

DOC# 2584
EXHIBIT# 6
CASE# 8218, 19, 20, 21

GAS WELL REPORT

LEASE

WELL NO. 1

DATES-FROM

May 28, 1924

Big Chief

DATE B.A.M.	CHART ST.	DIF.	PRESSURE TUBING	CASING	CHOKE	HEATER TEMP.	SEPARATOR PRESS.	TEMP.	STOCK TANK FT.	IN.	LIQUID PRODUCTION	DATE SEALS ON	ESTIMATED MCF
29	8.0	2.0	40		Full	76			6	5			.178
30	6.9	2.0	40		Full	72			6	5			.154
31	7.0	2.0	40		Full	74			6	5			.156

WELL NO. 1

DATE 4/11/1925

REMARKS

SIGNATURE

Charlie Williams

RECORD 143-1 BOX 800 TULSA OK 74101

PRINTED IN U.S.A.

GAS WELL REPORT

LEASE

WELL NO. **3**

DATES-FROM

TO

May 28, 1984 **May 31, 1984**

APR 4 1984

Big Chief

DATE 8 A.M.	CHART		PRESSURE		CHOKE	HEATER TEMP.	SEPARATOR		STOCK TANK		LIQUID PRODUCTION	DATE SEAS ON	ESTIMATED MCF
	ST.	DIF.	TUBING	CASING			PRESS.	TEMP.	FT.	IN.			
29	8.0	1.8	800		4.000	76			7 1/2				.160
30	6.9	2.5	800		4.000	75			7 1/2				.191
31	7.0	2.3	800		4.000	72			7 1/2				.179
REMARKS													
CE SIZE 3/4 - 0111													

SIGNATURE **Charlie Williams** PRINTED IN U.S.A.

Kenneth 143-1 BOX 800 TULSA OK 74101

GAS WELL REPORT

LEASE

Big Chief

WELL NO. *4*

DATES-FROM

May 28, 1924

DATE 8 A.M. CHART ST. D.F. PRESSURE TUBING CASING CHOKES HEATER TEMP. SEPARATOR PRESS. TEMP. STOCK TANK FT. IN. LIQUID PRODUCTION GATE SEALSON ESTIMATED MCF

<i>29</i>	<i>8.0</i>	<i>2.2</i>	<i>100</i>			<i>Full</i>	<i>73</i>			<i>5</i>	<i>6</i>				<i>.195</i>
<i>30</i>	<i>6.9</i>	<i>2.3</i>	<i>100</i>			<i>Full</i>	<i>77</i>			<i>5</i>	<i>6</i>				<i>.176</i>
<i>31</i>	<i>7.0</i>	<i>2.1</i>	<i>100</i>			<i>Full</i>	<i>74</i>			<i>5</i>	<i>6</i>				<i>.163</i>

PIPE SIZE *3/4* - 0111

REMARKS

SIGNATURE

Charlie Williams

HEADQUARTERS 143-1 BOX 800 TULSA OK 74101

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GAS WELL REPORT

JUN 4 1984

LEASE		CHART		PRESSURE		CHOKE	HEATER TEMP.	SEPARATOR		LOCK TANK		LIQUID PRODUCTION	DATE SEALSON	ESTIMATED MCF
DATE B.A.M.	ST.	DIF.	TUBING	CASING	HEATER TEMP.			SEPARATOR PRESS.	SEPARATOR TEMP.	FT.	IN.			
29	8.0	1.0	820		Full	716			0	3			039	
30	6.9	5.0	800		Full	715			0	3			170	
31	7.0	5.5	800		Full	716			0	3			190	

WELL NO. 1
 DATE-FROM May 28 1981 TO May 31 1981
 LEASE Diverse State Comm

CE SIZE 1/2" O.D. 193

REMARKS

SIGNATURE

Charlie Williams

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Form 143-1 BOX 800 TULSA OK 74101

GAS WELL REPORT

LEASE

WELL NO.

DATES-FROM

TO

Big Chief

May 21, 1984

DATE 8 A.M.	CHART		PRESSURE TUBING	PRESSURE CASING	CHOKE	HEATER TEMP.	SEPARATOR		STOCK TANK		LIQUID PRODUCTION	DATE SEALS ON	ESTIMATED MCF
	ST.	DIF.					PRESS.	TEMP.	FT.	IN.			
<i>22</i>	<i>7.8</i>	<i>1.9</i>	<i>40</i>		<i>9.000</i>	<i>76</i>			<i>6</i>	<i>3</i>			<i>.165</i>
<i>23</i>	<i>7.2</i>	<i>1.0</i>	<i>200</i>		<i>9.000</i>	<i>75</i>			<i>6</i>	<i>3</i>			<i>.080</i>
<i>24</i>	<i>6.3</i>	<i>0</i>	<i>175</i>		<i>9.000</i>	<i>77</i>			<i>6</i>	<i>3</i>			<i>0</i>
<i>25</i>	<i>7.2</i>	<i>1.0</i>	<i>175</i>		<i>9.000</i>	<i>78</i>			<i>6</i>	<i>3</i>			<i>.080</i>
<i>26</i>	<i>7.1</i>	<i>2.0</i>	<i>40</i>		<i>9.000</i>	<i>76</i>			<i>6</i>	<i>3</i>			<i>.158</i>
<i>27</i>	<i>7.8</i>	<i>1.9</i>	<i>40</i>		<i>9.000</i>	<i>75</i>			<i>6</i>	<i>3</i>			<i>.165</i>
<i>28</i>	<i>7.9</i>	<i>2.0</i>	<i>40</i>		<i>9.000</i>	<i>74</i>			<i>6</i>	<i>3</i>			<i>.176</i>

SE SIZE *3/4* 11.1395

REMARKS *5-23 thru 5-25 compressor was down; re-started*

5-25 4" Huber Nut gauge, each day.

2-16 oil

3-11 water

SIGNATURE

Charlie Williams

143-1 BOX 800 TULSA OK 74101

PRINTED IN U.S.A.

GAS WELL REPORT

LEASE

WELL NO.

DATES-FROM

TO

Big Chief

2

May 21, 1984

May 28, 1984

DATE B.A.M.	CHART		PRESSURE		CHOKE	HEATER TEMP.	SEPARATOR		STOCK TANK		LIQUID PRODUCTION	DATE SEALS ON	ESTIMATED MCF
	ST.	DIF.	TUBING	CASING			PRESS.	TEMP.	FT.	IN.			
22 7.8	2.9		800		18 64	77			2	2			344
23 7.2	3.2		800		18 64	75			2	2			350
24 6.3	3.3		800		18 64	74			2	2			316
25 7.2	3.1		800		18 64	76			2	2			339
26 7.1	3.2		800		18 64	75			2	2			345
27 7.8	2.7		800		18 64	74			2	2			320
28 7.9	2.5		800		18 64	72			2	2			300

CE SIZE 15.1972 REMARKS 5-25 Kolar Kuf gauges

3-0 oil
5-2 water
8-2 total
Charlie Williams

143-1 BOX 800 TULSA OK 74101

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GAS WELL REPORT

LEASE

Big Chief

WELL NO. *3*

DATES-FROM *Nov 21* 19*81* TO *Nov 28* 19*81*

DATE 8 A.M.	CHART		PRESSURE		CHOKE	HEATER TEMP.	SEPARATOR		STOCK TANK		LIQUID PRODUCTION	DATE SEAS ON	ESTIMATED MCF
	ST.	DIF.	TUBING	CASING			PRESS.	TEMP.	FT.	IN.			
<i>22</i>	<i>7.8</i>	<i>1.8</i>	<i>800</i>		<i>Full</i>	<i>84</i>			<i>7</i>	<i>4</i>			<i>.156</i>
<i>23</i>	<i>7.2</i>	<i>2.4</i>	<i>800</i>		<i>Full</i>	<i>80</i>			<i>7</i>	<i>4</i>			<i>.192</i>
<i>24</i>	<i>6.3</i>	<i>2.5</i>	<i>800</i>		<i>Full</i>	<i>78</i>			<i>7</i>	<i>4</i>			<i>.175</i>
<i>25</i>	<i>7.2</i>	<i>2.5</i>	<i>800</i>		<i>Full</i>	<i>76</i>			<i>7</i>	<i>4</i>			<i>.200</i>
<i>26</i>	<i>7.1</i>	<i>2.7</i>	<i>800</i>		<i>Full</i>	<i>72</i>			<i>7</i>	<i>4</i>			<i>.213</i>
<i>27</i>	<i>7.8</i>	<i>1.9</i>	<i>800</i>		<i>Full</i>	<i>74</i>			<i>7</i>	<i>4</i>			<i>.165</i>
<i>28</i>	<i>7.9</i>	<i>1.3</i>	<i>800</i>		<i>Full</i>	<i>74</i>			<i>7</i>	<i>4</i>			<i>.132</i>

