

LEA COUNTY, NEW MEXICO OIL CONSERVATION DIVISION

T-16-S, R-37-E
Section 28: S/2

As of 6/19/87

BEFORE EXAMINER CATANACH

AMERIND EXHIBIT NO. 2CASE NO: 9162

| LESSOR | ACRES | TERM | EXP. DATE |
|--|--------------------|--------|-------------------------------|
| Bank of America National Trust & Savings Association Trustee U/W of Eleanor W. McAdoo 1975 North Gateway Blvd. Suite 102 Fresno, CA 93727 | 1.13 | 2 yrs. | 3/9/87 <i>did file</i> |
| P. Edward Corrigan P.O. Box 76 Midland, Tx. 79702 | 5 | 1 yr. | 5/6/87 <i>amount</i> |
| J. Patrick Corrigan P.O. Box 2410 Vero Beach, Florida 32960 | 10 | 1 yr. | 5/6/87 <i>did file</i> |
| First National Bank & Trust Company of Oklahoma City Trustee for the Grisso Family Trust P.O. Box 25189 Oklahoma City, OK 73115 | 4.4 | 3 yrs. | 7/16/87 |
| Mildred M. Sneefus 506 2nd Street N Humboldt, Iowa 50548 | 1 | 3 yrs. | 7/20/87 <i>John Kosse</i> |
| R.G. Anderson Trust 1618 First National Bank Bldg. Tulsa, OK 74102 | 3.33 | 3 yrs. | 7/21/87 |
| Lydian Hall Woods P.O. Box 2116 San Angelo, Tx. 76901 | 3.8 , 9 | 3 yrs. | 9/12/87 |
| A.J. Vogel, Inde- pendent Executor of the Estate of Fred H. Fuhrman, Deceased 501 Midland Tower Bldg. Midland, Texas 79701 | 10 | 3 yrs. | 2/8/88 |
| S.P. Johnson, III and Patricia J. Cooper as Trustees of the S.P. Johnson, Jr. Testamentary Trust P.O. Box 1713 Roswell, NM 88202 | 2.5 | 3 yrs. | 2/14/88 |
| Johnson Enterprises, Ltd., S.P. Johnson, III, General Partner, and Patricia J. Cooper P.O. Box 1713 Roswell, NM 88202 | 5 | 3 yrs. | 2/14/88 |

| | | | |
|---|---------|--------|---------|
| Emma Wallukait, a widow Individually and as sole devisee under the last Will and Testament of Matt's Wallukait, Decd. 602 2nd Ave. North Humboldt, Iowa 50548 | 1 | 3 yrs. | 3/7/88 |
| E.L. Latham, Jr. and wife, Evelyn M. Latham P.O. box 1392 Hobbs, NM 88240 | 5 | 3 yrs. | 3/15/88 |
| Tom R. Cone P.O. Box 778 Jay, OK 74346 | 1 | 3 yrs. | 3/25/88 |
| Norma J. Chanley P.O. Box 729 Hobbs, NM 88240 | 2.5 | 3 yrs. | 4/1/88 |
| Dorothy Bartlett 100 10th Ave. North Ft. Dodge, Iowa 50501 | .07142 | 3 yrs. | 4/19/88 |
| Gary E. Ogden 214 E. 43rd St. Kansas City, Missouri 64111 | .05 | 3 yrs. | 5/6/88 |
| Robert E. Ogden 1464 Del Norte Corona, CA 91719 | .05 | 3 yrs. | 5/6/88 |
| Hanesco, Inc. P.O. Box 182 Roswell, NM 88201 | 8.90625 | 2 yrs. | 2/19/89 |
| Laura Kaempf 1325 Valley View Rd. Apt. 302 Glendale, CA 91202 | 3.3968 | 5 yrs. | 2/14/90 |
| Twila Gooding, as Trustee of the Lucky Wright Syn- dicate Trust Re- Established P.O. Box 505 Farmington, NM 87499 | .5169 | 5 yrs. | 2/14/90 |
| Mildred A. Wright, Trustee of Mildred A. Wright Trust #1 P.O. Box 505 Farmington, NM 87499 | 3.6362 | 5 yrs. | 2/14/90 |
| Emma B. La Roe, a widow, Individually and sole heir of Charles La Roe 816 15th NE Mason City, Iowa 50401 | .05 | 5 yrs. | 2/20/90 |
| Marguerite deH McAdoo, dealing in her sole and separate property and heir-at-law of William G. McAdoo, Jr., Dec. 480 Park Avenue New York, NY 10022 | .56640 | 5 yrs. | 2/25/90 |

