, which basi all not expire during the dwith the New Mexi ed with the New Mexi et any time after oil li not terminate if Les and effect so long as as, so long thereafter is terms hereof, may be t tany time after the c ies should be brought in well or wells as a rea or place of record a r on or portions and be t me during or after the me during o	immediate vicinity thereof to to develop and operate in or to develop and operate in or to develop and operate in or to develop and operate in area 640 acres each plu units larger than those spech provisions hereof may p to gas in any one or more ich the lease is pooled or core instances shall not exh expropriate records of the emay at its election exeruit may include, but it is been completed or upon to foil or gas from any particular to the seep that the same and the poses, except the payment of the pooled unit, there shall be considered as operations overed by this lease, and the poses, except the payment of the pooled unit, there shall be produced from the pooled unit were included in the pooled will be considered production a gas well will be considered will be considered production as and the foregoing. 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drilled within two hundrec feet of any residence.  7. The rights of either party hereunder but no change or division in ownership of the Leasee; and no change or division in such of U. S. mail at Leasee's principal place of but hereof in whole or in partiability for breacommits such breach. If six or more parties recordable instrument executed by all such	may be assigned in when land or royalties, hotowhership shall be bindusiness with a certified ach of any obligation has become entitled to roy	hole or in part, and the pro wever accomplished, shall or ing on Lessee until thirty copy of recorded instrumen sereunder shall rest exclusive galty hereunder. Lessee may	visions hereof shall extend perate to enlarge the ob (80) days after Lessee sha t or instruments evidencin ely upon the owner of the withhold payment thereof	digations or diminis all have been furnish ig same. In the ever is lease or of a por	h the rights of ned by registered nt of assignment tion thereof who
8. The breach by Les ee of any obligation of the estate created herely nor be grounds being conducted in compliance with this lessin default, rhall have sixt days after recei. After the discovery of oil of gas in paying out in discharging this obligation it shall in of producing oil in paying quantities and o and capable of producing ras in paying quantities.	ion arising hereunder al for cancellation hereof e, Lessor shall notify L pt of such notice in w quantities on said prem into event be required into event be required into well per 640 acres intities.	hall not work a forfeiture of in whole or in part. In tessee in writing of the fachich to commence the compies, Lessee shall develop the to drill more than one well plus an acreage tolerance in the state of the st	r termination of this lease he event Lessor considers to relied upon as constitu- lismee with the obligations e acreage retained hereun- per forty (40) acres of the not to exceed 10% of 640	that operations are ting a breach hereof imposed by virtue of der as a reasonably area retained hereu acres of the area re	not at any time f, and Lessee, if this instrument, prudent operator nder and capable stained bereunder
<ol> <li>Lersor hereby war ants and agrees tupon said land either in whole or in part, a accruing hereunder toward satisfying same.</li> <li>owns an interest in the oll or gas on, in oproportionately. Should any one or more of executing the same.</li> </ol>	ind in event Lessee doe Without impairment of r under said land less	s so, it shall be subrogated. Lensee's right under the wi than the entire fee simple.	to such lien with the righ arranty in event of failure estate, then the royalties	t to enforce same an e of title, it is agree to be paid Lessor	d apply royalties ed that if Lessor shall be reduced
10. Should Lessee be prevented from a thereon or from producing oil or gas theref majoure, any Federal or state law or any covenant shall be suspended, and Lessee shall as Lessee is prevented by any such cause the time while Lerace is as prevented shall.  IN WITNESS WHER 10F, this instruments	rom by reason of scarc order, rule or regulation. Il not be liable in dama from conducting drilling not be counted against	ity of or inability to obtain of governmental authority uses for failure to comply to or reworking operations to Lessee, anything in this le	n or to use equipment or then while so prevented, I therewith; and this lease on or from producing oil o	material, or by on Lessee's obligation to shall be extended w or gas from the leas	peration of force comply with such hile and so long
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110 WEST LOUISIANA, SUITE 460 MIDLAND, TEXAS 79701 (915) 687-0127

· LAND ·

SCOTT E WILSON

September 29, 1986

GEOLOGY GARRY DE WILSON TODD MEWILSON HEATHER WILSON ECHOLS

The Heirs of R. W. and Lucinda Brown P. O. Box 2690 San Angelo, Texas 76902

Re: Oil and Gas Lease

Township 16 South, Range 37 Fast, NMPM

Section 26: S/2

containing 320.00 acres, more or less,

Lea County, New Mexico

#### Gentlemen:

On behalf of Yates Petroleum Corporation, et al, we would like to take an oil and gas lease covering your 1/64th of 1% interest in the captioned lands. Enclosed for your consideration is an oil and gas lease in duplicate, which provides for a 3-year primary term and a 3/16ths royalty. As consideration for the lease, we will pay you \$10.00. Please note that we have left out the name for the Lessor on the lease, as we were unable to determine who is the rightful heir to execute the lease. If acceptable, please execute and return one copy of the lease to us. Upon receipt of the lease, we will mail you a check in the amount of \$10.00.

I am, also, enclosing a copy of the letter sent to the other owners of small mineral interests in the captioned lands, along with the addressee list. We are unable to locate the parties underlined in red on the addressee list. If you have any information regarding the location of the parties or their heirs, please send me any information you may have, or call me collect.

Thank you for your consideration in this matter.

Very truly yours,

Shawn The Theorem

Sharon K. Hickey Land Secretary

/skh

Encs.

## KENNETH W. BROWN & WILBUR CARR BROWN

OIL & GAS PROPERTIES

ESTATE, TRUST & BUSINESS MANAGEMENT

SUITE 100 PARK CENTRAL:
515 WEST HARRIS AVENUE
P 0. BOX 2690

P O. BOX 2690 SAN ANGELO, TEXAS 76902

November 10, 1986

PHONE 915/653-6871

BROWN ROYALITIES
ENCINO RANCH
JONES ESTATES OIL ACCOUNT
REAGAN ROYALTY ACCOUNT
CONEJOS OIL ACCOUNT
SCULL OIL ACCOUNT

Rio Pecos Corporation

R WILBUR BROWN, SR (1860-1958) KENNETH W. 3ROWN

JOHN FANT (FETIRED)

(1900-1982) WILBUR CARR BROWN DEBORAH BROWN WEST MARSHALL EVANS BROWN

110 Wes: Louisiana, Suite 460

Midland Texas 79701

Attn: Sharon K. Hickey

Re: Oil & Gas Lease

S/2 Section 26, T16S, R37E NMPM

Lea County, New Mexico

Dear Ms. Hickey:

We are in receipt of your letter to the heirs of R. W. and Lucinda Brown.

We have researched our files and record books very carefully and find no record of ownership in the name of R. W. Brown covering this tract. Also, conversations with the Brown family failed to turn up anyone named Lucinda Brown had ever been a part of the family.

We are returning your letters and copy of the Oil and Gas lease.

Yours very truly,

KENNETH W. BROWN & WILBUR CARR BROWN

Robert S. Palmer

RSP/kb Enclosures H. L. Brown, Jr. 300 WEST LOUISIANA POST OFFICE BOX 2237 MIDLAND, TEXAS 79702 915 683-5216

October 28, 1986

Rio Pecos Corporation 110 West Louisiana Suite 460 Midland, Texas 79701

Attention: Ms. Sharon K. Hickey

RE: Lease Proposal

T-16-S, R-37-E, N.M.P.M. Section 26: S/2
Lea County, New Mexico

HLBJR #5219

Dear Ms. Hickey:

With reference to your offer of September 29, 1986 to lease H. L. Brown, Jr.'s mineral interest under the captioned lands, Mr. Brown is not interested in leasing at this time.

At such time Yates is prepared to drill a well, Mr. Brown will gladly consider your proposal.

If you should have any questions, please contact the undersigned.

Yours very truly,

H. L. BROWN, JR.

QPC: ja

110 WEST LOUISIANA, SUITE 460 MIDLAND, TEXAS 79701 (915) 687-0127

LAND -

SCOTT E WILSON

· GEOLOGY ·

MARK D WILSON

TODD M WILSON

May 1, 1987

HEATHER WILSON ECHOLS

TO: OWNERS OF SMALL MINERAL INTERESTS (See Attached Addressee List)

RE: Township 16 South, Range 37 East, NMPM

Section 28: S/2 Section 28: S/2

containing 640 acres, more or less,

Lea County, New Mexico

#### Dear Owners:

Enclosed for your consideration is an Oil and Gas Lease in duplicate covering the captioned lands. The lease provides for a 3-year primary term and a 3/16ths royalty. As consideration for the lease, we will pay you \$25.00 if you own a 1/64 of 1% mineral interest or less, and \$50.00 if you own a 1/3? Ind of 1% mineral interest. Your individual interests are shown on the attached Addressee Lis:

We had attempted to obtain leases from you in September, 1986, covering the S/2 Section 26, T16S, R375, only, but had no response from you at that time. We have decided at this time to try to attempt to obtain a lease from each of you covering your interest in both Sections 26 and 28.

If the lease is acceptable, please execute both copies before a notary public. If you are married, please have your spouse execute the lease with you. Return an executed copy of the lease to us, and upon receipt of the lease, we will immediately send you a check for the appropriate amount.

If you have any questions or need to discuss this matter, please feel free to contact us using the enclosed self-addressed, stamped envelope, or call us collect. We look forward to hearing from you soon.

Very truly yours,

Sharon K. Hickey Land Secretary

SEW/sh

Attachment Enclosures

### **ADDRESSEE LIST**

### Owners of Small Mineral Interests S/2 Sections 26 & 28, T16S, R37E, Lea County, New Mexico

Florence M. Balkam and Frank B. Balkam, her husband 919 N. Federal Avenue Mason City, Ic wa 50401 (1/64th of 1%)

Hellen M. Bre ver 15 S. Taylor Mason City, Icwa 50401 (1/32nd of 1%)

Mr. and Mrs. Earnest Bruggman Mr. and Mrs. Wilbur C. Enfield Jessie Faye La Coste c/o 1101 First Avenue Ackley, Iowa 50601 (1/64th of 1%)

Hazel G. Ferguson Eleanore Ferguson Kupel and Richard Kupel 3935 Freeman Hamilton, Ohio 45015 (1/64th of 1%)

Mr. and Mrs. W. A. Horn 630 - 33rd Avenue San Francisco, California 94121 (1/64th of 1%)

Mr. and Mrs. Leonard A. Miller 411 - 4th St. North Humboldt, Iowa 50548 (1/64th of 1%)

Gary E. Ogder 214 East 43rd Street Kansas City, Missouri 64111 (1/128th of 1%) Robert E. Ogden 1464 Del Norte Corona, California 91719 (1/128th of 1%)

Cora M. Werthenbach c/o Mrs. Amerett Schmitz 1707 S. Massachusetts Ave. Mason City, Iowa 50401

# Three (RIXE YEAR PAID UP LEASE)

Hall-Poorbaugh Press Roswell, New Mexico OIL AND GAS LEASE May 19 87, between 1st FLORENCE M. BALKAM and FRANK B. BALKAM, her husband 919 N. Federal Avenue, Mason City, Iowa 50401 Lessor (whether one or :nore), whose address is: 919 N. Federal Avenue, Mason RIO PECOS CORPORATION, a New Mexico corporation Lessee. WITNESSETH: Ten and Other 1. Lessor in consideration of \_\_\_\_\_ (§ 10.00 ) in hand paid, of the royalties herein provided and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil and gas, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save take care of, treat, transport, and own said products, and housing its employees, the following described land in New Mexico Lea \_County. \_\_\_\_ Township 16 South, Range 37 East, NMPM Section 26: S/2 Section 28: S/2 containing 640 acres, more or less, 2. Without reference to the commencement, prosecution or cessation at any time of drilling or other development operations and/or to the discovery, development or cessation at any time of production of oil or gas and without further payments than the royalties herein provided, and notwithstanding anything else herein contains d to the contrary, this lease shall be for a term of the years from this date (called "primary term") and as long thereafter as oil or gas is produced from said land or land with which said land is pooled hereunder. 3. The royalties to said by Lessee are: (a) on oil, 3/16 of that produced and saved from said land, the same to be delivered at the wells or to the credit of Lesser into the pipe line to which the wells may be connected; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefor prevailing for the field where produced on the date of purchase; (b) on gas, including casinghead gas or other gaseous substance, produced from said land, and sold, or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well of 3/16 of the gas so sold or used, provided that on gas sold at the wells the royalty shall be 3/16. of the amount realized from such sale; while there is a gas well on this lease or on acreage pooled therewith but gas is not being sold or used, Lessee may pay or tender as royalty, on or before ninety (90) days after the date on which said well is shut, in and thereafter at annual intervals the sum of \$1.00 per acre, and if such payment is made or tendered, this lease shall not terminate and it will be considered that gas is being produced from this lease in paying quantities. Payment or tender of said shut-in gas royalty may be made by check or drift of Lessee mailed or delivered to the parties entitled thereto on or before the date said payment is due. Lessee shall have free use of oil, gas, coal and water from said land, except water from Lessor's wells, for all operations hereunder, and the royalty on oil and gas shall be computed after deducting any so used. one of oil, gas, coal and water from said land, except water from Lessor's wells, for all operations hereunder, and the royalty on oil and gas shall be computed after deducting an) so used.

