

GAS PURCHASE AGREEMENT
BETWEEN
SOUTHLAND ROYALTY COMPANY
AND
GAS COMPANY OF NEW MEXICO

PLEASE REFER TO DOCUMENT NO.	022502
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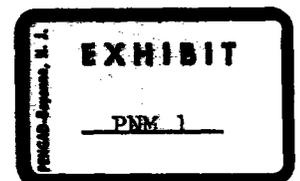
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NOTE: This page is not a part of the Agreement. It is for the convenience of the parties only and may be removed at any time by any party hereto.

L0391/0145/01CS06



GAS PURCHASE AGREEMENT

THIS AGREEMENT is made and entered into as of the 1st day of March, 1990, to become effective July 1, 1990, by and between SOUTHLAND ROYALTY COMPANY (hereinafter referred to as "Seller"), and GAS COMPANY OF NEW MEXICO, a division of Public Service Company of New Mexico (hereinafter referred to as "Buyer").

W I T N E S S E T H :

WHEREAS, Buyer and Seller are parties or successors in interest to those certain gas purchase agreements described in Exhibit A Prior Gas Purchase Agreements, providing for the purchase by Buyer and sale by Seller of natural gas as provided therein (as heretofore supplemented and amended, said gas purchase agreements are hereinafter referred to as the "Prior Agreements");

WHEREAS, Buyer and Seller desire to terminate the Prior Agreements and, contemporaneous therewith, to enter into a new Gas Purchase Agreement for the sale and purchase of natural gas, covering Seller's interest in production from the acreage and the leases that are the subject of the Prior Agreements, except gas from coalbed methane formations, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants, premises and agreements herein contained and for other good and valuable consideration, Seller and Buyer do hereby covenant, contract and agree as follows:

I.

DEFINITIONS

1.1 Aggregate Daily Deliverability shall mean the daily deliverability of all of the Subject Wells to this Agreement as determined under Section 8.1 of the Agreement.

1.2 Assumed Working Pressure for each Purchase Period shall mean the average working pressure in Buyer's gathering systems to which the Subject Wells are connected during the prior December through February period, provided, however, that the Assumed Working Pressure for the first Purchase Period shall be as shown on Exhibit C.

1.3 British Thermal Unit or the abbreviated "Btu" shall mean the quantity of heat required to raise the temperature of one pound of water one degree Fahrenheit at sixty degrees Fahrenheit. The abbreviation "MMBtu" shall mean one million British Thermal Units.

1.4 Contract Acreage shall mean all of the acreage and formations described in Exhibit B which is a part of this Agreement.

1.5 Delivery Points shall mean the inlet sides of Buyer's meter facilities which are connected to a Subject Well. Delivery Point shall mean each of the Delivery Points, individually.

1.6 Gas shall mean natural gas produced from "gas wells" or casinghead gas produced from "oil wells" so designated by the agency of the State of New Mexico having jurisdiction thereover.

1.7 Mcf shall mean one thousand cubic feet of gas measured in accordance with Article VI of this Agreement.

1.8 New Subject Well shall mean any Subject Well spudded after the date hereof or a recompletion of an existing Subject Well into a new formation.

1.9 Production Month shall mean the period beginning at 12:01 a.m. Mountain Time on the 25th day of a calendar month and ending at 12:01 a.m. on the 25th day of the following calendar month except that the first production month of each Purchase Period shall begin at 12:01 a.m. Mountain Time on the 1st day of the Purchase Period and the last production month of each Purchase Period shall end at 12:01 a.m. Mountain Time on the last day of the Purchase Period.

1.10 Purchase Period shall mean the period of December 1 through the last day of the following February during the term of this Agreement.

1.11 Release Period shall mean the period of March 1 through the next November 30 during the term of this Agreement.

1.12 Subject Lease shall mean any leasehold or other interest in land or minerals of Seller in the Contract Acreage, including any and all renewals and extensions thereof, or any unit containing a portion of any such interest, from which Seller has dedicated the production of gas to the performance of this Agreement but only to the extent that the leasehold or other interest covers Contract Acreage.

1.13 Subject Well shall mean any well presently existing or hereafter drilled on Contract Acreage or a unit containing any Contract Acreage, including those existing wells described in Exhibit B, provided, however, that the Subject Wells shall not include coalbed methane wells.

II.

BUYER'S RIGHT TO PURCHASE

Seller commits to the performance of this Agreement all gas, in which Seller has an interest or a right to sell, produced from the Subject Wells.

2.1 Certain Gas Excluded: This Agreement shall not apply to:

(a) Gas required by Seller for lease fuel, drilling, gas lifting, gas cycling, pressure maintenance, or development and operation of its oil and gas leases covering the Subject Leases; or

(b) Gas required to be delivered by Seller to its lessor under the terms of the Subject Leases; or,

(c) Gas liberated from second and successive stages of liquid separation or stabilization operated below the line pressure of Buyer's pipeline; or,

(d) Fuel gas used by Seller to dehydrate, sweeten, compress or otherwise condition Seller's gas produced hereunder to a merchantable state.

2.2 Pooling and Unitization: Seller may form or participate in the formation of any unit including all or part of the lands under the Subject Leases and thereafter may increase or decrease the acreage contained in the unit so formed. Seller may also pool and combine any unit or part of any unit with properties owned by others, provided that Buyer's rights under this Agreement will not be diminished and shall continue to apply to Seller's interest in any unit formed in proportion with the acreage dedicated by Seller to the unit. In the event any of the lands covered by the Subject Leases are force pooled, Seller will take reasonable steps necessary

to preserve its right to sell gas to Buyer produced from the lands so pooled proportionate to Seller's interest in the unit.

2.3 Processing: Prior to delivery of gas at a Delivery Point to Buyer hereunder, Seller may not remove gasoline and other liquid or liquefiable hydrocarbons from the gas except by conventional mechanical gas-oil wellhead separator. No extractive process employed by Seller shall materially reduce the pressure or volumes of gas otherwise available to Buyer hereunder, nor shall such process materially alter the temperature of the flowing gas or change its characteristics as a useful fuel. Any gasoline, liquids or other liquefiable content, helium and other non-hydrocarbon constituents of gas purchased by Buyer and delivered hereunder shall become the property of Buyer without payment of any additional compensation therefor after it has passed the Delivery Point.

III.

LEASE MAINTENANCE AND CONTROL

Seller Has Control of the Subject Leases: It is Seller's exclusive right and obligation to control, manage and operate (or designate an operator of) the Subject Leases and Subject Wells.

IV.

GOVERNMENTAL APPROVAL, CONNECTION OF WELLS,
DELIVERY AND TITLE

4.1 Approvals: The parties will in a timely and correct manner make all filings, applications or notices to any governmental authority having jurisdiction necessary for the parties to perform their particular obligations under this Agreement. It will be the obligation of the party making those filings, applications or notices to deliver a copy thereof and any response thereto to the other party.

4.2 Connection of New Subject Wells: Seller will notify Buyer when Seller has completed a New Subject Well. Seller's written notice to Buyer of each New Subject Well, shall be accompanied by all non-confidential logs, initial tests as reported to the New Mexico Oil Conservation Division (hereinafter "NMOCD"), gas analysis data, a copy of the (re)completion report to the NMOCD and such other information as may be necessary for evaluation of such New Subject Well. Buyer shall inform Seller of its decision to connect any New Subject Well within thirty (30) days after receipt of Seller's written notice.

If, for any reason other than force majeure or lack of governmental approval or well operator's authorization, any New Subject Well is not connected by Buyer to Buyer's pipeline within ninety days after Seller's written notice of well completion, then Seller may, at its option give Buyer written notice of its election to terminate this Agreement as to that Subject Well, or Seller may, subject to paying all costs and conforming to Buyer's specifications, construct such facilities to connect any New Subject Well which would be uneconomic to Buyer, in which case such New Subject Well will be covered by this Agreement.

Buyer shall not be required to connect any New Subject Well which Buyer in its sole discretion determines to be uneconomic.

4.3 Delivery and Transfer of Title: Gas shall be delivered to and taken by Buyer at the Delivery Point. Seller is responsible for the safe conduct and handling of gas sold hereunder (including installation of a high/low wellhead safety device on New Subject Wells where required), until it reaches the Delivery Point at which point title to the gas sold hereunder, in addition to responsibility for the safe conduct and handling thereof, shall pass to Buyer. Each party shall maintain the facilities owned or operated by it in good, safe, efficient operating condition and repair.

4.4 Disconnection of Wells: Seller may disconnect any Subject Well that is no longer capable of producing in paying quantities as determined in Seller's sole discretion, by providing thirty days prior written notice to Buyer. In the event Seller shall deliver through any single measuring station (both Buyer's purchases and Seller's transportation) in any twelve month period a total volume of gas less than three thousand six hundred Mcf, Buyer shall have the right after providing thirty day's prior written notice to disconnect the Subject Well(s) behind such measuring station, provided that such Subject Well(s) were connected each month of that period, provided, however, that Buyer shall not have the right to give such notice for any Subject Well prior to April 1, 1991. Seller shall thereupon either agree to such disconnection or thereafter pay a Monthly Meter Utilization Fee for such measuring station of \$100.00 for each month in which volumes at such measuring station are less than three hundred Mcf until Seller disconnects such Subject Well(s). The Monthly Meter Utilization Fee will escalate at an annual percentage of five

percent on each anniversary date of this Agreement. Seller shall make payment of each such Monthly Meter Utilization Fee within forty-five days after invoice by Buyer.

V.

METERING

5.1 Equipment Installation and Maintenance: Buyer, at its sole cost, risk and expense, shall install, maintain and operate at or near the Delivery Point or such other points as may be mutually agreed to by the parties, orifice or other mutually acceptable meter and other related equipment for measuring the volume of gas purchased by Buyer. That equipment shall be the means of determining the quantity of gas delivered to Buyer. Buyer shall change charts on meters or read meters as often as is found necessary in practice and as mutually agreed by the parties, but no less often than every fifteen (15) days.

5.2 Inspection by Seller: All meters, meter readings and meter charts shall be accessible at all reasonable times to inspection and examination by Seller but the calibration and adjustment of Buyer's meters shall be done by Buyer, using generally accepted procedures.

5.3 Seller's Equipment: Seller shall have the right, at its option and expense, to install and operate a check meter upstream of Buyer's equipment. Such check meter shall be accessible at all reasonable times to inspection and examination by a representative of Buyer, but the reading, calibration, and changing of charts shall be performed by Seller. Buyer may require Seller by written request to install, upstream of Buyer's meter on New Subject Wells and on existing Subject Wells where there has been a material change in the quality or pressure of the gas, an adequate trap for removal of liquids, gums and solids from the gas delivered to assure that the gas meets the quality specifications and adequate pulsation dampeners to permit accurate

measurement of the gas delivered to Buyer. If Seller fails to satisfactorily comply with such written request Buyer may delay connection or suspend its purchases hereunder until compliance is acceptable to Buyer.

5.4 Calibration: Buyer shall calibrate its meters at least once each ninety days or more often as may be mutually agreeable, by and at the expense of Buyer. Buyer shall give Seller or its designated representative notice of each calibration test in sufficient time to enable Seller, at its election, to have its representative present.

5.5 Adjustment: If upon any test Buyer's measuring equipment is found to be no more than two percent erroneous in the aggregate, previous readings of such equipment shall be considered correct in computing the deliveries of gas hereunder but such equipment shall be adjusted at once to read accurately at that time. If upon any test Buyer's measuring equipment shall be found to be inaccurate in the aggregate by an amount exceeding two percent at a reading corresponding to the average rate of flow for the period since the last preceding test, such equipment shall be adjusted at once to read accurately and any previous reading of such equipment shall be corrected for a period extending back to the time such inaccuracy occurred, if such time is ascertainable, and if not ascertainable, then back one-half of the time elapsed since the date of last calibration testing, but not to exceed a correction period of ninety days. If for any reason any of Buyer's measuring equipment is out of service or out of repair, so that the volume of gas purchased cannot be ascertained or computed for the reading thereof, the volume of gas purchased during the period the equipment is out of service or out of repair shall be determined by the parties hereto on the basis of the best data available, using the first of the following methods which is feasible:

(a) By using the registration of Seller's check meter, if installed and accurately registering;

(b) By correcting the error in Buyer's meter, if the percentage of error is ascertainable by calibration test or mathematical calculation;

(c) By estimating the volume of delivery, by using as a basis the volumes delivered during preceding periods under similar conditions when the meter was registering accurately.

VI.

MEASUREMENT

6.1 Tests: Buyer or its designated representative shall conduct the tests under this article with equipment of standard manufacture which it shall furnish and maintain and shall give Seller or Seller's designated representative seven days written notice of each test to enable Seller, at its election, to have its representative present.

6.2 Standards: Measurements by orifice meters shall be computed in cubic feet in accordance with the specifications of ANSI/API 2530, entitled "Orifice Metering of Natural Gas" (formerly American Gas Association, Gas Measurement Committee Report No. 3 dated September 1969), including appendices and existing or subsequent revisions or amendments thereto, applied in an appropriate manner with corrections made for deviation from the Ideal Gas Laws. If other than orifice metering equipment is utilized, measurement shall be computed in accordance with applicable national standards or in accordance with the recommendations of the manufacturer of the equipment and accepted industry standards.

6.3 Specific Gravity: The specific gravity of the measured volumes shall be determined by methods commonly accepted in the industry. The specific gravity shall be determined as frequently as is found necessary in practice to insure accurate measurements, but not less than once every six months. Each test shall determine the specific gravity to be used in computation for measurement of the gas until the next succeeding test.

6.4 Temperature: The temperature of all measured volumes may be determined by recording thermometers at the points of measurement or, if not determined by recording thermometer, by an alternative method generally accepted in the natural gas industry and which is acceptable to Buyer and Seller, and otherwise the temperature of the gas through the meters shall be assumed to be sixty degrees Fahrenheit. All recording thermometers shall be so installed and maintained as to properly record the temperature of the gas flowing through the meter or measurement facility. The arithmetic average of the temperatures recorded, if any, while gas is flowing during the applicable measurement period shall be used in computing gas volumes for the period.

6.5 Heating Value: The Btu content of gas at the Delivery Point shall be the total calorific value thereof determined at least semi-annually by analysis of gas samples accumulated from the main stream in a sample bottle of a mutually approved type. The analysis shall be made by means of passing the sample through a chromatograph to determine the chemical composition. Heating value thus determined shall be expressed in terms of total calorific value per cubic foot of gas, saturated with water vapor, at an absolute pressure of fourteen and seventy-three one hundredths pounds per square inch absolute and sixty degrees Fahrenheit. The number of cubic feet of gas received at the Delivery Point hereunder, at the

base pressure multiplied by the Btu content per cubic foot of such gas, saturated with water vapor, at the base pressure, shall determine the total Btu quantity received. The method of obtaining gas samples for subsequent analysis by gas chromatography to determine the total calorific value of gas shall be prescribed in Gas Processors Association Bulletin No. 2166-68, or its successor, including its appendices and revisions.

6.6 Assumed Actual Conditions: An atmospheric pressure of eleven and six-tenths pounds per square inch absolute shall be used irrespective of any variation of the actual barometric pressure from such assumed pressure.

6.7 Standard Conditions and Unit of Volume: The unit of volume of gas delivered hereunder shall be one cubic foot of gas at an absolute pressure of fourteen and seventy-three hundredths pounds per square inch at sixty degrees Fahrenheit. The unit of volume for determining the heating value of the gas delivered hereunder shall be one cubic foot at an absolute pressure of fourteen and seventy-three hundredths pounds per square inch at a temperature of sixty degrees Fahrenheit, saturated with water vapor. The heating value thus determined shall be expressed as total calorific value, in Btu, per cubic foot.

VII.

PRICE

7.1 Price Decontrol: Seller and Buyer expressly agree as to gas produced from any of the Subject Wells hereunder which, as of the date hereof, is subject to price ceilings under Title I of the Natural Gas Policy Act of 1978 or is subject to the jurisdiction of the Federal Energy Regulatory Commission under the Natural Gas Act, such gas shall cease to be subject to

such price ceilings and/or Natural Gas Act jurisdiction effective as of the date of this Agreement as provided by the Natural Gas Wellhead Decontrol Act of 1989.

7.2 Price: (a) The price to be paid by Buyer to Seller for all gas sold and delivered to Buyer hereunder during each Purchase Period shall be:

December 1, 1990 through the end of February, 1991\$ 2.568 per MMBTU

December 1, 1991 through the end of February, 1992\$ 2.748 per MMBTU

December 1, 1992 through the end of February, 1993\$ 2.940 per MMBTU

December 1, 1993 through the end of February, 1994\$ 3.146 per MMBTU

December 1, 1994 through the end of February, 1995\$ 3.366 per MMBTU

(b) The prices set forth in this Section 7.2 are inclusive of any and all taxes, royalties, fees, and other production-related costs.

VIII.

QUANTITY

8.1 Aggregate Daily Deliverability: (a) The Aggregate Daily Deliverability for the Purchase Period beginning December 1, 1990, and for each subsequent Purchase Period shall be the quantity of gas legally available for sale from the Subject Wells and shall be determined by agreement of the parties not later than August 1, prior to the beginning of the Purchase Period, provided however that the Aggregate Daily Deliverability shall never exceed 47,000 Mcf per day (hereinafter "Maximum Limitation"). Subject to the Maximum Limitation, the Aggregate Daily Deliverability for each Purchase Period shall be the maximum volume that can be produced into Buyer's gathering system against the Assumed Working Pressure for that Purchase Period and lawfully made available for sale to Buyer hereunder each day during the Purchase Period

including any allowed overproduction of allowables and shall be determined by taking into account the most recent production capacity of all of the Subject Wells as established by test, the production history of all of the Subject Wells during the preceding Purchase Period, pressure production decline curves for all of the Subject Wells, the anticipated production allowables for all of the Subject Wells, and any other information either party believes is relevant to such determination. If the parties are not able to agree on the Aggregate Daily Deliverability by August 1, each of the parties will immediately submit their estimates of the Aggregate Daily Deliverability and the data underlying those estimates to Miller & Lents, Ltd. (hereinafter the "Deliverability Arbitrator") not later than September 15, prior to the Purchase Period. On or before October 15, the Deliverability Arbitrator shall select either Buyer's estimate or Seller's estimate as the Aggregate Daily Deliverability for the ensuing Purchase Period. The decision of the Deliverability Arbitrator shall be binding on Buyer and Seller. The parties shall each pay one-half of the fees charged by the Deliverability Arbitrator but shall otherwise bear their own costs and expenses.