CE SIZE *3/4 OIL* REMARKS *5-25 Rods. Inst gauges. 0-10 oil*

6-6 water
7-4 total

SIGNATURE *Charlie Williams*

RENTAL 143-1 BOX 900 TULSA OK 74101

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GAS WELL REPORT

LEASE Big Chief WELL NO. 4 DATES-FROM May 21, 1984 TO May 28, 1984

DATE 8 A.M.	CHART		PRESSURE		CHOKE	HEATER TEMP.	SEPARATOR		STOCK TANK		LIQUID PRODUCTION	DATE SEALS ON	ESTIMATED MCF
	ST.	DIF.	TUBING	CASING			PRESS.	TEMP.	FT.	IN.			
22	7.8	2.5	100		fluid	75			6	6			.216
23	7.2	2.8	100		fluid	79			6	6			.224
24	6.3	2.8	100		fluid	80			6	6			.196
25	7.2	2.6	100		fluid	78			6	6			.208
26	7.1	2.5	100		fluid	76			6	6			.197
27	7.8	2.3	100		fluid	77			6	6			.199
28	7.9	2.2	100		fluid	74			6	6			.193

WELL SIZE 3/4 .0111 REMARKS 5-25 Kalar Rut gauge; 0-2 oil

SIGNATURE Charlie Williams
5-4 water
5-6 total

HEADBILL 143-1 BOX 900 TULSA OK 74101 PRINTED IN U.S.A.

GAS WELL REPORT

LEASE

R. H. H. Squaw

WELL NO. 1

DATE-FROM *May 21 1924* TO *May 28 1924*

DATE B.A.M.	CHART		PRESSURE		CHOKE	HEATER TEMP.	SEPARATOR		STOCK TANK		LIQUID PRODUCTION	DATE SEALS ON	ESTIMATED MCF
	ST.	DIF.	TUBING	CASING			PRESS.	TEMP.	FT.	IN.			
22	7.2	5.5	800		Full	75			2	3			190
23	7.2	5.6	800		Full	75			2	3			194
24	6.3	9.4	800		Full	77			2	3			284
25	7.2	8.4	800		Full	75			2	3			290
26	7.1	8.8	800		Full	78			2	3			300
27	7.8	7.0	800		Full	80			2	3			262
28	7.9	6.0	700		Full	74			2	3			222

CE SIZE 4.8

REMARKS

5-25 Kalar Kut gauge: 0-2 oil

2-1 water

2-3 gas

SIGNATURE *Charlie Williams*

HEADLINE 143-1 BOX 800 FOLSOM OK 74101

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GAS WELL REPORT

LEASE: Little Square WELL NO: 2 DATES-FROM: May 21, 1984 TO: May 28, 1984

DATE B.A.M.	CHART		PRESSURE		CHOKE	HEATER TEMP.	SEPARATOR		ROCK TANK		LIQUID PRODUCTION	DATE SEALS ON	ESTIMATED MCF
	ST.	DIF.	TUBING	CASING			PRESS.	TEMP.	FT.	IN.			
28	-	-	-	-	-	-	-	-	9	9	-	-	-
28	-	-	-	-	-	-	-	-	9	9	-	-	-
28	-	-	-	-	-	-	-	-	9	9	-	-	-
25	7.2	0	800		Full	82			9	11			0
26	7.1	0	800		Full	84			9	11			0
27	7.8	0	800		Full	88			9	11			0
28	7.9	0	800		Full	84			9	11			0

WELL SIZE: 15.330 REMARKS: 5-25 Puller put gauge. 0-10 oil
5-22 to 5-24 well was shut in for build up. 9-1 water
5-24 Put well on line. 9-11 total.

SIGNATURE: Charlie Williams

KEY-BHM 143-1 BOX 800 TULSA OK 74101 PRINTED IN U.S.A.

GAS WELL REPORT

LEASE

WELL NO.

DATES-FROM

TO

Dinosaur State Comm

May 21, 1984 - May 28, 1984

DATE B.A.M.	CHART		PRESSURE		CHOKE	HEATER TEMP.	SEPARATOR		STOCK TANK		LIQUID PRODUCTION	DATE SEALS ON	ESTIMATED MCF
	ST.	DIF.	TUBING	CASING			PRESS.	TEMP.	FT.	IN.			
22 7.8	1.3		800		Full	76			0	3			.050
23 7.2	2.0		800		Full	77			0	3			.071
24 6.3	2.0		800		Full	79			0	3			.062
25 7.2	1.8		800		Full	77			0	3			.064
26 7.1	1.9		800		Full	76			0	3			.067
27 7.8	1.3		800		Full	78			0	3			.050
28 7.9	1.0		800		Full	74			0	3			.039

CE SIZE: 1/2" 00493 REMARKS: 5-25 Relax Nut gauge; 0-0 oil

0-3 water
0-3 total

SIGNATURE: Charlie Williams

KNOWBILT 143-1 BOX 800 TULSA OK 74101 PRINTED IN U.S.A.



Halliburton Resource Management

FORM NO. 0-01A (REV. 6-77)

TO:

L. O. McClure

DATE:

5/11/84

REFERENCE NO.

FROM:

Jim Brown

SUBJECT:

HRM QTH ML31-039

BC #4

Mac,

Per your request, attached is a copy of the original quotation on the referenced contract. The present rental rate is \$1511.00 per month. Please let us know if we can be of further assistance.

Thanks,

Jim Brown

HALLIBURTON RESOURCE MANAGEMENT

QUOTATION

Customer: J.C. BARNES OIL COMPANY
 Box 505
 Midland, Texas 79702

No. MID 811A

Date: February 27, 1980

ML 31-039

Attention: MR. L.C. McCLURE

79-013

Page 1

Halliburton Resource Management (HRM) is pleased to quote on your equipment requirements as follows:

Location: Little Squaw No. 2 County: Lea State: New Mexico

Big chief #4

EQUIPMENT DESCRIPTION

One (1) Ajax C-42 integral gas engine driven single stage gas compressor unit with 5½ x 8 inch stroke double acting compressor cylinders. Compressor speed 525 RPM. Unit is mounted on an oilfield structural steel skid, complete with suction scrubber and controls for each stage; pulsation bottles on all cylinders; process piping; air/gas starting system (250 PSIG pressure required); fuel gas system with volume tank, regulators and fuel injection; electronic ignition system; oil reservoir with automatic oil-level controls; residential exhaust silencer with piping; Murphy NEMA-12 control panel with safety shut-downs and tattletales; engine-compressor jacket water cooling and gas cooling for each stage; plus other standard accessories necessary for continuous operation.