4. Lessee, at its op ion, is hereby given the right and power to pool or combine the acreage covered by this lease, or any portion thereof as to oil and gas, or either of then, with other land, lesse or lesses in the immediate vicinity thereof to the extent, hereinafter stipulated, when in Lessee's judgment that the property of the particular of the property of the spacing rules of the less of the property of the spacing rules of the here Marico Oil Concervation Commission, or other lawful authority or when to do sould, in the prince of 10% thereof the spacing rules of any and the property of the pro 5. If at the expiration of the primary term oil or gas is not being produced on said land, or from land pooled therewith, but Lessee is then engaged in drilling or reworking perations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary terms, the lesse shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil or gas so long thereafter as oil or gas is produced from said land, or from land pooled therewith. If after the expiration of the primary term of this lesse and after oil or gas is produced from said land, or from land pooled therewith, the production but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil or gas, so long thereafter as oil or gas is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county wells producing oil or gas in paying quantities should be brought in on adjacent land and within 650 feet of and draining the lessee premises, or land pooled therewith. Lessee agrees to drill such offset well or wells as a reasonably product operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release covering any portion or portions of the above described premises and thereby surrender this lesse as to such portion or portions and be relieved of all obligations as to the accesse surrendered. 6. 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. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred 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 their heirs, successors and assigns 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; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U. S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lesse or of a portion thereof who commits such breach. If its or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all. 1. The breach by Lersee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or revision of the estate created hereby nor be grounds for cancellation hereof in whole or in part. In the event Lersor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have six y days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. After the discovery of oil or gas in paying quantities on said premises, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator but in discharging this olligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas in paying quantities. 9. Lessor hereby wairants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land either in whole or in part, and in event Lessee does so, it shall he subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's right under the warranty in event of failure of title, it is agreed that if Lessor owns an interest in the cil or gas on, in or under said land less than the entire fee simple estate, then the royalties to be paid Lessor shall be reduced proportionately. Should say one or more of the parties named as Lessors fail to execute this lesse, it shall nevertheless be binding upon the party or parties executing the same. 10. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing oil or gas therefrom by reason of scarcity of or inshibity to obtain or to use equipment or material, or by operation of force majoure, any Federal or tate law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such coverant shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the lessed premises; and the time while Lessee is no prevented shall not be counted against Lessee, anything in this lesse to the contrary notwithstanding. IN WITNESS WHEREOF, this instrument is executed on the date first above written, Florence M. Balkam Frank B. Balkam

# Three (THE YEAR PAID UP LEASE)

Form 345

Hall-Poorbaugh Press Roswell, New Mexico OIL AND GAS LEASE May day of ..... THIS AGREEMENT made this HELLEN M. BREWER 15 S. Taylor, Mason City, Iowa 50401 Lessor (whether one or inore), whose address is: 15 S. Taylor, Mason City, Iowa and RIO PECOS CORPORATION, a New Mexico corporation Lessee. WITNESSETH: Lessor in consideration of — Ten and Other -(<u>\$ 10.00</u> (§ 10.00 ) in hand paid, of the royalties herein provided and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil and gas, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save take care of, treat, transport, and own said products, and housing its employees, the following described land in New Mexico Lea County. Township 16 South, Range 37 East, NMPM Section 26: S/2 Section 28: S/2 containing 640 acres, more or less, 2. Without reference to the commencement, prosecution or cessation at any time of drilling or other development operations and/or to the discovery, development or cessation at any time of production of oil or gas and without further payments than the royalties herein provided, and notwithstanding anything else herein contains d to the contrary, this lease shall be for a term of the years from this date (called "primary term") and as long thereafter as oil or gas is produced from said land or land with which said land is pooled hereunder. Three 3. The royalties to said by Lessee are: (a) on oil, 3/16 of that produced and saved from said land, the same to be delivered at the wells or to the credit of Lesser into the pipe line to which the wells may be connected; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefor prevailing for the field where produced on the date of purchase; (b) on gas, including casinghead gas or other gaseous substance, produced from said land, and sold, or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well of  $\frac{3/16}{100}$ of the gas so sold or used, provided that on gas sold at the wells the royalty shall be 3/16 of the amount realized from such sale; while there is a gas well on this lease or on acreage pooled therewith but gas is not being sold or used. Lessee may pay or tender as royalty, on or before ninety (90) days after the date on which said well is shut, in and thereafter at annual intervals the sum of \$1.00 per acre, and if such payment is made or tendered, this lease shall not terminate and it will be considered that gas is being produced from this lease in paying quantities. Payment or tender of said shut-in gas royalty may be made by check or drift of Lessee mailed or delivered to the parties entitled thereto on or before the date said payment is due. Lessee shall have free use of oil, gas, coal and water from said land, except water from Lessor's wells, for all operations hereunder, and the royalty on oil and gas shall be computed after deducting any so used. use of oil, gas, coal and water from said land, except water from Lessors wells, for all operations bereuder, and the royalty on oil and gas also also becomputed after deducting any so used.

4. Lessee, at its op ion, is hereby given the right and power to pool or combine the acreage covered by this lease, or any portion thereof as to oil and gas, or either of the n. with other land, lease or leases in the immediate vicinity thereof to the extent, hereinafter stipulated, when in Lessee's judgment it in necessary or advalled to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of and gas in and under an I that may be produced from said premises. Units pooled for oil beroam of the budgment of Lessee, promote the conservation of oil and gas in and under an I that may be produced from said premises. Units pooled for oil beroam of the property of the produced from said premises. Units pooled for oil beroam of the produced from said premises. Units pooled for oil beroam of the produced from said premises and units pooled for gas bereander shall not substantially exceed in area 640 acres each plus a tolerance of 10% thereof, provided that should governmental authority having juriss iction prescribed by governmental regulations. Lessee under the provisions hereof most pool or combine acreage covered by this lease, or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata, and oil units need not conform in six or areas with the unit or units into which the lessee is pooled or combined as to any other stratum or strata, and oil units need not conform in six or areas with the unit or units into which the lessee is pooled on the same and of the producing oil on other vicinity of the producing oil of the producing oil or gas in any one or more strata. The units formed by pooling as to any stratum or strata, and oil units need to any other th 5. If at the expiration of the primary term oil or gas is not being produced on said land, or from land pooled therewith, but Lessee is then engaged in drilling or reworking perations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary terms, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil or gas so long thereafter as oil or gas is produced from said land, or from land pooled therewith. If after the expiration of the primary term of this lease and after oil or gas is produced from said land, or from land pooled therewith, the production thereof should cesse from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil or gas, so long thereafter as oil or gas is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in secondance with the terms hereof, may be dissolved by Lessee by instrument filled for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. 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 lease premises, or land pooled therewith. Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release covering any portion or portions of the above described premises and thereby surrender this lease as to 6. Lessee shall have he 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. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred 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 their heirs, successors and assigns 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; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U. S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part liability for breach of any obligation hereofies shall rest exclusively upon the owner of this lesse or of a portion thereof who commits such breach. If its or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all. 8. The breach by Lesses of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or revision of the estate created herely nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have six y days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. After the discovery of oil or gas in paying quantities on said premises, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas in paying quantities. 5. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land either in whole or in part, and in event Lessee does so, it shall he subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's right under the warranty in event of failure of title, it is supred that if Lessor owns an interest in the oil or gas on, in or under said land less than the entire fee simple estate, then the royalties to be paid Lessor shall be reduced proportionstely. Should any one or more of the parties named as Lessors fail to execute this lesse, it shall nevertheless be binding upon the party or parties 10. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing oil or gas therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, any Federal or state law or any order, rule or regulation of governmental authority, then while so prevented. Lessee's obligation to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this leave shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the leased premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding. IN WITNESS WHEREOF, this instrument is executed on the date first above written. Hellen M. Brewer

# Producers 88 Rev. (K Year Lease) 10-57 Three OFFICE YEAR PAID UP LEASE)

Form 345 Hall-Poorbaugh Press

	OIL AND GAS LEA	ISE	Roswell, New Mexico
THIS AGREEMENT loade this 1st W. A. HO RN and HAZEL HORN,	his wife	May	, 19.87, between
Lessor (whether one or more), whose address is: 630 - 3	33rd Avenue, San Fi	rancisco, California	94121
	— Ten and Other		Lessee, WITNESSETH:
1. Lessor in consideration of  (\$\frac{10.00}{\text{o}}\) in hand paid, of the royalties herein plusively unto Lessee for the purpose of investigating, explor roads, tanks, power stations, telephone lines and other structure.	provided and of the agreementing, prospecting, drilling and	its of Lessee herein contained, mining for and producing oil	bereby grants, leases and lets ex- and gas, laying pipe lines, building d by Lessor adjacent and contiguous
thereto, to produce, save, take care of, treat, transport, and Lea County	New Ma		
Township 16 South, R	ange 37 East, NMP	<u>M</u> .	
Section 26: S/2 Section 28: S/2			
containing 640 acres,	more or less,		
2. Without reference to the commencement, prosecution velopment or cessation at any time of production of oil or g thing else herein containes to the contrary, this lease shall hor gas is produced from said land or land with which said l	as and without further payme e for a term of XiXeXyears fr	ents than the royalties herein p om this date (called "primary to	provided, and notwithstanding any-
3. The royalties to paid by Lessee are: (a) on oil, eredit of Lessor into the pipe line to which the wells may market price therefor pressiling for the field where produced	1/16 of that produced and be connected; Lessee may fro	I saved from said land, the same to m time to time purchase any roys	to be delivered at the wells or to the alty oil in its possession, paying the cas or other gaseous substance, pro-
duced from said land, and sold, or used off the premises or fo			
of the gas so sold or used, provided that on gas sold at the well on this lease or on acreage pooled therewith but gas it the date on which said we lis shut, in and thereafter at annot terminate and it will be considered that gas is being probe made by check or draft of Lessee mailed or delivered to use of oil, gas, coal and vater from said land, except water puted after deducting any so used.	ual intervals the sum of \$1.00 educed from this lease in pay the parties entitled thereto	) per acre, and if such payment ir ring quantities. Payment or tend on or before the date said payr	is made or tendered, this lease shall er of said shut-in gas royalty may nent is due. Lessee shall have free
4. Lessee, at its optim, is hereby given the right and and gas, or either of them, with other land, lease or leases it is necessary or advisable to do so in order properly to exthe New Mexico Oil Conservation Commission, or other law, and gas in and under and that may be produced from said gand units pooled for gas hereunder shall not substantially all authority having jurisditions prescribe or permit the creativith those prescribed by governmental regulations. Lessee uthersof as above provided as to oil in any one or more strataned not conform as to area with the unit or units in not conform as to area with gas units. The pooling in one portions thereof into other units. Lessee shall file for recorn	n the immediate vicinity ther plore, or to develop and oper ful authority or when to do stremises. Units pooled for of exceed in area 640 acres each on of units larger than those nder the provisions hereof mand as to gas in any one or rate which the lease is pooled or more instances shall not in the appropriate records of	eof to the extent, hereinafter ati- rate said leased premises in con- to would, in the judgment of Lea- il hereunder shall not substantia h plus a tolerance of 10% thereo- specified, units thereafter create- ay pool or combine acreage cov- nore strata. The units formed by- or combined as to any other ati- exhaust the rights of the Leased of the county in which the leased	pulated, when in Lessee's judgment npliance with the spacing rules of see, promote the conservation of oil ally exceed 40 acres each in area, f, provided that should government- d may conform substantially in size ered by this lesse, or any portion pooling as to any stratum or strata- ratum or strata, and oil units need see hereunder to pool this lesse or premises are situated an instrument
describing and designating the pooled acreage as a pooled uni- completing an oil or gas well on the leased premises, and the espable of producing oil or gas in paying quantities has the theretofore been commenced. Operations for drilling on or pri- land covered by this lease regardless of whether such operati- of this instrument or the instrument designating the pooled un- this lease whether or not the well or wells be located on the pro- or either of them, as here a provided, shall be treated for a were included in this lease. For the purpose of computing the emtitled on production of oil and gas, or either of Such allocation shall be or an acreage basis—that is to say	pooled unit may include, but retofore been completed or u duction of oil or gas from an ons for drilling were comme- it, shall be considered as oper- emises covered by this lesse, a all purposes, except the paym rom the pooled unit, there al- them, produced from the poo	It is not required to include, pon which operations for the dri sy part of the pooled unit which need or such production was see ations for drilling on or production not the entire acreage constituting ent of royalties on production from for royalties and payments out of hall be allocated to the land cou- led unit after deducting that used led unit after deducting that used	land or leases upon which a well illing of a well for oil or gas have h includes all or a portion of the cured before or after the execution n of oil or gas from land covered by such unit or units, as to oil and gas, om the pooled unit, as if the same production and each of them, shall ered by this lease and included in I for operations on the pooled units.
that pro rata portion of the oil and gas, or either of them, included in the pooled unit bears to the total number of sur such production, whether it be oil and gas, or either of them, production were from such land. The production from an oil and not as production from a pooled unit; and production which it is producing and not from an oil pooled unit. In to time to commit said lan l or any part or formation or min operation, and to any mor ifications thereof, which have becauthority. In such event, the royalty payable to Lessor her the terms of any such agreement or plan of operation, which Mexico is computed and prid. This lease shall not expire duagreement or plan of operation shall be filed with the New the County in which the essed premises are situated, an i	produced from the pooled in the perface acres included in the person of the land covil well will be considered proof from a gas well will be addition to the foregoing. Let eral substance covered hereby mapproved by the New Mercunder shall be computed an hoasis shall be the same buring the life of such agreem the same bearing the life of such agreem the same buring the life of such agreement the life of su	nit which the number of surface coled unit. Royalties hereunder a cred by this lease and included duction from the lease or oil poot considered as production from the see at its option is hereby give to any cooperative or unit agreated by the cooperative or unit agreated by the cooperation of the oil of paid on the basis of the oil of which the royalty due the Upent or plan and shall be subjummission, or other lawful authories.	se acres covered by this lease and hall be computed on the portion of in the unit just as though such led unit from which it is producing the lease or gas pooled unit from the right and power from time terment or plan of development and ion or other lawful governmental or gas allocated to such land under nited States or the State of New tet to the terms thereof and said nority, and Leasee shall record in
and the same may be recorded either before or after the cor 5. If at the expiration of the primary term oil or gas in drilling or reworking operations thereon, or shall have co remain in force so long as operations on said well or for dril secutive days, and if they result in the production of oil or gas after the expiration of the primary term of this lease and as should cease from any cause, this lease shall not terminate such production, but shall remain in force and effect so is if they result in the production of oil or gas, so long there designated by Lessee in accordance with the terms hereof, in which the leased premises are situated at any time after wells producing oil or gas in paying quantities should be broater therewith. Lessee agrees to drill such offset well or wells as at any time execute and deliver to Lessor or place of recon- thereby surrender this lease as to such portion or portions ar	is not being produced on as impleted a dry hole thereon wing or reworking of any add as a long thereafter as oil or ter oil or gas is produced fro if Lessee commences operations are pafter as oil or gas is producing be dissolved by Lessee by the completion of a dry hole the completion of the	rithin 60 days prior to the end of itional well are prosecuted with gas is produced from said land, or from land poole ones for drilling or reworking wiresecuted with no cessation of red from said land, or from land instrument filed for record in the or the cessation of production of within 860 feet of and draining or would drill under the same or ring any portion or portions of	If the primary terms, the lease shall no cessation of more than 60 consor from land pooled therewith. If, d therewith, the production thereof thin 60 days after the cessation of nore than 60 consecutive days, and pooled therewith. Any pooled unit es appropriate records of the county n aid unit. In the event a well or the lease premises, or land pooled aimilar circumstances. Lessee may the above described premises and
<ol> <li>Lessee shall have the right at any time during or after including the right to draw and remove all casing. When required within two hundred feet of any residence or barn no</li> </ol>	uired by Lessor, Lessee will l	oury all pipe lines below ordinar;	ures placed by Lessee on said land, y plow depth, and no well shall be
7. The rights of either party hereunder may be assigned but no change or division in ownership of the land or royalit Lessee; and no change or division in such ownership shall be U. S. mail at Lessee's principal place of business with a centered in whole or in part liability for breach of any obligation such breach. If six or more parties become entitled recordable instrument executed by all such parties designations.	es, however accomplished, she binding on Lessee until the tiffied copy of recorded instruction bereunder shall rest excito royalty hereunder, Lessee	all operate to enlarge the oblining (30) days after Lessee shall ument or instruments evidencing clusively upon the owner of this may withhold payment thereof	gations or diminish the rights of have been furnished by registered same. In the event of assignment lease or of a portion thereof who
8. The breach by Lesses of any obligation arising hereus of the estate created hereby nor be grounds for cancellation being conducted in compliance with this lesse. Lessor shall not default, shall have sixty days after receipt of such notice After the discovery of oil or gas in paying quantities on said but in discharging this obligation it shall in no event be recomplianced of producing oil in paying quantities and one well per 640 and capable of producing gas in paying quantities.	hereof in whole or in part, otify Lessee in writing of the in which to commence the premises, Lessee shall devek quired to drill more than one acrea plus an acreage tolera	In the event Lessor considers the facts relied upon as constitution compliance with the obligations is up the acreage retained hereunde well per forty (40) acres of the ince not to exceed 10% of 640 acres.	nat operations are not at any time near a breach hereof, and Lessee, if nposed by virtue of this instrument, r as a reasonably prudent operator area retained hereunder and capable tres of the area retained hereunder
9. Lessor hereby warrints and agrees to defend the tit upon said land either in whole or in part, and in event Less accruing hereunder toward satisfying same. Without impairm owns an interest in the oil or gas on, in or under said land proportionately. Should any one or more of the parties nan executing the same.	ee does so, it shall he subrog ent of Lessec's right under ti I less than the entire fee sir	ated to such lien with the right of ne warranty in event of failure of nple estate, then the royalties t	to enforce same and apply royalties of title, it is agreed that if Lessor o be paid Lessor shall be reduced
10. Should Leasee be prevented from complying with a thereon or from producing oil or gas therefrom by reason of majeure, any Federal or state law or any order, rule or resovenant shall be suspended, and Leasee shall not be liable in an Leasee is prevented by my such cause from conducting the time while Leasee is so prevented shall not be counted a IN WITNESS WHEREOF, this instrument is executed of	accreity of or inability to exulation of governmental auth a damages for fallure to comdrilling or reworking operating ainst Lossee, anything in the	obtain or to use equipment or ority, then while so prevented, Le- ply therewith; and this lease sh ons on or from producing oil or is lesse to the contrary notwiths	material, or by operation of force save's obligation to comply with such sall be extended while and so long gas from the leased premises; and
	<del></del>	W. A. Hor	n
	Lessor	Hazel Horr	) Lessor