(b) if at any time the Deliverability Arbitrator refuses or is unable to serve as the Deliverability Arbitrator, the Deliverability Arbitrator becomes affiliated with either party or begins to provide services to either party or an affiliate of either party then within thirty days of learning of such event Buyer and Seller shall select from the list attached as Appendix A the first Deliverability Arbitrator who (1) does not then provide services to Buyer, Seller or any affiliate thereof; (2) is not otherwise affiliated with Buyer or Seller; and (3) is willing and able to serve as Deliverability Arbitrator.

(c) If the Aggregate Daily Deliverability is not determined by the Parties or the Deliverability Arbitrator by October 15 preceding a Purchase Period, then until the Aggregate Daily Deliverability is so determined the last Aggregate Daily Deliverability determined hereunder shall be the Aggregate Daily Deliverability for that Purchase Period.

8.2 Seller's Delivery Obligation: As of the effective date of this Agreement and subject to other provisions of this Agreement, Seller warrants, represents and covenants that it will maintain sufficient deliverability to be able legally to produce, sell and deliver to Buyer hereunder each day during each Purchase Period against the Assumed Working Pressure, an aggregate daily quantity equal to ninety percent of the Aggregate Daily Deliverability for the Purchase Period (hereinafter "Seller's Delivery Obligation").

8.3 Buyer's Minimum Purchase Obligation: For the Purchase Period beginning on December 1, 1990 and for each subsequent Purchase Period and subject to the other provisions of this Agreement, Seller agrees to deliver and Buyer agrees to purchase an aggregate quantity of gas for each Purchase Period which is equal to sixty-six and two-thirds percent of the product obtained by multiplying the Aggregate Daily Deliverability for the Purchase Period by the number of days in the Purchase Period (hereinafter "Buyer's Minimum Purchase Obligation"). Buyer does not have any right or obligation to take gas from any Subject Well or Contract Acreage during the Release Periods.

8.4 Reservation Fee: Buyer shall pay Seller a Reservation Fee in the event that during any Purchase Period, for any reason other than *force majeure*, Buyer purchases less than Buyer's Minimum Purchase Obligation. For purposes of this Section 8.4, *force majeure* does not include any limitation on Buyer's ability to purchase Buyer's Minimum Purchase

Obligation or to pay the Reservation Fee because of any law, rule, regulation, order or decision of any governmental body having jurisdiction over the parties hereto or this Agreement. The Reservation Fee shall be determined by multiplying the Deficiency for the Purchase Period by twenty percent of the price applicable to gas purchased during that Purchase Period. The Reservation Fee shall be Seller's sole remedy for any failure by Buyer to purchase gas under this Agreement and shall not be subject to recoupment by Buyer. As used in this Section 8.4, the term "Deficiency" for any Purchase Period shall mean Buyer's Minimum Purchase Obligation for the Purchase Period minus the sum of (1) the quantities of gas delivered by Seller to Buyer hereunder during the Purchase Period; and (2) the quantities of gas up to Seller's Delivery Obligation requested by Buyer during the Purchase Period and not made available by Seller to Buyer. Any Reservation Fee shall be paid to Seller not later than ninety days after the end of the Purchase Period.

8.5 No Ratable Take Obligation: This Agreement does not create any obligation for Buyer to take gas from any Subject Well or Contract Acreage ratable with Buyer's takes from any other wells or acreage.

IX.

RELEASED WELLS

9.1 Release Volumes. Seller shall have the right to sell to others or otherwise dispose of the following volumes attributable to gas produced from the Subject Wells and Contract Acreage:

(a) Release Periods -- All volumes of gas available from the Subject Wells and Contract Acreage.

(b) Purchase Periods -- All volumes of gas available from the Subject Wells and Contract Acreage in excess of Seller's Delivery Obligation for the Purchase Period (hereinafter "Purchase Period Released Volume").

Seller's right to sell or dispose of gas under this Section 9.1 during Purchase Periods shall not be limited but shall be subordinate to its obligation to deliver Seller's Delivery Obligation to Buyer.

9.2 Release Procedure for Purchase Periods: Not later than thirty days prior to the beginning of each Purchase Period, Seller shall provide to Buyer a list of the Subject Wells from which production shall be released (hereinafter "Released Wells"). The Released Wells shall not have an aggregate deliverability in excess of the Purchase Period Released Volume. The Released Wells shall be selected first from Subject Wells that are attached to gathering systems other than those owned by Sunterra Gas Gathering Company or Gas Company of New Mexico (hereinafter "Exchange Wells"). To the extent that the aggregate deliverability of Exchange Wells are less than the Purchase Period Released Volume, the remainder of the Released Wells shall be selected from Subject Wells in which Seller owns one hundred percent of the working interest. All of the gas produced from the Released Wells during the Purchase Period may be sold by Seller to others unless Seller is unable to deliver Seller's Delivery Obligation to Buyer. If at any time, Seller is unable to deliver Seller's Delivery Obligation to Buyer from Subject Wells that have not been released, Seller shall immediately recommit to Buyer one or more Released Wells having sufficient aggregate deliverability to enable Seller to sell and deliver to Buyer Seller's Delivery Obligation and/or sell to Buyer at a mutually agreeable

delivery point into Buyer's system other natural gas sufficient to enable Seller to sell and deliver to Buyer Seller's Delivery Obligation.

X.

BILLINGS AND PAYMENT

10.1 Statements: On or before the tenth day of each calendar month Buyer shall render a statement, by wire or letter, to Seller or its designated representative giving the total volume and MMBtu of gas delivered by Seller and taken by Buyer hereunder during the preceding Production Month prior to making payment. The statements delivered by Buyer will be in sufficient detail as to segregate volume purchased from Seller on a calendar month. Payment for gas delivered and taken in accordance with the statement and executed division order shall be made by Buyer to Seller on or before the twenty-fifth day of each calendar month following the month of production. All statements, billings, and payment shall be subject to correction of any errors contained therein until the expiration of twenty-four months after rendition.

10.2 Charts: When requested to do so by Seller, Buyer shall mail all charts to Seller or its designated representative for checking as soon as is conveniently possible after computing the volumes therefrom. Such charts shall be returned to Buyer within forty-five days of receipt by Seller and kept on file by Buyer for the mutual use of both parties for a period of at least twenty-four months after the Production Month.

10.3 Delinquency: In the event any payment due to Buyer or Seller under this Agreement shall be delinquent, interest on the unpaid portion shall accrue at an annual rate equal to the lesser of the prime rate of Morgan Guaranty Trust Company in effect from time to time

plus three percent from date due until date paid, or the maximum interest rate allowed by law from date due until date paid. Additionally, if Buyer fails to make any payment after thirty days written notice by Seller to Buyer of such delinquency sent by certified or registered mail, Seller in addition to all other legal and equitable rights shall have the right and option of suspending delivery of gas hereunder until all delinquent payments, plus accrued interest, are made in full. If Seller fails to make any payment due under Section 4.4 after thirty-days notice by Buyer to Seller of such delinquency sent by certified or registered mail, Seller in addition to all other legal and equitable rights shall have the right and option of disconnecting the Subject Well. The rights of suspension and/or disconnection shall not apply to the pending settlement of a bona fide dispute concerning the amount payable by Buyer or Seller, if that party shall have made timely payment of all amounts not in dispute. Other than the gas which is in bona fide dispute, Seller may continue to produce and sell gas from the Subject Wells hereunder. In the event any adverse claim is made against any gas delivered hereunder, Buyer may retain without interest any sums accruing with respect to the claimed interest until such claim shall be finally adjudicated or settled or until Seller shall furnish to Buyer adequate and satisfactory indemnity against all loss, liability, costs or damage which Buyer may suffer or incur by reason of such claim.

10.4 Examination of Records: Both Seller and Buyer shall have the right to examine, at reasonable times at the offices of the other party and upon fifteen days written notice to the other party, books, records, laboratory tests, and charts of the other, to the extent necessary to verify the accuracy of any statement, test, chart, or computation made under or pursuant to any of the provisions of this Agreement. Any information obtained by one party

from the other pursuant to this Section 10.4 shall be deemed confidential unless such information previously has been made public. Each party agrees that it will not disclose confidential information of the other party to any non-affiliated third party without such other party's prior written consent, except to the extent that disclosure may be required by law or order of any legal or regulatory process.

XI.

QUALITY

11.1 Specifications: Buyer may at its sole option decline to accept gas tendered for delivery hereunder which does not conform to the following specifications:

(a) Liquids:

- (i) The gas shall be free of objectionable liquids.
- (ii) Gas from New Subject Wells shall contain not more than seven pounds of water vapor per million cubic feet.
- (iii) If in Buyer's sole judgment the gas deliverable from any Subject Well other than a New Subject Well contains sufficient moisture to require installation of dehydration equipment, such equipment shall be installed, maintained and operated by Buyer at Buyer's sole expense, except that all gas required as fuel for such equipment shall be taken upstream at Buyer's meter, shall not be metered to Buyer hereunder and shall be free of cost to Buyer.

(b) Hydrogen Sulfide: The gas shall contain no more than twenty-five hundredths of one grain of hydrogen sulfide per one hundred cubic feet.

(c) Sulfur: The gas shall contain no more than five grains of total sulfur per one hundred cubic feet, to include no more than two grains of mercaptans per one hundred cubic feet.

(d) Dust, Gums: The gas shall be commercially free from all dust, gums and other solid matter.

(e) Heating Value: The gas shall have a minimum total calorific value of one thousand (1000) Btu per cubic foot.

(f) Temperature: The gas shall be delivered at temperatures not in excess of one hundred and twenty degrees Fahrenheit and not less than thirty-five degrees Fahrenheit.

(g) Carbon Dioxide: The gas from New Subject Wells shall contain not more than two percent by volume of carbon dioxide. The gas from all other Subject Wells shall contain not more than three percent by volume of carbon dioxide.

(h) Oxygen: The gas shall contain not more than one percent by volume of oxygen.

11.2 Treatment: If gas tendered for sale hereunder does not meet the above quality specifications, and Seller does not elect to treat the gas, then Buyer shall have the option, at its cost and expense, but not the obligation, to treat the gas to make it meet such specifications. If the gas tendered for delivery hereunder does not meet the above quality specifications, and neither Buyer nor Seller treats the gas to make it conform to the above specifications, then such non-conforming gas as produced from that Subject Well completion and

formation may at Buyer's or Seller's option be released from the terms of this Agreement upon thirty days written notice by one party to the other party.

XII.

TAXES AND ROYALTIES

Payment of Taxes and Royalties: Seller shall pay or cause to be paid any and all taxes, royalties, fees or charges of any nature now or hereafter assessed, imposed, or levied by any subdivision or agency of any Indian nation having jurisdiction or the United States, or any state, county, local or foreign government or subdivision or agency thereof or paid or payable to any person upon any portion of the gas or the value thereof before the delivery of the gas to Buyer hereunder at the Delivery Point, and Buyer shall pay all such taxes, fees or charges applicable after the sale and delivery of the gas to Buyer hereunder at the Delivery Point.

XIII.

WARRANTY OF TITLE

Title: Seller warrants that it has good title to and the right to sell and receive payment for all gas delivered to Buyer under this Agreement, and that the gas is free from all liens, encumbrances, or adverse claims. Upon written notice by Buyer, Seller shall defend, indemnify and hold Buyer harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses, including reasonably attorneys' fees, arising from or out of a breach of the foregoing warranty.

XIV.

RIGHT-OF-WAY

Access: Insofar as it has the right to do so under its oil and gas leases and may lawfully do so without impairing its own similar rights, Seller hereby grants and assigns to Buyer right-of-way on, over and across all lands in which Seller may have an oil and gas leasehold interest (including units formed with the Subject leases) for Buyer's purposes of installing, constructing, maintaining, repairing, inspecting and removing, from time to time as Buyer deems necessary, pipeline, measuring equipment and any other facilities useful in the performance of this Agreement, together with the right of free ingress and egress to and from those lands for Buyer's personnel and equipment. To the extent permitted by Seller's oil and gas leasehold interest, all property installed or placed in or on those lands by Buyer remain Buyer's personal property and Buyer may remove them while this Agreement is effective and during a reasonable period thereafter. Buyer agrees that Buyer shall indemnify and hold harmless Seller, its officers, agents, employees and contractors from any and all loss, liability, or damage whatsoever, including costs and attorneys' fees, suffered by Seller, its officers, agents, employees or contractors arising from any claim, action or suit brought by any person, association or entity as the result of actions of Buyer's representatives arising solely from the installation, maintenance, operations and/or removal of such facilities by Buyer.

XV.

TERM

Primary Term: Unless earlier terminated pursuant to the terms hereof this Agreement shall be effective July 1, 1990 for a primary term ending April 1, 1995. The parties shall meet not later than April 1, 1994 to try to negotiate an extension of this Agreement.

XVI.

FORCE MAJEURE

16.1 Impairment of Performance: In the event either party is rendered unable, wholly or in part, by force majeure to carry out its obligations under this Agreement, it is agreed that upon such party giving notice and full particulars of such force majeure in writing, by telephone or by telegraph and followed by written confirmation, to the other party within a reasonable time after the occurrence of the cause relied on, then the obligations of the parties hereto, so far as they are affected by such force majeure, shall be suspended from its inception and during the continuance of any inability so caused but for no longer period, and such cause shall, as far as possible, be remedied with all reasonable dispatch; provided however, Buyer's obligation to make payments accrued hereunder prior to, during, or after the occurrence of the caused relied upon, shall not be suspended.

16.2 Circumstances: The term "force majeure", as employed herein, shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of a public enemy, wars, blockades, insurrections, riots, arrests and restraints of rulers and people, civil or military disturbances, explosions, sabotage, epidemics, land slides, lightning, earthquakes, fires, storms, floods, washouts, inability to secure labor, inability of either party hereto to obtain necessary

materials, supplies or permits due to existing or future rules, orders and laws of governments or courts, either federal or state, present and future orders of any regulatory body having jurisdiction, which directly prohibits performance hereunder, breakage or accident to wells, machinery or pipelines, the necessity for making repairs, reworkings or alternations to machinery, pipelines or wells, freezing of wells or pipelines, and partial or entire failure of gas supply or any other cause, whether of the kind herein enumerated or otherwise, not reasonably within the control of the party claiming force majeure.

16.3 Labor Relations: It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the party affected, and that the requirement of the use of diligence in restoring normal operating conditions shall not require the settlement of strikes or lockouts by acceding to the demands of the parties involved in such strikes or lockouts when such course is inadvisable in the discretion of the party affected.

XVII.

REGULATION

Regulatory Authorities: This Agreement is made in contemplation of, and all provisions hereof shall be subject to all present and future laws of the State of New Mexico and the United States of America, and all orders, rules and regulations of duly constituted governmental authorities having jurisdiction which are applicable to the subject matter hereof and effective from time to time. All references to the New Mexico Public Service Commission, the

Federal Energy Regulatory Commission, the New Mexico Oil Conservation Division, or other federal, state, or local governmental authority refers to any successor thereto or replacement therefor with jurisdiction over any part of this Agreement.

XVIII.

NOTICE

18.1 Notices: Notices to be given hereunder shall be deemed sufficiently given and served when, (a) deposited in the United States mail, postage paid and certified or registered, to the following addresses, (or to such other address as either party may respectively hereafter designate); or (b) when received by the other party, if not mailed by certified or registered mail. Routine communications including monthly statements and payments shall be considered duly delivered when mailed, postage prepaid, by either registered mail or ordinary first class mail, or received in the case of payments when made by wire transfer, to the following address:

Seller's Address for Notices: SOUTHLAND ROYALTY COMPANY
 P.O. Box 4239
 Houston, Texas 77210
 Attention: Gas Marketing

Seller's Address for Payments: SOUTHLAND ROYALTY COMPANY
Texas Commerce Bank
P.O. Box 910497
Dallas, Texas 75391-0497

Seller's Dispatcher Telephone Telephone: (713) 831-1600 or 831-1753
and FAX Numbers: FAX : (713) 831-1720 or 831-1632

Buyer's Address for Notices GAS COMPANY OF NEW MEXICO
and Payments: P.O. Box 26400
Albuquerque, New Mexico 87125
Attention: Gas Supply Department

Buyer's Dispatcher Telephone Telephone: (505) 888-8215
and FAX Numbers: FAX : (505) 883-6211 or 884-3968

18.2 Exception: Whenever the twenty-fifth of the month falls on a holiday or weekend, Buyer will have until Buyer's next working day to deliver communications, monthly statements and payments otherwise required to be delivered on the twenty-fifth of that month.

XIX.

ENTIRE AGREEMENT

19.1 Entire Agreement; Settlement of Claims: This Agreement together with the exhibits hereto constitutes the entire agreement and contract of the parties signing below relative to the subject matter covered hereby. All prior oral or written agreements and understandings between the parties relating to the Subject Leases, including the Prior Agreements, are hereby terminated and hereafter have no force or effect.

19.2 Contract Modification: No modification of this Agreement may be made by oral agreement and no modification of this Agreement will be effective except by mutual execution by the parties of a written supplemental agreement.

XX.

SUCCESSORS AND ASSIGNS

20.1 Contract Assignment: This Agreement shall bind and benefit the parties hereto and their respective successors and assigns, provided, however, that neither party may assign its rights or obligations under this Agreement, except an assignment by Buyer to Sunterra Gas Gathering Company, without the prior written consent of the other party, which consent shall not be unreasonably withheld. Buyer's assignment to Sunterra Gas Gathering Company shall specifically provide that Gas Company of New Mexico shall remain responsible for all obligations of Buyer hereunder. A copy of such assignment will be sent to Seller within thirty days of its execution by Buyer.