DESIGN CONDITIONS AND EQUIPMENT PERFORMANCE

The design conditions and equipment performance are as follows:

Type Gas: Sweet Natural Elevation: 3082 feet
 Specific gravity: 0.65 Ambient temperature: 100 °F
 Suction Temperature 80 °F BHPA for compression: 35 @ 525 RPM

Suction pressure, PSIG	300	250	200	150	100	*75
Discharge pressure, PSIG	500	500	500	500	500	500
Capacity, MSCFD MMSCF/D	1.19	.85	.67	.51	.37	.17

*Minimum

These capacities are guaranteed ± 3% for the above design conditions. However, since performance is dependent upon specific conditions of operation, the capacities cannot be guaranteed for conditions other than those listed above.

TIME OF DELIVERY

This equipment will be available for shipment 1 week after receipt of your order; however, this is subject to prior rental and inventory adjustment.

HALLIBURTON RESOURCE MANAGEMENT

QUOTATION

To: J.C. BARNES OIL COMPANY

No. MID 811A

Date: February 27, 1980

Page 2

RESPONSIBILITIES OF HRM AND CUSTOMER

HRM and the Customer shall furnish the equipment, supplies, and services respectively as indicated below:

ITEM	Furnished By:	
	HRM	Customer
Equipment described on Page 1	X	
Taxes applicable to rental equipment (excluding income taxes)		X
Property damage insurance on HRM equipment	X	
Transportation of equipment to location		X
Compressor foundation(s) <u>Concrete filled portabase</u>	X	
Wires and piping to suction and discharge flanges, and fuel gas inlet(s) of compressor(s)		X
Connection to discharge bypass piping and suction pressure control valve (if required)		X
Other installation expense		X
Field installation supervision and start-up time of <u>2</u> days	X	
Competent and prudent equipment operator to perform routine daily maintenance, plus submitting monthly report of compressor operating conditions to HRM		X
Compressor valve repairs	X	
Minor repairs (replacement parts costing <u>N/A</u> or less per repair)	X	
Major repairs (replacement parts costing more than <u>N/A</u> per repair)	X	
Freeze, lubricants, and filters in accordance with manufacturers recommendations:		
Required for start-up	X	
Required thereafter		X
Gas with no less than <u>1000</u> BTU/cu. ft. and no more than <u>1/4</u> grains total sulfides/100 cu. ft.		X
Maximum air/gas pressure of <u>250</u> PSIG for engine starting purposes		X
Removal of free liquids and solids from gas before compression		X
Dehydrating and dehydration (if required)		X
Storage and liquid storage facilities (if required)		X
Protective site with ingress and egress		X
Heating and compressor shelter (if required)		X
Protection of equipment and site restoration expenses		X
Storage & return transportation of equipment to <u>HRM's Mineral Wells, Texas yard</u>		X
<u>N/A</u>	-	-
<u>N/A</u>	-	-
All necessary equipment, supplies, and services not specifically indicated above		X

Any services or materials not listed above as HRM responsibilities which are furnished by HRM at Customer's request will be charged to Customer at actual cost, plus 20 %.

Services or materials not listed above as HRM

HALLIBURTON RESOURCE MANAGEMENT

QUOTATION

Customer: J.C. BARNES OIL COMPANY

No. MID 811A

Date: February 27, 1980

Page 3

MONTHLY RENTAL AND TERMS

The monthly rental for the equipment quoted herein shall be as follows:

~~\$1311.00~~ per month
1511.00 -

Required deposit: None

The rental shall be payable monthly in advance, beginning (1) upon the date of start-up, or (2) upon the seventh (7th) day following delivery of the equipment to the location, whichever occurs first, and shall continue each succeeding month thereafter for a minimum term of 6 months. Upon expiration of the minimum term, such rental shall continue from month to month. Either party may terminate this agreement at the expiration of the minimum term upon thirty (30) days written notice prior to such expiration or upon thirty (30) days prior written notice thereafter. Rentals shall cease at the expiration of such thirty (30) days, provided Customer has returned the equipment to HRM's designated terminal.

In the event this quotation is accepted and Customer elects to delay delivery of the equipment beyond thirty (30) days of its date of availability for shipment, HRM will hold the equipment on standby for a period not to exceed thirty (30) days at a standby rental of \$ 950.00 per month. The standby period shall commence on the date of availability for shipment and shall continue (1) until the equipment is delivered to Customer's location and the monthly rental first stated above becomes effective, or (2) until expiration of the thirty (30) days standby period at which time the monthly rental first stated above shall become effective.

EQUIPMENT AVAILABILITY GUARANTEE

HRM guarantees the equipment described herein shall be in operable condition and available for Customer's use 95% of the time. Where availability time exceeds 95%, HRM shall receive cumulative credit for such excess time to be applied as an offset against any time the equipment fails to meet the 95% guarantee. If, after application of such credit, the availability time does not meet the guarantee, HRM will be assessed a penalty to be included in the following month's invoice. Such invoice shall be computed by multiplying the minimum monthly rental or fee by the percentage of time of actual availability and dividing the product by 95%. If HRM does not operate the equipment, such unavailability time shall not commence until HRM receives actual notice the equipment is inoperable.

This Quotation is subject to the terms and conditions on the reverse side hereof.

Accepted this 2-27-80 day

[Signature]
_____, 1980.

Submitted by [Signature]

LARRY CRUMPTON

Return original to: DIVISION MANAGER

Halliburton Resource Management,

Drawer 1889

Midland, Texas 79702



Halliburton Resource Management

P.O. Drawer 1889 • Midland, Texas 79701 • (915) 682-4305

BC #1

EVB-80-125
September 17, 1980

DINERO OPERATING COMPANY
P.O. Box 505
Midland, Texas 79702

ATTENTION: MR. L.C. McCLURE

Re: HRM Quotation MID 914

Dear Mr. McClure:

We are pleased to submit our referenced rental quotation covering compression equipment for your Big Chief No. 1 in Eddy County, New Mexico.

If the equipment and terms quoted are acceptable, please sign page three (3) of the quotation and return the original to this office. If you have any questions regarding the equipment or any of HRM's services, please call us.

Thank you for considering HRM for your equipment requirements.

Yours very truly,

E.V. Barton II
Sales Representative

EVB:cmd

Enclosure

HALLIBURTON RESOURCE MANAGEMENT

QUOTATION

Customer: **DINERO OPERATING CO.**
 P.O. Box 505
 Midland, Texas 99702

No. MID 914
 Date: September 17, 1980

Attention: **MR. L.C. McCLURE**

Page 1

Halliburton Resource Management (HRM) is pleased to quote on your equipment requirements as follows:

Location: Big Chief No. 1 County: Eddy State: New Mexico

EQUIPMENT DESCRIPTION

One (1) Ajax DPC 60 integral gas engine driven two stage gas compressor unit with 5½ x 3-¾ x 8 inch stroke single acting compressor cylinders. Compressor speed 475 RPM. Unit is mounted on an oilfield structural steel skid, complete with suction scrubber and controls for each stage; pulsation bottles on all cylinders; process piping; air/gas starting system (250 PSIG pressure required); fuel gas system with volume tank, regulators and fuel injection; altronic ignition system; oil reservoir with automatic oil-level controls; residential exhaust silencer with piping; Murphy NEMA-12 control panel with safety shut-downs and tattletales; engine-compressor jacket water cooling and gas cooling for each stage; plus other standard accessories necessary for continuous operation.

DESIGN CONDITIONS AND EQUIPMENT PERFORMANCE

The design conditions and equipment performance are as follows:

Type Gas: <u>Sweet Natural</u>	Elevation: <u>3095</u> feet
Specific gravity: <u>0.579</u>	Ambient temperature: <u>100</u> °F
Suction Temperature <u>76</u> °F	BHPA for compression: <u>51 @ 475</u> RPM

Suction pressure, PSIG	96	85	75	65	55	45	35	25
Discharge pressure, PSIG	550	550	550	550	550	550	550	550
Capacity, MSCFD MMSCF/D	.40	.36	.32	.29	.25	.21	.17	.13*

*Minimum

These capacities are guaranteed ± 3% for the above design conditions. However, since performance is dependent upon specific conditions of operation, the capacities cannot be guaranteed for conditions other than those listed above.