### Three ORNE YEAR PAID UP LEASE) OIL AND GAS LEASE

Form 345
Hall-Poorbaugh Press
Roswell, New Mexico

OID MAD ONG DE	
THIS AGREEMENT made this 1st day of LEONARD ARTHUR MILLER and GENEVIEVE B	May 19 87, between . MILLER, his wife
Lessor (whether one or more), whose address is: 411 - 4th St. North, Hi and RIO PECOS CORPORATION, a New Mexico corp	
1. Lessor in conside ation of	Dollars  nents of Lessee herein contained, hereby grants, lesses and lets ex- nd mining for and producing oil and gas, laying pipe lines, building
roads, tanks, power statims, telephone lines and other structures thereon and on, over thereto, to produce, save, take care of, treat, transport, and own said products, and bo	er and across lands owned or claimed by Lessor adjacent and contiguous
Township 16 South, Range 37 East, NM Section 26: S/2 Section 28: S/2 containing 640 acres, more or less,	10-WIC:
2. Without reference to the commencement, prosecution or cessation at any time of production of oil or gas and without further pay, thing also begin contained to the contrary this lease shall be for a term of MM ware	ments than the royalties herein provided, and notwithstanding any-
or gas is produced from said land or land with which said land is pooled hereunder.  3. The royalties to paid by Lessee are: (a) on oil, 3/16 of that produced a credit of Lessor into the sipe line to which the wells may be connected; Lessee may fi market price therefor pre ailing for the field where produced on the date of purchase;	and saved from said land, the same to be delivered at the wells or to the rom time to time purchase any royalty oil in its possession, paying the
duced from said land, and sold, or used off the premises or for the extraction of gasoline	3/16
of the gas so sold or used provided that on gas sold at the wells the royalty shall be well on this lease or on acreage pooled therewith but gas is not being sold or used. Let the date on which said well is shut, in and thereafter at annual intervals the sum of SI not terminate and it will be considered that gas is being produced from this lease in per made by check or drait of Lessee mailed or delivered to the parties entitled there use of oil, gas, coal and water from said land, except water from Lessor's wells, for a puted after deducting any so used.	essee may pay or tender as royalty, on or before ninety (90) days after 1.00 per acre, and if such payment is made or tendered, this lease shall paying quantities. Payment or tender of said shut-in gas royalty may to on or before the date said payment is due. Lessee shall have free
4. Lessee, at its opt on, is hereby given the right and power to pool or combinand gas, or either of then, with other land, lesse or lesses in the immediate vicinity the is necessary or advisable to do so in order properly to explore, or to develop and on the New Mexico Oil Conservation Commission, or other lawful authority or when to de and gas in and under and that may be produced from said premises. Units pooled for and units pooled for gas bereunder shall not substantially exceed in area 640 acres et al authority having juried citon prescribe or permit the creation of units larger than the with those prescribed by governmental regulations. Lessee under the provisions hereof thereof as above provided as to oil in any one or more strata and as to gas in any one or need not conform in size or area with the unit or units into which the lesse is pool not conform as to area with gas units. The pooling in one or more instances shall reportions thereof into other units. Lessee shall file for record in the appropriate record describing and designating the pooled acreage as a pooled unit. Lessee may at its electic completing an oil or gas vell on the lesseed premises, and the pooled unit may include, he capable of producing oil or gas in paying quantities has theretofore been commence i. Operations for drilling on or production of oil or gas from land covered by this lesse regardless of whether such operations for drilling were comm of this instrument or the instrument designating the pooled unit, shall be considered as op this lesse whether or not the well or wells be located on the premises covered by this lesse or either of them, shall be considered as op this lesse whether or not the well or wells be located on the promises over either of them, produced in the pooled unit bears to the unit of the production from the pooled unit will be only and gas, or either of them, produced from the polential were included in the lesses of the oil and gas, or either of them, produced from the polential which it is production w	hereof to the extent, hereinafter stipulated, when in Lessee's judgment perate said leased premises in compliance with the spacing rules of o so would, in the judgment of Lessee, promote the conservation of oil oil bereunder shall not substantially exceed 40 acres each in area, such plus a tolerance of 10% thereof, provided that should governmentose spacified, units thereafter created may conform substantially in size may pool or combine acreage covered by this lesse, or any portion r more strata. The units formed by pooling as to any stratum or stratas ed or combined as to any other stratum or strata, and oil units need not exhaust the rights of the Lessee hereunder to pool this lesse or so of the county in which the lessed premises are situated an instrument on exercise its pooling option after commencing operations for or out it is not required to include, land or lesses upon which a well upon which operations for the drilling of a well for oil or gas have any part of the pooled unit which includes all or a portion of the menced or such production was secured before or after the execution exercitions for drilling on or production of oil or gas from land covered by and the entire acreage constituting such unit or units, as to oil and gas, ment of royalties on production from the pooled unit, as if the same is of royalties and payments out of production and each of them, shall shall be allocated to the land covered by this lesse and included in the pooled unit unit which the neutre of surface acres covered by this lesse and pooled unit. Royalties hereunder shall be computed on the pooled unit unit which the neutre of surface acres covered by this lesse and pooled unit. Royalties hereunder shall be computed on the portion of rovered by this lesse and included in the pooled unit as though such roduction from the lesse or oil pooled unit from which it is producing be considered as production from the lesse or gas pooled unit from the by this lesse and included in the pooled unit from lesses at its option is hereb
after the expiration of the primary term of this lease and after oil or gas is produced f should cease from any cause, this lease shall not terminate if Lessee commences opera such production, but shall remain in force and effect so long as such operations are if they result in the production of oil or gas, so long thereafter as oil or gas is producing the producing oil or gas is producing which the leased premises are situated at any time after the completion of a dry h wells producing oil or gas in paying quantities should be brought in on adjacent land as therewith. Leasee agrees to drill such offset well or wells as a reasonably prudent oper at any time execute and deliver to Lessor or place of record a release or releases con thereby surrender this leas: as to such portion or portions and be relieved of all obligat	from said land, or from land pooled therewith, the production thereof stions for drilling or reworking within 60 days after the cessation of prosecuted with no cessation of more than 60 consecutive days, and used from said land, or from land pooled therewith. Any pooled unit by instrument filed for record in the appropriate records of the county nole or the cessation of production on said unit. In the event a well or not within 660 feet of and draining the lease premises, or land pooled ratio would drill under the same or similar circumstances. Lessee may vering any portion or portions of the above described premises and
<ol> <li>Lessee shall have the right at any time during or after the expiration of this less including the right to draw and remove all casing. When required by Lessor, Lessee will drilled within two hundred feet of any residence or barn now on said land without Lessee.</li> </ol>	I bury all pipe lines below ordinary plow depth, and no well shall be essor's consent.
7. The rights of either party hereunder may be assigned in whole or in part, and but no change or division no ownership of the land or royalties, however accomplished, the Lessee; and no change or division in such ownership shall be binding on Lessee until it. S. mail at Lessee's principal place of business with a certified copy of recorded inshereof in whole or in par liability for breach of any obligation hereunder shall rest ecommits such breach. If six or more parties become entitled to royalty hereunder, Less recordable instrument executed by all such parties designating an agent to receive pay	shall operate to enlarge the obligations or diminish the rights of thirty (30) days after Lesace shall have been furnished by registered strument or instruments evidencing same. In the event of assignment exclusively upon the owner of this lesac or of a portion thereof who see may withhold payment thereof unless and until furnished with a
8. The breach by Lesies of any obligation arising hereunder shall not work a forfe of the estate created herely nor be grounds for cancellation hereof in whole or in part being conducted in compliance with this lesse, Lessos shall notify Lesses in writing of t in default, shall have sixt: days after receipt of such notice in which to commence the After the discovery of oil or gas in paying quantities on said premises, Lesses shall devote the discovery of oil or gas in paying quantities on said premises, Lesses shall devote the discharging this obligation it shall in no event be required to drill more than of producing oil in paying quantities and one well per 640 acres plos an acreage tole and capable of producing mas in paying quantities.	t. In the event Lessor considers that operations are not at any time the facts relied upon as constituting a breach hereof, and Lessee, if e compliance with the obligations imposed by virtue of this instrument, elop the acreage retained hereunder as a reasonably prudent operator ne well per forty (40) acres of the area retained hereunder and capable mance not to exceed 10% of 640 acres of the area retained bereunder
9. Lessor hereby wariants and agrees to defend the title to said land and agrees upon said land either in whole or in part, and in event Lessee does so, it shall he subnaceruing hereunder toward satisfying same. Without impairment of Lessee's right under owns an interest in the oil or gas on, in or under said land less than the entire fee i proportionately. Should an one or more of the parties named as Lessors fail to execute executing the same.	owated to such lien with the right to enforce same and apply royalties the warranty in event of failure of title, it is agreed that if Lessor simple estate, then the royalties to be paid Lessor shall be reduced
10. Should Lessee be prevented from complying with any express or implied conthereon or from producing oil or gas therefrom by reason of scarcity of or inability to majeure, any Federal or s ate law or any order, rule or regulation of governmental as covenant shall be suspended, and Lessee shall not be liable in damages for feilure to cas Lessee is prevented by any such cause from conducting drilling or reworking operathe time while Lessee is at prevented shall not be counted against Lessee, anything in IN WITNESS WHERIOF, this instrument is executed on the date first above writing the state of t	o obtain or to use equipment or material, or by operation of force uthority, then while so prevented, Lessee's obligation to comply with such amply therewith; and this lesse shall be extended while and so long ations on or from producing oil or gas from the leased premises; and this lesse to the contrary notwithstanding.
	Leonard Arthur Miller
Leseor	Genevieve B. Miller Lessor

110 WEST LOUISIANA SUITE 460 MIDLAND TEXAS 79701 (915) 687-0127

LAND

SCOTT E WILSON

GEOLOGY MARK D. WILSON

HEATHER WILSON ECHOLS

TODD M WILSON

May 29, 1987

May 29, 1901

TO: OWNERS OF SMALL MINERAL INTERESTS (See Attached Addressee List)

RE: Township 16 South, Range 37 East, NMPM

Section 26: S/2 Section 28: S/2

containing 640 acres, more or less,

Lea County, New Mexico

### Dear Owners:

Enclosed for your consideration is an Oil and Gas Lease in duplicate covering the captioned lands. The lease provides for a 3-year primary term and a 3/16ths royalty. As consideration for the lease, we will pay you \$25.00 if you own a 1/64th of 1% mineral interest, and \$50.00 if you own a 1/32nd of 1% mineral interest. Your individual mineral interests are shown on the attached Addressee List.

If the enclosed lease is acceptable, please execute both copies before a notary public. Return an executed copy of the lease to us in the enclosed self-addressed, stamped envelope. Upon our receipt of the lease, we will immediately send you a check for the appropriate amount.

