

C O N T R A C T

17185

PROVIDING FOR THE DRILLING OF SIX TEST WELLS
AND ASSIGNMENT OF LEASE ACREAGE

THIS AGREEMENT, made this 1st day of December, 1949, between
STANOLIND OIL AND GAS COMPANY, a Delaware Corporation, of Tulsa, Oklahoma,
hereinafter called "Stanolind", and EARL A. BENSON AND WM. V. MONTIN, of
Oklahoma City, Oklahoma, hereinafter called "B. & M.";

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

WHEREAS, Stanolind is the owner of the oil and gas leases and
options to acquire the oil and gas leases recited in Exhibit "A" attached
hereto and made a part hereof, and being located in San Juan County, New
Mexico.

WHEREAS, Stanolind, subject to the terms and conditions herein-
after set forth, has agreed to assign to B. & M., and B. & M. have agreed
to accept from Stanolind a one-half (1/2) undivided interest in and to the
oil and gas leases and options to acquire the oil and gas leases described
in Exhibit "A" and drill certain wells thereon.

WHEREAS, B. & M. have agreed to form a unit to include certain of
said leases and options to be known as Gallegos Canyon Unit, all as provided
in Unit Agreement for the Development and Operation of the Gallegos Canyon
Unit area, County of San Juan, State of New Mexico, form of which is attached
hereto, marked "Exhibit U", and hereinafter called "Unit Agreement", and
in Unit Operating Agreement under Unit Agreement for the Development
and Operation of the Gallegos Canyon Unit Area, San Juan County, New Mexico;
form of which is attached hereto and marked "Exhibit O" and hereafter
referred to as "Unit Operating Agreement".

NOT THEREFORE, in consideration of the premises and the mutual
covenants and agreements hereinafter contained, to be kept and performed
by the parties hereto, it is hereby agreed as follows:

1. TITLES

Stanolind shall furnish B. & M. upon request, photostat copies
of title papers in its files, together with photostatic copies of the

options, the basic leases, intermediate assignments thereof. Stanolind shall not be obligated to furnish abstracts of title or status reports, nor to do any curative work in connection with the title to the lease acreage, regardless of the provisions of Section 3, "Titles", of Unit Operating Agreement, and B. & M., as between the parties hereto and other Working Interest Owners who are parties to said Unit Operating Agreement, shall, at their own cost, and on behalf of themselves and Stanolind, perform all the obligations of the first paragraph of Section 3 of said Unit Operating Agreement as to the land the subject of this Contract and save Stanolind harmless on account thereof.

2. UNIT

On or before March 1, 1950, B. & M. shall secure United States Geological Survey approval of the Unit Area described in Section 2 of the Unit Agreement, United States Geological Survey approval of the depth of the test well to be drilled under the Unit, and United States Geological Survey approval as to form of the Unit Agreement; otherwise, this contract shall thereupon terminate and be of no further force or effect. Prior to July 1, 1950, B. & M. shall secure the complete execution of the Unit Agreement and Unit Operating Agreement, or the execution thereof by parties at interest that Stanolind at its option considers sufficient to make the unit practical, and shall obtain the approval of the Unit Agreement by the appropriate authorities of the State of New Mexico. On or before July 1, 1950, B. & M. shall submit the executed and State-approved Unit Agreement for final approval by the Secretary of the Department of Interior and shall diligently endeavor to obtain such approval prior to September 1, 1950. All of the matters in this Section shall be handled at the sole cost and expense of B. & M. In the event final approval of the Unit Agreement, (executed and otherwise approved as aforesaid) by the Secretary of the Interior is not obtained on or before September 1, 1950, the Unit Agreement shall be withdrawn from the Department of Interior and this contract shall thereupon terminate and be of no further force and effect.

3. ASSIGNMENTS

In the event, in accordance with Section 2 hereof, B. & M. secure the execution of the Unit Agreement and Unit Operating Agreement to the satisfaction of Stanolind, and also in accordance with Section 2

hereof, obtain the approval of the Unit Agreement by the Secretary of the Interior and State of New Mexico, Stanolind shall promptly deliver to B. & M. fully executed assignments without covenants of warranty covering a one-half (1/2) undivided interest in and to the oil and gas leases and options to acquire oil and gas leases, recited in Exhibit "A" insofar only as said leases and options cover and include the land described in Exhibit "A".