20.2 Invalid Assignment: Any assignment by Seller or Buyer of this Agreement or the rights or obligations hereunder which is inconsistent with or would impair the other party's rights hereunder will be invalid.

20.3 Transfer of Seller's Interest in Subject Lease: If Seller transfers or assigns its interest in any production dedicated hereto, then Seller will provide Buyer with a true copy of such transfer or assignment within thirty days from the date of transfer. The parties hereto agree that the mutual benefits and obligations of Buyer and Seller hereunder shall run to all successors or assigns of the parties and to all successors and assigns of Seller's leasehold or other interest in the gas dedicated hereto.

XXI.

DIVISION ORDERS

Execution of Division Orders: Buyer will be under no obligation to distribute payments hereunder until Seller has executed a division order. Seller agrees to designate in its division order that Seller will receive one hundred percent payment for gas sold hereunder and will be responsible for distribution of all royalty, working interest, mineral interest or similar production related payments.

XXII.

RECORDING

Recording Supplement: The parties agree to execute, concurrently with the execution of this Agreement, a separate Recording Supplement in the form of Exhibit D hereto. Further, the parties agree that the Recording Supplement may be recorded with the appropriate public records and that either party hereto may cause this Agreement to be recorded.

XXIII.

MISCELLANEOUS

23.1 As to all matters of construction and interpretation, this Agreement shall be construed, interpreted and governed by the law of the State of New Mexico.

23.2 No waiver by either party of any one or more defaults by the other party in the performance of any provisions of this Agreement shall operate or be construed as a waiver of any future default or defaults whether of a like or different character.

23.3 The Exhibits attached hereto are a part of this Agreement.

23.4 The headings and captions in this Agreement are intended solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

IN WITNESS WHEREOF, this Agreement is executed as of the date first written above.

SOUTHLAND ROYALTY COMPANY

GAS COMPANY OF NEW MEXICO, a division of
Public Service Company of New Mexico

By: *L. Edward Parker*

By: *M. Phyllis Bourque*

Its: Vice President

M. Phyllis Bourque
Its: Vice-President

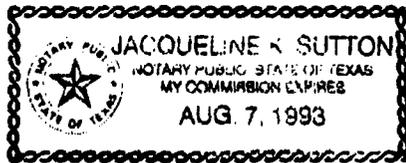
SELLER

BUYER

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me, the undersigned authority, on this day by M. Phyllis Bourque, Vice-President of GAS COMPANY OF NEW MEXICO, a division of Public Service Company of New Mexico, who personally appeared and is known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she had executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 1st day of March, 1990.

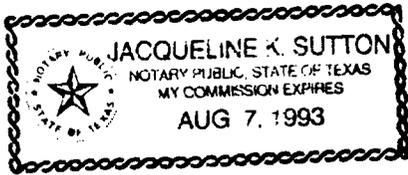


Jacqueline K. Sutton
Notary Public in and for
The State of Texas

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me, the undersigned authority, on this day by L. EDWARD PARKER, VICE PRESIDENT of SOUTHLAND ROYALTY COMPANY, who personally appeared and is known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he had executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 1st day of March, 1990.



Jacqueline K. Sutton
Notary Public in and for
The State of Texas

EXHIBIT A

To Gas Purchase Agreement dated as of March 1, 1990
between SOUTHLAND ROYALTY COMPANY, as Seller,
and GAS COMPANY OF NEW MEXICO, as Buyer.

PRIOR AGREEMENTS

Gas Purchase Agreement(s)

Buyer 12464 ~~G~~
Seller G01-00001

dated 06-28-76
San Juan County, New Mexico

EXHIBIT B

To Gas Purchase Agreement dated as of March 1, 1990
between SOUTHLAND ROYALTY COMPANY, as Seller,
and GAS COMPANY OF NEW MEXICO, as Buyer.

CONTRACT ACREAGE AND SUBJECT LEASES

CONTRACT ACREAGE AND SUBJECT LEASES
=====

Township 28 North, Range 9 West, N.M.P.M.
San Juan County, New Mexico

<u>Section 7</u> Lots 4 and 5 (W/2 SW/4)	<u>Formation</u> All formations below base of Pictured Cliffs
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Township 28 North, Range 10 West, N.M.P.M.
San Juan County, New Mexico

<u>Section 12</u> Lot 1 (NE/4 SE/4)	All formations below base of Pictured Cliffs
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Township 28 North, Range 11 West, N.M.P.M.
San Juan County, New Mexico

<u>Section 10</u> S/2 SE/4 Excluding NW/4 SE/4 for Upper Penn formation	All formations
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<u>Section 14</u> W/2 NW/4, E/2 NE/4, E/2 NW/4, W/2 NE/4 Excluding NE/4 NE/4 for Fruitland formation	All formations except Pictured Cliffs
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Township 28 North, Range 13 West, N.M.P.M.
San Juan County, New Mexico

<u>Section 14</u> S/2	All formations except Dakota formations and Gallup formation Casinghead Gas
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Township 28 North, Range 13 West, N.M.P.M.
San Juan County, New Mexico (cont'd.)

Section 23
All

Formation
All formations except Dakota
formation and Gallup formation
Casinghead Gas

Section 24
All

All formations except Dakota
formation and Gallup formation
Casinghead Gas

Township 29 North, Range 8 West, N.M.P.M.
San Juan County, New Mexico

Section 4
All

From surface down to but excluding
Mesaverde formation

Section 10
NE/4

From surface down to but excluding
Mesaverde formation

Township 29 North, Range 10 West, N.M.P.M.
San Juan County, New Mexico

Section 3
Lots 3 and 4 (N/2 NW/4),
S/2 NW/4, S/2, NE/4

All formations below base of
Pictured Cliffs formation except
Mesaverde

Section 4
Lots 5 thru 12 (N/2)
Excluding SE/4 NW/4 for
Upper Penn and NW/4 NW/4
for Mesaverde formations

All formations below base of Pictured
Cliffs

Section 10
N/2, SE/4, W/2 SW/4,
SE/4 SW/4

All formations below base of Pictured
Cliffs formation thru base of Dakota

NE/4 SW/4

All formations below base of Pictured
Cliffs formation thru base of Dakota
formation except Mesaverde

Section 13
NE/4

All formations below base of Pictured
Cliffs formation thru base of Dakota

Township 29 North, Range 10 West, N.M.P.M.
San Juan County, New Mexico (cont'd.)

Section 13 (cont'd.)
NW/4 SE/4

Formation
All formations below base of Pictured
Cliffs formations except Dakota

Section 15
N/2

All formations except Pictured Cliffs

Section 23
N/2

All formations except Pictured Cliffs

Township 29 North, Range 11 West, N.M.P.M.
San Juan County, New Mexico

Section 6
NW/4, SW/4

All formations except Pictured Cliffs

Section 7
E/2 E/2 Excluding
NE/4 NE/4

All formations

Section 17
SW/4 SW/4, NW/4,
SE/4 SW/4

All formations below base of Pictured
Cliffs

Section 18
W/2, W/2 NE/4, W/2
SE/4, SE/4 SE/4

All formations below base of Pictured
Cliffs

Section 19
NE/4 NE/4, Lots 1,2 and 3
(W/2 NW/4 and NW/4 SW/4),
E/2 NW/4, NE/4 SW/4, W/2
NE/4, NW/4 SE/4

All formations below base of Pictured
Cliffs

SW/4 SW/4 (Lot 4)

Dakota formation

Section 20
NW/4, W/2 NE/4

All formations below base of Pictured
Cliffs

SE/4 NE/4, S/2 NE/4
NE/4, NE/4 SW/4

Dakota formation

Township 29 North, Range 11 West, N.M.P.M.
San Juan County, New Mexico (cont'd.)

Section 21

East 2/3 of North 3/4 of
the NW/4 SW/4, West 2/3 of
North 3/4 of the NE/4
SW/4, East 1/3 of North
3/4 of the NE/4 SW/4, West
1/3 of the North 3/4 of the
NW/4 SW/4, S/2 SW/4, South
1/4 of the NW/4 SW/4, South
1/4 of the NE/4 SW/4

Formation

All formations below base of Pictured
Cliffs formation thru base of Dakota

Section 28

N/2 S/2

All formations below base of Pictured
Cliffs formation thru base of Dakota

S/2 S/2

Dakota formation

Section 29

SE/4 NE/4, N/2 SE/4,
SW/4 SE/4, NE/4 NE/4

All formations below base of
Pictured Cliffs formation thru
base of Dakota

W/2 NE/4, SE/4 SE/4

Dakota formation

Section 32

SE/4 SE/4

All formations below base of
Pictured Cliffs

Section 33

SW/4 SW/4

All formations below base of
Pictured Cliffs

Township 29 North, Range 12 West, N.M.P.M.
San Juan County, New Mexico

Section 2

SW/4, NW/4 NE/4, S/2
NE/4, NE/4 NE/4, NW/4

All formations below base of
Pictured Cliffs

Section 3

SE/4

All formations below base of
Pictured Cliffs formation and base
of Dakota

Section 10

N/2 NE/4, NW/4 SE/4

All formations below base of Pictured
Cliffs

Township 29 North, Range 12 West, N.M.P.M.
San Juan County, New Mexico (cont'd.)

Section 13

N/2

Formation

Dakota formation

Township 29 North, Range 13 West, N.M.P.M.
San Juan County, New Mexico

Section 34

All

All formations

Township 30 North, Range 9 West, N.M.P.M.
San Juan County, New Mexico

Section 16

NE/4 SW/4, SW/4 NW/4,
SW/4 SW/4

All formations below base of
Pictured Cliffs

Section 17

S/2

All formations below base of
Pictured Cliffs

Section 18

SE/4, NW/4 NE/4

All formations below base of
Pictured Cliffs

Section 21

N/2

All formations below base of
Pictured Cliffs

Township 30 North, Range 10 West, N.M.P.M.
San Juan County, New Mexico

Section 26

W/2

All formations

Section 34

N/2

All formations below base of
Pictured Cliffs

Section 35

NW/4

All formations except Pictured
Cliffs

Township 30 North, Range 11 West, N.M.P.M.
San Juan County, New Mexico

Section 1

S/2

Formation

All formations

NW/4

All formations except Mesaverde

Section 2

NW/4 NW/4 less 6.19
acres, NE/4 NW/4

All formations below base of
Pictured Cliffs

NE/4 SW/4

All formations below base of
Pictured Cliffs formation except
Dakota

Section 3

1.18 acres in SE corner
of NW/4 NE/4 and NE/4
NE/4, except 1.26 acres
in NW corner, 9.6 acres in
NE/4 NE/4, SE/4 NE/4

All formations except Dakota

Section 11

NW/4

All formations below Pictured
Cliffs formation except Mesaverde

Section 12

All

All formations

Section 13

SW/4 SW/4, W/2 NW/4,
SE/4 NW/4, N/2 SW/4,
SE/4

All formations

Section 14

E/2 NE/4

All formations

Section 25

N/2 NE/4

All formations

Township 30 North, Range 12 West, N.M.P.M.
San Juan County, New Mexico

Section 6

N/2 NE/4, NW/4

All formations

Section 16

NW/4 NE/4, NE/4 NW/4

All formations

Township 30 North, Range 12 West, N.M.P.M.
San Juan County, New Mexico (cont'd.)

Section 34

E/2 SW/4, E/2 SE/4,
W/2 SE/4

Formation

All formations below base of
Pictured Cliffs

Section 35

W/2 W/2

All formations

Township 31 North, Range 8 West, N.M.P.M.
San Juan County, New Mexico

Section 34

All

All formations except Mesaverde

Township 31 North, Range 10 West, N.M.P.M.
San Juan County, New Mexico

Section 18

R.O.W. in E/2 and
SW/4

All formations

Section 19

NE/4 NW/4, SW/4 NW/4,
part of S/2 S/2 of
the NW/4 NW/4, E/2,
E/2 SW/4, SW/4 SW/4,
SE/4 NW/4, R.O.W. in
W/2 of NW/4, R.O.W. in
NW/4 SW/4

All formations

Section 20

SW/4

All formations

Section 30

N/2 N/2, SE/4 SW/4,
SE/4, Lots 2,3 and
4 (SW/4 NW/4 and W/2
SW/4) SE/4 NW/4, S/2
NE/4, NE/4 SW/4

All formations

Township 31 North, Range 11 West, N.M.P.M.
San Juan County, New Mexico

Section 1

SW/4, W/2 SE/4,
SE/4 SE/4, NE/4 SE/4

All formations

Section 6

All excluding NW/4 NE/4

All formations except Pictured
Cliffs formation and Mesaverde

Section 7

NW/4

All formations except Pictured
Cliffs

Township 31 North, Range 11 West, N.M.P.M.
San Juan County, New Mexico (cont'd.)

Section 7 (cont'd.)

E/2 SW/4, NW/4 SW/4

SW/4 SW/4

Formation

All formations

All formations except Mesaverde
formation and Pictured Cliffs

Section 12

E/2 SW/4, NW/4,

W/2 SW/4

All formations

Section 13

NE/4 SW/4, NW/4,

SE/4 SW/4, W/2 SW/4

All formations

Section 18

NW/4

All formations except Pictured
Cliffs

Lots 3 and 4 (W/2
SW/4), E/2 SW/4

All formations

Section 20

W/2

All formations

Section 22

N/2 NE/4, S/2 NE/4,

S/2 NW/4, N/2 NW/4

All formations

Section 24

36.7 acres of NE/4

NW/4, 1.25 acres in

E/2, R.O.W. in SE/4,

78.4 acres in S/2

N/2 and N/2 S/2,

SE/4 SE/4, Part of

SE/4 NE/4, Part of

NE/4 SE/4, 38.5 acres

of W/2 SW/4, 34.3

acres of SW/4 NW/4,

NW/4 SW/4, N/2 SW/4,

SE/4 SW/4, NW/4 SE/4

(32.82 acres in W/2

and 148 acres in E/2),

90 acres out of SE/4

NE/4, SW/4 NE/4, SE/4

NW/4, SW/4 NW/4, NW/4

NW/4, Part of W/2 SW/4,

43.1 acres in W/2 NW/4,

99.43 acres out of N/2

All formations

Township 31 North, Range 11 West, N.M.P.M.
San Juan County, New Mexico (cont'd.)

Section 24 (cont'd.)

NE/4, SE/4 NE/4, NE/4
SE/4, 15 acres out of
NE part of N/2 NE/4,
20.87 acres in E/2, 31.34
acres in SE/4 SW/4, 40.22
acres in SW/4 SE/4, 10.91
acres in SE/4 SW/4

Formation

Section 25

E/2 NE/4, S/2 SW/4
NW/4, 2.09 acres out
of NW/4 NW/4, N/2
NW/4 except for 7.37
acres N/2 SW/4 and
all that part of the
NW/4 NW/4 lying South
and West of Hart Arroya,
consisting of 4 acres,
SE/4 NW/4, SW/4 NE/4,
NW/4 NE/4 less 5.95
acres, R.O.W. in N/2

All formations

Section 31

Lot 3 (NW/4 SW/4)

All formations

Lot 1 and 2 (W/2 NW/4),
E/2 NW/4, SW/4 NE/4

All formations except Mesaverde

Section 35

E/2 SW/4, NW/4 SE/4,
SW/4 SW/4, NW/4 SW/4

All formations

Township 31 North, Range 12 West, N.M.P.M.
San Juan County, New Mexico

Section 1

NW/4, NE/4 NE/4, SW/4
SE/4, Lot 2 (NW/4 NE/4),
S/2 NE/4, N/2 SE/4,
SE/4 SE/4

All formations

SW/4

All formations except Pictured
Cliffs

Section 2

NE/4, SW/4, S/2 SE/4,
NE/4 SW/4

All formations except Pictured
Cliffs

Township 31 North, Range 12 West, N.M.P.M.
San Juan County, New Mexico (cont'd.)

<u>Section 2 (cont'd.)</u>	<u>Formation</u>
NE/4 NW/4, SW/4 NW/4	All formations
<u>Section 3</u>	
NE/4	All formations except Pictured Cliffs
S/2	All formations
<u>Section 4</u>	
NW/4, W/2 NE/4	All formations
N/2 SW/4, NW/4 SE/4	All formations except Mesaverde
<u>Section 5</u>	
N/2 NW/4	All formations
<u>Section 10</u>	
All	All formations
<u>Section 11</u>	
NE/4	All formations except Pictured Cliffs
S/2	All formations
NW/4	All formations except Pictured Cliffs
<u>Section 12</u>	
SW/4	All formations except Pictured Cliffs
N/2, SE/4	All formations
<u>Section 13</u>	
All	All formations except Pictured Cliffs
<u>Section 14</u>	
NE/4 NE/4, W/2, W/2 E/2, E/2 SE/4, SE/4 NE/4	All formations
<u>Section 15</u>	
All	All formations

Township 31 North, Range 12 West, N.M.P.M.
San Juan County, New Mexico (cont'd.)

<u>Section 21</u>	<u>Formation</u>
W/2 NW/4, NE/4 NE/4, S/2 NE/4, SE/4, NW/4 SW/4, NW/4 NE/4	All formations
<u>Section 22</u> All	All formations
<u>Section 23</u> W/2, SE/4 SE/4	All formations
<u>Section 24</u> E/2, E/2 W/2, E/2 SW/4, SW/4 NW/4	All formations except Pictured Cliffs
<u>Section 25</u> All	All formations except Pictured Cliffs
<u>Section 26</u> All	All formations except Pictured Cliffs
<u>Section 27</u> All	All formations
<u>Section 28</u> NE/4, SW/4	All formations
<u>Section 32</u> W/2 NW/4	All formations except Dakota
<u>Section 33</u> All	All formations
<u>Section 34</u> All	All formations

Township 32 North, Range 10 West, N.M.P.M.
San Juan County, New Mexico

<u>Section 7</u> Lots 2,3,4 and 5 (NW/4 SE/4, NE/4 SW/4 and W/2 SW/4), SE/4 SW/4, S/2 SE/4	All formations
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Township 32 North, Range 10 West, N.M.P.M.
San Juan County, New Mexico (cont'd.)