If you have any questions or need to discuss this matter, please feel free to contact us by calling collect. We look forward to hearing from you soon.

Thank you for your consideration.

Very truly yours,

Sharon K. Hickey Land Secretary

/skh

Enclosure Attachment

## ADDRESSEE LIST

S/2 Sec. 26, S/2 Sec. 28, T16S, R37E, Lea County, New Mexico

Ourainia Christakos 1345 - 6th Avenue, Apt. #1 Des Moines, Iowa 50314 (1/32nd of 1%)

Laura C. Schrader Rudd, Iowa 50471 (1/64th of 1%)

R. Kent and Ann Standish 209 Byron
Waterloo, Iowa 50702
(1/64th of 1%)

Gerald Sofranko
Eleanora B. Sofranko
Clara Agnes Sofranko
Frances M. Heifron
Thelma B. Murray
2304 E. Avenue North
Lovilia, Iowa 50150
(1/64th of 1%

# Three (MIXE YEAR PAID UP LEASE) OIL AND GAS LEASE

Form 345 Hall-Poorbaugh Press Roswell, New Mexico

THIS AGREEMENT made OURAINIA CHR	ши	9th	day of	M	ay		, 1987, between
		. 1345	- 6th Avenue	Apt. #1.	Des Moines	IA 503	) <u>L</u>
Lessor (whether one or mire), RIO PECOS COI	RPORATION,	a New	Mexico corpor Ten and Other	ration		I	essee, WITNESSETH:
1. Lessor in consider tion	paid, of the roy	alties berein	provided and of the	agreements of Les	see herein containe	i, hereby grant	s, leases and lets ex- ng pipe lines, building
roads, tanks, power statious, t thereto, to produce, save, ake	elephone lines a	nd other str	uctures thereon and of lown said products.	on, over and across and housing its em	lands owned or clair	med by Lessor a	djacent and contiguous
Lea		County		New Mexico		, to-wit:	
			, Range 37 Ea	ast, NMPM		•	
	Section 28 containing		res, more or	less,			
2. Without reference to the velopment or constained at any thing else herein contained to the contained to t	ime of production he contrary, this	n of oil or g lease shall l	as and without furthe be for a term of 預算	er payments than years (com this di	the royalties herein	provided, and	notwithstanding any-
3. The royalties to pold by credit of Lessor into the pipe I market price therefor prevailing	y Lessee are: (a	a) on oil, wells may	3/16 of that produced be connected; Lessee	luced and saved fro may from time to	time purchase any n	oyalty oil in its	possession, paying the
duced from said land, and sold,							
of the gas so sold or used, prov well on this lease or on screag							
the date on which said well is a not terminate and it will be so be made by check or dra't of use of oil, gas, coal and vater puted after deducting any so use	snut in and ther nsidered that gas Lessee mailed o from said land,	easter at ann s is being pr r delivered t	oduced from this leas to the parties entitled	of \$1.00 per acre, ie in paying quant thereto on or bef	and if such paymen ities. Payment or te ore the date said pi	t is made or te nder of said sh syment is due.	ndered, this lease shall nt-in gas royalty may Lessee shall have free
<ol> <li>Leasee, at its opt on, is and gas, or either of then, with it is necessary or advisable to the New Mexico Oil Conservation</li> </ol>	h other land, lea do so in order p	se or leases is roperly to ex	in the immediate vicion plore, or to develop	nity thereof to the and operate said l	extent, hereinafter   leased premises in c	stipulated, when compliance with	in Lessee's judgment the spacing rules of
and gas in and under and that and units pooled for gas hered al authority having jurisd ction	msy be produced inder shall not prescribe or per	d from said ; substantially mit the crest	premises. Units poole exceed in area 640 s ion of units larger th	d for oil bereunde acres each plus a to an those specified,	er shall not substant plerance of 10% ther units thereafter cres	tially exceed 4 eof, provided th ited may confor	0 acres each in area, lat should government- m substantially in size
with those prescribed by govern thereof as above provided us to need not conform in size or a not conform as to area vith g	oil in any one or rea with the un	more strata it or units i	and as to gas in any nto which the lesse i	one or more strata a pooled or combin	. The units formed bed as to any other	by pooling as to stratum or stra	any stratum or strata ta, and oil units need
portions thereof into other unit describing and designating the p completing an oil or gas well of	s. Lessee shall : oooled acreage as	file for recore a pooled uni	d in the appropriate it. Lessee may at its	records of the coun election exercise	ty in which the lease its pooling option	ed premises are after commenci	situated an instrument ing operations for or
capable of producing oil or gas theretofore been commenced. Op- land covered by this lease regar	in paying quan erations for drill dless of whether	itities has the ling on or pro such operat	eretofore been comple oduction of oil or gas ions for drilling were	ted or upon which from any part of commenced or su	operations for the the pooled unit which production was	drilling of a we nich includes al secured before	ell for oil or gas have l or a portion of the or after the execution
of this instrument or the instrun- this lease whether or not the wel- or either of them, as herein pr- were included in this lease. For	l or wells be loca ovided, shall be	treated for	remises covered by this all purposes, except t	s lease, and the enti he payment of roy	re acreage constitution alties on production	from the poole	units, as to oil and gas, d unit, as if the same
be entitled on production of oil said unit a pro rata portion of Such allocation shall be on an	and gas, or eith the oil and gas, acreage basis—t	er of them, f or either of hat is to say	from the pooled unit, them, produced from there shall be allow	there shall be allo the pooled unit af sted to the acreag	exated to the land of ter deducting that use covered by this lo	covered by this sed for operation case and includ	lease and included in as on the pooled units. ed in the pooled unit
that pro rata portion of the oil included in the pooled unit bear such production, whether it be production were from such land	rs to the total r oil and gas, or e	number of suither of them	rface scres included i , so allocated to the l	n the pooled unit. land covered by th	Royalties hereunder nis lease and includ	shall be computed in the unit	uted on the portion of just as though such
and not as production from a s which it is producing and not s to time to commit said is id or	ras pooled unit; from an oil pool any part or form	and producti ed unit. In nation or mir	ion from a gas well addition to the forego neral substance covere	will be considered ping, Lessee at its d hereby to any co	as production from option is hereby g operative or unit a	the lease or iven the right preement or pla	gas pooled unit from and power from time in of development and
operation, and to any modifical authority. In such event the in the terms of any such as reeme Mexico is computed and baid.	royalty payable nt or plan of o	to Lessor he peration, which	reunder shall be com ch basis shall be the	puted and paid on same by which the	the basis of the oil be royalty due the	or gas allocate United States	ed to such land under or the State of New
agreement or plan of op-ration the County in which the leased and the same may be recorded	shall be filed : I premises are s	with the Nev situated, an i	v Mexico Oil Conserv instrument describing	ation Commission,	or other lawful as	uthority, and I	essee shall record in
5. If at the expiration of in drilling or reworking operati remain in force so long as opera	ons thereon, or	shall have co	ompleted a dry hole t	hereon within 60 d	ays prior to the end	of the primary	terms, the lease shall
secutive days, and if they result after the expiration of the prim should cease from any cause, the such production, but shall remi	ary term of this his lease shall n	lease and af ot terminate	iter oil or gas is prod if Lessee commences	uced from said lar operations for dri	id, or from land po- illing or reworking	oled therewith, within 60 days	the production thereof after the cessation of
if they result in the production designated by Lessee in accords in which the leased premises a	of oil or gas, ince with the te re situated at a	so long there rms hereof, r ny time after	rafter as oil or gas in may be dissolved by I r the completion of a	s produced from sa casee by instrumen dry hole or the ce	iid land, or from lai it filed for record in saation of production	nd pooled thereversely the appropriate on said unit.	with. Any pooled unit records of the county In the event a well or
wells producing oil or gas in pa there with. Lessee agrees to dril at any time execute and delive	l such offset we r to Lessor or p	ell or wells as place of reco	s a reasonably pruden rd a release or releas	it operator would d ses covering any p	rill under the same portions	or similar circu of the above d	mstances. Lessee may
6. Lessee shall have the ris including the right to draw and drilled within two hundred feet	tht at any time i	during or aft	er the expiration of t	his lesse to remove ee will bury all pi	all property and fi	xtures placed b	y Lessee on said land, and no well shall be
7. The rights of either par but no change or division in ow Lessee; and no change or divisi	nership of the L	and or royalt:	ies, however accomplis	shed, shall operate	to enlarge the ol	oligations or di	iminish the rights of
U. S. mail at Lessee's principal hereof in whole or in pirt liab commits such breach. If six or recordable instrument executed	l place of busine ility for breach more parties be	ess with a ce of any oblig come entitled	rtified copy of record ation hereunder shall I to royalty hereunder	led instrument or i rest exclusively up . Lessee may with	instruments evidenci on the owner of the hold payment there	ng same. In the	e event of assignment a portion thereof who
8. The breach by Lesses of of the estate created her by no being conducted in compliance w	r be grounds for vith this lesse, L	cancellation	hereof in whole or i otify Leasee in writin	n part. In the eve g of the facts reli	ent Lessor considers led upon as constitu	that operations ting a breach	are not at any time hereof, and Lesace, if
in default, shall have as ty day After the discovery of oil or gas but in discharging this chigatic of producing oil in paying qua- and capable of producing gas is	s in paying quar on it shall in no ntities and one n paying quantit	ntities on said event be red well per 640 lies.	d premises, Lessee sha quired to drill more to acres plus an acress	ill develop the acre han one well per for re tolerance not to	rage retained hereun orty (40) acres of the exceed 10% of 640	der as a reason e area retained acres of the an	ably prudent operator hereunder and capable rea retained hereunder
9. Lessor hereby wirrants upon said land either in whole accruing hereunder toward satisfowns an interest in the oil or i proportionately. Should iny one executing the same.	or in part, and fying same, With gas on, in or ur	in event Less hout impairm ider said land	ere does so, it shall be ent of Lessec's right d less than the entire	e subrogated to suc under the warrant ofee simple estate	th lien with the right y in event of failur , then the royalties	t to enforce and e of title, it in to be paid La	ne and apply royalties agreed that if Lessor msor shall be reduced
10. Should Leave be preventered or from producing oil emplure, any Federal or state I covenant shall be suspended, and as Leave in prevented by any the time while Leave is so prevented in So prevented by Son WITNESS WHEREOF,	er gas therefrom law or any order d Lessee ahall no such cause from rented shall not	by reason of r, rule or re- ot be liable in conducting be counted a	f searcity of or inabigulation of government damages for failure drilling or reworking gainst Lessee, anythis	lity to obtain or intal authority, then to comply therew or operations on or ng in this lease to	to use equipment or while so prevented, ith: and this lease from producing oil	r material, or Lessee's obligati shall be extend or gas from the	by operation of force on to comply with such led while and so long
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				<del></del>			<del></del>