| | | | |
|---|-------|--------|---------|
| Jennie M. Buck and husband, Floyd A. Buck 9260 Highway 101 Waldport, OR 97394 | .05 | 5 yrs. | 3/5/90 |
| Verla Ennon Golmer City, Iowa 50541 | 1.25 | 5 yrs. | 3/11/90 |
| Esther Ruble 1205 Summer SW Humboldt, Iowa 50548 | 1.25 | 5 yrs. | 3/11/90 |
| Marvel Lou French 210 Blackhawk St. Reinbeck, Iowa 50669 | 1.25 | 5 yrs. | 3/11/90 |
| Dale Sarsgard 912 Meadowhill Rd. West Point, Miss. 39773 | 1.25 | 5 yrs. | 3/11/90 |
| G.A. Lee P.O. Box 103 Emmons, MN 56029 | .05 | 5 yrs. | 3/15/90 |
| Norma D. Olson and Mento Tjarks, Individually and as Devises under the Will of Josephine Perry, Dec. 1402 Elmhurst Ave. Humboldt, Iowa 50548 | 1.5 | 5 yrs. | 3/21/90 |
| Maxine Wendle, sole Legatee of Bess Oppendahl (formerly Ellestad) 713 Los Zafiros GreenValley, AZ. 85614 | .5 | 5 yrs. | 3/21/90 |
| Emaree Hightower Means P.O. Box 733 Artesia, NM 88210 | 21.25 | 3 yrs. | 3/27/90 |

The following are Mineral Deeds

Jack D. Bachman
Box 27276
Denver, CO 80227

Ronald E. Helvick
Humboldt, Iowa

Marjorie Hart
Humboldt, Iowa

Merton O. Helvick
Knox County, Illinois

Bernie A. Helvick
Humboldt, Iowa

Grace MacKintosh
Marjorie Vance
Verla Bennett
Humboldt, Iowa

William Hans
Rudd, Iowa 50471

.15

$\frac{1}{14}$ of $\frac{1}{320}$ = .07142

$\frac{1}{640}$ = .05

.05 = .05

LEA COUNTY, NEW MEXICO

T-16-S, R-37-E
Section 28

As of 6/19/87

| Lessor | Acres | Term | SW/4 | SE/4 |
|--|-------------------------------|--------|-------------------|--------------------------------|
| Pat Alston Ward P.O. Box 38 Lincoln, NM 88338 | 2.96875 | 3 yrs. | 7/23/87 | <i>Rio Pecos SE/4 only</i> |
| First National Bank at Lubbock, Texas, Successor Trustee of the J. E and Buelah Simmons Trusts P.O. Box 1241 Lubbock, Tx. 79408 | 8.80625 9.90625 | 3 yrs. | 7/30/90 | 9/24/88 |
| Coates Energy Trust and Elizabeth H. Maddux P.O. Box 171717 San Antonio, Tx. 78217 | 11.4 | 3 yrs. | 8/30/87 | 9/24/88 |
| Cathie Cone Auvenshine P.O. Box 33280-296 Austin, Tx. 78764 | .5 | 3 yrs. | 1/30/90 | <i>Sold</i> |
| Heritage Resources P.O. Box 777 Davis, OK 73030 | 4 | 2 yrs. | 7/25/88 | 11/20/87 |
| Petco Limited P.O. Box 911 Breckenridge, Tx. 76024 | 5.333 | 2 yrs. | 7/15/88 | 9/25/87 |
| Jones Robinson a Partnership P.O. Box 2076 Roswell, NM | 12 | 3 yrs. | 9/12/87 | 9/20/88 |
| Anderson Carter and wife Gerldine Carter P.O. Box 725 Lovington, NM 88260 | 4.125 | | 8/29/87 3 yrs. | 12/2/87 2 yrs. |
| Anderson Carter, II P.O. Box 725 Lovington, NM 88260 | 2.75 | | 8/29/87 3 yrs. | 12/2/87 2 yrs. |
| Stuart Carter P.O. Box 725 Lovington, NM 88260 | 2.75 | | 8/29/87 3 yrs. | 12/2/87 2 yrs. |

| | | | |
|---|--------|---------|---------|
| Powhatan Carter, 4.125 Jr. and wife, Beverly T. Carter, Individually and as Co-Trustees of the Powhatan Carter and Beverly T. Carter Revocable Trust P.O. Box 328 Fort Sumner, NM 88119 | 2 yrs. | 8/30/89 | 12/3/89 |
| Rodney Carter 2.75 P.O. Box 328 Fort Sumner, NM 88119 | 2 yrs. | 8/30/89 | 12/3/89 |
| Hugh Corrigan, 5. IV 3809 Shenandoah Dallas, Tx. 75205 | 1 yr. | 8/27/87 | 8/27/87 |