<u>Section 18</u>	<u>Formation</u>
S/2, Lots 1 and 2 (W/2 NW/4), E/2 NW/4, NE/4	All formations
<u>Section 19</u>	
Lots 1,2,3 and 4 (W/2 W/2), E/2 W/2	All formations
<u>Section 31</u>	
Lots 1,2,3, and 4 (W/2 W/2), E/2 SW/4, E/2 NW/4	All formations

Township 32 North, Range 11 West, N.M.P.M.
San Juan County, New Mexico

<u>Section 24</u>	
S/2	All formations
<u>Section 31</u>	
NE/4 NE/4, S/2 NE/4, SE/4 NW/4, Lots 2,3 and 4, (SW/4 NW/4 and W/2 SW/4)	Mesaverde formation
SE/4 SW/4, S/2 SE/4	All formations below base of Pictured Cliffs
<u>Section 35</u>	
SE/4, SW/4 SW/4	All formations

Township 32 North, Range 12 West, N.M.P.M.
San Juan County, New Mexico

<u>Section 10</u>	
SW/4, W/2 SE/4	All formations
<u>Section 11</u>	
SE/4 SE/4, SW/4 SE/4, S/2 SW/4, Lots 1,2,3 and 4 (N/2 S/2)	All formations
<u>Section 12</u>	
SW/4 SW/4, Lot 4 (NW/4 SW/4)	All formations

Township 32 North, Range 12 West, N.M.P.M.
San Juan County, New Mexico (cont'd.)

<u>Section 14</u>	<u>Formation</u>
E/2 NW/4, NE/4, S/2, W/2 NW/4	All formations
<u>Section 15</u>	
E/2 SE/4, NW/4, W/2 NE/4, NW/4 SE/4, N/2 SW/4, SW/4 SE/4, S/2 SW/4, E/2 NE/4	All formations
<u>Section 19</u>	
E/2 SW/4, SE/4	All formations
<u>Section 20</u>	
S/2	All formations
SE/4 NW/4	All formations except Mesaverde
<u>Section 21</u>	
All	All formations
<u>Section 22</u>	
E/2 NE/4, W/2 W/2, W/2 NE/4, E/2 W/2, SE/4	All formations
<u>Section 23</u>	
N/2 NW/4, W/2 SW/4, SE/4 SW/4	All formations
<u>Section 24</u>	
NE/4 SE/4, E/2 NE/4, SE/4 SE/4	All formations
<u>Section 26</u>	
S/2 SE/4, N/2 NE/4	All formations
<u>Section 28</u>	
W/2, W/2 E/2, SE/4 SE/4	All formations
<u>Section 29</u>	
All	All formations
<u>Section 30</u>	
E/2, E/2 W/2, W/2 SW/4, SW/4 NW/4	All formations

Township 32 North, Range 12 West, N.M.P.M.
San Juan County, New Mexico (cont'd.)

Section 32

All

Formation

All formations

Section 33

W/2 E/2, E/2 NE/4,
NE/4 SE/4, W/2

All formations

Section 35

N/2 NE/4, E/2 SW/4,
SE/4 NW/4, SE/4, SW/4
NW/4, SW/4 NE/4

All formations

SUBJECT WELLS

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<u>WELL NAME</u>	<u>LAND LOCATION</u> <u>(U-S-T-R)</u>	<u>BUYER'S</u> <u>WELL NUMBER</u>	<u>SELLER'S</u> <u>DP NO.</u>
SATEGNA 2	M-21-29-11	2498	69366
THOMPSON 1	N-33-31-12	2533	74195
THOMPSON 5	A-33-31-12	2534	74200
HARE 14	K-10-29-10	2577	27239
COOPER B 1	H-07-29-11	2604	9800
MANGUM B COM 1	P-32-29-11	2611	46243
COOPER 3	L-06-29-11	2613	9782
AZTEC 8	D-14-28-11	2619	3725
COOPER 4	B-18-29-11	2638	9783
COZZENS 6	L-18-29-11	2639	9845
MCDANIEL B 1	M-17-29-11	2640	46545
YOUNG 1	D-02-29-12	2642	86800
MANGUM 4	K-28-29-11	2650	46230
MANGUM 5	I-29-29-11	2656	46231
MCGRATH B 1	J-02-29-12	2664	46590
MCDANIEL C 1	B-19-29-11	2666	46550
COZZENS C1	B-20-29-11	2682	9865
HARE 15	H-03-29-10	2693	27240
GRENIER B 4	G-04-29-10	2697	25663
HARE 16	H-03-29-10	2701	27241
HARE 17	B-15-29-10	2704	27242
HARE 18	H-10-29-10	2705	27243
COZZENS B 1	L-19-29-11	2706	9855
HARE 19	A-23-29-10	2707	27244
BECK A 1	J-10-29-12	2708	4610
MCGRATH C 1	P-34-30-12	2721	46595
MCGRATH A1	I-03-29-12	2756	46585
GRENIER A 3	G-34-30-10	2757	25652
RICHARDSON 12	G-15-31-12	2992	66593
HORTON 2	I-35-32-11	2996	29102
ALSTON 1 (DISCONNECTED)	N-35-31-11	4002	1925
BLANCO COM 2 1	K-02-30-11	4006	5626
BRUINGTON 1	G-25-31-11	4008	6625
CALLOWAY 1	A-22-31-11	4009	7850
CHAMBERLAIN 1	H-14-32-12	4010	9230
CHILDERS 1	N-01-31-11	4011	9250
CRANDELL 1	A-19-31-10	4013	10350
CRANDELL 2	M-19-31-10	4014	10351
CULPEPPER MARTIN 1	M-21-32-12	4015	10660
CULPEPPER MARTIN 2	P-30-32-12	4017	10662
CULPEPPER MARTIN 3	N-33-32-12	4018	10664
CULPEPPER MARTIN 4	N-28-32-12	4019	10666
CULPEPPER MARTIN 5	M-22-32-12	4020	10668
CULPEPPER MARTIN 6	A-33-32-12	4021	10670
CULPEPPER MARTIN 7	B-28-32-12	4022	10672

<u>WELL NAME</u>	<u>LAND LOCATION</u> <u>(U-S-T-R)</u>	<u>BUYER'S</u> <u>WELL NUMBER</u>	<u>SELLER'S</u> <u>DP NO.</u>
CULPEPPER MARTIN 8	N-19-32-12	4023	10674
CULPEPPER MARTIN 9	I-10-32-12	4024	10676
CULPEPPER MARTIN 10	K-32-32-12	4025	10679
CULPEPPER MARTIN 11	A-29-32-12	4026	10680
CULPEPPER MARTIN 12	N-20-32-12	4027	10682
CULPEPPER MARTIN 13	N-29-32-12	4028	10684
DALSANT 1	A-24-32-12	4029	11540
DAVIS 1	E-11-31-12	4030	11600
DAVIS 2	P-11-31-12	4031	11601
DAVIS 3	E-01-31-12	4032	11602
DAVIS 4	D-12-31-12	4033	11603
DAVIS 5	P-03-31-12	4034	11604
DAVIS 6	O-12-31-12	4035	11605
DECKER 1	L-14-32-12	4036	12130
DECKER 2	A-26-32-12	4037	12132
DECKER 3	M-23-32-12	4038	12135
DECKER A 1	C-03-31-12	4039	12160
DUSENBERRY 1	E-06-31-11	4042	14665
DUSENBERRY 2	J-01-31-12	4043	14666
EAST 1	C-14-31-12	4044	15390
EAST 2	D-23-31-12	4045	15391
EAST 4	B-24-31-12	4046	15392
EAST 5	N-24-31-12	4047	15393
FLORANCE 13	B-18-30-09	4066	20875
GRENIER 1	O-06-31-11	4094	25620
GRENIER 2	D-18-31-11	4095	25622
GRENIER 3	O-13-31-12	4096	25623
GRENIER 4	D-07-31-11	4097	25624
GRENIER 5	C-13-31-12	4098	25626
GRENIER 6	K-20-31-11	4099	25627
GRENIER 6	K-20-31-11	4100	25628
GRENIER 7	E-20-31-11	4101	25629
GRENIER 8	M-18-31-11	4102	25630
GRENIER A1	M-26-30-10	4105	25650
HAMPTON 1	D-13-30-11	4108	27150
HAMPTON 2	L-13-30-11	4109	27151
HAMPTON 3	A-14-30-11	4110	27152
HAMPTON 4	D-13-30-11	4111	27153
HARPER 1	I-14-31-12	4112	27280
HARRISON 1	N-31-32-10	4113	27295
HILLSTROM 1	N-35-32-12	4115	28195
HORTON 1	M-35-32-11	4116	29100
HUBBARD 1	B-22-32-12	4126	29895
HUBBARD 2	M-11-32-12	4127	29896
LAWSON 1	L-12-31-11	4132	42165
LAWSON FEDERAL 1	P-31-32-11	4134	42175

<u>WELL NAME</u>	<u>LAND LOCATION</u> <u>(U-S-T-R)</u>	<u>BUYER'S</u> <u>WELL NUMBER</u>	<u>SELLER'S</u> <u>DP NO.</u>
MCCOY GAS COM A1	H-18-31-10	4140	46509
MOORE 1	H-35-32-12	4142	48317
NYE 1	M-12-30-11	4148	53577
NYE 3	I-01-30-11	4149	53579
NYE 5	C-12-10-11	4150	53581
NYE 6	L-12-30-11	4151	53582
NYE 7 (DISCONNECTED)	O-12-30-11	4152	53583
NYE 8	P-01-30-11	4153	53584
NYE 10	O-12-30-11	4155	53586
PAGE 1	M-18-32-10	4157	57725
PATTERSON A COM 1	O-02-31-12	4158	57770
PATTERSON B COM 1(DISCON)	E-02-31-12	4159	57772
PIERCE 1	H-30-31-10	4160	58900
PIERCE 2	K-30-31-10	4161	58901
PRIMO MUDGE 1	P-24-32-11	4164	60255
RANDLEMAN 1	K-13-31-11	4170	65463
RICHARDSON 1	P-10-31-12	4171	66580
RICHARDSON 2	C-15-31-12	4172	66581
RICHARDSON 3	C-22-31-12	4173	66582
RICHARDSON 4	F-10-31-12	4174	66583
RICHARDSON 5	G-21-31-12	4175	66584
RICHARDSON 6	I-22-31-12	4176	66586
RICHARDSON 6	I-22-31-12	4177	66587
RIDHARDSON 7	J-15-31-12	4178	66588
RIDDLE 1	B-21-30-09	4179	66606
RIDDLE 2	N-17-30-09	4180	66607
RUPLE X1	O-24-31-11	4184	68435
STATE COM A 2	M-16-30-09	4186	72134
THOMPSON 2	C-28-31-12	4196	74196
THOMPSON 3	B-34-31-12	4197	74197
THOMPSON 4	L-27-31-12	4198	74198
THOMPSON 6	O-27-31-12	4199	74201
TURNER 1	F-24-31-11	4200	76135
VANDERSLICE 1	E-19-32-10	4208	80840
SADIE WEST 1	L-21-31-12	4212	85305
NEWBERRY 9*	M-05-31-12	4219	50718
EAST 5	N-24-31-12	4220	15394
NYE 12	G-12-30-11	4228	53588
DAVIS 7	D-11-31-12	4229	11606
EAST 6	D-23-31-12	4230	15395
MITCHELL 1* (ORRI)	N-05-31-12	4231	47445
HARPER 2	P-14-31-12	4234	27281
EAST 8	P-26-31-12	4235	15397
EAST 9 (DISCONNECTED)	N-25-31-12	4236	15399
EAST 7	D-14-31-12	4237	15396

*EXCHANGE WELL CONNECTED TO OTHERS

<u>WELL NAME</u>	<u>LAND LOCATION</u> <u>(U-S-T-R)</u>	<u>BUYER'S</u> <u>WELL NUMBER</u>	<u>SELLER'S</u> <u>DP NO.</u>
OLIVER 1	A-25-31-12	4238	55520
EAST 10	E-26-31-12	4240	15401
GRENIER 11	F-13-31-12	4242	25633
GRENIER 12	P-13-31-12	4243	25634
EAST 11	A-24-31-12	4244	15402
THOMPSON 8	D-28-31-12	4245	74204
THOMPSON 7	M-34-31-12	4246	74203
DAVIS 8	O-11-31-12	4248	11607
CULPEPPER MARTIN 14	A-32-32-12	4250	10686
DAVIS 9	J-12-31-12	4252	11608
GRENIER 13	K-20-31-11	4253	25635
DAVIS 10	C-12-31-12	4254	11609
RICHARDSON 8	P-10-31-12	4255	66589
GRENIER "A" 4	M-26-30-10	4256	25654
RICHARDSON 9	C-15-31-12	4258	66590
NYE 13	D-12-30-11	4259	53589
NYE 11	D-01-30-11	4261	53587
DAVIS 11	D-03-31-12	4262	11610
RICHARDSON 10	C-10-31-12	4263	66591
DAVIS 13	C-01-31-12	4264	11612
DECKER A 2	C-03-31-12	4265	12161
HOLDER A 1	F-06-30-12	4267	29075
GRENIER 14	C-07-31-11	4268	25636
WEST SADIE 2	D-21-31-12	4269	85306
DUSENBERRY 3	I-01-31-12	4270	14667
RICHARDSON 11	D-22-31-12	4271	66592
RICHARDSON 5	G-21-31-12	4275	66585
NYE 14	J-13-30-11	4277	53590
THOMPSON 9	M-28-31-12	4278	74206
THOMPSON 9	M-28-31-12	4279	74205
GRENIER 15	F-18-31-11	4280	25637
THOMPSON 10	E-27-31-12	4281	74207
THOMPSON 10	E-27-31-12	4282	74208
THOMPSON 11	H-34-31-12	4283	74209
GRENIER 16	P-06-31-11	4284	25638
GRENIER 17	D-06-31-11	4285	25639
CULPEPPER MARTIN 3	N-33-32-12	4286	10665
CULPEPPER MARTIN 12	N-20-32-12	4287	10683
CULPEPPER MARTIN 15	H-21-32-12	4288	10688
CULPEPPER MARTIN 15	H-21-32-12	4289	10687
HUBBARD 3	A-15-32-12	4290	29899
HUBBARD 3	A-15-32-12	4291	29898
THOMPSON 12	M-33-31-12	4292	74210
CULPEPPER MARTIN 4	N-28-32-12	4293	10667
CULPEPPER MARTIN 5	M-22-32-12	4294	10669
CULPEPPER MARTIN 13	N-29-32-12	4295	10685
CULPEPPER MARTIN 10	K-32-32-12	4296	10678

<u>WELL NAME</u>	<u>LAND LOCATION</u> <u>(U-S-T-R)</u>	<u>BUYER'S</u> <u>WELL NUMBER</u>	<u>SELLER'S</u> <u>DP NO.</u>
CULPEPPER MARTIN 16	C-04-31-12	4297	10689
HUDSON J 3	E-35-30-12	4298	29971
NEWBERRY 12*	H-04-31-12	4300	50721
NEWBERRY 12*	H-04-31-12	4301	50722
NEWBERRY B 1*	C-35-32-12	4303	50732
REID PRI 1	G-13-29-12	4306	66065
REID A 1	A-13-29-10	4307	66056
REID A 1	A-13-29-10	4308	66055
CHAMBERLAIN 1 (DISCONNECTED)	H-14-32-12	4309	9231
HUBBARD 2	M-11-32-12	4310	29897
DECKER 2	A-26-32-12	4311	12133
EAST 9	N-25-31-12	4313	15398
THOMPSON 7	M-34-31-12	4314	74202
OLIVER 1	A-25-31-12	4315	55521
THOMPSON 5	A-33-31-12	4316	74199
FED GAS COM L 1	F-14-30-11	4317	19880
MOORE 1	H-35-32-12	4318	48316
EAST 10	E-26-31-12	4319	15400
LAWSON 2*	B-31-32-11	4321	42179
VASALY 2*	K-31-32-11	4322	80869
PIERCE 3	O-30-31-10	4323	58904
PIERCE 4	L-30-31-10	4324	58905
PIERCE 5	E-30-31-10	4325	58906
PIERCE 6	H-30-31-10	4326	58907
DECKER 4	M-10-32-12	4327	12137
DECKER 4	M-10-32-12	4328	12136
HUBBARD 4	M-15-32-12	4329	29901
HUBBARD 4	M-15-32-12	4330	29900
CAIN B 1	L-20-31-10	4331	7790
CRANDELL 3	O-19-31-10	4332	10352
BRUINGTON 2	A-25-31-11	4333	6626
CRANDELL 4	A-19-31-10	4334	10353
PATTERSON A COM 1	O-02-31-12	4335	57771
TURNER 2	N-24-31-11	4336	76136
CRANDELL 6	C-19-31-10	4337	10355
CRANDELL 5	M-19-31-10	4338	10354
RUPLE 2	O-24-31-11	4340	68438
JENSEN 1	A-24-31-11	4342	35280
TURNER 3	F-24-31-11	4343	76137
BRUINGTON 3	C-25-31-11	4349	6627
RANDLEMAN 2	M-13-31-11	4350	65465
RANDLEMAN 3	D-13-31-11	4351	65466
GRENIER A 3	G-34-30-10	4352	25653
HARE 16	H-03-29-10	4365	27252
HARE 18	H-10-29-10	4366	27254