TIME OF DELIVERY

This equipment will be available for shipment approx. 30 days after receipt of your order; however, it is subject to prior rental and inventory adjustment.

HALLIBURTON RESOURCE MANAGEMENT

QUOTATION

To: **DINERO OPERATING COMPANY**

No. MID 914

Date: September 17, 1980

RESPONSIBILITIES OF HRM AND CUSTOMER

HRM and the Customer shall furnish the equipment, supplies, and services respectively as indicated below:

ITEM	Furnished By:	
	<u>HRM</u>	<u>Customer</u>
Equipment described on Page 1	X	
All taxes applicable to rental equipment (excluding income taxes)		X
Property damage insurance on HRM equipment	X	
Transportation of equipment to location		X
Compressor foundation(s) CONCRETE PORTABLE BASE	X	
Valves and piping to suction and discharge flanges, and fuel gas inlet(s) of compressor(s)		X
Reaction to discharge bypass piping and suction pressure control valve (if required)		X
All other installation expense		X
Initial installation supervision and start-up time of <u>2</u> days	X	
Competent and prudent equipment operator to perform routine daily maintenance, plus submitting monthly report of compressor operating conditions to HRM		X
Compressor valve repairs	X	
Other minor repairs (replacement parts costing <u>N/A</u> or less per repair)	X	
Other major repairs (replacement parts costing more than <u>N/A</u> per repair)	X	
Anti-freeze, lubricants, and filters in accordance with manufacturers recommendations:		
Required for start-up	X	
Required thereafter		X
Rel gas with no less than <u>1000</u> BTU/cu. ft. and no more than <u>1/2</u> grains total sulfides/100 cu. ft.		X
Minimum air/gas pressure of <u>250</u> PSIG for engine starting purposes		X
Removal of free liquids and solids from gas before compression		X
Gas sweetening and dehydration (if required)		X
Separation and liquid storage facilities (if required)		X
Equipment site with ingress and egress		X
Site fencing and compressor shelter (if required)		X
Disconnection of equipment and site restoration expenses		X
Loading & return transportation of equipment to <u>HRM's yard, Mineral Wells, Texas</u>		X
<u>N/A</u>	-	-
<u>N/A</u>	-	-
Any and all necessary equipment, supplies, and services not specifically indicated above		X

Third-party services or materials not listed above as HRM responsibilities which are furnished by HRM at Customer's request will be charged to Customer at actual cost, plus 20 %.

HRM services or materials not listed above as HRM responsibilities which are furnished by HRM at Customer's request will be charged to Customer at HRM's prevailing standard rates.

HALLIBURTON RESOURCE MANAGEMENT

QUOTATION

Customer: **DINERO OPERATING COMPANY**

No. MID 914

Date: September 17, 1980

Page 3

MONTHLY RENTAL AND TERMS

The monthly rental for the equipment quoted herein shall be as follows:

**\$1893.00 per month during the six (6) month minimum term, then
\$1809.00 per month upon expiration of the minimum term.**

Required deposit: None

The rental shall be payable monthly in advance, beginning (1) upon the date of start-up, or (2) upon the seventh (7th) day following delivery of the equipment to the location, whichever occurs first, and shall continue each succeeding month thereafter for a minimum term of 6 months. Upon expiration of the minimum term, such rental shall continue from month to month. Either party may terminate this agreement at the expiration of the minimum term upon thirty (30) days written notice prior to such expiration or upon thirty (30) days prior written notice thereafter. Rentals shall cease at the expiration of such thirty (30) days, provided Customer has returned the equipment to HRM's designated terminal.

In the event this quotation is accepted and Customer elects to delay delivery of the equipment beyond thirty (30) days of its date of availability for shipment, HRM will hold the equipment on standby for a period not to exceed thirty (30) days at a standby rental of \$ 1311.00 per month. The standby period shall commence on the date of availability for shipment and shall continue (1) until the equipment is delivered to Customer's location and the monthly rental first stated above becomes effective, or (2) until expiration of the thirty (30) days standby period at which time the monthly rental first stated above shall become effective.

EQUIPMENT AVAILABILITY GUARANTEE

HRM guarantees the equipment described herein shall be in operable condition and available for Customer's use 95% of the time. Where availability time exceeds 95%, HRM shall receive cumulative credit for such excess time to be applied as an offset against any time the equipment fails to meet the 95% guarantee. If, after application of such credit, the availability time does not meet the guarantee, HRM will be assessed a penalty to be included in the following month's invoice. Such invoice shall be computed by multiplying the minimum monthly rental or fee by the percentage of time of actual availability and dividing the product by 95%. If HRM does not operate the equipment, such unavailability time shall not commence until HRM receives actual notice the equipment is inoperable.

This Quotation is subject to the terms and conditions on the reverse side hereof.

Accepted this _____ day

of _____, 19____.

Submitted by 

Return original to: **E.V. BARTON II**
SALES REPRESENTATIVE

Halliburton Resource Management,

Drawer 1889

Midland, Texas 79702

HALLIBURTON RESOURCE MANAGEMENT

QUOTATION

To: **DINERO OPERATING COMPANY**

No. MID 914

Date: September 17, 1980

RESPONSIBILITIES OF HRM AND CUSTOMER

HRM and the Customer shall furnish the equipment, supplies, and services respectively as indicated below:

ITEM	Furnished By:	
	HRM	Customer
Equipment described on Page 1	X	
Local taxes applicable to rental equipment (excluding income taxes)		X
Property damage insurance on HRM equipment	X	
Transportation of equipment to location		X
Compressor foundation(s) CONCRETE PORTABLE BASE	X	
Lines and piping to suction and discharge flanges, and fuel gas inlet(s) of compressor(s)		X
Protection to discharge bypass piping and suction pressure control valve (if required)		X
Other installation expense		X
Partial installation supervision and start-up time of <u>2</u> days	X	
Competent and prudent equipment operator to perform routine daily maintenance, plus submitting monthly report of compressor operating conditions to HRM		X
Compressor valve repairs	X	
Other minor repairs (replacement parts costing <u>N/A</u> or less per repair)	X	
Other major repairs (replacement parts costing more than <u>N/A</u> per repair)	X	
Anti-freeze, lubricants, and filters in accordance with manufacturers recommendations:		
Required for start-up	X	
Required thereafter		X
Fuel gas with no less than <u>1000</u> BTU/cu. ft. and no more than <u>1/4</u> grains total sulfides/100 cu. ft.		X
Minimum air/gas pressure of <u>250</u> PSIG for engine starting purposes		X
Removal of free liquids and solids from gas before compression		X
Gas sweetening and dehydration (if required)		X
Separation and liquid storage facilities (if required)		X
Equipment site with ingress and egress		X
Site fencing and compressor shelter (if required)		X
Disconnection of equipment and site restoration expenses		X
Loading & return transportation of equipment to <u>HRM's yard, Mineral Wells, Texas</u>		X
N/A	-	-
N/A	-	-
Tools and all necessary equipment, supplies, and services not specifically indicated above		X

Third-party services or materials not listed above as HRM responsibilities which are furnished by HRM at Customer's request will be charged to Customer at actual cost, plus 20 %.

HRM services or materials not listed above as HRM responsibilities which are furnished by HRM at Customer's request will be charged to Customer at HRM's prevailing standard rates.

HALLIBURTON RESOURCE MANAGEMENT

QUOTATION

Customer: **DINERO OPERATING COMPANY**

No. MID 914

Date: September 17, 1980

Page 3

MONTHLY RENTAL AND TERMS

The monthly rental for the equipment quoted herein shall be as follows:

\$1893.00 per month during the six (6) month minimum term, then
\$1809.00 per month upon expiration of the minimum term.