68.75%
—

LEA COUNTY, NEW MEXICO
T-16-S, R-37-E
Section 28: SE/4 SW/4, SW/4 SE/4

| Owner | Acreage | Percentage | Status |
|---|---------------|----------------|---|
| Amerind Oil Co. | 39.189** | 48.986 | Join |
| Felmont Oil Co. | 2.2 | 2.75 | Join |
| Standard Oil Prod. Co. (Sohio) | 5.125 | 6.406* | Join |
| Cleroy, Inc. | 1.66 | 2.075 | Join |
| Lanroy, Inc. | 1.66 | 2.075 | On vacation, will Join or Farmout |
| J.R. McGinley | 1.66 | 2.075 | Join |
| Conoco, Inc. | 7.5 | 9.375 | |
| Pennzoil Co. | 1.665 | 2.08125 | |
| Harry A. Miller, Jr. Harry A. Miller Margaret A. Miller | .3125 | .3906 | Join |
| Ed White | .3125 | .3906 | Join |
| Clifford Cone | .25 | .3125* | Join |
| Kenneth Cone | .25 | .3125* | Join |
| Douglas Cone | .25 | .3125* | Join |
| J.H. Van Zant | .75 | .9375 | Join |
| Dorothy Jeanne Van Zant Sanders | .75 | .9375 | Join |
| Roy G. Barton, Jr. | .625 | .78125 | Join |
| Rio Pecos Corp. | 15.838 | 19.7975 | |
| | <u>79.982</u> | <u>99.9957</u> | |

*Will join subject to acceptable operating agreement

**Includes compulsory pooling of unknown owners

| |
|--|
| BEFORE EXAMINER CATANACH OIL CONSERVATION DIVISION AMERIND EXHIBIT NO. <u>3</u> CASE NO. <u>9162</u> |
|--|

AMERIND OIL Co.

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

AMERIND EXHIBIT NO. 4

AUTHORIZATION FOR EXPENDITURE

CASE NO. 9162

Shipp No. 3
SW/4 SE/4 Section 28 T-16-S R-37-E
Lea County, New Mexico

To drill and complete in the Strawn formation:

| <u>INTANGIBLE</u> | <u>Casing Point</u> | <u>Pumping Completion</u> | <u>Total</u> |
|---------------------------------------|---------------------|---------------------------|------------------|
| Drilling 11,500' @ \$11.00 | \$127,000 | \$ | \$ |
| Daywork - 3 @ \$4,000 | 12,000 | | |
| Drilling mud and water | 10,000 | | |
| Location and surface damages | 15,000 | | |
| Drill stem tests (2) | 6,000 | | |
| Log and perforate | 15,000 | 5,000 | |
| Cementing - surface 400 sx | 4,000 | | |
| - inter. 1,500 sx | 10,000 | | |
| - prod. 300 sx | | 5,000 | |
| Supervision | 5,000 | 5,000 | |
| Geological & mud logging | 8,000 | | |
| Contract services & equipment rentals | 5,000 | 15,000 | |
| Completion unit | | 5,000 | |
| Acid treatment - cleanup | | 5,000 | |
| Drilling and completion overhead | 5,000 | 2,000 | |
| Insurance | 3,000 | | |
| TOTAL INTANGIBLE | \$225,000 | \$ 42,000 | \$267,000 |
| <u>TANGIBLE</u> | | | |
| Casing | | | |
| Surface 400' 13 3/8" | \$ 5,000 | \$ | \$ |
| Inter. 2,500' 8 5/8" 24.0# J55STC | 16,000 | | |
| 1,700' 8 5/8" 32.0# J55STC | 14,000 | | |
| Prod. 11,500' 5 1/2" 20.0# N80LTC | | 60,000 | |
| Tubing 11,300' 2 7/8" 6.5# N80T&C | | 35,000 | |
| Pumping equipment | | 60,000 | |
| Wellhead & packer | 6,000 | 7,000 | |
| Tank battery & misc. | | 35,000 | |
| Electric power installation | | 5,000 | |
| TOTAL TANGIBLE | \$ 41,000 | \$202,000 | \$243,000 |
| Contingencies | 9,000 | 26,000 | 35,000 |
| TOTAL | \$275,000 | \$270,000 | \$545,000 |

RECOMMENDED BY:

APPROVED BY:



Robert C. Leibrock

Date: _____

Date: June 12, 1987

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/3200 interest

Earl L. and Kathryn Hansen
Swea City, Iowa

Dear Mr. and Mrs. Hansen:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

| |
|---|
| BEFORE EXAMINER CATANACH OIL CONSERVATION DIVISION AMERIND EXHIBIT NO. <u>5</u> CASE NO. <u>9162</u> |
|---|

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/6400 interest

Mr. and Mrs. Burt R. Shifflet
320 Sunset Road
Waterloo, Iowa

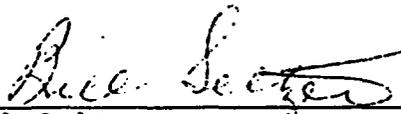
Dear Mr. and Mrs. Shifflet:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/6400 interest