*EXCHANGE WELL CONNECTED TO OTHERS

<u>WELL NAME</u>	<u>LAND LOCATION</u> <u>(U-S-T-R)</u>	<u>BUYER'S</u> <u>WELL NUMBER</u>	<u>SELLER'S</u> <u>DP NO.</u>
VASALY FEDERAL 1Y	C-31-32-11	4374	80868
NYE 15	A-25-30-11	4375	53592
VANDERSLICE Y2	G-18-32-10	4377	80842
NYE 3	L-01-30-11	4379	53578
F. J. TITT 2	M-35-31-11	4380	74387
ALSTON 1	N-35-31-11	4381	1926
GRENIER B 4	G-04-29-10	4382	25669
PAGE Y2	M-07-32-10	4383	57727
MICHAEL 1 (ORRI)	D-13-30-11	4386	47350
LESTER 1	H-03-30-11	4388	43001
LESTER 1	H-03-30-11	4389	43002
DUSENBERRY A2	G-01-31-12	4402	14668
EAST A2	K-23-31-12	4404	15415
HARRISON A1	D-31-32-10	4409	27296
RICHARDSON A2	K-15-31-12	4415	66596
RICHARDSON A12	J-15-31-12	4416	66601
RICHARDSON A1	A-10-31-12	4417	66595
GRENIER A5	L-13-31-12	4427	25657
NYE 16	G-12-30-11	4428	53593
PIERCE A1	O-30-31-10	4429	58910
THURSTON 2*	A-31-31-11	4434	74242
CRANDELL A2	C-19-31-10	4451	10357
CHILDERS A1	P-01-31-11	4455	9251
DAVIS A1	L-11-31-12	4456	11616
RIDDLE A1	E-21-30-09	4459	66608
CRANDELL A1	P-19-31-10	4460	10356
RANDLEMAN A1	E-13-31-11	4461	65469
DUSENBERRY A1	M-06-31-11	4463	14669
RIDDLE A2	J-17-30-09	4468	66615
LAWSON 1A	D-12-31-11	4469	42176
RUPLE A1	B-24-31-11	4470	68436
TURNER A1	M-24-31-11	4473	76138
FLORANCE A13	I-18-30-09	4478	20876
STATE COM A A2	C-16-30-09	4495	72330
DAVIS A2	B-11-11-12	4497	11617
DAVIS A5	N-03-31-12	4498	11620
CULPEPPER MARTIN A1	C-21-32-12	4499	10661
CULPEPPER MARTIN A3	D-33-32-12	4500	10663
CULPEPPER MARTIN A4	E-28-32-12	4501	10673
CULPEPPER MARTIN A6	I-33-32-12	4502	10671
CULPEPPER MARTIN A10	D-32-32-12	4503	10692
CULPEPPER MARTIN A11	I-29-32-12	4504	10681
CULPEPPER MARTIN A12	I-20-32-12	4505	10693
CULPEPPER MARTIN A13	E-29-32-12	4506	10690
CULPEPPER MARTIN A14	P-32-32-12	4507	10691

*EXCHANGE WELL CONNECTED TO OTHERS

<u>WELL NAME</u>	<u>LAND LOCATION (U-S-T-R)</u>	<u>BUYER'S WELL NUMBER</u>	<u>SELLER'S DP NO.</u>
CULPEPPER MARTIN A15	I-21-32-12	4508	10694
PRIMO MUDGE A1	N-24-32-11	4514	60256
HORTON A1	I-35-32-11	4515	29101
GRENIER A2	N-18-31-11	4516	25619
PAGE A1	P-18-32-10	4517	57728
VANDERSLICE A1	N-19-32-10	4518	80839
DAVIS A4	L-12-31-12	4524	11619
DAVIS A6	B-12-31-12	4525	11611
EPNG RANDLEMON 2*	A-26-31-11	4529	65467
CULPEPPER MARTIN A7	I-28-32-12	4530	10675
DECKER A3	F-23-32-12	4531	12138
DAVIS A3	M-01-31-12	4532	11618
CULPEPPER MARTIN A5	F-22-32-12	4533	10677
CALLOWAY A1	C-22-31-11	4535	7849
BRUINGTON A1	E-25-31-11	4537	6624
PRIMO MUDGE A1	N-24-32-11	4538	60257
GRENIER A6	D-20-31-11	4539	25657
VASALY FEDERAL A1	M-31-32-11	4540	80871
PATTERSON A COM A1	A-02-31-12	4542	57774
EAST A1	M-14-31-12	4545	15389
HILLSTROM A1	E-35-32-12	4546	28196
PATTERSON B COM 1	E-02-31-12	4548	57775
PIERCE 2A	E-30-31-10	4549	58908
GRENIER 3A	G-13-31-12	4551	25618
GRENIER A7	K-26-30-10	4555	25658
NYE 3A	P-01-30-11	4556	53594
CURRENT 2	G-11-30-11	4557	10701
MCCOY GAS COM A A1	F-18-31-10	4558	46510
LAWSON 3	M-12-31-11	4561	42169
MOORE A1	P-35-32-12	4563	48318
EAST 5A	C-24-31-12	4564	15419
PATTERSON B COM A1	L-02-31-12	4565	57776
NYE 3A	P-01-30-11	4566	53595
HARPER A1	G-14-31-12	4571	27283
OLIVER A1	J-25-31-12	4572	55524
HUBBARD A4	P-15-32-12	4573	29902
LAWSON FEDERAL 1A	A-31-32-11	4574	42178
DECKER A1	P-14-32-12	4575	12131
DECKER A A1	A-03-31-12	4578	12164
HUBBARD 2A	O-11-32-12	4579	29903
CHAMBERLAIN A1	F-14-32-12	4580	9232
RICHARDSON 6A	I-21-31-12	4581	66599
CULPEPPER MARTIN A9	A-30-32-12	4582	10695
SADIE WEST A1	C-21-31-12	4583	69250
EAST A22	I-26-31-12	4584	15420

*EXCHANGE WELL CONNECTED TO OTHERS

<u>WELL NAME</u>	<u>LAND LOCATION (U-S-T-R)</u>	<u>BUYER'S WELL NUMBER</u>	<u>SELLER'S DP NO.</u>
RICHARDSON 6A	A-22-31-12	4586	66599
RICHARDSON A4	K-10-31-12	4587	66598
RICHARDSON A3	K-22-31-12	4588	66597
DALSANT A1	I-24-32-12	4589	11541
HUBBARD A1	I-22-32-12	4590	29894
THOMPSON A10	A-27-31-12	4591	74213
EAST 4A	I-24-31-12	4592	15417
EAST A9	D-25-31-12	4593	15418
NYE A16	C-12-30-11	4599	53625
PATTERSON B COM 1R	C-02-31-12	4604	57777
DALSANT A1	I-24-32-12	4605	11542
HUBBARD A3	E-15-32-12	4606	29904
PATTERSON B COM 1R	C-02-31-12	4608	57778
NYE A1	O-12-30-11	4609	53596
CHILDERS 2	M-01-31-11	4610	9254
GRENIER "A" A1	C-26-30-10	4616	25648
CULPEPPER MARTIN 17	O-33-32-12	4617	10696
CHILDERS A1	P-01-31-11	4618	9252
LAWSON A1	D-12-31-11	4619	42174
CHILDERS 2	M-01-31-11	4620	9253
DAVIS 17	I-03-31-12	4621	11621
GRENIER A8	F-35-30-10	4623	25680
GRENIER A 8	F-35-30-10	4624	25679
DECKER 2A	I-26-32-12	4625	12139
DECKER 2A	I-26-32-12	4626	12140
F.J. TITT A2	O-35-31-11	4627	74388
VANDERSLICE A2	E-18-32-10	4629	80837
CRANDELL 7	I-18-31-10	4633	10358
GRENIER "A" 1A	C-26-30-10	4635	25649
PAGE A2	I-07-32-10	4638	57729
HARRISON 2	K-31-32-10	4640	27298
HARRISON 2	K-31-32-10	4641	27297
CALLOWAY 2	A-22-31-11	4645	7855
CALLOWAY 2	A-22-31-11	4646	7854
GRENIER 23	M-31-31-11	4647	25645
DECKER A4	O-10-32-12	4649	12144
DECKER A4	O-10-32-12	4650	12143
CULPEPPER MARTIN 18	K-28-32-12	4651	10697
DECKER 6	M-14-32-12	4652	12165
DECKER 5	A-26-32-12	4653	12166
HILLSTROM 2	M-35-32-12	4654	28197
HILL 5	B-10-29-08	4655	28184
CULPEPPER MARTIN A8	I-19-32-12	4659	10699
CULPEPPER MARTIN A2	N-30-32-12	4660	10698
HUBBARD 5	L-22-32-12	4661	29905
THOMPSON A9	I-28-31-12	4663	74215
THOMPSON A2	A-28-31-12	4664	74214

<u>WELL NAME</u>	<u>LAND LOCATION (U-S-T-R)</u>	<u>BUYER'S WELL NUMBER</u>	<u>SELLER'S DP NO.</u>
HAMPTON 5	C-13-30-11	4666	27154
THOMPSON A7	F-34-31-12	4667	74220
THOMPSON A4	I-27-31-12	4668	74217
THOMPSON A3	J-34-31-12	4669	74216
DALSANT 2	B-24-32-12	4670	11543
MOORE 2	G-35-32-12	4671	48319
DAVIS A5	N-03-31-12	4682	11624
HILL 4	N-04-29-08	4685	28183
DUSENBERRY 3E	H-01-31-12	4707	14670
DAVIS 19	E-01-31-12	4708	11630
GRENIER 17E	L-06-31-11	4709	25670
GRENIER 11E	N-13-31-12	4710	25647
GRENIER 11E	N-13-31-12	4711	25646
HARPER 2E	H-14-31-12	4712	27282
HILL A1	F-04-29-08	4715	28099
HALE 5	M-34-31-08	4717	27139
REID PRI 1E	E-13-29-12	4718	66066
RICHARDSON 7E	H-15-31-12	4722	66560
DAVIS 8E	H-11-31-12	4727	11631
DUSENBERRY 3E	H-01-31-12	4741	14671
AZTEC 8E	H-14-28-11	4747	3726
HARE 19E	C-23-29-10	4762	27247
HARE 19E	C-23-29-10	4763	27248
MANGUM 5E	A-29-29-11	4772	46233
MITCHELL 1E* (ORRI)	F-05-31-12	4780	50516A
RICHARDSON 9E	L-15-31-12	4800	66564
RICHARDSON 9E	L-15-31-12	4801	66563
LESTER 1A	D-03-30-11	4802	43003
EAST 7E	L-14-31-12	4806	15422
EAST 7E	L-14-31-12	4807	15421
THOMPSON 5M	I-33-31-12	4814	74222
THOMPSON 5M	I-33-31-12	4815	74221
DAVIS 7E	L-11-31-12	4824	11632
DAVIS 7E	L-11-31-12	4825	11633
EAST 10M	N-26-31-12	4826	15424
RICHARDSON 10E	L-10-31-12	4835	66600
DAVIS 9E	A-12-31-12	4836	11636
DAVIS 9E	A-12-31-12	4837	11637
DAVIS 10E	L-12-31-12	4838	11634
DAVIS 11E	K-03-31-12	4839	11598
PATTERSON B COM 1E	M-02-31-12	4840	57965
RICHARDSON 8E	H-10-31-12	4842	66561
PATTERSON A COM 1E	G-02-31-12	4843	57960
LAWSON 2E*	O-31-32-11	4844	42173
WITT 1E	P-33-29-11	4845	85911

*EXCHANGE WELL CONNECTED TO OTHERS

<u>WELL NAME</u>	<u>LAND LOCATION (U-S-T-R)</u>	<u>BUYER'S WELL NUMBER</u>	<u>SELLER'S DP NO.</u>
THOMPSON 7A	F-34-31-12	4849	74219
DAVIS 13E	L-01-31-12	4897	11638
ANGEL PEAK 23E	O-10-28-11	4898	2116
COZZENS B 1E	J-19-29-11	4899	9860
ZACHRY 19E	O-12-28-10	4902	96181
COZZENS C 1E	E-20-29-11	4913	9849
REID A 1M	J-13-29-10	4921	66050
REID A 1M	J-13-29-10	4922	66051
BECK A 1E	B-10-29-12	4929	4612
GRENIER A 8M	M-35-30-10	4930	25676
GRENIER A 8M	M-35-30-10	4931	25677
MCDANIEL B 1E	D-17-29-11	4934	46547
MCDANIEL C 1E	E-19-29-11	4935	46551
MANGUM 4E	D-28-29-11	4943	46234
HARE 18M	P-10-29-10	4960	27264
HARE 18M	P-10-20-10	4961	27265
HILL 6	G-04-29-08	4962	28178
NYE 14E	G-13-30-11	4965	53635
NYE 14E	G-13-30-11	4966	53636
HARE 15M	O-03-29-10	4974	27249
GRENIER A 4E	F-26-30-10	4985	25644
HARE 17E	F-15-29-10	4992	27263
THURSTON COM A1*	A-31-31-11	4996	74243
MANGUM 4E	O-28-29-11	4997	46235
GONSALES COM 3*	K-16-30-12	5144	25218
ZACHRY 19	N-12-28-10	7073	96183
WITT 1	N-33-29-11	7094	85905
ANGEL PEAK 23	N-11-28-11	7095	2115
ALBRIGHT A 1	A-25-30-11	8301	1916
PAGE 2 (DISCONNECTED)	M-07-32-10	8310	57726
CANEPL GAS COM 1*	N-18-31-10	8704	7891
COOPER B 1E	P-07-29-11	9202	9801
HARE 17E	F-15-29-10	9213	27262
HARE 15M	O-03-29-10	9214	27250
COZZENS C 1E	E-20-29-11	9217	9850
COZZENS 6E	J-18-29-11	9219	9851
COOPER 4E	D-18-29-11	9229	9793
CULPEPPER MARTIN 20	A-33-32-12	9236	10655
NYE 10E	G-12-30-11	9243	53630
HUBBARD 6	N-15-32-12	9250	29906
HARPER 3	P-14-31-12	9251	27284
CULPEPPER MARTIN 16E	N-04-31-12	9252	10659
GRENIER 23E	C-31-31-11	9255	25659
MOORE 3	J-35-32-12	9257	48311
CHAMBERLAIN 2	A-14-32-12	9258	9229

*EXCHANGE WELL CONNECTED TO OTHERS

<u>WELL NAME</u>	<u>LAND LOCATION</u> <u>(U-S-T-R)</u>	<u>BUYER'S</u> <u>WELL NUMBER</u>	<u>SELLER'S</u> <u>DP NO.</u>
HOLDER A 1E	H-06-30-12	9264	29070
MANGUM B COM 1E	M-32-29-11	9294	46242
HILLSTROM 3	D-35-32-12	9297	28198
HARPER 3	P-14-31-12	9300	27285
HOLDER A 1E	H-06-30-12	9302	29071
CHAMBERLAIN 2	A-14-32-12	9307	9228
COOPER 3E	I-06-29-11	9310	9794
MOORE 3	J-35-32-12	9325	48314
COOPER 3E	I-06-29-11	9326	9795
HUBBARD 6	N-15-32-12	9327	29907
HILLSTROM 3	D-35-32-12	9329	28199
THOMPSON 3A	J-34-31-12	9331	74218
VASALY 2E*	D-31-32-11	9336	80865
SADIT WEST 2E	M-21-31-12	9344	69270
MANGUM 5E	A-29-29-11	9349	46232
NYE 17	L-01-30-11	9367	53631
GRENIER E15	K-18-31-11	9372	25678
SATEGNA E2	J-21-29-11	9391	69276
NEWBERRY B 1E*	M-35-32-12	9394	50734
GRENIER 13E	F-20-31-11	9398	25693
F J TITT A2	O-35-31-11	9441	74389
CALLOWAY 3	E-22-31-11	9461	7856
CALLOWAY 3	E-22-31-11	9462	7880
FED GAS COM L 1E	B-14-30-11	9500	20448
RIDDLE COM 8*	I-18-30-09	9502	66639
THURSTON COM A 1E*	I-31-31-11	9507	74244
HAMPTON 4M	N-13-30-11	9550	27046
HAMPTON 4M	N-13-30-11	9551	27045
MOORE 5	H-35-32-12	9557	48333
HUBBARD 7	M-11-32-12	9558	29908
HUBBARD 7 (NEVER CONNECTED)	M-11-32-12	9559	29909
GRENIER A 3M	D-34-30-10	9560	25673
GRENIER A 3M	D-34-30-10	9561	25687
HUBBARD 8	G-15-32-12	9562	29699
HUBBARD 8	G-15-32-12	9563	29698
MOORE 1E	J-35-32-12	9571	48490
CHILDERS 3	L-01-31-11	9572	9255
HUBBARD 9	J-11-32-12	9585	29910
NYE 14A	P-13-30-11	9586	53633
DECKER A 2E	B-03-31-12	9618	12168
HARE 24	F-15-29-10	9632	27345
NEWBERRY 9A*	C-05-31-12	9667	1514

*EXCHANGE WELL CONNECTED TO OTHERS

MPB
h
JRP

The Parties believe and intend that the above list includes all leases and wells under the Prior Agreements and is a true and correct description of the Contract Acreage and Subject Wells as of the Date hereof. If any lease or well covered by the Prior Agreements was omitted from such list or there is an error or omission in the description of the Contract Acreage or Subject Wells, then such omission or error was inadvertent and such lease and/or well or correction to Contract Acreage or Subject Wells shall be treated as if it were expressly listed herein correctly.

EXHIBIT C

To Gas Purchase Agreement dated as of March 1, 1990
between SOUTHLAND ROYALTY COMPANY, as Seller,
and GAS COMPANY OF NEW MEXICO, as Buyer.

ASSUMED WORKING AND MAXIMUM DELIVERY PRESSURES

<u>Gathering System Name</u>	<u>Sunterra Gathering System No.</u>	<u>Assumed Working Pressure</u>	<u>Maximum Delivery Pressure</u>
Blanco	800	279	500
La Plata	803	347	500
Crandell	806	332	500
Animas	812	317	500
Bloomfield	813	370	500
Hare	820	382	500
San Juan	821	342	500
Gathering Systems Owned by Other Companies	N/A		

To Gas Purchase Agreement dated as of March 1, 1990
between SOUTHLAND ROYALTY COMPANY, as Seller,
and GAS COMPANY OF NEW MEXICO, as Buyer.