Required deposit: None

The rental shall be payable monthly in advance, beginning (1) upon the date of start-up, or (2) upon the seventh (7th) day following delivery of the equipment to the location, whichever occurs first, and shall continue each succeeding month thereafter for a minimum term of 6 months. Upon expiration of the minimum term, such rental shall continue from month to month. Either party may terminate this agreement at the expiration of the minimum term upon thirty (30) days written notice prior to such expiration or upon thirty (30) days prior written notice thereafter. Rentals shall cease at the expiration of such thirty (30) days, provided Customer has returned the equipment to HRM's designated terminal.

In the event this quotation is accepted and Customer elects to delay delivery of the equipment beyond thirty (30) days of its date of availability for shipment, HRM will hold the equipment on standby for a period not to exceed thirty (30) days at a standby rental of \$ 1311.00 per month. The standby period shall commence on the date of availability for shipment and shall continue (1) until the equipment is delivered to Customer's location and the monthly rental first stated above becomes effective, or (2) until expiration of the thirty (30) days standby period at which time the monthly rental first stated above shall become effective.

EQUIPMENT AVAILABILITY GUARANTEE

HRM guarantees the equipment described herein shall be in operable condition and available for Customer's use 95% of the time. Where availability time exceeds 95%, HRM shall receive cumulative credit for such excess time to be applied as an offset against any time the equipment fails to meet the 95% guarantee. If, after application of such credit, the availability time does not meet the guarantee, HRM will be assessed a penalty to be included in the following month's invoice. Such invoice shall be computed by multiplying the minimum monthly rental or fee by the percentage of time of actual availability and dividing the product by 95%. If HRM does not operate the equipment, such unavailability time shall not commence until HRM receives actual notice the equipment is inoperable.

This Quotation is subject to the terms and conditions on the reverse side hereof.

Accepted this _____ day

of _____, 19__.

Submitted by 

E.V. BARTON II
Return original to: SALES REPRESENTATIVE

Halliburton Resource Management,

Drawer 1889

Midland, Texas 79702

EQUIPMENT RENTALS



PRESSION · GAS CONDITIONING & DEHYDRATION · PRODUCTION EQUIPMENT

To:

Mr. L.C. McClure

DINERO OPERATING COMPANY

* * *

COMPRESSION QUOTATION

Big Chief #1 Lease, Lea County,
New Mexico



Halliburton Resource Management

A Halliburton Company



Halliburton Resource Management

P.O. Drawer 1889 • Midland, Texas 79701 • (915) 682-4305 JAB-84-049

April 24, 1984

DINERO OPERATING COMPANY
P.O. Box 10505
Midland, Texas 79702

Attention: Mr. L.C. McClure

RE: HRM Quotation MID-1711

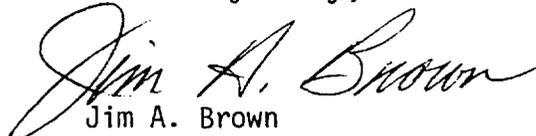
Dear Mr. McClure,

We are pleased to submit our referenced rental quotation covering compression equipment for your Big Chief #1 lease in Lea county, New Mexico. This unit would replace the existing Ajax DPC-115 presently rented on contract ML31-045.

If the equipment and terms quoted are acceptable, please sign page three (3) of the quotation and return the original to this office.

Thank you for considering HRM for your equipment requirements.

Yours very truly,


Jim A. Brown
Sales Representative

JAB/rlp

HALLIBURTON RESOURCE MANAGEMENT

QUOTATION

Customer: **DINERO OPERATING COMPANY**
P.O. Box 10505
Midland, Texas 79702

No. MID-1711

Date: April 24, 1984

Attention: **Mr. L.C. McClure**

Page 1

Halliburton Resource Management (HRM) is pleased to quote on your equipment requirements as follows:

Location: Big Chief #1 County: Lea State: New Mexico

EQUIPMENT DESCRIPTION

One (1) 60 H.P. Ajax DPC-60 integral gas engine driven two stage gas compressor unit with 8 & 4½ X 8 inch stroke tandem acting compressor cylinders. Compressor speed 475 RPM. Unit is mounted on an oilfield structural steel skid, complete with suction scrubber and controls for each stage; pulsation bottles on all cylinders; process piping; air/gas starting system (250 psig pressure required); fuel gas system with volume tank, regulators and fuel injection; altronic ignition system; oil reservoir with automatic oil-level controls; residential exhaust silencer with piping; Murphy NEMA-12 control panel with safety shut-downs and tattletales; engine/compressor jacket water cooling system; gas cooling for each stage with 20°F. Approach aftercooler; plus other standard accessories necessary for continuous operation.

One (1) portable concrete base for the compressor described above.

DESIGN CONDITIONS AND EQUIPMENT PERFORMANCE

The design conditions and equipment performance are as follows:

Type Gas: <u>Sweet Natural</u>	Elevation: <u>3095</u> feet
Specific gravity: <u>0.579</u>	Ambient temperature: <u>100</u> °F
Suction Temperature <u>80</u> °F	BHPA for compression: <u>51</u> @ <u>475</u> RPM

Suction pressure, PSIG	20	30	40	50	60
Discharge pressure, PSIG	600	600	600	600	600
Capacity, MSCF/D	184	261	330	359	387

These capacities are guaranteed ± 3% for the above design conditions. However, since performance is dependent upon specific conditions of operation, the capacities cannot be guaranteed for conditions other than those listed above.

TIME OF DELIVERY

This equipment will be available for shipment two (2) weeks after receipt of your order; however, it is subject to prior rental and inventory adjustment.

HALLIBURTON RESOURCE MANAGEMENT

QUOTATION

Customer: **DINERO OPERATING COMPANY**

No. MID-1711

Date: April 24, 1984

Page 2

RESPONSIBILITIES OF HRM AND CUSTOMER

HRM and Customer shall furnish the equipment, supplies, and services respectively as indicated below:

	Furnished By:	
	HRM	Customer
Equipment described on Page 1	X	
Local fees, assessments and taxes applicable to rental equipment, including ad valorem taxes.		X
Property damage insurance on HRM equipment	X	
Loading and transportation of equipment to location from: <u>Mineral Wells, Texas</u>		X
Compressor foundation(s) (concrete portabase only)	X	
Lines and piping to suction and discharge flanges, and fuel gas inlet(s) of compressor(s)		X
Protection to discharge bypass piping and suction pressure control valve (if required).		X
Other installation expense.		X
Initial installation supervision and start-up time of <u>2</u> days	X	
Competent and prudent equipment operator to perform routine daily maintenance, plus submitting monthly report of compressor operating conditions to HRM.		X
Compressor valve repairs.	X	
Other minor repairs (replacement parts costing <u>N/A</u> or less per repair).	X	
Other major repairs (replacement parts costing more than <u>N/A</u> per repair)	X	
Anti-freeze, lubricants, and filters in accordance with manufacturers recommendations:		
Required for start-up		X
Required thereafter		X
Gas with <u>900</u> to <u>1200</u> BTU/cu. ft. and no more than <u>1</u> grains total sulfides/100 cu. ft.		XX
Minimum air/gas pressure of <u>250</u> PSIG for engine starting purposes.		X
Removal of free liquids and solids from gas before compression		X
Dew-point sweetening and dehydration (if required)		X
Separation and liquid storage facilities (if required)		X
Equipment site with ingress and egress.		X
Fencing and compressor shelter (if required)		X
Connection of equipment and site restoration expenses.		X
Loading & return transportation of equipment to <u>Mineral Wells, Texas</u>		X
Monthly preventative maintenance inspection	X	
N/A	-	-
and all necessary equipment, supplies, and services not specifically indicated above		X

Third-party services or materials not listed above as HRM responsibilities which are furnished by HRM at customer's request will be charged to Customer at actual cost, plus 20 %.

Fourth-party services or materials not listed above as HRM responsibilities which are furnished by HRM at customer's request will be charged to Customer at HRM's prevailing standard rates.