4. CONSIDERATION

In consideration for the assignments from Stanolind to B. & M. which are described in Section 3 hereof, B. & M. shall drill one Dakota well and five Pictured Cliff wells, free of cost to Stanolind on the acreage covered in said assignments at locations selected by Stanolind. B. & M. hereby bind and obligate themselves to perform all the operations, obligations and requirements under the Unit Agreement and Unit Operating Agreement, and further bind and obligate themselves to perform their obligations and requirements under this Contract, provided that if any well is required by the Unit Agreement or the Unit Operating Agreement, and if the same kind and character of well is also required to be drilled by the terms of this Contract, the timely drilling of such well shall satisfy to that extent the requirements of both agreements and this Contract.

5. DAKOTA TEST WELL

Within sixty (60) days after the effective date of the Unit Agreement, which shall be the date it has become fully approved by both the Secretary of the Interior and the State of New Mexico, B. & M. shall commence actual drilling of a test well at a location selected by Stanolind on the lease acreage described in Exhibit "A" attached hereto and thereafter prosecute diligently the drilling of said well to a depth of six thousand five hundred (6,500) feet, unless the Dakota Sand Stone is tested or impenetrable substance is encountered at a lesser depth. B. & M. shall complete said well with due diligence.

The drilling of said test well shall be free of cost and expense to Stanolind, and if said test well proves capable of producing
 ✓ oil or gas from the Dakota Sand Stone in quantities sufficient to warrant

completion, it shall be completed and equipped for production into lease tankage free of cost and expense to Stanolind, and Stanolind shall not be subject to any obligations or liability whatsoever in connection therewith, but Stanolind shall own one-half (1/2) of said well and equipment therewith, and one-half (1/2) of the production therefrom.

If said test well is dry in the Dakota Sand Stone, but B. & M. complete and equip it in a horizon above the Dakota Sand Stone, as a producer of oil or gas, then Stanolind shall own one-half (1/2) of said well and equipment thereon and one-half (1/2) of the production therefrom, and shall be charged with one-half (1/2) of cost to drill, complete and equip a well to this producing horizon, based on the prevailing rate in the same area for other wells of like depth. In liquidation of this charge, B. & M. shall retain Stanolind's one-half (1/2) of the production until the proceeds of the sale of Stanolind's share of production equals such charge plus one-half (1/2) of the cost of operating the well to that time, and thereafter Stanolind will own one-half (1/2) interest in the well and equipment thereon and in the production therefrom, unencumbered, and will pay its one-half (1/2) of operating cost currently. Stanolind shall not be liable for any part of said charge which is not liquidated by the application of the proceeds from the sale of production as herein provided.

6. PICTURED CLIFF WELLS

In addition to the Dakota test well, B. & M. bind and obligate themselves to drill five (5) wells, each to sufficient depth to thoroughly test the Pictured Cliff formation on the acreage described in Exhibit "A" attached hereto at locations selected by Stanolind. Actual drilling of the first of these Pictured Cliff wells shall be commenced within six (6) months after completion of the Dakota test well provided for herein or by April 1, 1951, whichever is the earlier date. B. & M. shall have all five of these Pictured Cliff test wells completed within five (5) months after the commencement of said first Pictured Cliff test well.

The drilling and completing of all of these five (5) Pictured Cliff wells shall be free of cost and expense to Stanolind, and if any of said wells produces oil or gas in quantities sufficient to warrant completion, it shall be equipped for production into lease tankage free of cost and expense to Stanolind, and Stanolind shall own one-half (1/2) of each such producing well and its production and the equipment thereon. Stanolind shall be charged with one-half of the cost of drilling, completing and equipping any such producing well. In liquidation of such charge, B. & M. shall retain Stanolind's one-half (1/2) of the production until the proceeds of the sale of Stanolind's share of production from it equals the charge plus one-half (1/2) of the cost of operating the well to that time, and thereafter Stanolind will own one-half (1/2) interest in the well and equipment thereon and production therefrom, unencumbered, and will pay its one-half (1/2) of the operating costs on such well currently. Stanolind bears no cost or expenses in connection with any of the Pictured Cliff wells which are completed as dry holes, which shall be plugged by B. & M. free of cost and expense to Stanolind, and in accordance with the laws of the State of New Mexico, and B. & M. shall level the ground around them and clear and clean the premises to the satisfaction of the surface owners or surface lessees. Stanolind shall not be liable for any part of any charge which is not liquidated by the application of the proceeds of the sale of production from each particular single well on which such charge is created.