Miller & Lents, Ltd.
910 Travis Street, 21st Floor
Houston, Texas 77002

Cawley, Gillespie & Associates, Inc.
302 Fort Worth Club Building
Fort Worth, Texas 76102

Questa Engineering
1019 8th Street, Suite 200
Golden, Colorado 80401

Kahn & Associate
P.O. Box 42437
Houston, Texas 77242

William Cobb & Associates
12770 Coit Road, Suite 907
Dallas, Texas 75251

Southmayd & Associates
6450 South Louis Suite 220
Tulsa, Oklahoma 74136

Jerry Bergeson & Associate
607 -- 19th Street
Golden, Colorado 80401

Gruy Engineering Corporation
400 North St. Paul, Suite 1300
Dallas, Texas 75201-6806

H. J. Ramsey & Associates, Inc.
1580 Lincoln Street, Suite 680
Denver, Colorado 80203

To Gas Purchase Agreement dated as of March 1, 1990
between SOUTHLAND ROYALTY COMPANY, as Seller,
and GAS COMPANY OF NEW MEXICO, as Buyer.

(continued)

H. K. Van Poolen Petroleum Consultant
55478 Highway 285
P.O. Box 121
Shawnee, Colorado 80475

S. A. Holditch & Associates, Inc.
900 Southwest Parkway East
Suite 200
College Station, Texas 77840

Joe C. Neal & Associates
One Marienfield Place, Suite 370
Midland, Texas 79701

Williamson Petroleum Consultants
310 West Well Avenue, Suite 104
Midland, Texas 79701

K & A Energy Consultants, Inc.
3555 Timmons Lane, Suite 800
Houston, Texas 77027

Ralph E. Davis & Associates
3555 Timmons Lane, Suite 1105
Houston, Texas 77027

Forrest Garb & Associates
Suite 111
5310 Harvest Hill Road
Dallas, Texas 75230

9104415

EXHIBIT D

To Gas Purchase Agreement dated as of March 1, 1990
between SOUTHLAND ROYALTY COMPANY, as Seller,
and GAS COMPANY OF NEW MEXICO, as Buyer.

GP
2250Z

RECORDING SUPPLEMENT

THIS AGREEMENT made and entered into as of the 1st day of March, 1990,
between SOUTHLAND ROYALTY COMPANY (hereinafter referred to as "Seller" whether one
or more) and GAS COMPANY OF NEW MEXICO, a division of Public Service Company of
New Mexico (hereinafter referred to as "Buyer");

W I T N E S S E T H T H A T

Seller and Buyer, in consideration of the mutual agreements, covenants and
undertakings hereinafter set forth, do hereby agree as follows:

Seller agrees to sell and deliver to Buyer and Buyer agrees to receive and purchase
all natural gas produced under the terms and provisions of leases from lands and attributable to
lands and leases produced from any pooled unit comprised in part of lands as set forth in Exhibit
B attached hereto and incorporated as a part hereof for all purposes, herein called Contract
Acreage and Subject Leases for and during a term commencing July 1, 1990, and ending April 1,
1995, and thereafter if mutually extended subject to, under, and in accordance with that Gas
Purchase Agreement dated of even date herewith between Seller and Buyer; and Seller commits
its entire interest in the Contract Acreage and Subject Leases in such gas to the performance of
such Gas Purchase Agreement subject only to reservations by Seller set forth therein.

The aforesaid Gas Purchase Agreement and this Recording Supplement shall extend to and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, this Agreement is executed as of the date first above written.

SOUTHLAND ROYALTY COMPANY GAS COMPANY OF NEW MEXICO, a division of
Public Service Company of New Mexico

By: L. Edward Parker
Its: Vice President

By: M. Phyllis Bourque
M. Phyllis Bourque
Its: Vice-President

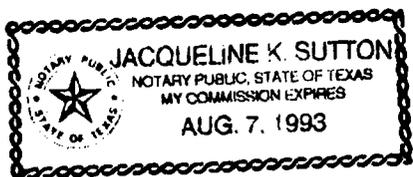
SELLER

BUYER

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me, the undersigned authority, on this day by M. Phyllis Bourque, Vice-President of GAS COMPANY OF NEW MEXICO, a division of Public Service Company of New Mexico, who personally appeared and is known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she had executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 1st day of March, 1990.



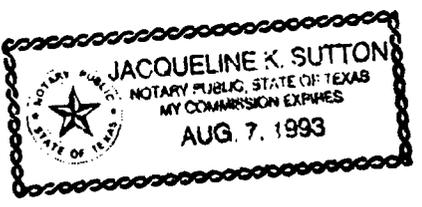
Jacqueline K. Sutton

Notary Public in and for
The State of Texas

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me, the undersigned authority, on this day by L. EDWARD PARKER, Vice President of SOUTHLAND ROYALTY COMPANY, who personally appeared and is known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he had executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 1st day of March, 1990.



Jacqueline K. Sutton
Notary Public in and for
The State of Texas

FILED OR RECORDED
BOOK 1129 PAGE 1047
SAN JUAN COUNTY, NEW MEXICO

APR 29 1991
AT 4:00 O'CLOCK P M

Cecil Brady
COUNTY CLERK
DEPUTY *Vera B. Brown*
REC # 2041727 FEES 63.00



L0391/0145/01CS06

EXHIBIT B

To Gas Purchase Agreement dated as of March 1, 1990
between SOUTHLAND ROYALTY COMPANY, as Seller,
and GAS COMPANY OF NEW MEXICO, as Buyer.

CONTRACT ACREAGE AND SUBJECT LEASES

CONTRACT ACREAGE AND SUBJECT LEASES
=====

Township 28 North, Range 9 West, N.M.P.M.
San Juan County, New Mexico

Section 7
Lots 4 and 5 (W/2 SW/4)

Formation
All formations below base of
Pictured Cliffs

Township 28 North, Range 10 West, N.M.P.M.
San Juan County, New Mexico

Section 12
Lot 1 (NE/4 SE/4)

All formations below base of
Pictured Cliffs

Township 28 North, Range 11 West, N.M.P.M.
San Juan County, New Mexico

Section 10
S/2 SE/4
Excluding NW/4 SE/4 for
Upper Penn formation

All formations

Section 14
W/2 NW/4, E/2 NE/4,
E/2 NW/4, W/2 NE/4
Excluding NE/4 NE/4 for
Fruitland formation

All formations except Pictured
Cliffs

Township 28 North, Range 13 West, N.M.P.M.
San Juan County, New Mexico

Section 14
S/2

All formations except Dakota
formations and Gallup formation
Casinghead Gas

Township 28 North, Range 13 West, N.M.P.M.
San Juan County, New Mexico (cont'd.)

Section 23

All

Formation

All formations except Dakota
formation and Gallup formation
Casinghead Gas

Section 24

All

All formations except Dakota
formation and Gallup formation
Casinghead Gas

Township 29 North, Range 8 West, N.M.P.M.
San Juan County, New Mexico

Section 4

All

From surface down to but excluding
Mesaverde formation

Section 10

NE/4

From surface down to but excluding
Mesaverde formation

Township 29 North, Range 10 West, N.M.P.M.
San Juan County, New Mexico

Section 3

Lots 3 and 4 (N/2 NW/4),
S/2 NW/4, S/2, NE/4

All formations below base of
Pictured Cliffs formation except
Mesaverde

Section 4

Lots 5 thru 12 (N/2)
Excluding SE/4 NW/4 for
Upper Penn and NW/4 NW/4
for Mesaverde formations

All formations below base of Pictured
Cliffs

Section 10

N/2, SE/4, W/2 SW/4,
SE/4 SW/4

All formations below base of Pictured
Cliffs formation thru base of Dakota

NE/4 SW/4

All formations below base of Pictured
Cliffs formation thru base of Dakota
formation except Mesaverde

Section 13

NE/4

All formations below base of Pictured
Cliffs formation thru base of Dakota

Township 29 North, Range 10 West, N.M.P.M.
San Juan County, New Mexico (cont'd.)

Section 13 (cont'd.)
NW/4 SE/4

Formation
All formations below base of Pictured
Cliffs formations except Dakota

Section 15
N/2

All formations except Pictured Cliffs

Section 23
N/2

All formations except Pictured Cliffs

Township 29 North, Range 11 West, N.M.P.M.
San Juan County, New Mexico

Section 6
NW/4, SW/4

All formations except Pictured Cliffs

Section 7
E/2 E/2 Excluding
NE/4 NE/4

All formations

Section 17
SW/4 SW/4, NW/4,
SE/4 SW/4

All formations below base of Pictured
Cliffs

Section 18
W/2, W/2 NE/4, W/2
SE/4, SE/4 SE/4

All formations below base of Pictured
Cliffs

Section 19
NE/4 NE/4, Lots 1,2 and 3
(W/2 NW/4 and NW/4 SW/4),
E/2 NW/4, NE/4 SW/4, W/2
NE/4, NW/4 SE/4

All formations below base of Pictured
Cliffs

SW/4 SW/4 (Lot 4)

Dakota formation

Section 20
NW/4, W/2 NE/4

All formations below base of Pictured
Cliffs

SE/4 NE/4, S/2 NE/4
NE/4, NE/4 SW/4

Dakota formation

Township 29 North, Range 11 West, N.M.P.M.
San Juan County, New Mexico (cont'd.)

Section 21

East 2/3 of North 3/4 of
the NW/4 SW/4, West 2/3 of
North 3/4 of the NE/4
SW/4, East 1/3 of North
3/4 of the NE/4 SW/4, West
1/3 of the North 3/4 of the
NW/4 SW/4, S/2 SW/4, South
1/4 of the NW/4 SW/4, South
1/4 of the NE/4 SW/4

Formation

All formations below base of Pictured
Cliffs formation thru base of Dakota

Section 28

N/2 S/2

All formations below base of Pictured
Cliffs formation thru base of Dakota

S/2 S/2

Dakota formation

Section 29

SE/4 NE/4, N/2 SE/4,
SW/4 SE/4, NE/4 NE/4

All formations below base of
Pictured Cliffs formation thru
base of Dakota

W/2 NE/4, SE/4 SE/4

Dakota formation

Section 32

SE/4 SE/4

All formations below base of
Pictured Cliffs

Section 33

SW/4 SW/4

All formations below base of
Pictured Cliffs

Township 29 North, Range 12 West, N.M.P.M.
San Juan County, New Mexico

Section 2

SW/4, NW/4 NE/4, S/2
NE/4, NE/4 NE/4, NW/4

All formations below base of
Pictured Cliffs

Section 3

SE/4

All formations below base of
Pictured Cliffs formation and base
of Dakota

Section 10

N/2 NE/4, NW/4 SE/4

All formations below base of Pictured
Cliffs

Township 29 North, Range 12 West, N.M.P.M.
San Juan County, New Mexico (cont'd.)

Section 13
N/2

Formation
Dakota formation

Township 29 North, Range 13 West, N.M.P.M.
San Juan County, New Mexico

Section 34
All

All formations

Township 30 North, Range 9 West, N.M.P.M.
San Juan County, New Mexico

Section 16
NE/4 SW/4, SW/4 NW/4,
SW/4 SW/4

All formations below base of
Pictured Cliffs

Section 17
S/2

All formations below base of
Pictured Cliffs

Section 18
SE/4, NW/4 NE/4

All formations below base of
Pictured Cliffs

Section 21
N/2

All formations below base of
Pictured Cliffs

Township 30 North, Range 10 West, N.M.P.M.
San Juan County, New Mexico

Section 26
W/2

All formations

Section 34
N/2

All formations below base of
Pictured Cliffs

Section 35
NW/4

All formations except Pictured
Cliffs

Township 30 North, Range 11 West, N.M.P.M.
San Juan County, New Mexico

<u>Section 1</u> S/2	<u>Formation</u> All formations
NW/4	All formations except Mesaverde
<u>Section 2</u> NW/4 NW/4 less 6.19 acres, NE/4 NW/4	All formations below base of Pictured Cliffs
NE/4 SW/4	All formations below base of Pictured Cliffs formation except Dakota
<u>Section 3</u> 1.18 acres in SE corner of NW/4 NE/4 and NE/4 NE/4, except 1.26 acres in NW corner, 9.6 acres in NE/4 NE/4, SE/4 NE/4	All formations except Dakota
<u>Section 11</u> NW/4	All formations below Pictured Cliffs formation except Mesaverde
<u>Section 12</u> All	All formations
<u>Section 13</u> SW/4 SW/4, W/2 NW/4, SE/4 NW/4, N/2 SW/4, SE/4	All formations
<u>Section 14</u> E/2 NE/4	All formations
<u>Section 25</u> N/2 NE/4	All formations

Township 30 North, Range 12 West, N.M.P.M.
San Juan County, New Mexico

<u>Section 6</u> N/2 NE/4, NW/4	All formations
<u>Section 16</u> NW/4 NE/4, NE/4 NW/4	All formations

Township 30 North, Range 12 West, N.M.P.M.
San Juan County, New Mexico (cont'd.)

1047-5

Section 34

E/2 SW/4, E/2 SE/4,
W/2 SE/4

Formation

All formations below base of
Pictured Cliffs

Section 35

W/2 W/2

All formations

Township 31 North, Range 8 West, N.M.P.M.
San Juan County, New Mexico

Section 34

All

All formations except Mesaverde

Township 31 North, Range 10 West, N.M.P.M.
San Juan County, New Mexico

Section 18

R.O.W. in E/2 and
SW/4

All formations

Section 19

NE/4 NW/4, SW/4 NW/4,
part of S/2 S/2 of
the NW/4 NW/4, E/2,
E/2 SW/4, SW/4 SW/4,
SE/4 NW/4, R.O.W. in
W/2 of NW/4, R.O.W. in
NW/4 SW/4

All formations

Section 20

SW/4

All formations

Section 30

N/2 N/2, SE/4 SW/4,
SE/4, Lots 2,3 and
4 (SW/4 NW/4 and W/2
SW/4) SE/4 NW/4, S/2
NE/4, NE/4 SW/4

All formations

Township 31 North, Range 11 West, N.M.P.M.
San Juan County, New Mexico

Section 1

SW/4, W/2 SE/4,
SE/4 SE/4, NE/4 SE/4

All formations

Section 6

All excluding NW/4 NE/4

All formations except Pictured
Cliffs formation and Mesaverde

Section 7

NW/4

All formations except Pictured
Cliffs

Township 31 North, Range 11 West, N.M.P.M.
San Juan County, New Mexico (cont'd.)

Section 7 (cont'd.)
E/2 SW/4, NW/4 SW/4

Formation
All formations

SW/4 SW/4

All formations except Mesaverde
formation and Pictured Cliffs

Section 12
E/2 SW/4, NW/4,
W/2 SW/4

All formations

Section 13
NE/4 SW/4, NW/4,
SE/4 SW/4, W/2 SW/4

All formations

Section 18
NW/4

All formations except Pictured
Cliffs

Lots 3 and 4 (W/2
SW/4), E/2 SW/4

All formations

Section 20
W/2

All formations

Section 22
N/2 NE/4, S/2 NE/4,
S/2 NW/4, N/2 NW/4

All formations

Section 24
36.7 acres of NE/4
NW/4, 1.25 acres in
E/2, R.O.W. in SE/4,
78.4 acres in S/2
N/2 and N/2 S/2,
SE/4 SE/4, Part of
SE/4 NE/4, Part of
NE/4 SE/4, 38.5 acres
of W/2 SW/4, 34.3
acres of SW/4 NW/4,
NW/4 SW/4, N/2 SW/4,
SE/4 SW/4, NW/4 SE/4
(32.82 acres in W/2
and 148 acres in E/2),
90 acres out of SE/4
NE/4, SW/4 NE/4, SE/4
NW/4, SW/4 NW/4, NW/4
NW/4, Part of W/2 SW/4,
43.1 acres in W/2 NW/4,
99.43 acres out of N/2

All formations

Township 31 North, Range 11 West, N.M.P.M.
San Juan County, New Mexico (cont'd.)

Section 24 (cont'd.)

NE/4, SE/4 NE/4, NE/4
SE/4, 15 acres out of
NE part of N/2 NE/4,
20.87 acres in E/2, 31.34
acres in SE/4 SW/4, 40.22
acres in SW/4 SE/4, 10.91
acres in SE/4 SW/4

Formation

Section 25

E/2 NE/4, S/2 SW/4
NW/4, 2.09 acres out
of NW/4 NW/4, N/2
NW/4 except for 7.37
acres N/2 SW/4 and
all that part of the
NW/4 NW/4 lying South
and West of Hart Arroya,
consisting of 4 acres,
SE/4 NW/4, SW/4 NE/4,
NW/4 NE/4 less 5.95
acres, R.O.W. in N/2

All formations

Section 31

Lot 3 (NW/4 SW/4)

All formations

Lot 1 and 2 (W/2 NW/4),
E/2 NW/4, SW/4 NE/4

All formations except Mesaverde

Section 35

E/2 SW/4, NW/4 SE/4,
SW/4 SW/4, NW/4 SW/4

All formations

Township 31 North, Range 12 West, N.M.P.M.
San Juan County, New Mexico

Section 1

NW/4, NE/4 NE/4, SW/4
SE/4, Lot 2 (NW/4 NE/4),
S/2 NE/4, N/2 SE/4,
SE/4 SE/4

All formations

SW/4

All formations except Pictured
Cliffs

Section 2

NE/4, SW/4, S/2 SE/4,
NE/4 SW/4

All formations except Pictured
Cliffs

Township 31 North, Range 12 West, N.M.P.M.
San Juan County, New Mexico (cont'd.)

<u>Section 2 (cont'd.)</u>	<u>Formation</u>
NE/4 NW/4, SW/4 NW/4	All formations
<u>Section 3</u>	
NE/4	All formations except Pictured Cliffs
S/2	All formations
<u>Section 4</u>	
NW/4, W/2 NE/4	All formations
N/2 SW/4, NW/4 SE/4	All formations except Mesaverde
<u>Section 5</u>	
N/2 NW/4	All formations
<u>Section 10</u>	
All	All formations
<u>Section 11</u>	
NE/4	All formations except Pictured Cliffs
S/2	All formations
NW/4	All formations except Pictured Cliffs
<u>Section 12</u>	
SW/4	All formations except Pictured Cliffs
N/2, SE/4	All formations
<u>Section 13</u>	
All	All formations except Pictured Cliffs
<u>Section 14</u>	
NE/4 NE/4, W/2, W/2 E/2, E/2 SE/4, SE/4 NE/4	All formations
<u>Section 15</u>	
All	All formations

Township 31 North, Range 12 West, N.M.P.M.
San Juan County, New Mexico (cont'd.)