HALLIBURTON RESOURCE MANAGEMENT

QUOTATION

Customer: **DINERO OPERATING COMPANY**

No. MID-1711

Date: April 24, 1984

Page 3

MONTHLY RENTAL AND TERMS

The monthly rental for the equipment quoted herein shall be as follows:

\$2221.00 per month

Required deposit: none

The rental shall be payable monthly in advance, beginning (1) upon the date of start-up, or (2) upon the seventh (7th) day following delivery of the equipment to the location, whichever occurs first, and shall continue each succeeding month thereafter for a minimum term of 6 months. Upon expiration of the minimum term, such rental shall continue from month to month. Either party may terminate this agreement at the expiration of the minimum term upon thirty (30) days written notice prior to such expiration or upon thirty (30) days prior written notice thereafter. Rentals shall cease at the expiration of such thirty (30) days, provided Customer has returned the equipment to HRM's designated terminal.

In the event this quotation is accepted and Customer elects to delay delivery of the equipment beyond thirty (30) days of its date of availability for shipment, HRM will hold the equipment on standby for a period not to exceed thirty (30) days at a standby rental of \$ 1889.00 per month. The standby period shall commence on the date of availability for shipment and shall continue (1) until the equipment is delivered to Customer's location and the monthly rental first stated above becomes effective, or (2) until expiration of the thirty (30) days standby period at which time the monthly rental first stated above shall become effective.

EQUIPMENT AVAILABILITY GUARANTEE

HRM guarantees the equipment described herein shall be in an operable condition and available for Customer's use 95% of the time. Where availability time exceeds 95%, HRM shall receive cumulative credit for such excess time to be applied as an offset against any time the equipment fails to meet the 95% guarantee. If, after application of such credit, the availability time does not meet the guarantee, HRM will be assessed a penalty to be included in the following month's invoice. Such invoice shall be computed by multiplying the minimum monthly rental or fee by the percentage of time of actual availability and dividing the product by 95%. If HRM does not operate the equipment, such unavailability time shall not commence until HRM receives actual notice the equipment is inoperable.

This Quotation is subject to the terms and conditions on the reverse side hereof.

Accepted this 4-25 day
of _____, 1984.

[Signature]

Submitted by [Signature]
Jim A. Brown/Sales Representative
Return original to:

Halliburton Resource Management,

P.O. Drawer 1889

Midland, Texas 79701



PHONE (915) 563-1170
DRAWER A
MIDLAND, TEXAS 79701

**Compressor
Systems, Inc.**

F.M. ROAD 1788,
BETWEEN I-20 AND HWY 80
NEAR AIR TERMINAL
MIDLAND, TEXAS

December 3, 1982

Dinero Operating
Drawer 10505
Midland, Texas 79702

1548
STAR COM #1

Attention: Mr. Mac McCleere

Gentlemen:

Attached is the Rental Agreement for Unit #1427, a 6 1/2" & 3 5/8" Ariel JC-2-2 gas compressor powered by a Waukesha F-1197 natural gas engine.

Lessee agrees to a minimum term of three (3) months rental. Lessor requires thirty (30) days written notice prior to return of any rental equipment.

As an additional service, we are insuring this unit at a cost of 12¢ per \$100 valuation. This coverage is \$250.00 deductible and covers all physical damage losses with the exception of standard exclusions such as riot and war.

After you have executed the original Rental Agreement, Form UCC-1's, and the Maintenance Contract, please return in the enclosed envelope. The pink copy of the Maintenance Contract and Lessee's Copy of the Form UCC-1's are for your files.

It is a pleasure to serve you. If we can be of any further assistance, please do not hesitate to contact us.

Cordially yours,

COMPRESSOR SYSTEMS, INC.


Allen Stults
Sales and Rental Manager

AS:cm
Attachments

Sales & Service

PHONE (915) 563-1170
DRAWER A
MIDLAND, TEXAS 79701



F. M. ROAD 1788,
BETWEEN I-20 AND HWY 80
NEAR AIR TERMINAL
MIDLAND, TEXAS

MAJOR MAINTENANCE AGREEMENT

1. Term of Major Maintenance Agreement

The primary term of this lease shall be three (3) months, commencing on December 3, 19 82 or the date the equipment is shipped from C.S.I. Yard, whichever is later. C.S.I. may hold the maintenance over a month-to-month basis thereafter, subject to termination upon 30 days written notice by either party.

2. Warranties of Lessor

The Lessor warrants to the Lessee. The warranty implied from the original equipment manufactured on the engine, compressor, cooler, the packaging is warranted for one (1) year from shipment date.

3. Operation and Maintenance (Lessor's Duties)

Lessor agrees to furnish a qualified technician for one 8 hour straight time day at Lessor's expense to assist in start-up and to instruct Lessee's personnel in any particular maintenance or operational procedures required by the Lessor, and to furnish an Operator's Manual. Lessor further agrees to maintain competent service personnel and a stock of parts similar to the manufacturer's recommended list of spares at C.S.I., and to aid Dinero Operating in servicing the rented equipment upon request, on a time and material basis.

4. Operations and Maintenance (Lessee's Duties)

Dinero Operating agrees to provide competent operators and to perform routine maintenance services in a workmanlike manner and in accordance with the requirements of Lessor or the manufacturer as furnished in writing by Lessor. Dinero Operating will provide all fuel, lubricants, coolant, filters, ignition parts, compressor valves, packing, and the first \$ 250.00 labor and materials, each occurrence, for any other repairs required because of normal wear and tear. Dinero Operating will be responsible for the entire cost of any repairs required due to its improper maintenance or operation, or compression of dirty or wet gas. Dinero Operating will promptly notify the Lessor in the event of breakdown, and will consult with the Lessor on the extent and method of any major repairs that may be required.

5. Transportation

Dinero Operating shall pay all costs of transporting the equipment from its present location at CSI Yard, to Dinero Operating location at Eddy County, New Mexico. Upon termination of this lease, Dinero Operating will return the equipment to Lessor's location named above, in good condition, normal wear and tear excepted, or will surrender same to Lessor at Eddy County, New Mexico location if Lessor prefers.

6. Force Majeure

The obligations of the parties hereto shall be suspended for any period or periods during which circumstances render the parties unable to perform their duties when such circumstances are caused by strikes, floods, fire, windstorms, lightning, accident or any Act of God or circumstances reasonably beyond the control of the parties.

Executed as of this 8th day of December, 19 82

COMPRESSOR SYSTEMS, INC.

DINERO OPERATING

DRAWER A

MIDLAND, TEXAS 79701

LESSOR By: [Signature]

Title: _____

ATTEST: _____

Corporate Secretary

(SEAL)

Dinero Operating

Drawer 10505

Midland, Texas 79702

LESSEE By: _____

Title: _____

ATTEST: _____

Corporate Secretary

(SEAL)

Sales & Service

COMPRESSOR SYSTEMS, INC.

PHONE (915) 563-1170
DRAWER A
MIDLAND, TEXAS 79701



F. M. ROAD 1128
BETWEEN I-20 AND HWY. 177
NEAR AIR TERMINAL

RENTAL AGREEMENT WITH MAINTENANCE

THE STATE OF TEXAS

COUNTY OF MIDLAND

Unit No. 1427
Rental Agreement No. N-1427
December 82

This Rental Agreement made this 8th day of December, 1982 between COMPRESSOR SYSTEMS, INC., a Texas corporation, hereinafter called "Lessor" and Dinero Operating

Lessor in consideration of the payment of the rentals hereinafter set out hereby leases to Lessee and the Lessee leases from Lessor the following described personal property hereinafter referred to as "Equipment":

A. General Description: One 6 1/2" & 3 5/8" X 3 1/2" Ariel JG-2 gas compressor powered by a Waukesha F1197 natural gas engine; Air-X-Changer model 54EH cooler; Murphy panel; suction and interstage scrubbers ASME coded; mounted on a skid.

