

SUPPLEMENTAL AND DRILLING AGREEMENT

This instrument is by reference made a part of an Oil and Gas Lease executed between Cecil J. D'Spain and Elsy Helen D'Spain, his wife, Lessor, and George A. Sweetman, John A. Aday and W. M. Parnell, Lessee, of even date and hereinafter referred to as "Lease";

WITNESSETH:

Lessee agrees to diligently work to completion any well commenced as provided in Lease or in this instrument.

Lessee agrees to locate the first well to be drilled in the area on the property described in Lease and further agrees to commence said well within a period of forty-five (45) days from the execution of this instrument, unless prevented from so doing by act of God or reason or reasons beyond control of Lessee.

Lessee agrees that any such well so commenced will be drilled to the depth of Four Thousand Feet (4,000') unless/unpenetrable formation is first encountered or production is reached or

Lessee reserves option to proceed to a greater depth.

The undersigned parties agree that if a well is drilled and no production is had but instead a supply of water in useable quantities is reached, that such well will be preserved for the use of the Lessor according to the regulations of the governing state body.

Lessee will proceed to choose a forty (40) acre drilling site by survey description and as soon as practicable after such survey is completed, the said area so surveyed and described will be attached hereto and made a part hereof.

Lessee agrees that once a producing well is brought in that Lessee will drill two (2) additional wells within a period of three (3) years from the date of such producer.

Lessee agrees that within a period of forty-five (45) days from the execution hereof, a Star 48 Drilling Rig in good condition and with sufficient power to drill a 16" hole, with necessary reductions, to a depth of 4000' will be moved

onto the property described herein.

It is agreed by the undersigned that any necessary shut down due to the war emergency or to any impossibility in acquiring necessary and required repairs and/or material, that such shut down will not be considered an abandonment of the work as long as Lessee makes diligent effort to obtain such repairs or material.

Lessee agrees that only an experienced superintendant of drilling will be in charge at any and all times, and that such superintendant will be the sole advisor as to the method of operations, subject, however, to the approval of the Lessee.

Lessor herein agrees to pay cost for abstract continuation to date of the execution of this instrument. Lessee agrees to pay additional costs for filing and/or abstracting as result of negotiations or transactions in regard to this lease or transactions subsequent hereto.

Witness our hands and seals this 29th day of January, 1952.

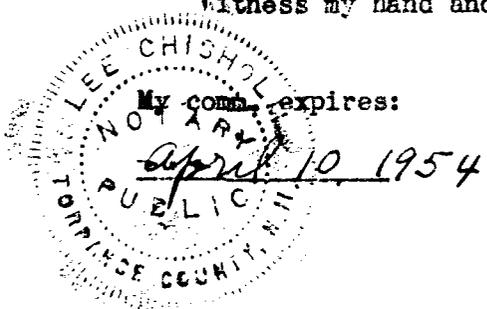
Cecil J. D'Spain
Elsy Helen D'Spain Lessor
[Signature]
W. M. [Signature]
[Signature] Lessee

STATE OF NEW MEXICO)
COUNTY OF Torrance) : ss.

On this 31 day of January, 1952, before me personally appeared Cecil J. D'Spain and Elsy Helen D'Spain, his wife, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Witness my hand and official seal the day and year last above written.

Lee Chisholm
Notary Public



STATE OF NEW MEXICO)

COUNTY OF Sorano)

ss.

On this 21 day of January, 1952, before me personally appeared George A. Sweetman, John ~~A.~~ Sweetman, John A. Aday and W. M. Parnell, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Witness my hand and official seal the day and year last above written.

Gora Hall
Notary Public

My comm. expires:

March 23, 1954