7. ACCOUNTING

No overhead charges will be assessed Stanolind in connection with the drilling of any of the six wells drilled under this contract; however, after completion, (overhead charges) will be allowed in accordance with schedule of rates for producing wells in Section 8 of Unit Operating Agreement, and otherwise the method of accounting for (operating expenses) on these wells shall conform to the Accounting Procedure, "Exhibit 1" attached to the Unit Operating Agreement.

8. ADJUSTMENT OF INVESTMENT - PARTICIPATING AREAS

If, under the operation of the Unit Agreement, a participating area is formed to include any of the producing wells in which Stanolind is one-half owner by the terms of this Contract, then Stanolind shall be credited with one-half the total cost of drilling, completing and equipping for production such well or wells in adjusting the investment with the working interest owners in the participating area formed. In event of such adjustment that portion of the operating costs chargeable to Stanolind and that portion of the production allocable to Stanolind shall also be adjusted accordingly and to such extent only are the provisions of Sections 5 and 6 hereof modified.

9. IN RE DAKOTA AND PICTURED CLIFF TESTS

Stanolind shall have the right to measure the depth of all test wells drilled under this agreement by running a steel line measurement and when said wells have reached the depth at which completion will be attempted, B. & M. shall notify Stanolind at its Albuquerque, New Mexico Office so that Stanolind may have an opportunity to measure the depth thereof.

The area in which the wells are to be drilled is believed by all parties hereto to be underlain by deposits or accumulations of oil and gas, and it is the express purpose in drilling the wells to adequately and properly test all prospective oil and gas carrying zones as indicated by the nature of the cuttings and cores of the formations penetrated, or by study of electrical logs or other scientific methods to determine the productive possibilities of the oil and gas reservoir penetrated.

B. & M. shall notify Stanolind immediately at its offices in Albuquerque, New Mexico, when the locations for said test wells are staked, when the material for the drilling thereof is moved to the locations, and when actual drilling is commenced.

Stanolind shall, for the purpose of inspection, have access at all reasonable times to the leases and the derrick floors, and to all books and records bearing on operations hereunder. B. & M. shall furnish Stanolind at its Albuquerque, New Mexico office with samples of

cuttings of all formations drilled in said wells, unless Stanolind itself elects to take such samples. B. & M. shall also furnish Stanolind at its Albuquerque, New Mexico Office, with samples of all cores taken as well as any other information desired by Stanolind relative to the drilling of said test wells.

B. & M. shall permit Stanolind to lower a geophone in said test wells for the purpose of making any tests desired; provided, however, that Stanolind shall pay for the time the geophone is in use at the usual rate charged for such time in the area. B. & M. shall furnish Stanolind daily, at its Albuquerque, New Mexico Office, with progress reports in the course of drilling operations from the time said test wells are spudded to completion thereof, and upon completion of said test wells, B. & M. shall furnish Stanolind, at its Albuquerque, New Mexico Office, with certified copies of the logs thereof. B. & M. shall have electrical formation surveys taken in said wells, which shall include all open hole below the surface casing. B. & M. shall furnish Stanolind, free of cost, at its aforesaid office, with certified copies of the logs thereof.

B. & M. shall test properly all prospective oil and gas horizons. Upon encountering such a horizon, B. & M. shall so notify Stanolind at its Albuquerque, New Mexico Office, and allow Stanolind sufficient time to have representatives present to witness such tests. If an electrical formation survey is made, either before or after the contract depth has been reached, and the information from such survey, considered by itself or in connection with other indications or evidence from cuttings, cores or showings, indicates that the formation may be a prospective oil or gas horizon, then B. & M. shall properly test such horizon unless an adequate test thereof shall have been previously made.

B. & M., in conducting its operations hereunder, shall obtain all necessary permits from the United States Geological Survey. B. & M. shall comply with Article 8-1119, New Mexico Statutes, 1941 edition, and all amendments thereto, and any other laws of the State of New Mexico, now or hereafter in force, in the conduct of their development and operations.

10. DELAY RENTALS

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Stanolind shall endeavor to pay any delay rentals and advance rentals that may become due on the acreage described in Exhibit "A". For those rentals accruing after the effective date of the Unit Agreement, B. & M. shall reimburse Stanolind for one-half of the rentals so paid.