Mr. and Mrs. Hugo W. Nemela
823 Kinglsey
Waterloo, Iowa

Dear Mr. and Mrs. Nemela:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/6400 interest

Cynthia E. Larson and
Charles B. Larson
Paola, Kansas

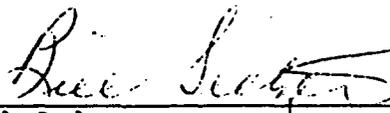
Dear Ms. Larson and Mr. Larson:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/6400 interest

Mr. and Mrs. G.L. Whitman:
Waterloo, Iowa

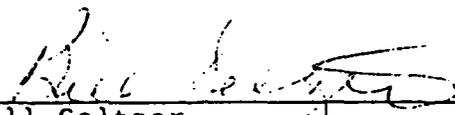
Mr. and Mrs. Whitman:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/6400 interest

Mr. and Mrs. Arthur J. Miller
Mr. and Mrs. Leonard Miller
Humboldt, Iowa

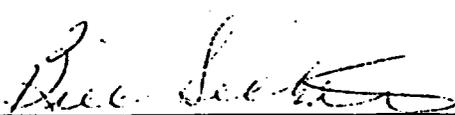
Ladies and Gentlemen:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

* U.S.G.P.O. 1985-480-794

PS Form 3800, June 1985

| | |
|---|------|
| Arthur J. Miller, et ux | |
| Leonard Arthur Miller, et ux | |
| P.O. State and ZIP Code Humboldt, Iowa | |
| Postage | .22 |
| Certified Fee | |
| Special Delivery Fee | .75 |
| Restricted Delivery Fee | |
| Return Receipt showing to whom and Date Delivered | .70 |
| Return Receipt showing to whom, Date, and Address of Delivery | |
| TOTAL POSTAGE | 1.67 |
| Postmark | |



SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to:
Mr. and Mrs. Arthur J. Miller
Mr. and Mrs. Leonard Arthur Miller
Humboldt, Iowa

4. Article Number
P 296 956 959

Type of Service:
 Registered
 Certified
 Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee
Arthur J. Miller

6. Signature - Agent
A. J. Miller

7. Date of Delivery
6-15-87

8. Addressee's Address (ONLY if requested and fee paid)

DOMESTIC RETURN RECEIPT

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/3200 interest

Blanche L. Probert,
Shirley F. Porter
and H. Hewell Probert
6233 40th NE
Seattle, WA

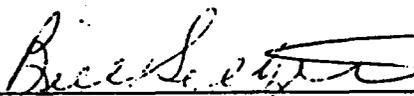
Dear Ladies and Gentlemen:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

P 296 956 960

RECEIPT FOR CERTIFIED MAIL

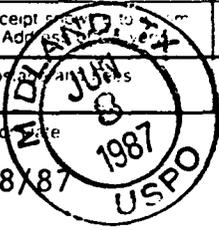
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

* U.S.G.P.O. 1985-480-794

PS Form 3800, June 1985

| | |
|---|---------|
| Sent to Blanch L. Probert, Shirle F. Porter, H. Hewell Pro- | |
| Sent No 6233 40th NE | |
| City, State and ZIP Code Seattle, WA | |
| Postage | \$.22 |
| Certified Fee | .75 |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt showing to whom and Date Delivered | .70 |
| Return Receipt showing to Date and Address | |
| TOTAL Postage and Fees | \$ 1.67 |
| Postmark Date | 6/8/87 |



BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/3200 interest

Nick D. Christakos
c/o Ourania Christakos
1345 6th Ave.
Apt. #1
Des Moines, Iowa 50314

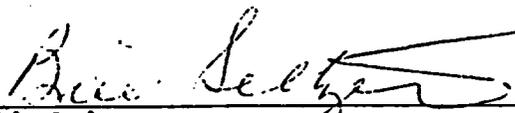
Dear Mr. Christakos:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,


Bill Seltzer
For Amerind Oil Co.