Form 345 Hall-Poorbaugh Press

OIL AND G	AS LEASE Roswell, N	ew Mexico
THIS AGREEMENT made this 29th day of R. KENT STANDISH and ANN STANDISH, his wi	May , 19.87	., between
N. RENT STANDISH and ANN STANDISH, HIS WI	ie .	
Lessor (whether one or more), whose address is: 209 Byron, Water and RIO PECDS CORPORATION, a New Mexico co	rporation Lessee, WIT	NESSETH:
1. Lessor in consideration of Ten a	nd Other	Dollars
clusively unto Lessee for he purpose of investigating, exploring, prospecting, di roads, tanks, power stations, telephone lines and other structures thereon and	d on, over and across lands owned or claimed by Lessor adjacent and	s, building
thereto, to produce, save, take care of, treat, transport, and own said products  Lea  County,	s, and housing its employees, the following described land in	
Township 16 South, Range 37	East, NMPM	
Section 26: S/2 Section 28: S/2		
containing 640 acres, more o	r less,	
2. Without reference to the commencement, prosecution or cossistion at an	ny time of drilling or other development operations and/or to the dis	
velopment or constion at any time of production of oil or gas and without furt thing else herein contained to the contrary, this lease shall be for a term of the or gas is produced from aid land or land with which said land is pooled here:  3. The royalties to raid by Lessee are: (a) on oil, 3/16 of that pr	We years from this date (called "primary term") and as long theres under. three	after as oil
market price therefor prevailing for the field where produced on the date of pu	re may from time to time purchase any royalty oil in its possession, urchase: (b) on gas, including casinghead gas or other gaseous subs	paying the
duced from said land, and sold, or used off the premises or for the extraction of		
of the gas so sold or user, provided that on gas sold at the wells the royalty si well on this lease or on acreage pooled therewith but gas is not being sold or the date on which said well is shut, in and thereafter at annual intervals the sunot terminate and it will be considered that gas is being produced from this lebe made by check or drift of Lessee mailed or delivered to the parties entitl use of oil, gas, coal and water from said land, except water from Lessor's we puted after deducting any so used.	r used. Lessee may pay or tender as royalty, on or before ninety (90) um of \$1.00 per acre, and if such payment is made or tendered, this rease in paying quantities. Payment or tender of said shut-in gas red thereto on or before the date said payment is due. Lessee shall	days after lease shall oyalty may have free
4. Lessee, at its oplion, is hereby given the right and power to pool of and gas, or either of then, with other land, lesse or lesses in the immediate vi it is necessary or advisalle to do so in order properly to explore, or to develop the New Mexico Oil Conservation Commission, or other lawful authority or whand gas in and under an I that may be produced from said premises. Units pooled for ga: hereunder shall not substantially exceed in area 640	icinity thereof to the extent, hereinafter stipulated, when in Lessee's p and operate said leased premises in compliance with the spacin nen to do so would, in the judgment of Lessee, promote the conserva oled for oil hereunder shall not substantially exceed 40 acres eac	judgment g rules of ation of oil h in area,
al authority having jurisdiction prescribe or permit the creation of units larger with those prescribed by governmental regulations. Lessee under the provisions thereof as above provided as to oil in any one or more strata and as to gas in an need not conform in siz: or area with the unit or units into which the lease not conform as to area with gas units. The pooling in one or more instances	than those specified, units thereafter created may conform substantic is hereof may pool or combine acreage covered by this lease, or a my one or more strata. The units formed by pooling as to any stratus is pooled or combined as to any other stratum or strata, and oil	ally in size ny portion n or strata units need
portions thereof into oth $\pi$ units. Lessee shall file for record in the appropriat describing and designating the pooled acreage as a pooled unit. Lessee may at the completing an oil or gas well on the lessed premises, and the pooled unit may it expable of producing oil or gas in paying quantities has theretofore been compared to the producing oil or gas in paying quantities has theretofore been compared to the producing oil or gas in paying quantities has theretofore been compared to the producing oil or gas in paying quantities has the producing oil or gas in paying quantities has the producing oil or gas in paying quantities has the producing oil or gas in paying quantities has the producing oil or gas in paying quantities has the producing oil or gas in paying quantities has the producing oil or gas well on the producing oil or gas well on the producing quantities has the producing oil or gas well on the producing quantities has the producing oil or gas well on the producing oil or gas well on the producing oil or gas well on the producing quantities has the producing oil or gas well on the producing oil or gas in paying quantities has the producing oil or gas in paying quantities has the producing oil or gas in paying quantities has the producing oil or gas in paying quantities has the producing oil or gas in paying quantities has the producing oil or gas in paying quantities has the producing oil or gas in paying quantities has the producing oil or gas in paying quantities has the producing oil or gas in paying quantities has the producing oil or gas in paying quantities has the producing oil or gas in paying quantities has the producing oil or gas in paying quantities has the producing oil of the producing oil of the paying oil of the paying oi	te records of the county in which the leased premises are situated an is election exercise its pooling option after commencing operation nelude, but it is not required to include, land or leases upon who pleted or upon which operations for the drilling of a well for oil of the drilling of the	instrument ons for or ich a well r gas have
theretofore been commenced. Operations for drilling on or production of oil or gas land covered by this leas: regardless of whether such operations for drilling we of this instrument or the instrument designating the pooled unit, shall be consider this lease whether or not the well or wells be located on the premises covered by or either of them, as herein provided, shall be treated for all purposes, except	ere commenced or such production was secured before or after the day operations for drilling on or production of oil or gas from land this lease, and the entire acreage constituting such unit or units, as to the payment of royalties on production from the pooled unit, as is	e execution covered by oil and gas, I the same
were included in this lesse. For the purpose of computing the royalties to whice be entitled on production of oil and gas, or either of them, from the pooled unit and unit a pro rata por ion of the oil and gas, or either of them, produced fro Such allocation shall be on an acreage basis—that is to say, there shall be all that pro rata portion of the oil and gas, or either of them, produced from the	t, there shall be allocated to the land covered by this lease and i om the pooled unit after deducting that used for operations on the po- ocated to the acreage covered by this lease and included in the p	ncluded in coled units. cooled unit
included in the pooled unit bears to the total number of surface acres included such production, whether it be oil and gas, or either of them, so allocated to the production were from such land. The production from an oil well will be cons and not as production from a gas pooled unit; and production from a gas wel	i in the pooled unit. Royalties hereunder shall be computed on the land covered by this lease and included in the unit just as the idered production from the lease or oil pooled unit from which it is ill will be considered as production from the lease or gas pooled.	portion of ough such producing unit from
which it is producing and not from an oil pooled unit. In addition to the fore to time to commit said lind or any part or formation or mineral substance cove operation, and to any modifications thereof, which have been approved by the	ered hereby to any cooperative or unit agreement or plan of develop New Mexico Oil Conservation Commission or other lawful go	pment and vernmental
authority. In such even:, the royalty payable to Leason hereunder shall be and the terms of any such agreement or plan of operation, which basis shall be the Mexico is computed and paid. This lease shall not expire during the life of su	ne same by which the royalty due the United States or the Stat	e of New
agreement or plan of overation shall be filed with the New Mexico Oil Conset the County in which the leased premises are situated, an instrument describin and the same may be recorded either before or after the completion of wells.	rvation Commission, or other lawful authority, and Lessee shall	record in
5. If at the expiration of the primary term oil or gas is not being profin drilling or reworking operations thereon, or shall have completed a dry hole remain in force so long is operations on said well or for drilling or reworking of	thereon within 60 days prior to the end of the primary terms, the of any additional well are prosecuted with no cessation of more the	lease shall in 60 con-
secutive days, and if they result in the production of oil or gas so long thereafter after the expiration of the primary term of this lease and after oil or gas is probability of the production of the primary term of this lease and after oil or gas is probability of the second of t	oduced from said land, or from land pooled therewith, the productions operations for drilling or reworking within 60 days after the co	on thereof
such production, but shill remain in force and effect so long as such operatif they result in the priduction of oil or gas, so long thereafter as oil or gas designated by Lessee in accordance with the terms hereof, may be dissolved by	is produced from said land, or from land pooled therewith. Any p	pooled unit
in which the leased premises are situated at any time after the completion of wells producing oil or gis in paying quantities should be brought in on adjacent therewith. Leasee agrees to drill such offset well or wells as a reasonably prud at any time execute and deliver to Leasor or place of record a release of rethereby surrender this kase as to such portion or portions and be relieved of all	a dry hole or the essation of production on said unit. In the event, land and within 660 feet of and draining the lease premises, or life the same or similar circumstances, eases covering any portion or portions of the above described pre-	a well or and pooled lessee may
6. Lessee shall have the right at any time during or after the expiration of including the right to draw and remove all easing. When required by Lessor, Le drilled within two hundred feet of any residence or barn now on said land wi	this lease to remove all property and fixtures placed by Lesace on see will bury all pipe lines below ordinary plow depth, and no we	said land, il shall be
7. The rights of ei her party hereunder may be assigned in whole or in pa but no change or division in ownership of the land or royalties, however accomp	dished, shall operate to enlarge the obligations or diminish the	rights of
Leasee; and no change or division in such ownership shall be binding on Lesse U. S. mail at Leasee's principal place of business with a certified copy of reconhereof in whole or in part liability for breach of any obligation bereunder sha commits such breach. I six or more parties become entitled to royalty hereund recordable instrument executed by all such parties designating an agent to rec	orded instrument or instruments evidencing same. In the event of a ill rest exclusively upon the owner of this lesse or of a portion the ler, Lessee may withhold payment thereof unless and until furnish	nereof who
8. The breach by I cases of any obligation arising hereunder shall not work of the catate created hereby nor be grounds for cancellation hereof in whole or being conducted in compliance with this lease, Lessor shall notify Lessor in writin default, shall have a xty days after receipt of such notice in which to compare the discovery of cil or gas in paying quantities on said premises, Lessor abut in discharging this obligation it shall in no event be required to drill more of producing oil in paying quantities and one well per 640 acres plus an acre and capable of producing gas in paying quantities.	r in part. In the event Lessor considers that operations are not at ining of the facts relied upon as constituting a breach hereof, and mence the compliance with the obligations imposed by virtue of this i shall develop the acreage retained hereunder as a reasonably pruden t than one well per forty (40) acres of the area retained hereunder a	any time Leasee, if natrument it operator nd capable
9. Lessor hereby warrants and agrees to defend the title to said land and upon said land either it whole or in part, and in event Lessee does so, it shall accruing hereunder towerd satisfying same. Without impairment of Lessee's rirhowns an interest in the oil or gas on, in or under said land less than the ent proportionately. Should any one or more of the parties named as Lessors fail executing the same.	b: subrowated to such lien with the right to enforce same and appl at under the warranty in event of failure of title, it is agreed that ire fee simple estate, then the royalties to be paid Lessor shall if	y royalties if Lessor be reduced
10. Should Lessee be prevented from complying with any express or impliferent or from producing oil or gas therefrom by reason of scarcity of or insimaleure, any Federal or state law or any order, rule or regulation of governments shall be suspended, and Lessee shall not be liable in damages for failing as Lessee is prevented by any such cause from conducting drilling or reworks the time while Lessee is so prevented shall not be counted against Lessee, anythere.	shility to obtain or to use equipment or material, or by operation mental authority, then while so prevented, Lessee's obligation to comply are to comply therewith; and this lease shall be extended while are and operations on or from producing oil or gas from the lessed pre-	n of force with such and so long
IN WITNESS WIFTREOF, this instrument is executed on the date first at	pove Written.	
	R. Kent Standish	<del></del>
Lessor	Ann Standish	Lessor

# Three REIXE YEAR PAID UP LEASE) OIL AND GAS LEASE

Form 345
Hall-Poorbaugh Press

OIL A	ND GAS LEASE Roswell, New Mexico
THIS AGREEMENT reade this 1st day	of June , 1987, between
and THELMA B. MURRAY, each dealing	RANKO, CLARA AGNES SOFRANKO, FRANCES M. HEFFRON in their separate property
Lessor (whether one or mire), whose address is: C/o G. Sofrar	iko, 2304 E. Avenue North, Lovilia, IA 50150
RIO PECOS CORPORATION, a New Mexic	co corporation Lessee, WITNESSETH:
(\$10.00) in land paid, of the royalties herein provided an elumively unto Lessee for the purpose of investigating, exploring, prospec	d of the agreements of Lessee herein contained, hereby grants, leases and lets ex- cting, drilling and mining for and producing oil and gas, laying pipe lines, building teon and on, over and across lands owned or claimed by Lessor adjacent and contiguous
thereto, to produce, save, take care of, treat, transport, and own said	products, and housing its employees, the following described land in
Township 16 South, Range	•
Section 26: S/2	. 51 14305 11111
Section 28: S/2 containing 640 acres, mo	or less
	on at any time of drilling or other development operations and/or to the discovery, de-
thing else herein contained to the contrary, this lease shall be for a ter or gas is produced from said land or land with which said land is pool	
market price therefor pre alling for the field where produced on the da	that produced and saved from said land, the same to be delivered at the wells or to the d; Lessee may from time to time purchase any royalty oil in its possession, paying the te of purchase; (b) on gas, including casinghead gas or other gaseous substance, produced to the purchase; (c) on gas, including casinghead gas or other gaseous substance, produced to the purchase; (d) on gas, including casinghead gas or other gaseous substance, produced to the purchase; (e) on gas, including casinghead gas or other gaseous substance, produced to the purchase of t
	ection of gasoline or other product therefrom, the market value at the well of $\frac{3/16}{2}$
well on this lease or on acreage pooled therewith but gas is not being the date on which said well is shut, in and thereafter at annual interval not terminate and it will be considered that gas is being produced from be made by check or draft of Lessee mailed or delivered to the parti-	oyalty shall be 3/16 of the amount realized from such sale; while there is a gas sold or used, Lessee may pay or tender as royalty, on or before ninety (90) days after is the sum of \$1.00 per acre, and if such payment is made or tendered, this lease shall in this lease in paying quantities. Payment or tender of said shut-in gas royalty may see entitled thereto on or before the date said payment is due. Lessee shall have free sor's wells, for all operations hereunder, and the royalty on oil and gas shall be com-
and gas, or either of them, with other land, lease or lesses in the immedit is necessary or advisable to do so in order properly to explore, or to	pool or combine the acreage covered by this lease, or any portion thereof as to oil diste vicinity thereof to the extent, hereinafter stipulated, when in Leasee's judgment of develop and operate said leased premises in compliance with the spacing rules of y or when to do so would, in the judgment of Lessee, promote the conservation of oil
and units pooled for gas bereunder shall not substantially exceed in all authority having jurisdiction prescribe or permit the creation of units	inits pooled for oil hereunder shall not substantially exceed 40 acres each in area, area 640 acres each plus a tolerance of 10% thereof, provided that should government; larger than those specified, units thereafter created may conform substantially in size
thereof as above provided as to oil in any one or more strata and as to seed not conform in size or area with the unit or units into which t	rovisions hereof may pool or combine acreage covered by this lease, or any portion cas in any one or more strata. The units formed by pooling as to any stratum or strata the lease is pooled or combined as to any other stratum or strata, and oil units need
portions thereof into other units. Lessee shall file for record in the ap describing and designating the pooled acreage as a pooled unit. Lessee m	natances shall not exhaust the rights of the Lessee hereunder to pool this lesse or propriate records of the county in which the lessed premises are situated an instrument ay at its election exercise its pooling option after commencing operations for or
capable of producing oil or gas in paying quantities has theretofore be theretofore been commenced. Operations for drilling on or production of	t may include, but it is not required to include, land or leases upon which a well en completed or upon which operations for the drilling of a well for oil or gas have oil or gas from any part of the pooled unit which includes all or a portion of the
of this instrument or the astrument designating the pooled unit, shall be this lease whether or not the well or wells be located on the premises cove	lling were commenced or such production was secured before or after the execution considered as operations for drilling on or production of oil or gas from land covered by red by this lesse, and the entire acreage constituting such unit or units, as to oil and gas,
were included in this lease. For the purpose of computing the royalties	, except the payment of royalties on production from the pooled unit, as if the same to which owners of royalties and payments out of production and each of them, shall oled unit, there shall be allocated to the land covered by this lease and included in
said unit a pro rata portion of the oil and gas, or either of them, prod Such allocation shall be in an acreage basis—that is to say, there shall	uced from the pooled unit after deducting that used for operations on the pooled units. Il be allocated to the acreage covered by this lease and included in the pooled unit rom the pooled unit which the number of surface acres covered by this lease and
included in the pooled urit bears to the total number of surface acres such production, whether it be oil and gas, or either of them, so allocate	included in the pooled unit. Royalties hereunder shall be computed on the portion of d to the land covered by this lease and included in the unit just as though such be considered production from the lease or oil pooled unit from which it is producing
and not as production from a gas pooled unit; and production from a which it is producing an l not from an oil pooled unit. In addition to	gas well will be considered as production from the lease or gas pooled unit from the foregoing. Leasee at its option is hereby given the right and power from time nee covered hereby to any cooperative or unit agreement or plan of development and
operation, and to any modifications thereof, which have been approved authority. In such event, the royalty payable to Lessor hereunder sha	l by the New Mexico Oil Conservation Commission or other lawful governmental ill be computed and paid on the basis of the oil or gas allocated to such land under till be the same by which the royalty due the United States or the State of New
Mexico is computed and paid. This lease shall not expire during the li- agreement or plan of operation shall be filed with the New Mexico O	fe of such agreement or plan and shall be subject to the terms thereof and said il Conservation Commission, or other lawful authority, and Lessee shall record in describing such agreement or plan of operation and reflecting the commitment thereto,
and the same may be re-orded either before or after the completion of	
In drilling or reworking operations thereon, or shall have completed a remain in force so long as operations on said well or for drilling or rew	dry hole thereon within 60 days prior to the end of the primary terms, the lesse shall orking of any additional well are prosecuted with no cessation of more than 60 conservators as oil or gas is produced from said land, or from land pooled therewith. If,
after the expiration of the primary term of this lease and after oil or a should cease from any cause, this lease shall not terminate if Leasee	as is produced from said land, or from land pooled therewith, the production thereof commences operations for drilling or reworking within 60 days after the cessation of operations are prosecuted with no cessation of more than 60 consecutive days, and
if they result in the production of oil or gas, so long thereafter as oil designated by Lessee in accordance with the terms hereof, may be diss	or gas is produced from said land, or from land pooled therewith. Any pooled unit olved by Lessee by instrument filed for record in the appropriate records of the county ction of a dry hole or the cessation of production on said unit. In the event a well or
wells producing oil or gat in paying quantities should be brought in on therewith. Lessee agrees to drill such offset well or wells as a reasona	adjacent land and within 660 feet of and draining the lease premises, or land pooled bly prudent operator would drill under the same or similar circumstances. Lessee may or releases covering any portion or portions of the above described premises and
thereby surrender this lease as to such portion or portions and be reliev	ed of all obligations as to the acreage aurrendered.  ation of this lease to remove all property and fixtures placed by Lessee on said land,
including the right to driw and remove all casing. When required by Ledrilled within two hundred feet of any residence or barn now on said	saor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be
but no change or division in ownership of the land or royalties, however	or in part, and the provisions hereof shall extend to their heirs, successors and assigns - accomplished, shall operate to enlarge the obligations or diminish the rights of on Lossee until thirty (30) days after Lessee shall have been furnished by registered
U. S. mail at Lessee's principal place of business with a certified copy bereof in whole or in part liability for breach of any obligation bereu	of recorded instrument or instruments evidencing same. In the event of assignment nder shall rest exclusively upon the owner of this lease or of a portion thereof who hereunder. Leasee may withhold payment thereof unless and until furnished with a
of the estate created hereby nor be grounds for cancellation hereof in being conducted in compliance with this lease, Lessor shall notify Lessoe in default, shall have sitty days after receipt of such notice in which After the discovery of oil or gas in paying quantities on said premises, but in discharging this idligation it shall in no event be required to dr	not work a forfeiture or termination of this lease nor cause a termination or revision whole or in part. In the event Lessor considers that operations are not at any time in writing of the facts relied upon as constituting a breach hereof, and Lessee, if to commence the compliance with the obligations imposed by virtue of this instrument. Lessee shall develop the acreage retained hereunder as a reasonably prudent operator ill more than one well per forty (40) acres of the area retained hereunder and capable an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder
9. Lessor hereby wirrants and agrees to defend the title to said I upon said land either in whole or in part, and in event Lessee does so, accruing hereunder toward satisfying same. Without impairment of Lessons owns an interest in the oil or gas on, in or under said land less than	and and agrees that Lessee at its option may discharge any tax, mortgage or other lien it shall he subrogated to such lien with the right to enforce same and apply royalties ee's right under the warranty in event of failure of title, it is agreed that if Lessor the entire fee simple estate, then the royalties to be paid Lessor shall be reduced sors fail to execute this lesse; it shall nevertheless be binding upon the party or parties
thereon or from producing oil or gas therefrom by reason of scarcity or majoure, any Federal or state law or any order, rule or regulation of covenant shall be susperded, and Lessee shall not be liable in damages	
Consid T Copyright	Frances M. Heffron
Gerald L. Sofranko Eleanora B. Sofranko	Thelma B. Murray
Clara Agnes Sofranko	Lensor
Orara vence onranio	