11. OPTIONS

Certain of the acreage described in Exhibit "A" is held under options to purchase oil and gas leases. Stanolind shall be under no obligation to exercise any of these options until after the effective date of the Unit Agreement, and Stanolind can elect at that time whether to assign one-half (1/2) interest in any such option to B. & M., or exercise the option and then assign one-half (1/2) interest in the acquired oil and gas lease to B. & M. Stanolind shall pay and bear all of any payment provided for in the option to be made when the option is exercised, but Stanolind shall not be liable in the event the grantor in any option fails to make delivery of the oil and gas lease as provided therein. If, during the term of this contract and prior to the effective date of the Unit Agreement, an option on any of the acreage described in Exhibit "A" expires, Stanolind will be under no obligation to exercise the option; however, if Stanolind purchases a new option on such acreage, Stanolind shall pay and bear all of the cost of the new option. Stanolind shall, in no way, be liable under this Contract for the expiration of any option, and under no obligation to purchase any new option during said period. If, during the term of this contract and prior to the effective date of the Unit Agreement, the expiration date of any option on any acreage described in Exhibit "A" occurs, and Stanolind does not elect to either exercise the option or acquire a new option on the acreage covered thereby, then on or before ten (10) days prior to said expiration, Stanolind shall tender to B. & M. an assignment of all its interest in such option, except for the reservation unto Stanolind of a 5% overriding royalty interest in the acreage covered thereby. After the effective date of the Unit Agreement, the cost of any new options purchased to replace expired options shall be borne equally by Stanolind and B. & M.

During the term of this Contract, the term of the Unit Agreement and the term of the Unit Operating Agreement, in the event either of the parties hereto shall acquire any additional leases, options or agreements upon any lands within the Unit area described in Section 2 of the Unit Agreement, the party acquiring such interest shall give notice in writing of such acquisition to the other party, advising it fully of the terms and considerations upon which the acquisition was made, and the other party shall have a period of fifteen (15) days from and after receipt of such notice within which to elect to purchase an undivided one-half (1/2) interest in such land by paying the other party one-half (1/2) of the cost and expense of acquisition; provided, that if at the time of any such purchase, there is a well in the area drilling or testing at a critical stage, and the results might cause rapid fluctuation in the value of the oil and gas mineral estates or leasehold estates purchased, then the party notified shall make its election within forty-eight (48) hours after notice.

13. OPTION TO PURCHASE LEASE ACREAGE

If at any time Stanolind or B. & M. desire to sell or otherwise dispose of the interest or any part thereof owned by them in and to the options and leases recited in Exhibit "A" insofar as they cover the land described in Exhibit "A" and have found a prospective purchaser ready, able and willing to purchase any such interest or any part thereof, the party desiring to sell shall first submit the proposition in writing to the other, informing the other the name and address of said prospective purchaser and the price and terms offered, and the other shall have the right and option to acquire the interest at the same price and upon the same terms, such option to be exercised within ten (10) days after receiving notice of the offer. The provisions of this article shall not apply to a merger or consolidation by Stanolind with another corporation, nor to a sale or transfer by Stanolind to an affiliated company.

14. INSURANCE

B. & M. or their contractors or sub-contractors, shall carry insurance with companies satisfactory to Stanolind in accordance with the provisions of the Unit Operating Agreement, and B. & M. shall furnish Stanolind at its aforesaid office, upon forms satisfactory to Stanolind, certificates in duplicate, evidencing such insurance. Purchasers shall not commence operations for the drilling of said test well unless and until Stanolind shall have approved such insurance.

15. ENCUMBERED INTERESTS

The burden of any royalties, overriding royalties, production payments, carried interests, net profits obligations, or any similar encumbrances in existence on the acreage described in Exhibit "A" when the assignments mentioned in Article 3 are delivered, shall be borne in the proportion of one-half (1/2) by Stanolind and one-half (1/2) by B. & M.

16. DEFAULT

In the event that B. & M., prior to the completion of all six wells which they are to drill under the terms of this contract, shall fail to continue the drilling thereof as herein provided, then the rights of B. & M. under this Contract shall automatically terminate and B. & M. and their wives shall, upon demand of Stanolind, reassign to Stanolind all interest in the acreage covered hereby together with all interest in all wells completed to that time, and further, shall be liable to Stanolind in liquidated damages for the cost of drilling and completing the additional wells required to be drilled by B. & M. under this contract.