BS/kp

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/3200 interest

Gertrude J. Sproule Scullin
500 W. Ocean Ave.
Long Beach, CA

Dear Ms. Scullin:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/6400 interest

Mr. and Mrs. Frederick M. Grace
Mason City, Iowa

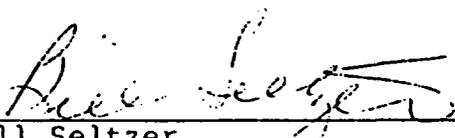
Dear Mr. and Mrs. Grace:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/6400 interest

Mr. and Mrs. Charles E. Snipps
Mason City, Iowa

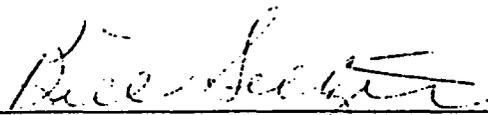
Dear Mr. and Mrs. Snipps:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/6400 interest

Mr. and Mrs. Frank B. Balkam
919 N. Federal
Mason City, Iowa

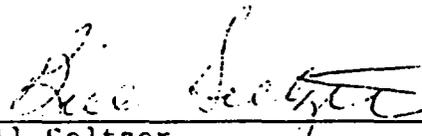
Dear Mr. and Mrs. Balkam:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/6400 interest

Mr. and Mrs. J.D. Evans
Madison, Wisconsin

Dear Mr. and Mrs. Evans:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/6400 interest

Mr. and Mrs. Louis E. Brooker
Mason City, Iowa

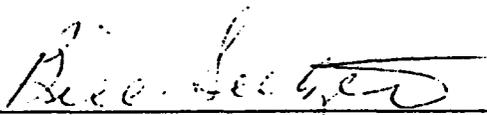
Dear Mr. and Mrs. Brooker:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/6400 interest

Mr. and Mrs. Andrew E. Nelson
Mason City, Iowa

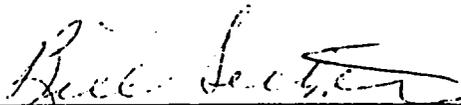
Dear Mr. and Mrs. Nelson:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/6400 interest

Mr. and Mrs. Frank O. Peterson
Callendar, Iowa

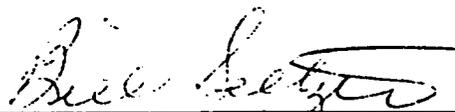
Mr. and Mrs. Peterson:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/6400 interest

Mr. and Mrs. Clifford Gray
Mason City, Iowa

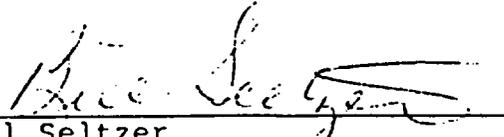
Dear Mr. and Mrs. Gray:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/6400 interest

Elizabeth H. Woodburn
1194 College Dr.
San Bernadino, CA

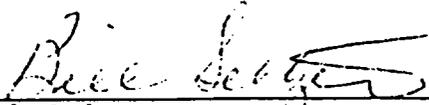
Dear Ms. Woodburn:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/6400 interest

Ether Armentrout Petersen
Banning, CA

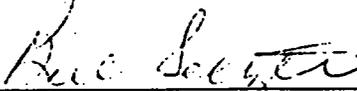
Dear Ms. Petersen:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/3200 interest

Mr. and Mrs. Joel O. Mawhinney
8849 Crawford Ave.
Sun Valley, CA

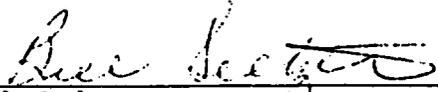
Dear Mr. and Mrs. Mawhinney:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/6400 interest

F.C. Holmes
Hampton, Iowa

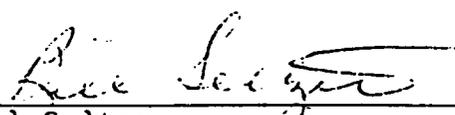
Dear Mr. Holmes:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/6400 interest

Doris Kennedy Baumgartner
Bruce Kennedy Baumgartner
Dexter Kay Baumgartner
Duva Baumgartner Hill
Maida Baumgartner Latvis
Mason City, Iowa

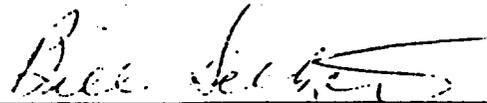
Ladies and Gentlemen:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

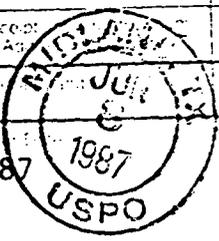
RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

* U.S.G.P.O. 1985-480-794
PS Form 3800, June 1985

| | |
|---|-------------|
| Doris Kennedy Baumgartner | |
| Bruce Kennedy Baumgartner | |
| Dexter Kay Baumgartner | |
| Duva Baumgartner Hill | |
| Maida Baumgartner Latvis | |
| Mason City, Iowa | |
| Postage | .22 |
| Certified Fee | .75 |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt showing to whom and Date Delivered | .70 |
| Return Receipt Date and Address | |
| TOTAL POSTAGE AND FEES PAID | 1.67 |
| Postmark | 6/8/87 |



SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fee and check boxes for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

| | |
|---|---|
| <p>3. Article Addressed to:</p> <p>Doris Kennedy Baumgartner Bruce Kennedy Baumgartner Dexter Kay Baumgartner Duva Baumgartner Hill Maida Baumgartner Latvis Mason City, Iowa</p> | <p>4. Article Number</p> <p>P 298 956 975</p> <p>Type of Service:</p> <p><input checked="" type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail</p> <p>Always obtain signature of addressee or agent and DATE DELIVERED.</p> <p><input type="checkbox"/> Insured <input type="checkbox"/> COD</p> |
| <p>5. Signature - Addressee</p> <p><i>[Signature]</i></p> | <p>8. Addressee's Address (ONLY if requested and fee paid)</p> |
| <p>6. Signature - Agent</p> <p><i>[Signature]</i></p> | |
| <p>7. Date of Delivery</p> <p>6/11/87</p> | |

PS Form 3811, Feb. 1986
DOMESTIC RETURN RECEIPT

BILL SELTZER
 507 PETROLEUM BUILDING
 MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
 Section 28: S/2
 Lea County, New Mexico
 1/6400 interest

Doris Kennedy Baumgartner
 Bruce Kennedy Baumgartner
 Dexter Kay Baumgartner ✓
 Duva Baumgartner Hill
 Maida Baumgartner Latvis
 Mason City, Iowa

Ladies and Gentlemen:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
 For Amerind Oil Co.

BS/kp

June 17, 1987

Dear Sir:

Please send copy of lease for approval - and if we approve same we will sign and return to you. Thank you Bill Seltzer

THIS AGREEMENT made this 23rd day of June, 1987, between
Doris Kennedy Baumgartner, Bruce Kennedy Baumgartner, Dexter Kay Baumgartner
Duva Baumgartner Hill, and Maida Baumgartner Latvis, each dealing in their
sole and separate property 722 4th N.W., Mason City, Iowa 50401
 Lessor (whether one or more), whose address is: 79701
 and Bill Seltzer, 214 W. Texas, 507 Petroleum Bldg., Midland, Tx. Lessee, WITNESSETH:

1. Lessor in consideration of Ten and no/100 Dollars
 (\$10.00) in hand paid, of the royalties herein provided and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil and gas, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport, and own said products, and housing its employees, the following described land in
Lea County, New Mexico, to-wit:

T-16-S, R-37-E
Section 28: S/2

2. Without reference to the commencement, prosecution or cessation at any time of drilling or other development operations and/or to the discovery, development or cessation at any time of production of oil or gas and without further payments than the royalties herein provided, and notwithstanding anything else herein contained to the contrary, this lease shall be for a term of five years from this date (called "primary term") and as long thereafter as oil or gas is produced from said land or land with which said land is pooled hereunder.

3. The royalties to be paid by Lessee are: (a) on oil, 3/16 of that produced and saved from said land, the same to be delivered at the wells or to the credit of Lessor into the pipe line to which the wells may be connected; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefor prevailing for the field where produced on the date of purchase; (b) on gas, including casinghead gas or other gaseous substance, produced from said land, and sold, or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well of 3/16

of the gas so sold or used, provided that on gas sold at the wells the royalty shall be 3/16 of the amount realized from such sale; while there is a gas well on this lease or on acreage pooled therewith but gas is not being sold or used, Lessee may pay or tender as royalty, on or before ninety (90) days after the date on which said well is shut in and thereafter at annual intervals the sum of \$1.00 per acre, and if such payment is made or tendered, this lease shall not terminate and it will be considered that gas is being produced from this lease in paying quantities. Payment or tender of said shut-in gas royalty may be made by check or draft of Lessee mailed or delivered to the parties entitled thereto on or before the date said payment is due. Lessee shall have free use of oil, gas, coal and water from said land, except water from Lessor's wells, for all operations hereunder, and the royalty on oil and gas shall be computed after deducting any so used.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease, or any portion thereof as to oil and gas, or either of them, with other land, lease or leases in the immediate vicinity thereof to the extent, hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the New Mexico Oil Conservation Commission, or other lawful authority or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of 10% thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units thereafter created may conform substantially in size with those prescribed by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease, or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and all units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit. Lessee may at its election exercise its pooling option after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. Operations for drilling on or production of oil or gas from any part of the pooled unit which includes all or a portion of the land covered by this lease regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease, and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them, shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled units. Such allocation shall be on an acreage basis—that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. In addition to the foregoing, Lessee at its option is hereby given the right and power from time to time to commit said land or any part or formation or mineral substance covered hereby to any cooperative or unit agreement or plan of development and operation, and to any modifications thereof, which have been approved by the New Mexico Oil Conservation Commission or other lawful governmental authority. In such event, the royalty payable to Lessor hereunder shall be computed and paid on the basis of the oil or gas allocated to such land under the terms of any such agreement or plan of operation, which basis shall be the same by which the royalty due the United States or the State of New Mexico is computed and paid. This lease shall not expire during the life of such agreement or plan and shall be subject to the terms thereof and said agreement or plan of operation shall be filed with the New Mexico Oil Conservation Commission, or other lawful authority, and Lessee shall record in the County in which the leased premises are situated, an instrument describing such agreement or plan of operation and reflecting the commitment thereto, and the same may be recorded either before or after the completion of wells.