B. Serial Numbers on Unit Cylinder C1937; C1938
Frame F1009 engine 325049 783691

for use on Lessee's Eddy County, New Mexico Lease, Field, which lease is more particularly described as follows:

for a minimum term of three (3) months beginning the 3rd day of December 1982 and ending on the 3rd day of March 1983 in consideration of which Lessor and Lessee hereby agree to perform the terms and conditions hereinafter set out and to pay the rental as follows:

TERMS AND CONDITIONS

1. Lessee shall pay to Lessor monthly in advance at Lessor's offices in Midland, Midland County, Texas, the following rental plus any sales or use tax:

Monthly Rental Rate for Gas Compressor \$ 2735.00

Monthly Rental Rate for Foundation Bases _____

Monthly Insurance Rate 89.40

Contract Maintenance Monthly Rate 440.00

Fee for Pumper if required for day to day operation _____

Total Monthly Payment \$ 3264.40

Plus applicable sales or use tax

If full payment is not received on or before the first day of the month, such shall constitute a default in payment and Lessor may pursue any and all remedies as provided herein or at law. The contract maintenance monthly rate shall be subject to escalation on each annual anniversary date of this contract. Lessor shall apply the rate of increase in such contract maintenance monthly rate desired by Lessor. Lessee, within twenty days of receipt of such notice of rate increase, shall have the right to terminate in writing the portion of this contract relating to contract maintenance by Lessor. Should Lessee receive such a termination notice from Lessee within such twenty-day period, then Lessee shall provide all maintenance to the equipment, including the items which Lessor would otherwise have been responsible for under Paragraph 4 below. Should Lessor receive no such termination notice from Lessee within such twenty-day period, then the contract maintenance portion of this contract shall continue until the next annual anniversary date of this contract with the monthly rate for same being increased as set out in the written notice from Lessor to Lessee.

2. Lessee agrees to inspect the equipment within 48 hours after its receipt and agrees not to remove the equipment from the above described location during the time this Rental Agreement is in force or effect. Unless within said time Lessee notifies Lessor, in writing, to the contrary, stating the details of any defects, Lessee shall be conclusively presumed to have accepted the equipment in its then condition. Upon acceptance of delivery, Lessee assumes the care, custody, supervision and control of such equipment and of any and all persons or property in the vicinity of such equipment during time of operation, delivery and return and shall indemnify and hold Lessor harmless from claims as provided for in Paragraph 13 hereunder. Lessee agrees to use said equipment only for the compression of gas according to manufacturer's specifications and in accordance with the other provisions of this Rental Agreement, which shall be considered to be the normal use of same.

3. Lessee agrees to use said equipment in a careful and prudent manner with competent agents, employees or contractors, and shall operate the equipment within the manufacturer's recommended ratings, and in accordance with the normal use described in Paragraph 2 above. Lessee, as specified in Paragraph 1, has agreed to pay for contract maintenance. Lessee shall submit monthly operating reports. Lessee agrees to pay for damages to the equipment resulting from free water, excessive condensate or foreign solids, or impurities contained in the gas stream. Lessee further agrees to pay for all damages to the equipment resulting from abusive use. Failure to maintain the equipment in accordance with this agreement, or from any negligence on the part of Lessee, its agents, employees or contractors. It is agreed for purposes of this paragraph that the equipment described above has a value of \$74,500.00. Lessee agrees to carry acceptable all risk insurance coverage with a recognized insurance carrier in an amount at least equal to the agreed value. Lessee agrees that Lessor shall be named as an additional insured under the terms of said all risk insurance coverage.

4. Lessee shall operate the equipment and is responsible for the following repairs and services:
(a) Starting and stopping unit
(b) Stopping leaks of oil or coolant.
(c) Making required reports to Lessor.
(d) Furnishing free use of natural gas for engine use (sweet and dry)
(e) Filling oil and coolant reservoirs as needed.
(f) Providing Lessor with reasonable accessibility to location and all necessary items to perform its duties hereunder

ILLEGIBLE

Lessor is responsible for the following:

(a) Furnishing all components

(b) Furnishing all operators

(c) Furnishing all equipment

Monthly cost increases shall be paid by Lessee. Monthly cost increases shall be paid promptly by Lessee.

5. Lessor presently carries liability insurance coverage on the equipment. Lessee shall reimburse Lessor the monthly cost of such insurance. Lessee shall submit an insurance certificate to bear all risks of loss or damage to the equipment, including fire, theft, and ordinary wear, tear and deterioration, excepted.

6. Lessee agrees to employ an engineer to superintend the operation of the equipment. The engineer shall be furnished by the Lessor for the term of the lease. The engineer shall be the employee of the Lessee and shall be furnished with all necessary tools and equipment. The engineer shall be furnished with all necessary tools and equipment. The engineer shall be furnished with all necessary tools and equipment.

7. Lessee agrees to indemnify and hold Lessor harmless from and against all claims, damages, losses, and expenses, including reasonable attorneys' fees, which may be asserted against or incurred by Lessor or its assigns in connection with the use of the equipment.

8. Lessee shall pay all ad valorem taxes assessed against the equipment. Lessor shall have the right at all times to enter upon the premises to inspect the equipment and its use.

9. Lessee shall be responsible for the maintenance and repair of the equipment. Lessee shall pay all ad valorem taxes assessed against the equipment. Lessor shall have the right at all times to enter upon the premises to inspect the equipment and its use.

10. Lessee shall be responsible for the maintenance and repair of the equipment. Lessee shall pay all ad valorem taxes assessed against the equipment. Lessor shall have the right at all times to enter upon the premises to inspect the equipment and its use.

11. Lessee shall be responsible for the maintenance and repair of the equipment. Lessee shall pay all ad valorem taxes assessed against the equipment. Lessor shall have the right at all times to enter upon the premises to inspect the equipment and its use.

12. Lessee shall be responsible for the maintenance and repair of the equipment. Lessee shall pay all ad valorem taxes assessed against the equipment. Lessor shall have the right at all times to enter upon the premises to inspect the equipment and its use.

13. Lessee shall be responsible for the maintenance and repair of the equipment. Lessee shall pay all ad valorem taxes assessed against the equipment. Lessor shall have the right at all times to enter upon the premises to inspect the equipment and its use.

14. Lessee shall be responsible for the maintenance and repair of the equipment. Lessee shall pay all ad valorem taxes assessed against the equipment. Lessor shall have the right at all times to enter upon the premises to inspect the equipment and its use.

15. Lessee shall be responsible for the maintenance and repair of the equipment. Lessee shall pay all ad valorem taxes assessed against the equipment. Lessor shall have the right at all times to enter upon the premises to inspect the equipment and its use.

16. Lessee shall be responsible for the maintenance and repair of the equipment. Lessee shall pay all ad valorem taxes assessed against the equipment. Lessor shall have the right at all times to enter upon the premises to inspect the equipment and its use.

17. In addition to any other insurance which the Lessee may be required to carry, Lessee shall maintain in effect the following insurance, at Lessee's expense, with insurance companies acceptable to Lessor:

(a) Worker's Compensation—Statutory Under Worker's Compensation Act, Worker's Compensation Act when applicable and All Other Employee's Compensation

(b) Employer's Liability—\$1,000,000.00

(c) Comprehensive General Liability, including Contractual Liability, Completed Operations Property Damage, Fire, Theft, and Damage to Property—\$1,000,000.00 per occurrence, \$1,000,000.00 per person, \$1,000,000.00 per aggregate

(d) Comprehensive Automobile Liability, including Owned, Non-owned, and Hired Automobile Liability—\$250,000.00 per person, \$500,000.00 per occurrence, \$250,000.00 per aggregate

(e) Boiler & Machinery, including Repair or Replacement Coverage—\$500,000.00 per occurrence, \$500,000.00 per aggregate

(f) "All Risks" Property Damage—Dollar amount based upon specific equipment

ILLEGIBLE

Lessee agrees that Lessor shall be named as an additional insured under the Boiler & Machinery and "All Risks" Property policies. Lessee agrees to incorporate Waiver of Subrogation endorsements in Lessor's behalf on the Workers Compensation, Boiler & Machinery and Property policies set forth above. Lessee agrees that the waivers of subrogation shall apply not only to damage to the compressor itself, but to other plant property and equipment of the Lessee. It shall also extend to the loss or use of said equipment, whether insured or uninsured.