17. NOTICE

Except as otherwise specifically herein provided, all notices required hereunder shall be deemed to have been served properly if delivered personally, or if sent by registered mail to Stanolind at its office in the Stanolind Building, Tulsa, Oklahoma, or to Earl A. Benson and Wm. V. Montin, at 316 Petroleum Building, Oklahoma City, Oklahoma, and the date of service by mail shall be the date on which such written notice is deposited in the United States Post Office, addressed as above provided, with postage fully prepaid thereon.

18. COMPLIANCE WITH LEASES

B. & M. shall keep and perform all of the terms, provisions and express or implied covenants of the oil and gas leases described in Exhibit "A" insofar as they cover and include the land described in Exhibit "A".

19. ASSIGNABILITY

B. & M. shall not assign this contract in whole or in part prior to the completion of said six wells, without the written consent of Stanolind, the provisions of Section 20 of the Unit Operating Agreement notwithstanding.

All of the terms and provisions hereof shall be deemed to be covenants running with the land and leasehold estates described in Exhibit "A" attached hereto, their heirs, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the day and year first above written.

ATTEST:

Lawrence
Assistant Secretary

STANOLIND OIL AND GAS COMPANY

By SEA
Vice-President

APPROVED
S.S.W.
Humm

Carl A. Benson
Earl A. Benson,
Wm. V. Montin

Earl A. Benson

Wm. V. Montin

Don Benson
Don Benson

Benson

Kathleen Montin
Kathleen Montin

Kathleen Montin

STATE OF OKLAHOMA Y
COUNTY OF TULSA Y SS

BEFORE ME, Helen L. Rawlins, a Notary Public in and for said state, on this 10 day of JANUARY, 1950, personally appeared A. E. ROUSE, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its Vice-President, and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of such corporation for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

File L Ramirez

My commission Expires:

HELEN L. RAWLING, Notary Public

In and for State of California

My commission expires February 13, 1952

STATE OF Oklahoma

SS

COUNTY OF Oklahoma

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BEFORE ME, the undersigned, a Notary Public in and for said state, on this 5 day of January, 1950, personally appeared EARL A. BENSON, and Irma BENSON, his wife, to me known to be the identical persons who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Lucile Stevenson
Notary Public

My Commission expires:

Aug 3, 1953

STATE OF Oklahoma

SS

COUNTY OF Oklahoma ()

BEFORE ME, the undersigned, a Notary Public in and for said state, on this 5 day of January, 1950, personally appeared WM. A. MONTIN, and Kathleen MONTIN, his wife, to me known to be the identical persons who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Lucile Stevenson
Notary Public

My commission expires:

Aug 3, 1953

EXHIBIT "A" PAGE ONE STATE OF NEW MEXICO COUNTY OF SAN JUAN

(Patented Lands)

LEASE NO.	LESSOR	LESSEE	DATE	DESCRIPTION	RECORDED BOOK	PAGE
74441-A	J. E. Crawford, et ux	Charles Newbold	1/30/47	NE/4 SW/4, NW/4 SE/4, W/2 SE/4 SW/4, SW/4 SW/4 Section 24; W/2 NW/4, N/2 SW/4 Section 25; NE/4 SE/4 Section 26-29N-12W	125	161
74441-B	Mrs. Maud Farrell	Stanolind Oil and Gas Company	10/23/47	E/2 SE/4 Section 26-29N-12W	130	76
74442	J. E. Crawford, et ux	Charles Newbold	2/27/47	S/2 NE/4, NW/4 SE/4 Section 28-29N-12W	125	163
74443	L. V. Goff, et ux	Charles Newbold	1/31/47	NW/4 Section 29; SE/4 SW/4 Section 20-29N-12W	125	157
74444	H. H. Smith, et ux	Charles Newbold	2/8/47	W/2 NW/4, W 24 ac. of NW/4 SW/4 Section 19-29N-12W; E 5 ac. of SE/4 NE/4 Sec. 24-29N-13W	125	167
74445	W. T. Calloway	Charles Newbold	2/11/47	SW/4 NW/4, N/2 SW/4 Section 30-29N-12W; SE/4 NE/4 Section 25-29N-13W	125	159
74462	J. W. Doak, et ux	Charles Newbold	1/30/47	E/2 NW/4, NE/4 SW/4, NE/4, SW/4 NW/4, NW/4 SW/4 Section 26-29N-12W	125	155
74463	Helen Zimmerman, et vir	Charles Newbold	2/20/47	E/2 NE/4, SW/4 NE/4, and 13 ac. in S part NW/4 NE/4 Section 23-29N-13W	125	153
74464	Dayo Miller, et al	Charles Newbold	2/11/47	NW/4 SE/4, S/2 SE/4, SE/4 SW/4 Section 30-29N-12W	125	151
74465	J. S. Hartman, et al	Charles Newbold	1/31/47	NE/4 SW/4, SE/4 Section 34; SW/4 NW/4, W/2 SW/4 Section 35-29N-12W	125	149
74467	Phil Schenck, et ux	Charles Newbold	2/24/47	SW/4 NE/4 Section 25-29N-13W; W/2 SW/4, SE/4 SW/4 Section 29-29N-12W	125	147
74468	J. S. Hartman, et al	Charles Newbold	1/31/47	E/2 SW/4, SE/4, E/2 NE/4 Section 35-29N-12W	125	145