5. If at the expiration of the primary term oil or gas is not being produced on said land, or from land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil or gas so long thereafter as oil or gas is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil or gas is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil or gas, so long thereafter as oil or gas is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 660 feet of and draining the lease premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns but no change or division in ownership of the land or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U. S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or revision of the estate created hereby nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. After the discovery of oil or gas in paying quantities on said premises, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas in paying quantities.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's right under the warranty in event of failure of title, it is agreed that if Lessor owns an interest in the oil or gas on, in or under said land less than the entire fee simple estate, then the royalties to be paid Lessor shall be reduced proportionately. Should any one or more of the parties named as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

10. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing oil or gas therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, any Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the leased premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

Doris Kennedy Baumgartner
 SS#:

Bruce Kennedy Baumgartner
 SS#:

Dexter Kay Baumgartner Lessor
 SS#:

Duva Baumgartner Hill Lessor
 SS#:

Maida Baumgartner Latvis SS#:

County of _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____
19____ by Dexter Kay Baumgartner, dealing in his sole and separate
property _____

My commission expires _____, 19____ Notary Public
Printed Name: _____

INDIVIDUAL ACKNOWLEDGMENT

STATE OF IOWA }
County of _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____
19____ by Duva Baumgartner Hill, dealing in her sole and separate
property _____

My commission expires _____, 19____ Notary Public
Printed Name: _____

|| || ||

INDIVIDUAL ACKNOWLEDGMENT

STATE OF ~~NEW MEXICO~~ IOWA }
County of _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____
19____ by Maida Baumgartner Latvis, dealing in her sole and separate
property _____

My commission expires _____, 19____ Notary Public
Printed Name: _____

RATIFICATION AND RENTAL DIVISION ORDER

To: Bill Seltzer Lessee

You are the owner of a mineral lease dated June 23, 1987, recorded in Vol., at page, of the Records of Lea County (Parish), State of New Mexico, between Doris Kennedy Baumgartner, Bruce Kennedy Baumgartner, Dexter Kay Baumgartner, Duva Baumgartner Hill, and Maida Baumgartner Latvis, each dealing in their sole and separate property as Lessors, and Bill Seltzer as Lessee, in so far as said lease covers the following land situated in said County (Parish) and State:

T-16-S, R-37-E
Section 28: S/2

We, the undersigned parties, hereby authorize you to pay or tender rentals under said lease in accordance with the provisions thereof to the respective parties named below, or to the credit of any party named below either to a depository bank as named in said lease or to the respective depository set out below opposite such party's name, and in the following amounts:

| CREDIT TO | Fractional Interest | AMOUNT | DEPOSITORY |
|---|---------------------|--------------------------|-------------------------|
| Doris Kennedy Baumgartner, Bruce Kennedy Baumgartner, Dexter Kay Baumgartner, Duva Baumgartner Hill, and Maida Baumgartner Latvis | 1/6400 | None Paid Up Lease | |

Each of the undersigned parties agrees that payment or tender of said rentals as set forth above will protect said lease and continue same in force as therein provided in so far as said lease covers the interest of such undersigned party in said land. Each undersigned party, however, certifies only the interest, if any, set forth above opposite such party's name.

This division order covers only payment of delay rentals under said lease as to said land and does not cover royalty payments thereunder.

The provisions hereof shall be binding upon our respective heirs, legal representatives, successors and assigns, except that payment of rentals under said lease as to said tract to an assignee of any undersigned party shall be made to the depository bank named in said lease, if different from the respective depository specified above.

Said lease is hereby ratified and confirmed and declared to be in full force and effect, and the undersigned hereby lease, let and demise the lands described in said lease, unto the record owners and holders of said lease, its successors and assigns, upon the terms and conditions set out in said lease.

EXECUTED this ✓ day of, 19.....