18 Lessee agrees that Lessor shall in no way be liable for and agrees to indemnify and hold Lessor harmless from any lost production which occurs while the equipment is not operating due to breakdown from any cause whatsoever.

19 Time is of the essence. Lessor's rights hereunder are cumulative and not alternative.

20 Lessor may assign its rights and delegate its duties under this Rental Agreement. Lessor covenants to and with Lessee that Lessor is empowered to execute the Rental Agreement. Conditioned upon Lessee's performance of the conditions hereof, Lessor shall peacefully and quietly hold, possess and use the equipment during said term without hindrance. Lessor may assign the rental, or all or part or all of Lessor's rights hereunder, such assignee's rights shall be independent of Lessor's rights. The assignee, upon receiving notice of any such assignment shall abide thereby and make payment as may therein be directed. Following such assignment, the term "Lessor" shall be deemed to include or refer to Lessor's assignee, except that Lessor's rights shall be independent of any claim of Lessee against the original Lessor as hereinabove provided.

21 Neither this Rental Agreement nor Lessee's rights hereunder shall be assigned or delegated except with Lessor's written consent; the conditions hereof shall bind any permitted successors and assigns of Lessee. Lessor hereby certifies:

(a) That information supplied and statements made by Lessor, financial or credit ratings, if any, are true and correct prior to this Rental Agreement, accurate and correct;

(b) That the address of Lessee's residence and place or places of business are those stated in the Rental Agreement and that no other address or statement which could be construed to cover the equipment rental hereunder is in any way being given or there are any liens, mortgages, interests, or encumbrances created by Lessee which may affect the equipment;

(c) THAT NO WARRANTIES, EXPRESS OR IMPLIED WARRANTIES UNLESS THEY APPEAR IN WRITING, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARE EXTENDED WITH THE LEASE OF THE EQUIPMENT WHICH EXTEND BEYOND THE TERM.

22 Lessee will not change or remove any original serial number or lettering on the equipment and shall conspicuously identify each item of the leased equipment by suitable lettering thereon to indicate Lessor's ownership. Lessee shall comply with all applicable laws or regulations of any jurisdiction, such provision shall be enforceable and deemed limited out of the remaining provisions hereof. Lessee admits the receipt of a true copy of the Rental Agreement. This Rental Agreement shall be in full force and effect for the full term hereof and for the aggregate rental herein reserved, and the rental shall not abate by reason of termination of Lessee's contract of production and/or the taking of production by Lessor, in whole or in part.

23 This Rental Agreement is a lease, and not a conditional sale. It is not a purchase agreement. It is not a financing agreement. It is not a lease with an option to purchase. It is not a purchase agreement. It is not a lease with an option to purchase. It is not a purchase agreement. It is not a lease with an option to purchase. It is not a purchase agreement.

24 The equipment described herein is personal property and not a fixture. It is not attached in some manner to real estate. It is not intended for the eventual use of the real estate. It is not intended for the eventual use of the real estate. It is not intended for the eventual use of the real estate.

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COMPRESSOR SYSTEMS, INC.

LESSOR
Dinero Operating
Drawer 10505
Address: Midland, Texas 79702
(City & State)

WITNESS

WITNESS

GUARANTY

FOR VALUE RECEIVED, I, we or any or either of us jointly and severally guarantee the payment of the rentals set out in the above Rental Agreement and waive communication and notice of acceptance hereof.

WITNESS OUR HAND this ____ day of _____, 19____

ILLEGIBLE

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UNIFORM COMMERCIAL CODE — FINANCING STATEMENT — UCC-1

INSTRUCTIONS:

1. PLEASE TYPE this form. Fold only along perforation for mailing.
2. Remove Secured Party and Debtor copies and send other 3 copies with interleaved carbon paper to the filing officer. Enclose filing fee.
3. If the space provided for any item(s) on the form is inadequate the item(s) should be continued on additional sheets, preferably 5" x 8". Only one copy of such additional sheets need be presented to the filing officer with a set of three copies of the financing statement. Long schedules of collateral, indentures, etc., may be on any size paper that is convenient for the secured party. Indicate the number of additional sheets attached.
4. If collateral is crops or goods which are or are to become fixtures, describe generally the real estate and give name of record owner.
5. When a copy of the security agreement is used as a financing statement, it is requested that it be accompanied by a completed but unsigned set of these forms, without extra fee.
6. At the time of original filing, filing officer should return third copy as an acknowledgment.

This Financing Statement is presented To a Filing Officer For Filing pursuant To The Uniform Commercial Code.	State of <u>New Mexico</u>	3. Maturity date (if any): For Filing Officer (Date, Time, Number, and Filing Office)
1. Debtor(s) (Last Name First) and address(es) Lessee Dinero Operating Drawer 10505 Midland, Texas 79702	2. Secured Party(ies) and address(es) Lessor Compressor Systems, Inc. Drawer A Midland, Texas 79701	
4. This financing statement covers the following types (or items) of property: <u>Unit #1427</u> <u>One 6½" & 3 5/8" X 3½" Ariel JG-2 gas compressor powered by a Waukesha F1197 natural gas engine; Air-X-Changer model 54EH cooler; Murphy panel; suction & interstage scrubbers ASME coded; mounted on a skid. Cyl. SN/C1937; C1938 Frame SN/F1009 Engine SN/325049; Cooler SN/783691</u> The above minerals or the like (including Oil & Gas) or accounts will be financed at the wellhead or minehead of the well or mine located in Eddy County, New Mexico.		5. Assignee(s) of Secured Party and Address(es) 325049; Cooler SN/783691

This statement is filed without the debtor's signature to perfect a security interest in collateral. (check if so)

already subject to a security interest in another jurisdiction when it was brought into this state.

which is proceeds of the original collateral described above in which a security interest was perfected:

Check if covered: Proceeds of Collateral are also covered. Products of Collateral are also covered. No. of additional Sheets presented:

Filed with:

Dinero Operating

Compressor Systems, Inc.

Signature(s) of Debtor(s) Lessee

Signature(s) of Secured Party(ies) Lessor

(1) FILING OFFICER COPY — ALPHABETICAL



COMPRESSOR SYSTEMS, INC.

(915) 563-1170

MIDLAND, TEXAS 79701

DRAWER A (ATS)

Dinero Operating
Drawer 10505
Midland, Texas 79702

CUSTOMER NO.	DATE
297754	12/8/82

BR	INVOICE NO.	DUE DATE
10	R07819	12/20/82

TERMS: DUE AND PAYABLE ON RECEIPT OF INVOICE.
SUBJECT TO RENTAL AGREEMENT TERMS AND
CONDITIONS.

LEASE	WELL NO.	COUNTY	STATE
		Eddy	NM
AGREEMENT	CUST. ORDER NO.	PERIOD COVERED	
1427		12/3/82 thru 12/31/82	

ARGES IN ACCORDANCE WITH THE
RENTAL AGREEMENT INDICATED ABOVE:

COMPRESSOR RENTAL

FOUNDATION RENTAL

MAINTENANCE

INSURANCE

OTHER:

AMOUNT
2552.58
83.44
92.26
2728.28

NOTE: SURCHARGE IS DUE TO FLUCTUATING OIL & ANTI-FREEZE PRICES. SEE
NOTE PARAGRAPH IN YOUR MAINTENANCE CONTRACT.

SALES TAX

TOTAL

CUSTOMER