110 WEST LOUISIANA SUITE 460 MIDLAND TEXAS 79701 (915) 687-0127

LAND

SCOTT E WILSON

CEOLOGY -

MARK D. WILSON

TODD M WILSON

HEATHER WILSON ECHOLS

June 1, 1987

Ms. Ann C. Gossman Box 1051 SS Springfield, Missouri 65805

Re: Oil and Gas Lease Offer

Township 16 South, Range 37 EAst, NMPM

Section 26: S/2 Section 28: S/2

containing 640 acres, more or less,

Lea County, New Mexico

Dear Ms. Gossman:

In September, 1986, we obtained an oil and gas lease from Mrs. Florence Gossman covering her 1/64th of 1% mineral interest in the S/2 of Section 26, T16S, R37E, and in April, 1987, we took a lease from her covering the same interest in the S/2 Section 28, T16S, R37E, Lea County, N.M. We have just discovered that you own one-half of the interest we had credited to Mrs. Florence Gossman.

Enclosed is the captioned oil and gas lease in duplicate for your consideration. The lease provides for a 3-year primary term and a 3/16ths royalty. We paid Mrs. Gossman \$10.00 for her interest in each section, so we will pay you \$20.00 as the total bonus consideration for your 1/2 of 1/64th of 1% mineral interest.

If the lease is acceptable, please execute both copies before a notary public and return one copy to us in the enclosed self-addressed, stamped envelope. Upon receipt of the lease, we will send you our check in the amount of \$20.00.

Thank you for your consideration. If you have any questions, please feel free to call us collect.

Very truly yours,

Sharon K. Hickey Land Secretary

/skh

Encs.

### Three (EIXE YEAR PAID UP LEASE) OIL AND GAS LEASE

Form 345 Hall-Poorbaugh Press Roswell, New Mexico

THIS AGREEMENT risde this <u>lst</u> day of ANN C. (OSSMAN, dealing in her separate pro	June 1987., between
ANN C. (OSSMAN, dealing in her separate pro	operty
Lessor (whether one or more), whose address is: Box 1051 SS, Springf:  RIO PEC()S CORPORATION, a New Mexico corporation of the second of the s	o+ion
1. Lessor in consideration of Ten and No/10	
(\$\frac{10.00}{\text{ol}}\) in hand paid, of the royalties herein provided and of the agreed clasively unto Lessee for the purpose of investigating, exploring, prospecting, drilling a roads, tanks, power stations, telephone lines and other structures thereon and on, over the control of the	ments of Lessee herein contained, hereby grants, lesses and lets ex- and mining for and producing oil and gas, laying pipe lines, building er and across lands owned or claimed by Lessor adjacent and contiguous
thereto, to produce, save, take care of, treat, transport, and own said products, and h	Mexico to-wit:
Township 16 South, Range 37 East,	, NMPM
Section 26: S/2 Section 28: S/2	
containing 640 acres, more or les	ss,
2. Without reference to the commencement, prosecution or cessation at any time velopment or cessation at any time of production of oil or gas and without further pay thing else herein contained to the contrary, this lease shall be for a term of MY years or gas is produced from said land or land with which said land is pooled hereunder.	yments than the royalties herein provided, and notwithstanding any- is from this date (called "primary term") and as long thereafter as oil
3. The royalties to raid by Lessee are: (a) on oil, 3/16 of that produced credit of Lessor into the pipe line to which the wells may be connected; Lessee may market price therefor pre ailing for the field where produced on the date of purchase:	ATOM TIME OF TIME PURCHASE ANY POYANTY ON IN ICA DESERVING DAYING THE
duced from said land, and sold, or used off the premises or for the extraction of gasolin	ne or other product therefrom, the market value at the well of $\frac{3/16}{2}$
of the gas so sold or used, provided that on gas sold at the wells the royalty shall be well on this lease or on screage pooled therewith but gas is not being sold or used. I the date on which said well is shut, in and thereafter at annual intervals the sum of I not terminate and it will be considered that gas is being produced from this lease in be made by check or draft of Lessee mailed or delivered to the parties entitled there use of oil, gas, coal and water from said land, except water from Lessor's wells, for puted after deducting any so used.	Lessee may pay or tender as royalty, on or before ninety (90) days after 11.00 per acre, and if such payment is made or tendered, this lease shall paying quantities. Payment or tender of said shut-in gas royalty may eto on or before the date said payment is due. Lessee shall have free all operations hereunder, and the royalty on oil and gas shall be com-
4. Lessee, at its option, is bereby given the right and power to pool or combin and gas, or either of then, with other land, lesse or lesses in the immediate vicinity it is necessary or advisable to do so in order properly to explore, or to develop and the New Mexico Oil Cone ervation Commission, or other lawful authority or when to dand gas in and under and that may be produced from asid premises. Units pooled for and units pooled for gas hereunder shall not substantially exoced in area 640 acres all authority having jurisciction prescribed or permit the creation of units larger than the with those prescribed by governmental regulations. Lessee under the provisions hereof thereof as above provided as to oil in any one or more strata and as to gas in any one of med not conform as to area with gas units. The pooling in one or more instances shall portions thereof into other units. Lessee shall file for record in the appropriate record describing and designatin; the pooled acreage as a pooled unit. Lessee may at its electic completing an oil or gas well on the lessed premises, and the pooled unit may include, capable of producing oil or gas in paying quantities has theretofore been competed of theretofore been commenced. Operations for drilling on or production of oil or gas from the lease of producing oil or gas in paying quantities has theretofore been competed of the instrument or the instrument designating the pooled unit, shall be considered as or either of them, as he ein provided, shall be treated for all purposes, except the pa were included in this lease. For the purpose of computing the royalties to which owne be entitled on production of oil and gas, or either of them, produced from the Such allocation shall be man acreage basis—that is to say, there shall be allocated in the production were from such land. The production from an oil well will be considered as on the production were from such land. The production from an oil well will be considered and not as production of oil and gas, or either of the	thereof to the extent, hereinafter stipulated, when in Lessee's judgment operate said lessed premises in compliance with the spacing rules of do so would, in the judgment of Lessee, promote the conservation of oil oil hereunder shall not substantially exceed 40 acres each in area, each plus a tolerance of 10% thereof, provided that should governmentiones specified, units thereafter created may conform substantially in size imay pool or combine acreage covered by this lesse, or any portion or more strata. The units formed by pooling as to any stratum or strata leted or combined as to any other stratum or strata, and oil units need not exhaust the rights of the Lessee hereunder to pool this lesse or do of the county in which the lessed premises are situated an instrument ion exercise its pooling option after commencing operations for or but it is not required to include, land or lesses upon which a well rupon which operations for the drilling of a well for oil or gas have any part of the pooled unit which includes all or a portion of the menced or such production was secured before or after the execution operations for drilling on or production of oil or gas from land covered by e, and the entire acreage constituting such unit or units, as to oil and gas, syment of royalties on production from the pooled unit, as if the same res of royalties and payments out of production and each of them, shall e shall be allocated to the land covered by this lesse and included in pooled unit after deducting that used for operations on the pooled units. To the acreage covered by this lesse and included in the pooled unit. In which the number of surface acres covered by this lesse and pooled unit. Royalties hereunder shall be computed on the pooled units. To the acreage covered by this lesse and included in the production from the lesse or gas pooled unit from the lesse or gas pooled unit from the considered as production from the lesse or gas pooled unit from the pooled unit. Royalties hereunder shall be computed on the pooled u
thereby surrender this lease as to such portion or portions and be relieved of all obligations.  5. Lessee shall have the right at any time during or after the expiration of this lessed including the right to draw and remove all casing. When required by Lessor, Lessee will drilled within two hundred feet of any residence or barn now on said land without L	ease to remove all property and fixtures placed by Lesace on said land, ill bury all pipe lines below ordinary plow depth, and no well shall be
7. The rights of either party hereunder may be assigned in whole or in part, and but no change or divisio: in ownership of the land or royalties, however accomplished. Leaver, and no change or division in such ownership shall be binding on Lessee until U. S. mail at Leaver's principal place of business with a certified copy of recorded in hereof in whole or in part liability for breach of any obligation bereunder shall rest commits such breach. If six or more parties become entitled to royalty hereunder, Leaverordable instrument elecuted by all such parties designating an agent to receive pages.	ahall operate to enlarge the obligations or diminish the rights of thirty (30) days after Lessee shall have been furnished by registered atrument or instruments evidencing same. In the event of assignment exclusively upon the owner of this lesse or of a portion thereof who see may withhold payment thereof unless and until furnished with a
8. The breach by Lessee of any obligation arising hereunder shall not work a forf of the estate created hereby nor be grounds for cancellation hereof in whole or in par being conducted in compliance with this lease, Lessoe shall notify Lessee in writing of in default, shall have sixty days after receipt of such notice in which to commence the After the discovery of olor gas in paying quantities on asid premises, Lessee shall detute the discovery of olor gas in paying quantities on asid premises, Lessee shall detute the discovery of olor gas in paying quantities of producing oil in paying quantities and one well per 640 acres plus an acreage tolerand capable of producing gas in paying quantities.	rt. In the event Lessor considers that operations are not at any time the facts relied upon as constituting a breach hereof, and Lessee, if he compliance with the obligations imposed by virtue of this instrument, velop the acreage retained hereunder as a reasonably prudent operator me well per forty (40) acres of the area retained hereunder and capable erance not to exceed 10% of \$40 acres of the area retained hereunder
9. Lessor hereby warrants and agrees to defend the title to said land and agrees upon said land either in whole or in part, and in event Lessee does so, it shall be subsaccruing bereunder toward satisfying same. Without impairment of Lessee's right under owns an interest in the oil or gas on, in or under said land less than the entire fee proportionately. Should any one or more of the parties named as Lessors fail to executing the same.	rorated to such lien with the right to enforce same and apply royalties rethe warranty in event of failure of title, it is agreed that if Lessor simple estate, then the royalties to be paid Lessor shall be reduced.
10. Should Leaves be prevented from complying with any express or implied conthereon or from producing oil or gas therefrom by reason of scarcity of or inability to may source, any Frierad or state law or any order, rule or regulation of governmental a covenant shall be suspended, and Leaves shall not be liable in damages for failure to as Leaves is prevented by any such cause from conducting drilling or reworking oper the time while Leaves is so prevented shall not be counted against Leaves, anything in IN WITNESS WHI REOF, this instrument is executed on the data first above writing the state of	to obtain or to use equipment or material, or by operation of force suthority, then while so prevented, Lessee's obligation to comply with such comply therewith; and this lesse shall be extended while and so long rations on or from producing oil or gas from the lessed premises; and this lesse to the contrary notwithstanding.
	Ann C. Gossman
	Ain C. COSSILATI
Lessor	Lessor