1/15/91

APPLICATION FOR PLUGGING

1. Benson and Montin,
(hereinafter called "operator") is the operator of the
Gallegos Canyon Unit #2 _____ located
K-35-29N-12W _____,
San Juan _____ County, New Mexico.

2. Benson and Montin, as operator,
has posted a ~~(cash)~~ ~~(surety)~~ ~~(blanket)~~ ~~(cash)~~ ~~(surety)~~ bond in
the amount of not applicable in compliance with Section
70-2-14 N.M.S.A. 1978 and Rule 101 of the Rules and
Regulations of the Oil Conservation Division, which bond is
conditioned upon compliance with the Statutes of the State
of New Mexico and the Rules and Regulations of the Division
with respect to the proper plugging and abandonment of the
well(s) operated by said operator.

(Alt. 1) 3. Not applicable is surety on
said bond.

(Alt. 2) 3. _____ is holding savings
account No. _____.

(Alt. 3) 3. Operator has deposited with _____

_____ the sum of \$ _____ in Certificate of Deposit or savings account No. _____ and has assigned said account to the Oil Conservation Division as security for said bond.

(Alt. 1) 4. The Gallegos Canyon Unit #2 has not produced hydrocarbon substance for more than six months, and no permit for temporary abandonment has been requested by the operator or approved by the Division.

(Alt. 2) 4. Operator has previously obtained an approved permit for temporary abandonment of said well, but said permit and any extensions thereof has expired more than six months prior to the filing of this application and the _____ well has not produced hydrocarbons since the expiration of said permit.

5. By virtue of the failure to obtain production or to have an approved current temporary abandonment permit, the Gallegos Canyon Unit #2 well is presumed to have been abandoned.

6. By authority of Section 70-2-12 N.M.S.A. 1978, the Rules and Regulations of the Division require wells no longer productive or capable of production to be properly plugged.

7. Demand has been made upon the operator to either place said well to beneficial use or properly plug and abandon the same and the Operator has failed to do so.

WHEREFORE, The Supervisor of District ^{Three} _____ of the Oil Conservation Division applies to the Director to enter an order:

1. Determining whether or not the Gallegos Canyon Unit #2 well should be plugged in accordance with a Division-approved plugging program;

2. Upon determination that said well should be plugged directing Benson and Montin as Operator (and N/A as surety) to plug said Gallegos Canyon Unit #2 well within 45 days of the date of the Director's order.

3. Further ordering that if operator (or surety) fail to plug and abandon said well as ordered by the Director, that the Division be authorized to plug said well and to forfeit said bond, and further authorizing the Division to recover from the Operator any costs of plugging in excess of the amount of the bond.

Benson and Montin
Gallegos Canyon Unit #2
K-35-29N-12W

This well was drilled in 1950 as one of a series of Picture Cliffs wells which earned Benson and Montin acreage that was to become the Gallegos Canyon Unit. The assignments were from Stanolind (Amoco) which retains the deep rights in this acreage. Broken Hill Properties is the current operator of the unit.

Earl A. Benson and William V. Montin are both deceased to the best of my knowledge. Their spouses did sign the original agreements and assignments.