<u>Section</u>	<u>Formation</u>
<u>Section 21</u> W/2 NW/4, NE/4 NE/4, S/2 NE/4, SE/4, NW/4 SW/4, NW/4 NE/4	All formations
<u>Section 22</u> All	All formations
<u>Section 23</u> W/2, SE/4 SE/4	All formations
<u>Section 24</u> E/2, E/2 W/2, E/2 SW/4, SW/4 NW/4	All formations except Pictured Cliffs
<u>Section 25</u> All	All formations except Pictured Cliffs
<u>Section 26</u> All	All formations except Pictured Cliffs
<u>Section 27</u> All	All formations
<u>Section 28</u> NE/4, SW/4	All formations
<u>Section 32</u> W/2 NW/4	All formations except Dakota
<u>Section 33</u> All	All formations
<u>Section 34</u> All	All formations

Township 32 North, Range 10 West, N.M.P.M.
San Juan County, New Mexico

<u>Section 7</u> Lots 2,3,4 and 5 (NW/4 SE/4, NE/4 SW/4 and W/2 SW/4), SE/4 SW/4, S/2 SE/4	All formations
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Township 32 North, Range 10 West, N.M.P.M.
San Juan County, New Mexico (cont'd.)

Section 18
S/2, Lots 1 and 2
(W/2 NW/4), E/2 NW/4,
NE/4
Formation
All formations

Section 19
Lots 1,2,3 and 4
(W/2 W/2), E/2 W/2
All formations

Section 31
Lots 1,2,3, and 4
(W/2 W/2), E/2 SW/4,
E/2 NW/4
All formations

Township 32 North, Range 11 West, N.M.P.M.
San Juan County, New Mexico

Section 24
S/2
All formations

Section 31
NE/4 NE/4, S/2 NE/4,
SE/4 NW/4, Lots 2,3
and 4, (SW/4 NW/4 and
W/2 SW/4)
Mesaverde formation

SE/4 SW/4, S/2 SE/4
All formations below base of
Pictured Cliffs

Section 35
SE/4, SW/4 SW/4
All formations

Township 32 North, Range 12 West, N.M.P.M.
San Juan County, New Mexico

Section 10
SW/4, W/2 SE/4
All formations

Section 11
SE/4 SE/4, SW/4 SE/4,
S/2 SW/4, Lots 1,2,3
and 4 (N/2 S/2)
All formations

Section 12
SW/4 SW/4, Lot 4
(NW/4 SW/4)
All formations

Township 32 North, Range 12 West, N.M.P.M.
San Juan County, New Mexico (cont'd.)

<u>Section 14</u>	<u>Formation</u>
E/2 NW/4, NE/4, S/2, W/2 NW/4	All formations
<u>Section 15</u>	
E/2 SE/4, NW/4, W/2 NE/4, NW/4 SE/4, N/2 SW/4, SW/4 SE/4, S/2 SW/4, E/2 NE/4	All formations
<u>Section 19</u>	
E/2 SW/4, SE/4	All formations
<u>Section 20</u>	
S/2	All formations
SE/4 NW/4	All formations except Mesaverde
<u>Section 21</u>	
All	All formations
<u>Section 22</u>	
E/2 NE/4, W/2 W/2, W/2 NE/4, E/2 W/2, SE/4	All formations
<u>Section 23</u>	
N/2 NW/4, W/2 SW/4, SE/4 SW/4	All formations
<u>Section 24</u>	
NE/4 SE/4, E/2 NE/4, SE/4 SE/4	All formations
<u>Section 26</u>	
S/2 SE/4, N/2 NE/4	All formations
<u>Section 28</u>	
W/2, W/2 E/2, SE/4 SE/4	All formations
<u>Section 29</u>	
All	All formations
<u>Section 30</u>	
E/2, E/2 W/2, W/2 SW/4, SW/4 NW/4	All formations

Township 32 North, Range 12 West, N.M.P.M.
San Juan County, New Mexico (cont'd.)

Section 32
All

Formation
All formations

Section 33
W/2 E/2, E/2 NE/4,
NE/4 SE/4, W/2

All formations

Section 35
N/2 NE/4, E/2 SW/4,
SE/4 NW/4, SE/4, SW/4
NW/4, SW/4 NE/4

All formations

SUBJECT WELLS

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<u>WELL NAME</u>	<u>LAND LOCATION</u> <u>(U-S-T-R)</u>	<u>BUYER'S</u> <u>WELL NUMBER</u>	<u>SELLER'S</u> <u>DP NO.</u>
SATEGNA 2	M-21-29-11	2498	69366
THOMPSON 1	N-33-31-12	2533	74195
THOMPSON 5	A-33-31-12	2534	74200
HARE 14	K-10-29-10	2577	27239
COOPER B 1	H-07-29-11	2604	9800
MANGUM B COM 1	P-32-29-11	2611	46243
COOPER 3	L-06-29-11	2613	9782
AZTEC 8	D-14-28-11	2619	3725
COOPER 4	B-18-29-11	2638	9783
COZZENS 6	L-18-29-11	2639	9845
MCDANIEL B 1	M-17-29-11	2640	46545
YOUNG 1	D-02-29-12	2642	86800
MANGUM 4	K-28-29-11	2650	46230
MANGUM 5	I-29-29-11	2656	46231
MCGRATH B 1	J-02-29-12	2664	46590
MCDANIEL C 1	B-19-29-11	2666	46550
COZZENS C1	B-20-29-11	2682	9865
HARE 15	H-03-29-10	2693	27240
GRENIER B 4	G-04-29-10	2697	25663
HARE 16	H-03-29-10	2701	27241
HARE 17	B-15-29-10	2704	27242
HARE 18	H-10-29-10	2705	27243
COZZENS B 1	L-19-29-11	2706	9855
HARE 19	A-23-29-10	2707	27244
BECK A 1	J-10-29-12	2708	4610
MCGRATH C 1	P-34-30-12	2721	46595
MCGRATH A1	I-03-29-12	2756	46585
GRENIER A 3	G-34-30-10	2757	25652
RICHARDSON 12	G-15-31-12	2992	66593
HORTON 2	I-35-32-11	2996	29102
ALSTON 1 (DISCONNECTED)	N-35-31-11	4002	1925
BLANCO COM 2 1	K-02-30-11	4006	5626
BRUINGTON 1	G-25-31-11	4008	6625
CALLOWAY 1	A-22-31-11	4009	7850
CHAMBERLAIN 1	H-14-32-12	4010	9230
CHILDERS 1	N-01-31-11	4011	9250
CRANDELL 1	A-19-31-10	4013	10350
CRANDELL 2	M-19-31-10	4014	10351
CULPEPPER MARTIN 1	M-21-32-12	4015	10660
CULPEPPER MARTIN 2	P-30-32-12	4017	10662
CULPEPPER MARTIN 3	N-33-32-12	4018	10664
CULPEPPER MARTIN 4	N-28-32-12	4019	10666
CULPEPPER MARTIN 5	M-22-32-12	4020	10668
CULPEPPER MARTIN 6	A-33-32-12	4021	10670
CULPEPPER MARTIN 7	B-28-32-12	4022	10672

<u>WELL NAME</u>	<u>LAND LOCATION (U-S-T-R)</u>	<u>BUYER'S WELL NUMBER</u>	<u>SELLER'S DP NO.</u>
CULPEPPER MARTIN 8	N-19-32-12	4023	10674
CULPEPPER MARTIN 9	I-10-32-12	4024	10676
CULPEPPER MARTIN 10	K-32-32-12	4025	10679
CULPEPPER MARTIN 11	A-29-32-12	4026	10680
CULPEPPER MARTIN 12	N-20-32-12	4027	10682
CULPEPPER MARTIN 13	N-29-32-12	4028	10684
DALSANT 1	A-24-32-12	4029	11540
DAVIS 1	E-11-31-12	4030	11600
DAVIS 2	P-11-31-12	4031	11601
DAVIS 3	E-01-31-12	4032	11602
DAVIS 4	D-12-31-12	4033	11603
DAVIS 5	P-03-31-12	4034	11604
DAVIS 6	O-12-31-12	4035	11605
DECKER 1	L-14-32-12	4036	12130
DECKER 2	A-26-32-12	4037	12132
DECKER 3	M-23-32-12	4038	12135
DECKER A 1	C-03-31-12	4039	12160
DUSENBERRY 1	E-06-31-11	4042	14665
DUSENBERRY 2	J-01-31-12	4043	14666
EAST 1	C-14-31-12	4044	15390
EAST 2	D-23-31-12	4045	15391
EAST 4	B-24-31-12	4046	15392
EAST 5	N-24-31-12	4047	15393
FLORANCE 13	B-18-30-09	4066	20875
GRENIER 1	O-06-31-11	4094	25620
GRENIER 2	D-18-31-11	4095	25622
GRENIER 3	O-13-31-12	4096	25623
GRENIER 4	D-07-31-11	4097	25624
GRENIER 5	C-13-31-12	4098	25626
GRENIER 6	K-20-31-11	4099	25627
GRENIER 6	K-20-31-11	4100	25628
GRENIER 7	E-20-31-11	4101	25629
GRENIER 8	M-18-31-11	4102	25630
GRENIER A1	M-26-30-10	4105	25650
HAMPTON 1	D-13-30-11	4108	27150
HAMPTON 2	L-13-30-11	4109	27151
HAMPTON 3	A-14-30-11	4110	27152
HAMPTON 4	D-13-30-11	4111	27153
HARPER 1	I-14-31-12	4112	27280
HARRISON 1	N-31-32-10	4113	27295
HILLSTROM 1	N-35-32-12	4115	28195
HORTON 1	M-35-32-11	4116	29100
HUBBARD 1	B-22-32-12	4126	29895
HUBBARD 2	M-11-32-12	4127	29896
LAWSON 1	L-12-31-11	4132	42165
LAWSON FEDERAL 1	P-31-32-11	4134	42175

<u>WELL NAME</u>	<u>LAND LOCATION</u> <u>(U-S-T-R)</u>	<u>BUYER'S</u> <u>WELL NUMBER</u>	<u>SELLER'S</u> <u>DP NO.</u>
MCCOY GAS COM A1	H-18-31-10	4140	46509
MOORE 1	H-35-32-12	4142	48317
NYE 1	M-12-30-11	4148	53577
NYE 3	I-01-30-11	4149	53579
NYE 5	C-12-10-11	4150	53581
NYE 6	L-12-30-11	4151	53582
NYE 7 (DISCONNECTED)	O-12-30-11	4152	53583
NYE 8	P-01-30-11	4153	53584
NYE 10	O-12-30-11	4155	53586
PAGE 1	M-18-32-10	4157	57725
PATTERSON A COM 1	O-02-31-12	4158	57770
PATTERSON B COM 1(DISCON)	E-02-31-12	4159	57772
PIERCE 1	H-30-31-10	4160	58900
PIERCE 2	K-30-31-10	4161	58901
PRIMO MUDGE 1	P-24-32-11	4164	60255
RANDLEMAN 1	K-13-31-11	4170	65463
RICHARDSON 1	P-10-31-12	4171	66580
RICHARDSON 2	C-15-31-12	4172	66581
RICHARDSON 3	C-22-31-12	4173	66582
RICHARDSON 4	F-10-31-12	4174	66583
RICHARDSON 5	G-21-31-12	4175	66584
RICHARDSON 6	I-22-31-12	4176	66586
RICHARDSON 6	I-22-31-12	4177	66587
RIDHARDSON 7	J-15-31-12	4178	66588
RIDDLE 1	B-21-30-09	4179	66606
RIDDLE 2	N-17-30-09	4180	66607
RUPLE X1	O-24-31-11	4184	68435
STATE COM A 2	M-16-30-09	4186	72134
THOMPSON 2	C-28-31-12	4196	74196
THOMPSON 3	B-34-31-12	4197	74197
THOMPSON 4	L-27-31-12	4198	74198
THOMPSON 6	O-27-31-12	4199	74201
TURNER 1	F-24-31-11	4200	76135
VANDERSLICE 1	E-19-32-10	4208	80840
SADIE WEST 1	L-21-31-12	4212	85305
NEWBERRY 9*	M-05-31-12	4219	50718
EAST 5	N-24-31-12	4220	15394
NYE 12	G-12-30-11	4228	53588
DAVIS 7	D-11-31-12	4229	11606
EAST 6	D-23-31-12	4230	15395
MITCHELL 1* (ORRI)	N-05-31-12	4231	47445
HARPER 2	P-14-31-12	4234	27281
EAST 8	P-26-31-12	4235	15397
EAST 9 (DISCONNECTED)	N-25-31-12	4236	15399
EAST 7	D-14-31-12	4237	15396

*EXCHANGE WELL CONNECTED TO OTHERS

<u>WELL NAME</u>	<u>LAND LOCATION</u> <u>(U-S-T-R)</u>	<u>BUYER'S</u> <u>WELL NUMBER</u>	<u>SELLER'S</u> <u>DP NO.</u>
OLIVER 1	A-25-31-12	4238	55520
EAST 10	E-26-31-12	4240	15401
GRENIER 11	F-13-31-12	4242	25633
GRENIER 12	P-13-31-12	4243	25634
EAST 11	A-24-31-12	4244	15402
THOMPSON 8	D-28-31-12	4245	74204
THOMPSON 7	M-34-31-12	4246	74203
DAVIS 8	O-11-31-12	4248	11607
CULPEPPER MARTIN 14	A-32-32-12	4250	10686
DAVIS 9	J-12-31-12	4252	11608
GRENIER 13	K-20-31-11	4253	25635
DAVIS 10	C-12-31-12	4254	11609
RICHARDSON 8	P-10-31-12	4255	66589
GRENIER "A" 4	M-26-30-10	4256	25654
RICHARDSON 9	C-15-31-12	4258	66590
NYE 13	D-12-30-11	4259	53589
NYE 11	D-01-30-11	4261	53587
DAVIS 11	D-03-31-12	4262	11610
RICHARDSON 10	C-10-31-12	4263	66591
DAVIS 13	C-01-31-12	4264	11612
DECKER A 2	C-03-31-12	4265	12161
HOLDER A 1	F-06-30-12	4267	29075
GRENIER 14	C-07-31-11	4268	25636
WEST SADIE 2	D-21-31-12	4269	85306
DUSENBERRY 3	I-01-31-12	4270	14667
RICHARDSON 11	D-22-31-12	4271	66592
RICHARDSON 5	G-21-31-12	4275	66585
NYE 14	J-13-30-11	4277	53590
THOMPSON 9	M-28-31-12	4278	74206
THOMPSON 9	M-28-31-12	4279	74205
GRENIER 15	F-18-31-11	4280	25637
THOMPSON 10	E-27-31-12	4281	74207
THOMPSON 10	E-27-31-12	4282	74208
THOMPSON 11	H-34-31-12	4283	74209
GRENIER 16	P-06-31-11	4284	25638
GRENIER 17	D-06-31-11	4285	25639
CULPEPPER MARTIN 3	N-33-32-12	4286	10665
CULPEPPER MARTIN 12	N-20-32-12	4287	10683
CULPEPPER MARTIN 15	H-21-32-12	4288	10688
CULPEPPER MARTIN 15	H-21-32-12	4289	10687
HUBBARD 3	A-15-32-12	4290	29899
HUBBARD 3	A-15-32-12	4291	29898
THOMPSON 12	M-33-31-12	4292	74210
CULPEPPER MARTIN 4	N-28-32-12	4293	10667
CULPEPPER MARTIN 5	M-22-32-12	4294	10669
CULPEPPER MARTIN 13	N-29-32-12	4295	10685
CULPEPPER MARTIN 10	K-32-32-12	4296	10678

<u>WELL NAME</u>	<u>LAND LOCATION</u> <u>(U-S-T-R)</u>	<u>BUYER'S</u> <u>WELL NUMBER</u>	<u>SELLER'S</u> <u>DP NO.</u>
CULPEPPER MARTIN 16	C-04-31-12	4297	10689
HUDSON J 3	E-35-30-12	4298	29971
NEWBERRY 12*	H-04-31-12	4300	50721
NEWBERRY 12*	H-04-31-12	4301	50722
NEWBERRY B 1*	C-35-32-12	4303	50732
REID PRI 1	G-13-29-12	4306	66065
REID A 1	A-13-29-10	4307	66056
REID A 1	A-13-29-10	4308	66055
CHAMBERLAIN 1 (DISCONNECTED)	H-14-32-12	4309	9231
HUBBARD 2	M-11-32-12	4310	29897
DECKER 2	A-26-32-12	4311	12133
EAST 9	N-25-31-12	4313	15398
THOMPSON 7	M-34-31-12	4314	74202
OLIVER 1	A-25-31-12	4315	55521
THOMPSON 5	A-33-31-12	4316	74199
FED GAS COM L 1	F-14-30-11	4317	19880
MOORE 1	H-35-32-12	4318	48316
EAST 10	E-26-31-12	4319	15400
LAWSON 2*	B-31-32-11	4321	42179
VASALY 2*	K-31-32-11	4322	80869
PIERCE 3	O-30-31-10	4323	58904
PIERCE 4	L-30-31-10	4324	58905
PIERCE 5	E-30-31-10	4325	58906
PIERCE 6	H-30-31-10	4326	58907
DECKER 4	M-10-32-12	4327	12137
DECKER 4	M-10-32-12	4328	12136
HUBBARD 4	M-15-32-12	4329	29901
HUBBARD 4	M-15-32-12	4330	29900
CAIN B 1	L-20-31-10	4331	7790
CRANDELL 3	O-19-31-10	4332	10352
BRUINGTON 2	A-25-31-11	4333	6626
CRANDELL 4	A-19-31-10	4334	10353
PATTERSON A COM 1	O-02-31-12	4335	57771
TURNER 2	N-24-31-11	4336	76136
CRANDELL 6	C-19-31-10	4337	10355
CRANDELL 5	M-19-31-10	4338	10354
RUPLE 2	O-24-31-11	4340	68438
JENSEN 1	A-24-31-11	4342	35280
TURNER 3	F-24-31-11	4343	76137
BRUINGTON 3	C-25-31-11	4349	6627
RANDLEMAN 2	M-13-31-11	4350	65465
RANDLEMAN 3	D-13-31-11	4351	65466
GRENIER A 3	G-34-30-10	4352	25653
HARE 16	H-03-29-10	4365	27252
HARE 18	H-10-29-10	4366	27254