# Three (KMX YEAR PAID UP LEASE) OIL AND GAS LEASE

Form 345
Hall-Poorbangh Press
Roawell New Mexico

	OIL AND GAS LEASE		Roswell, New Mexico
THIS AGREEMENT nade this 1st CORA No. WERTHENBACH, a w	idow	May	, 19 87, between
V (whether one or wors) whose address (s. C/o Mrs	s. Amerett Schmitz, 1707	S. Massachusetts	Ave., Mason City, Iowa
Lessor (whether one or more), whose address is: c/o Mrs RIO PEC OS CORPORATION, a	New Mexico corporation  Ten and Other ———		
1. Lessor in consideration of 10.00 (\$ 10.00 ) in and paid, of the royalties herein pelusively unto Lessee for he purpose of investigating, exploring tanks, power stations, telephone lines and other structure.	provided and of the agreements of Laing, prospecting, drilling and mining	for and producing oil and f	ras, laying pipe lines, building
thereto, to produce, save, take care of, treat, transport, and	New Mexico		bed land inwit:
Township 16 South, R Section 26: S/2 Section 28: S/2			
containing 640 acres,	more or less,		
<ol> <li>Without reference to the commencement, prosecution velopment or cessation at any time of production of oil or gs thing else herein contained to the contrary, this lease shall be or gas is produced from said land or land with which said land</li> </ol>	is and without further payments than e for a term of XXX years from this and is pooled hereunder. Throp	the royalties berein provid date (called "primary term")	led, and notwithstanding any- ) and as long thereafter as oil
<ol> <li>The royalties to paid by Lessee are: (a) on oil,</li></ol>	of that produced and saved free connected; Lessee may from time to on the date of purchase; (b) on gas	om said land, the same to be time purchase any royalty o , including casinghead gas o	delivered at the wells or to the bil in its possession, paying the r other gaseous substance, pro-
duced from said land, and sold, or used off the premises or fo	-		
of the gas so sold or used provided that on gas sold at the well on this lease or on screage pooled therewith but gas is the date on which said well is shut, in and thereafter at ann not terminate and it will be considered that gas is being probe made by check or dra't of Lessee mailed or delivered to use of oil, gas, coal and vater from said land, except water puted after deducting any so used.	ial intervals the sum of \$1.00 per acro sduced from this lease in paying quan the parties entitled thereto on or bo	e, and if such payment is ma itities. Payment or tender of efore the date said payment	de or tendered, this lease shall said shut-in gas royalty may is due. Lessee shall have free
4. Lessee, at its opt on, is hereby given the right and and gas, or either of then, with other land, lease or leases it is necessary or advisable to do so in order properly to exthe New Mexico Oil Conservation Commission, or other lawf and gas in and under and that may be produced from said p and units pooled for gas hereunder shall not substantially all authority having jurisdiction prescribe or permit the creati with those prescribed by jovernmental regulations. Lessee up	n the immediate vicinity thereof to the plore, or to develop and operate said ul authority or when to do so would, remises. Units pooled for oil hereun exceed in area 640 acres each plus a on of units larger than those specified poter the provisions hereof may pool	e extent, hereinafter stipulat leased premises in complia in the judgment of Lessee, j der shall not substantially talerance of 10% thereof, pr l, units thereafter created ms or combine acreage covered	ed, when in Lessee's judgment nee with the spacing rules of promote the conservation of oil exceed 40 acres each in area, ovided that should governmently conform substantially in size by this lesse, or any portion
thereof as above provided is to oil in any one or more strata; need not conform in size or area with the unit or units in not conform as to area with gas units. The pooling in one portions thereof into other units. Lessee shall file for record describing and designating the pooled acreage as a pooled unit completing an oil or gas well on the lessed premises, and the capable of producing oil or gas in paying quantities has the theretofore been commence. Operations for drilling on or pro	to which the lease is pooled or comb or more instances shall not exhaust i in the appropriate records of the cou. Leasee may at its election exercise pooled unit may include, but it is no retofore been completed or upon whice	ined as to any other stratun the rights of the Lessee h inty in which the leased prem- its pooling option after of trequired to include, land th operations for the drilling	n or strata, and oil units need ereunder to pool this lease or itses are situated an instrument commencing operations for or or leases upon which a well of a well for oil or gas have
land covered by this lesse regardless of whether such operation this instrument or the instrument designating the pooled un this lesse whether or not the well or wells be located on the proof either of them, as herein provided, shall be treated for a were included in this lesse. For the purpose of computing the entitled on production of oil and gas, or either of them, it	it, shall be considered as operations for emises covered by this lease, and the en ill purposes, except the payment of ro- ie royalties to which owners of royalti- rom the pooled unit, there shall be al-	drilling on or production of tire acreage constituting such yelties on production from t es and payments out of prod llocated to the land covered	oil or gas from land covered by unit or units, as to oil and gas, he pooled unit, as if the same uction and each of them, shall by this lease and included in
said unit a pro rata portion of the oil and gas, or either of Such allocation shall be oi an acreage basis—that is to asy, that pro rata portion of the oil and gas, or either of them, included in the pooled unit bears to the total number of sur such production, whether it be oil and gas, or either of them, production were from such land. The production from an oil	there shall be allocated to the acres produced from the pooled unit which face acres included in the pooled unit so allocated to the land covered by i well will be considered production for	ge covered by this lease and the number of surface acts. Royalties hereunder shall this lease and included in from the lease or oil pooled u	id included in the pooled unit res covered by this lease and be computed on the portion of the unit just as though such nit from which it is producing
and not as production from a gas pooled unit; and productic which it is producing and not from an oil pooled unit. In a to time to commit said land or any part or formation or min- operation, and to any molifications thereof, which have bee authority. In such event, the royalty payable to Lessor her the terms of any such agreement or plan of operation, which Mexico is computed and pild. This lesse shall not expire du agreement or plan of operation shall be filed with the New the County in which the lessed premises are situated, an it and the same may be recorded either before or after the con-	ddition to the foregoing. Lessee at it eral substance covered hereby to any n approved by the New Mexico Oil eunder shall be computed and paid o h basis shall be the same by which ring the life of such agreement or Mexico Oil Conservation Commission natrument describing such agreement of	a option is hereby given the cooperative or unit agreement or Conservation Commission on the basis of the oil or gather royalty due the United blan and shall be subject to, or other lawful authority	er right and power from time at or plan of development and or other lawful governmental s allocated to such land under States or the State of New o the terms thereof and said , and Lessee shall record in
5. If at the expiration of the primary term oil or gas in drilling or reworking operations thereon, or shall have coremain in force so long as operations on said well or for drill secutive days, and if they result in the production of oil or gas after the expiration of the primary term of this lease and aft should cease from any case, this lease shall not terminate such production, but shall remain in force and effect so loff they result in the production of oil or gas, so long there designated by Leasee in accordance with the terms hereof, m in which the leased premises are situated at any time after wells producing oil or gas in paying quantities should be broutherewith. Leasee agrees to drill such offset well or wells as at any time execute and deliver to Lessor or place of recorthereby surrender this lease as to such portion or portions an	mpleted a dry hole thereon within 60 ing or reworking of any additional was so long thereafter as oil or gas is preer oil or gas is produced from said it. Lessee commences operations for dag as such operations are prosecuted siter as oil or gas is produced from many be dissolved by Lessee by instrume the completion of a dry hole or the offit in on adjacent land and within 6 a reasonably prudent operator would do release or releases covering any	days prior to the end of the ell are prosecuted with no c roduced from said land, or finance of the rilling or reworking within with no cessation of more said land, or from land pool ent filed for record in the ap- cessation of production on said 60 feet of and draining the drill under the same or similar portion or portions of the	primary terms, the lease shall essation of more than 60 con- rom land pooled therewith. If,  rewith, the production thereof  60 days after the cessation of  than 60 consecutive days, and  ed therewith. Any pooled unit  propriste records of the county  id unit. In the event a well or  lease premises, or land pooled  illar circumstances. Leasee may
<ol> <li>Lessee shall have the right at any time during or after including the right to draw and remove all casing. When required drilled within two bundred feet of any residence or barn no</li> </ol>	er the expiration of this lease to remo- uired by Lessor, Lessee will bury all ;	we all property and fixtures pipe lines below ordinary plo	placed by Lessee on said land, w depth, and no well shall be
7. The rights of either party hereunder may be assigned but no change or division in ownership of the land or royaltic Lessee; and no change or division in such ownership shall but. S. mail at Lessee's privipal place of business with a cerhereof in whole or in part liability for breach of any obligs commits such breach. If a x or more parties become entitled recordable instrument executed by all such parties designating	in whole or in part, and the provisions, however accomplished, shall operate binding on Lessee until thirty (20) tilied copy of recorded instrument or tion bereunder shall rest exclusively to royalty bereunder, Lessee may with the control of the	ns hereof shall extend to the te to enlarge the obligation days after Lessee shall have instruments evidencing sam upon the owner of this less thhold payment thereof unle	ns or diminish the rights of • been furnished by registered e. In the event of assignment e or of a portion thereof who
8. The breach by Lesies of any obligation arising hereur of the estate created hereby nor be grounds for cancellation being conducted in compliance with this lease, Lessor shall not in default, shall have sirt; days after receipt of such notice After the discovery of oll or gas in paying quantities on said but in discharging this obligation fit shall in no event be req of producing oil in paying quantities and one well per 640 and capable of producing ; ms in paying quantities.	hereof in whole or in part. In the e tify Lessee in writing of the facts re in which to commence the compliane premises, Lessee shall develop the ac- uired to drill more than one well per- seres plus an acreage tolerance not t	vent Lessor considers that o elied upon as constituting a se with the obligations impose reage retained bereunder as forty (40) acres of the area to exceed 10% of 640 acres	perations are not at any time breach hereof, and Lessee, If d by virtue of this instrument, a reasonably prudent operator retained hereunder and capable of the area retained hereunder
9. Lessor hereby warrants and agrees to defend the titl pon said land either in whole or in part, and in event Lens accruing hereunder toward satisfying same. Without impairme owns an interest in the oi or gas on, in or under said land proportionately. Should an rone or more of the parties name recruting the same.	re does so, it shall he subrogated to a ent of Lessee's right under the warras I less than the entire fee simple esta	uch lien with the right to en ity in event of failure of the te, then the royalties to be	force same and apply royalties tle, it is agreed that if Lessor paid Lessor shall be reduced
10. Should Lessee be prevented from complying with a thereon or from producing oil or gas therefrom by reason of majeure, any Federal or a sie law or any order, rule or regoverant shall be suspended, and Lessee shall not be liable in a Lewee is prevented by any such cause from conducting the time while Lessee is a prevented shall not be counted at IN WITNESS WHERIOF, this instrument is executed on	scarcity of or inability to obtain or rulation of governmental authority, the i damages for failure to comply there frilling or reworking operations on or gainst Lessee, anything in this lesse t	to use equipment or mate in while so prevented, Lessee's with; and this lease shall it from producing oil or gas	rial, or by operation of force s obligation to comply with such or extended while and so long from the leased premises: and
IN WILLIAM WHERE OF THE INSTRUMENT - TAREGORD OF			
	Cor	a M. Werthenbach	
	2940T		Lessor

110 WEST LOUISIANA SUITE 460 MIDLAND, TEXAS 79701 (915) 687-0127

LAND

SCOTT E WILSON

CEOLOGY

MARK D WILSON

TODD M WILSON

June 2, 1987

HEATHER WILSON ECHOLS

Mrs. Emma B. LaRoe 816 - 15th St., N.E. Mason City, Iowa 50401

Re: Oil and Gas Lease Offer

Township 16 South, Range 37 EAst, NMPM

Section 26: S/2

containing 320 acres, more or less,

Lea County, New Mexico

Dear Mrs. LaRoe:

Enclosed for your consideration is an oil and gas lease in duplicate covering your 1/64th of 1% mineral interest in the captioned lands. We had attempted to contact you in September, 1986, regarding this lease, but just recently obtained a complete address for you. The lease provides for a 3-year primary term and a 3/16ths royalty. As consideration for the lease, we will pay you a total bonus of \$20.00.

If the lease is acceptable, please execute both copies before a notary public and return one copy to us in the enclosed self-addressed, stamped envelope. Upon receipt of the executed lease, we will immediately mail you our check in the amount of \$20.00.

If you have any questions about this, please feel free to call us collect. We look forward to hearing from you soon.

Very truly yours,

Sharon K. Hickey Land Secretary

/skh

Encs.

# Three (KINE YEAR PAID UP LEASE)

Form 345
Hall-Poorbaugh Press
Roswell New Mexico

	OIL AND GAS LE	ASE	Roswell, New Mexic
THIS AGREEMENT made this 2nd EMMA B. LaROE, a widow	day of	June	, 19 <mark>87</mark> , betwee
			501.03
Lessor (whether one or riore), whose address is: 816 RIO PECOS CORPORATION, a No.	- 15th St., N.E., ew Mexico corporat	, Mason City, lowa	a 50401
1. Lessor in consideration of	Ten and no/100		Lessee, WITNESSETH
(\$\frac{10.00}{elusively unto Lessee for the purpose of investigating, explorads, tanks, power stations, telephone lines and other s	n provided and of the agreeme	ents of Lessee herein contain d mining for and producing	ned, hereby grants, leases and lets en oil and gas, laying pipe lines, buildin laimed by Leaser adjacent and contigues
thereto, to produce, save take care of, treat, transport, as	nd own said products, and hou	sing its employees, the follow	ing described land in
			, to-wit:
Section 26: S/2	h, Range 37 East,	NMPM	•
containing 320 a	cres, more or less	5,	
2. Without reference to the commencement, prosecutivelopment or cessation a any time of production of oil or thing else herein contained to the contrary, this lease shall or gas is produced from said land or land with which said	gas and without further paym l be for a term of Tife years f d land is pooled hereunder. +	nents than the royalties here from this date (called "prima	ein provided, and notwithstanding and ry term") and as long thereafter as o
<ol> <li>The royalties to paid by Lessee are: (a) on oil, credit of Lessor into the pipe line to which the wells may market price therefor privailing for the field where produce</li> </ol>	y be connected; Lessee may fro ced on the date of purchase; (	id saved from said land, the sign time to time purchase any (b) on gas, including casinghous casing to the same of	ame to be delivered at the wells or to the royalty oil in its possession, paying the ead gas or other gaseous substance, pro-
duced from said land, and sold, or used off the premises or	for the extraction of gasoline	or other product therefrom, th	he market value at the well of $\frac{3/16}{2}$
of the gas so sold or used, provided that on gas sold at the well on this lease or on acreage pooled therewith but gas the date on which said vell is shut, in and thereafter at an not terminate and it will be considered that gas is being to be made by check or draft of Lessee mailed or delivered use of oil, gas, enal and water from said land, except wa puted after deducting an so used.	nnual intervals the sum of \$1.0 produced from this lease in pa to the parties entitled thereto	DO per acre, and if such paymering quantities. Payment or or or before the date said	ent is made or tendered, this lease sha tender of said shut-in gas royalty ma payment is due. Lessee shall have fre
4. Lessee, at its option, is hereby given the right and gas, or either of them, with other land, lesse or lesses it is necessary or advisable to do so in order properly to the New Mexico Oil Conservation Commission, or other land gas in and under and that may be produced from said.	s in the immediate vicinity the explore, or to develop and open twful authority or when to do	reof to the extent, hereinafte erate said leased premises in so would, in the judgment of	er stipulated, when in Lessee's judgmen compliance with the spacing rules of Lessee, promote the conservation of o
and units pooled for gss hereunder shall not substantially authority having jurisdiction prescribe or permit the crewith those prescribed by governmental regulations. Lessee	ly exceed in area 640 acres eac eation of units larger than those	ch plus a tolerance of 10% the specified, units thereafter ex	bereof, provided that should governmen reated may conform substantially in sis
thereof as above provider as to oil in any one or more strat seed not conform in size or area with the unit or units not conform as to area with gas units. The pooling in o	ta and as to gas in any one or: into which the lesse is pooled	more strata. The units forme i or combined as to any othe	d by pooling as to any stratum or strater strater and oil units need
portions thereof into other units. Lessee shall file for reclescribing and designating the pooled acresge as a pooled with the pooled acresge as a pooled with the pooled acresge as a pooled with the pooled acresge and the pooled with the pooled acresge and the pooled with the pooled acresge and the pooled acresge acres and the pooled acresge acres ac	ord in the appropriate records init. Lessee may at its election	of the county in which the lest exercise its pooling option	ased premises are situated an instrumer n after commencing operations for o
apable of producing oil or gas in paying quantities has theretofore been commented. Operations for drilling on or gand covered by this leave regardless of whether such operations for the such operations for the such operations of	theretofore been completed or u production of oil or gas from a	upon which operations for thing part of the pooled unit	e drilling of a well for oil or gas has which includes all or a portion of the
of this instrument or the instrument designating the pooled his lease whether or not the well or wells be located on the reither of them, as b rein provided, shall be treated for	unit, shall be considered as oper premises covered by this lease, a	rations for drilling on or produ and the entire acreage constitu	uction of oil or gas from land covered b ting such unit or units, as to oil and ga
were included in this lease. For the purpose of computing se entitled on production of oil and gas, or either of them, aid unit a pro rata portion of the oil and gas, or either	the royalties to which owners, from the pooled unit, there a	of royalties and payments ou hall be allocated to the land	it of production and each of them, sha I covered by this lease and included i
and unit a pro rata portion of the oil and gas, or either of such allocation shall be on an acreage basis—that is to sa hat pro rata portion of the oil and gas, or either of then neluded in the pooled thit bears to the total number of s	sy, there shall be allocated to m, produced from the pooled u	the screage covered by this init which the number of s	lease and included in the pooled uni- urface acres covered by this lease an
uch production, whether it be oil and gas, or either of the production were from such land. The production from an and not as production from a gas pooled unit; and produ-	m, so allocated to the land cov oil well will be considered pro	vered by this lease and incl eduction from the lease or oil	uded in the unit just as though suc pooled unit from which it is producin
which it is producing a id not from an oil pooled unit. In o time to commit said and or any part or formation or n operation, and to any soddifications thereof, which have t	n addition to the foregoing, Le nineral substance covered hereb;	rusee at its option is hereby y to any cooperative or unit	given the right and power from tim
uthority. In such evert, the royalty payable to Lessor is he terms of any such greement or plan of operation, whexeeo is computed and paid. This lease shall not expire	hereunder shall be computed as hich basis shall be the same b	nd paid on the basis of the by which the royalty due th	oil or gas allocated to such land unde se United States or the State of Ne
greement or plan of operation shall be filed with the N he County in which the leased premises are situated, and und the same may be recorded either before or after the	lew Mexico Oil Conservation C instrument describing such ag	commission, or other lawful	authority, and Lessee shall record it
5. If at the expiration of the primary term oil or g in drilling or reworking operations thereon, or shall have	ras is not being produced on s	said land, or from land poole within 60 days prior to the e	d therewith, but Lessee is then engage
remain in force so long as operations on asid well or for di secutive days, and if ther result in the production of oil or later the expiration of the primary term of this lease and	rilling or reworking of any add gas so long thereafter as oil or	ditional well are prosecuted to gas is produced from said l	with no cessation of more than 60 con and, or from land pooled therewith. It
should cease from any muse, this lease shall not terminal the production, but shall remain in force and effect so If they result in the production of oil or gas, so long the	te if Lessee commences operations are p	ions for drilling or reworking prosecuted with no cessation	g within 60 days after the cessation of of more than 60 consecutive days, an
designated by Lessee in accordance with the terms hereof, in which the lessed primises are situated at any time aft wells producing oil or gus in paying quantities should be by	, may be dissolved by Lessee by ter the completion of a dry ho rought in on adjacent land and	y instrument filed for record- de or the cessation of product. I within 660 feet of and drai	in the appropriate records of the count ion on said unit. In the event a well o ning the lease premises, or land poole
therewith. Lessee agree: to drill such offset well or wells any time execute and deliver to Lessor or place of re- thereby surrender this lasse as to such portion or portions	as a reasonably prudent operate cord a release or releases cove	tor would drill under the samering any portion	ne or similar circumstances. Lessee ma s of the above described premises an
<ol> <li>Lessee shall have the right at any time during or a neluding the right to d aw and remove all casing. When r brilled within two huncred feet of any residence or barn</li> </ol>	ofter the expiration of this lease required by Lessor, Lessee will	e to remove all property and bury all pipe lines below ord	fixtures placed by Lessee on said land
7. The rights of either party hereunder may be assign but no change or division in ownership of the land or royal Lessee; and no change or division in such ownership shall U. S. mail at Lessee's principal place of business with a hereof in whole or in part liability for breach of any obligations are made and the second of the commits such breach. If six or more parties become entitle recordable instrument executed by all such parties designs	ilties, however accomplished, sh l be binding on Lessee until th certified copy of recorded instr ligation bereunder shall rest ex- led to royalty hereunder, Lessee	hall operate to enlarge the hirty (30) days after Lessee rument or instruments eviden telusively upon the owner of a may withhold payment the	obligations or diminish the rights of ahall have been furnished by registers cing same. In the event of assignment this lease or of a portion thereof when the lease of the le
8. The breach by lesses of any obligation arising here of the estate created hereby nor be grounds for cancellatio being conducted in compliance with this lesse, Lessor shall in default, shall have sixty days after receipt of such not after the discovery of oil or gas in paying quantities on as but in discharging this obligation it shall in no event be r of producing oil in paying quantities and one well per 64	eunder shall not work a forfeit on hereof in whole or in part. notify Lessee in writing of the lice in which to commence the aid premises, Lessee shall devel required to drill more than one	ture or termination of this le In the event Lessor conside e facts relied upon as const compliance with the obligatio top the acreage retained here well per forty (40) acres of	rs that operations are not at any tim- ituting a breach hereof, and Leasee, i- ns imposed by virtue of this instrument under as a reasonably prudent operato the area retained hereunder and capabl
and capable of producing gas in paying quantities.  3. Lessor hereby varrants and agrees to defend the troop and land either in whole or in part, and in event Le troop and the remover toward satisfying same. Without impair was an interest in the oil or gas on, in or under said la proportionately. Should any one or more of the parties in receiving the same.	essee does so, it shall he subros rment of Lessee's right under t and less than the entire fee si	rated to such lien with the ri the warranty in event of fail mple estate, then the royalt	ght to enforce same and apply royaltic ure of title, it is agreed that if Lesso ies to be paid Lessor shall be reduce
10. Should Lessee be prevented from complying with hereon or from producing oil or gas therefrom by reason najoure, any Federal is state law or any order, rule or sovenant shall be suspeaded, and Lessee shall not be liable is Lessee is prevented by any such cause from conducting he time while Lessee a so prevented shall not be counted.  IN WITNESS WHEREOF, this Instrument is executed.	of searcity of or inability to regulation of governmental auti- in damages for feilure to con- g drilling or reworking operati- against Lessee, anything in the	obtain or to use equipment hority, then while so prevented upper therewith; and this less ions on or from producing of his lesse to the contrary not	or material, or by operation of fore d. Lessee's obligation to comply with au- ce shall be extended while and so lon il or gas from the lessed premises; an
		mma B. LaRoe	

### 10 PECOS CORPORATION

OIL & GAS PROSPECTS

ITO WEST LOUISIANA SUITE 460

MIDLAND, TEXAS 79701

Notat this address

Mr. and Mrs. Frank B. Balkam

919 N. Federal AveBAL 19 071810N1 06/18/87

Mason City, IA 50

RETURN TO SENDER NO FORWARDING ORDER ON FILE UNABLE TO FERWARD.

UNABLE TO THE

# RIO PECOS CORPCRATION

OIL & GAS PROSPECTS

110 WEST LOUISIANA, SUITE 460 MIDLAND, TEXAS 797(1)

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Mae Duncan Bauman

2530 S. Owasso Street

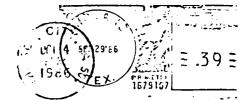
Tulsa, OK 74114

# RIO PECOS CORPCIRATION

OIL & GAS PROSPECTS

110 WEST LOUISIANA SUITI: 460

MIDLAND, TEXAS 797 )1



Mr. W. C. Caldwell

P. O. Box 712-

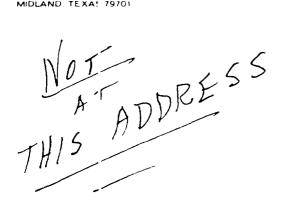
Mason City, IA 50401

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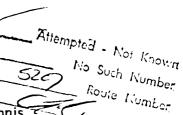
OIL & GAS PROSPECTS

110 WEST LOUISIANA SUITE 460

MIDLAND, TEXA! 79701







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Floy Mae Mawhinney Dennis

8804 Crawford Avenue

Sun Valley, CA 91352

## RIO PECOS COF:PORATION

OIL & GAS PROS ÆCTS 110 WEST LOUISIANA SUITE 460 MIDLAND, TEXAS 79701



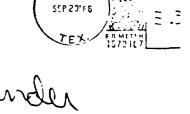
Mr. and Mrs. Henry R. Elvidge

Callender, IA 50523

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# **RIO PECOS CORPORATION**

OIL & GAS PRO! PECTS 110 WEST LOUISIANIA, SUITE 460 MIDLAND, TEXAS 79701



Henrietta L. McDermott Fischer

3449 Grand Avenue

Des Moines, 14 -50312

OIL & GAS PROSPICTS

110 WEST LOUISIANA GUITE 460 MIDLAND, TEXAS 79701





Mr. and Mrs. Earl L. Hansen
Swea City, 1A 50590

### **RIO PECOS CORPORATION**

OIL & GAS PROSPECTS
110 WEST LOUISIANA, SUITE 460
MIDLAND, TEXAS 19701

Jorak X

HAY-1'87 (2003) E.3C

Mr. and Mrs. W. A. Horn

630 X33rd Avenue

San/Francisco, CA 94121

No Such RESIDENT

A. Horn

A. Horn

CA 94121

Regist 2-17

Halandadaa Hadabaa Hadlab

### RIO PECOS CORFORATION

OIL & GAS PROSPECTS
110 WEST LOUISIANA SHITE 460
MIDLAND, TEXAS 79701

Emma B. LaRoe

Mason City, 1A 50401

OIL & GAS PROSPETTS

110 WEST LOUISIANA SUITE 460

MIDLAND, TEXAS 79701

Mrs. Emma B. LaRoe

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816 - 15th St., N. E.

Mason City, IA 50401

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RIO PECOS CORPORATION

OIL & GAS PROSPE :TS
110 WEST LOUISIANA S JITE 460
MIDLAND, TEXAS '9701

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SEP 29'86 = .39

Cynthia E. & Charles R. Larson

406 W. Broadway

Eagle Grove, IA 50533

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RIO PECOS CORPORATION

OIL & GAS PROSPI CTS 110 WEST LOUISIANA GUITE 460 MIDLAND, TEXAS 79701



SEP 29'86 = .3

Mr. and Mrs. Frank O. Peterson

Callender, IA 50523

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# RIO PECOS CORPORATION Jeturn to Sender OIL & GAS PROSPECTS 110 WEST LOUISIANA ".UITE 460 MIDLAND TEXAS 79701 Blanche L. Probert Shirley F. Porter H. Newell Probert 6233 - 40th Avenue, N.E. Seattle, WA 98115 ADDRESSEA UNRMOSER RETURN TO SELL!

# RIO PECOS CORPORATION

OIL & GAS PROSPECTS 110 WEST LOUISIANAL SUITE 460 MIDLAND, TEXAS 79701

'SEP 29'86 JEX

not in this Box

Mr. John Satoka

P. O. Box 522

MOVED - NO ORDER RETURN TO SENDER

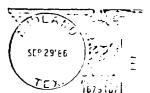
# **RIO PECOS CORPORATION**

OIL & GAS PROSPECTS

110 WEST LOUISIANA SUITE 460

MIDLAND, TE (AS 7970)

Sun prochowing



Gertrude J. Sproule Scullin 502 North 5th St.

Humboldt, IA 50548

RIO PECOS CORPORATION MIDLAND TEXAL 79701 not this AS ADDRESSED Whitele to FORMATE 1.0/04/86 001404141 Mr. and Mrs. G. L. Whitman HHI 02 P. O. Box 2202

RETURN TO SENDER NO FORMARDING ORDER ON FILE UNABLE TO FORMARD

Waterloo, IA 50501