*EXCHANGE WELL CONNECTED TO OTHERS

<u>WELL NAME</u>	<u>LAND LOCATION (U-S-T-R)</u>	<u>BUYER'S WELL NUMBER</u>	<u>SELLER'S DP NO.</u>
VASALY FEDERAL 1Y	C-31-32-11	4374	80868
NYE 15	A-25-30-11	4375	53592
VANDERSLICE Y2	G-18-32-10	4377	80842
NYE 3	L-01-30-11	4379	53578
F. J. TITT 2	M-35-31-11	4380	74387
ALSTON 1	N-35-31-11	4381	1926
GRENIER B 4	G-04-29-10	4382	25669
PAGE Y2	M-07-32-10	4383	57727
MICHAEL 1 (ORRI)	D-13-30-11	4386	47350
LESTER 1	H-03-30-11	4388	43001
LESTER 1	H-03-30-11	4389	43002
DUSENBERRY A2	G-01-31-12	4402	14668
EAST A2	K-23-31-12	4404	15415
HARRISON A1	D-31-32-10	4409	27296
RICHARDSON A2	K-15-31-12	4415	66596
RICHARDSON A12	J-15-31-12	4416	66601
RICHARDSON A1	A-10-31-12	4417	66595
GRENIER A5	L-13-31-12	4427	25657
NYE 16	G-12-30-11	4428	53593
PIERCE A1	O-30-31-10	4429	58910
THURSTON 2*	A-31-31-11	4434	74242
CRANDELL A2	C-19-31-10	4451	10357
CHILDERS A1	P-01-31-11	4455	9251
DAVIS A1	L-11-31-12	4456	11616
RIDDLE A1	E-21-30-09	4459	66608
CRANDELL A1	P-19-31-10	4460	10356
RANDLEMAN A1	E-13-31-11	4461	65469
DUSENBERRY A1	M-06-31-11	4463	14669
RIDDLE A2	J-17-30-09	4468	66615
LAWSON 1A	D-12-31-11	4469	42176
RUPLE A1	B-24-31-11	4470	68436
TURNER A1	M-24-31-11	4473	76138
FLORANCE A13	I-18-30-09	4478	20876
STATE COM A A2	C-16-30-09	4495	72330
DAVIS A2	B-11-11-12	4497	11617
DAVIS A5	N-03-31-12	4498	11620
CULPEPPER MARTIN A1	C-21-32-12	4499	10661
CULPEPPER MARTIN A3	D-33-32-12	4500	10663
CULPEPPER MARTIN A4	E-28-32-12	4501	10673
CULPEPPER MARTIN A6	I-33-32-12	4502	10671
CULPEPPER MARTIN A10	D-32-32-12	4503	10692
CULPEPPER MARTIN A11	I-29-32-12	4504	10681
CULPEPPER MARTIN A12	I-20-32-12	4505	10693
CULPEPPER MARTIN A13	E-29-32-12	4506	10690
CULPEPPER MARTIN A14	P-32-32-12	4507	10691

*EXCHANGE WELL CONNECTED TO OTHERS

<u>WELL NAME</u>	<u>LAND LOCATION</u> <u>(U-S-T-R)</u>	<u>BUYER'S</u> <u>WELL NUMBER</u>	<u>SELLER'S</u> <u>DP NO.</u>
CULPEPPER MARTIN A15	I-21-32-12	4508	10694
PRIMO MUDGE A1	N-24-32-11	4514	60256
HORTON A1	I-35-32-11	4515	29101
GRENIER A2	N-18-31-11	4516	25619
PAGE A1	P-18-32-10	4517	57728
VANDERSLICE A1	N-19-32-10	4518	80839
DAVIS A4	L-12-31-12	4524	11619
DAVIS A6	B-12-31-12	4525	11611
EPNG RANDLEMON 2*	A-26-31-11	4529	65467
CULPEPPER MARTIN A7	I-28-32-12	4530	10675
DECKER A3	F-23-32-12	4531	12138
DAVIS A3	M-01-31-12	4532	11618
CULPEPPER MARTIN A5	F-22-32-12	4533	10677
CALLOWAY A1	C-22-31-11	4535	7849
BRUINGTON A1	E-25-31-11	4537	6624
PRIMO MUDGE A1	N-24-32-11	4538	60257
GRENIER A6	D-20-31-11	4539	25657
VASALY FEDERAL A1	M-31-32-11	4540	80871
PATTERSON A COM A1	A-02-31-12	4542	57774
EAST A1	M-14-31-12	4545	15389
HILLSTROM A1	E-35-32-12	4546	28196
PATTERSON B COM 1	E-02-31-12	4548	57775
PIERCE 2A	E-30-31-10	4549	58908
GRENIER 3A	G-13-31-12	4551	25618
GRENIER A7	K-26-30-10	4555	25658
NYE 3A	P-01-30-11	4556	53594
CURRENT 2	G-11-30-11	4557	10701
MCCOY GAS COM A A1	F-18-31-10	4558	46510
LAWSON 3	M-12-31-11	4561	42169
MOORE A1	P-35-32-12	4563	48318
EAST 5A	C-24-31-12	4564	15419
PATTERSON B COM A1	L-02-31-12	4565	57776
NYE 3A	P-01-30-11	4566	53595
HARPER A1	G-14-31-12	4571	27283
OLIVER A1	J-25-31-12	4572	55524
HUBBARD A4	P-15-32-12	4573	29902
LAWSON FEDERAL 1A	A-31-32-11	4574	42178
DECKER A1	P-14-32-12	4575	12131
DECKER A A1	A-03-31-12	4578	12164
HUBBARD 2A	O-11-32-12	4579	29903
CHAMBERLAIN A1	F-14-32-12	4580	9232
RICHARDSON 6A	I-21-31-12	4581	66599
CULPEPPER MARTIN A9	A-30-32-12	4582	10695
SADIE WEST A1	C-21-31-12	4583	69250
EAST A22	I-26-31-12	4584	15420

*EXCHANGE WELL CONNECTED TO OTHERS

<u>WELL NAME</u>	<u>LAND LOCATION</u> <u>(U-S-T-R)</u>	<u>BUYER'S</u> <u>WELL NUMBER</u>	<u>SELLER'S</u> <u>DP NO.</u>
RICHARDSON 6A	A-22-31-12	4586	66599
RICHARDSON A4	K-10-31-12	4587	66598
RICHARDSON A3	K-22-31-12	4588	66597
DALSANT A1	I-24-32-12	4589	11541
HUBBARD A1	I-22-32-12	4590	29894
THOMPSON A10	A-27-31-12	4591	74213
EAST 4A	I-24-31-12	4592	15417
EAST A9	D-25-31-12	4593	15418
NYE A16	C-12-30-11	4599	53625
PATTERSON B COM 1R	C-02-31-12	4604	57777
DALSANT A1	I-24-32-12	4605	11542
HUBBARD A3	E-15-32-12	4606	29904
PATTERSON B COM 1R	C-02-31-12	4608	57778
NYE A1	O-12-30-11	4609	53596
CHILDERS 2	M-01-31-11	4610	9254
GRENIER "A" A1	C-26-30-10	4616	25648
CULPEPPER MARTIN 17	O-33-32-12	4617	10696
CHILDERS A1	P-01-31-11	4618	9252
LAWSON A1	D-12-31-11	4619	42174
CHILDERS 2	M-01-31-11	4620	9253
DAVIS 17	I-03-31-12	4621	11621
GRENIER A8	F-35-30-10	4623	25680
GRENIER A 8	F-35-30-10	4624	25679
DECKER 2A	I-26-32-12	4625	12139
DECKER 2A	I-26-32-12	4626	12140
F.J. TITT A2	O-35-31-11	4627	74388
VANDERSLICE A2	E-18-32-10	4629	80837
CRANDELL 7	I-18-31-10	4633	10358
GRENIER "A" 1A	C-26-30-10	4635	25649
PAGE A2	I-07-32-10	4638	57729
HARRISON 2	K-31-32-10	4640	27298
HARRISON 2	K-31-32-10	4641	27297
CALLOWAY 2	A-22-31-11	4645	7855
CALLOWAY 2	A-22-31-11	4646	7854
GRENIER 23	M-31-31-11	4647	25645
DECKER A4	O-10-32-12	4649	12144
DECKER A4	O-10-32-12	4650	12143
CULPEPPER MARTIN 18	K-28-32-12	4651	10697
DECKER 6	M-14-32-12	4652	12165
DECKER 5	A-26-32-12	4653	12166
HILLSTROM 2	M-35-32-12	4654	28197
HILL 5	B-10-29-08	4655	28184
CULPEPPER MARTIN A8	I-19-32-12	4659	10699
CULPEPPER MARTIN A2	N-30-32-12	4660	10698
HUBBARD 5	L-22-32-12	4661	29905
THOMPSON A9	I-28-31-12	4663	74215
THOMPSON A2	A-28-31-12	4664	74214

<u>WELL NAME</u>	<u>LAND LOCATION</u> <u>(U-S-T-R)</u>	<u>BUYER'S</u> <u>WELL NUMBER</u>	<u>SELLER'S</u> <u>DP NO.</u>
HAMPTON 5	C-13-30-11	4666	27154
THOMPSON A7	F-34-31-12	4667	74220
THOMPSON A4	I-27-31-12	4668	74217
THOMPSON A3	J-34-31-12	4669	74216
DALSANT 2	B-24-32-12	4670	11543
MOORE 2	G-35-32-12	4671	48319
DAVIS A5	N-03-31-12	4682	11624
HILL 4	N-04-29-08	4685	28183
DUSENBERRY 3E	H-01-31-12	4707	14670
DAVIS 19	E-01-31-12	4708	11630
GRENIER 17E	L-06-31-11	4709	25670
GRENIER 11E	N-13-31-12	4710	25647
GRENIER 11E	N-13-31-12	4711	25646
HARPER 2E	H-14-31-12	4712	27282
HILL A1	F-04-29-08	4715	28099
HALE 5	M-34-31-08	4717	27139
REID PRI 1E	E-13-29-12	4718	66066
RICHARDSON 7E	H-15-31-12	4722	66560
DAVIS 8E	H-11-31-12	4727	11631
DUSENBERRY 3E	H-01-31-12	4741	14671
AZTEC 8E	H-14-28-11	4747	3726
HARE 19E	C-23-29-10	4762	27247
HARE 19E	C-23-29-10	4763	27248
MANGUM 5E	A-29-29-11	4772	46233
MITCHELL 1E* (ORRI)	F-05-31-12	4780	50516A
RICHARDSON 9E	L-15-31-12	4800	66564
RICHARDSON 9E	L-15-31-12	4801	66563
LESTER 1A	D-03-30-11	4802	43003
EAST 7E	L-14-31-12	4806	15422
EAST 7E	L-14-31-12	4807	15421
THOMPSON 5M	I-33-31-12	4814	74222
THOMPSON 5M	I-33-31-12	4815	74221
DAVIS 7E	L-11-31-12	4824	11632
DAVIS 7E	L-11-31-12	4825	11633
EAST 10M	N-26-31-12	4826	15424
RICHARDSON 10E	L-10-31-12	4835	66600
DAVIS 9E	A-12-31-12	4836	11636
DAVIS 9E	A-12-31-12	4837	11637
DAVIS 10E	L-12-31-12	4838	11634
DAVIS 11E	K-03-31-12	4839	11598
PATTERSON B COM 1E	M-02-31-12	4840	57965
RICHARDSON 8E	H-10-31-12	4842	66561
PATTERSON A COM 1E	G-02-31-12	4843	57960
LAWSON 2E*	O-31-32-11	4844	42173
WITT 1E	P-33-29-11	4845	85911

*EXCHANGE WELL CONNECTED TO OTHERS

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<u>WELL NAME</u>	<u>LAND LOCATION (U-S-T-R)</u>	<u>BUYER'S WELL NUMBER</u>	<u>SELLER'S DP NO.</u>
THOMPSON 7A	F-34-31-12	4849	74219
DAVIS 13E	L-01-31-12	4897	11638
ANGEL PEAK 23E	O-10-28-11	4898	2116
COZZENS B 1E	J-19-29-11	4899	9860
ZACHRY 19E	O-12-28-10	4902	96181
COZZENS C 1E	E-20-29-11	4913	9849
REID A 1M	J-13-29-10	4921	66050
REID A 1M	J-13-29-10	4922	66051
BECK A 1E	B-10-29-12	4929	4612
GRENIER A 8M	M-35-30-10	4930	25676
GRENIER A 8M	M-35-30-10	4931	25677
MCDANIEL B 1E	D-17-29-11	4934	46547
MCDANIEL C 1E	E-19-29-11	4935	46551
MANGUM 4E	D-28-29-11	4943	46234
HARE 18M	P-10-29-10	4960	27264
HARE 18M	P-10-20-10	4961	27265
HILL 6	G-04-29-08	4962	28178
NYE 14E	G-13-30-11	4965	53635
NYE 14E	G-13-30-11	4966	53636
HARE 15M	O-03-29-10	4974	27249
GRENIER A 4E	F-26-30-10	4985	25644
HARE 17E	F-15-29-10	4992	27263
THURSTON COM A1*	A-31-31-11	4996	74243
MANGUM 4E	O-28-29-11	4997	46235
GONSALES COM 3*	K-16-30-12	5144	25218
ZACHRY 19	N-12-28-10	7073	96183
WITT 1	N-33-29-11	7094	85905
ANGEL PEAK 23	N-11-28-11	7095	2115
ALBRIGHT A 1	A-25-30-11	8301	1916
PAGE 2 (DISCONNECTED)	M-07-32-10	8310	57726
CANEPLA GAS COM 1*	N-18-31-10	8704	7891
COOPER B 1E	P-07-29-11	9202	9801
HARE 17E	F-15-29-10	9213	27262
HARE 15M	O-03-29-10	9214	27250
COZZENS C 1E	E-20-29-11	9217	9850
COZZENS 6E	J-18-29-11	9219	9851
COOPER 4E	D-18-29-11	9229	9793
CULPEPPER MARTIN 20	A-33-32-12	9236	10655
NYE 10E	G-12-30-11	9243	53630
HUBBARD 6	N-15-32-12	9250	29906
HARPER 3	P-14-31-12	9251	27284
CULPEPPER MARTIN 16E	N-04-31-12	9252	10659
GRENIER 23E	C-31-31-11	9255	25659
MOORE 3	J-35-32-12	9257	48311
CHAMBERLAIN 2	A-14-32-12	9258	9229

*EXCHANGE WELL CONNECTED TO OTHERS

1047-1²

<u>WELL NAME</u>	<u>LAND LOCATION (U-S-T-R)</u>	<u>BUYER'S WELL NUMBER</u>	<u>SELLER'S DP NO.</u>
HOLDER A 1E	H-06-30-12	9264	29070
MANGUM B COM 1E	M-32-29-11	9294	46242
HILLSTROM 3	D-35-32-12	9297	28198
HARPER 3	P-14-31-12	9300	27285
HOLDER A 1E	H-06-30-12	9302	29071
CHAMBERLAIN 2	A-14-32-12	9307	9228
COOPER 3E	I-06-29-11	9310	9794
MOORE 3	J-35-32-12	9325	48314
COOPER 3E	I-06-29-11	9326	9795
HUBBARD 6	N-15-32-12	9327	29907
HILLSTROM 3	D-35-32-12	9329	28199
THOMPSON 3A	J-34-31-12	9331	74218
VASALY 2E*	D-31-32-11	9336	80865
SADIT WEST 2E	M-21-31-12	9344	69270
MANGUM 5E	A-29-29-11	9349	46232
NYE 17	L-01-30-11	9367	53631
GRENIER E15	K-18-31-11	9372	25678
SATEGNA E2	J-21-29-11	9391	69276
NEWBERRY B 1E*	M-35-32-12	9394	50734
GRENIER 13E	F-20-31-11	9398	25693
F J TITT A2	O-35-31-11	9441	74389
CALLOWAY 3	E-22-31-11	9461	7856
CALLOWAY 3	E-22-31-11	9462	7880
FED GAS COM L 1E	B-14-30-11	9500	20448
RIDDLE COM 8*	I-18-30-09	9502	66639
THURSTON COM A 1E*	I-31-31-11	9507	74244
HAMPTON 4M	N-13-30-11	9550	27046
HAMPTON 4M	N-13-30-11	9551	27045
MOORE 5	H-35-32-12	9557	48333
HUBBARD 7	M-11-32-12	9558	29908
HUBBARD 7 (NEVER CONNECTED)	M-11-32-12	9559	29909
GRENIER A 3M	D-34-30-10	9560	25673
GRENIER A 3M	D-34-30-10	9561	25687
HUBBARD 8	G-15-32-12	9562	29699
HUBBARD 8	G-15-32-12	9563	29698
MOORE 1E	J-35-32-12	9571	48490
CHILDERS 3	L-01-31-11	9572	9255
HUBBARD 9	J-11-32-12	9585	29910
NYE 14A	P-13-30-11	9586	53633
DECKER A 2E	B-03-31-12	9618	12168
HARE 24	F-15-29-10	9632	27345
NEWBERRY 9A*	C-05-31-12	9667	1514

*EXCHANGE WELL CONNECTED TO OTHERS

MPB
by KRP

The Parties believe and intend that the above list includes all leases and wells under the Prior Agreements and is a true and correct description of the Contract Acreage and Subject Wells as of the Date hereof. If any lease or well covered by the Prior Agreements was omitted from such list or there is an error or omission in the description of the Contract Acreage or Subject Wells, then such omission or error was inadvertent and such lease and/or well or correction to Contract Acreage or Subject Wells shall be treated as if it were expressly listed herein correctly.