✓ Doris Kennedy Baumgartner
SS#:

✓ Bruce Kennedy Baumgartner
SS#:

✓ Dexter Kay Baumgartner
SS#:

✓ Duva Baumgartner Hill
SS#:

✓ Maida Baumgartner Latvis
SS#:

"ACKNOWLEDGMENT ON BACK"

TEXAS AND NEW MEXICO-ACKNOWLEDGMENTS

STATE OF IOWA
COUNTY OF
Before me, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared Doris Kennedy Baumgartner, dealing in her sole and separate property known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as free act and deed for the purposes and consideration therein expressed.
Given under my hand and seal of office, this the ___ day of ___, A. D. 19__.

(New Mexico)

Notary Public in and for
County,
Printed Name:

STATE OF IOWA
COUNTY OF
Before me, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared Bruce Kennedy Baumgartner, dealing in his sole and separate property known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as free act and deed for the purposes and consideration therein expressed.
Given under my hand and seal of office, this the ___ day of ___, A. D. 19__.

(New Mexico)

Notary Public in and for
County
Printed Name:

STATE OF IOWA
COUNTY OF
Before me, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared Dexter Kay Baumgartner, dealing in his sole and separate property known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as free act and deed for the purposes and consideration therein expressed.
Given under my hand and seal of office, this the ___ day of ___, A. D. 19__.

(New Mexico)

Notary Public in and for
County
Printed Name:

STATE OF IOWA
COUNTY OF
Before me, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared Duva Baumgartner Hill, dealing in her sole and separate property known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same as free act and deed for the purposes and consideration therein expressed.
Given under my hand and seal of office, this the ___ day of ___, A. D. 19__.

(New Mexico)

Notary Public in and for
County, Texas
Printed Name:

STATE OF IOWA
COUNTY OF
Before me, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared Maida Baumgartner Latvis, dealing in her sole and separate property known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as free act and deed for the purposes and consideration therein expressed.
Given under my hand and seal of office, this the ___ day of ___, A. D. 19__.

(New Mexico)

Notary Public in and for
County, Texas
Printed Name:

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/6400 interest

O.H. Brown
Annie I. Brown
H. Frank Porawski
Audrain, Missouri

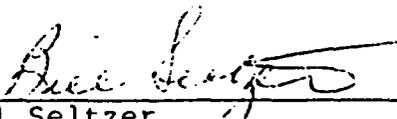
Dear Ladies and Gentlemen:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/6400 interest

Mr. and Mrs. G.L. Law
Humboldt, Iowa

Dear Mr. and Mrs. Law:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/6400 interest

C.E. Werthenbach
Amerett Schmitz, Individually
and as Executrix of the Estate
of Cora M. Werthenbach
1707 S. Massachusetts Ave.
Mason City, Iowa

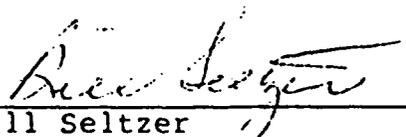
Dear Ms. Schmitz:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

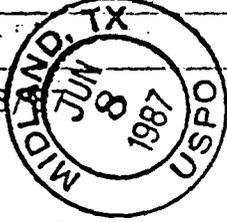
BS/kp

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)
C. E. Werthenbach
c/o Amerett Schmitz
1707 S. Massachusetts Av.
Mason City, Iowa 50401

| | |
|--|-------------|
| P.O. State and ZIP Code: | |
| Postage | .22 |
| Certified Fee | .75 |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt (Money Order and Date of Payment) | .70 |
| Return Receipt (with Signature and Address) | |
| TOTAL | 1.67 |



U.S.G.P.O. 1985-480-794

PS Form 3811, June 1986

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to:
C. E. Werthenbach
Amerett Schmitz,
1707 S. Massachusetts Ave.
Mason City, Iowa 50401

4. Article Number
P 296 956 978

Type of Service:
 Registered Insured
 Certified COD
 Express Mail

5. Signature - Addressee
X *[Signature]*

6. Signature - Agent
X *[Signature]*

7. Date of Delivery
6-11-87

8. Addressee's Address (ONLY if requested and fee paid)
Always obtain signature of addressee or agent and DATE DELIVERED.

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/6400 interest

Evan Christiansen
Lake Mills, Iowa

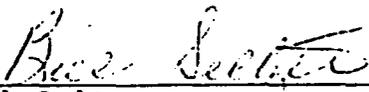
Dear Mr. Christiansen:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

OFFICE PHONE 312 334 3333

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/6400 interest

Mr. and Mrs. C.A. Hansen
Mason City, Iowa

Dear Mr. and Mrs. Hansen:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/6400 interest

Mr. and Mrs. Arthur Briston
Roland, Iowa

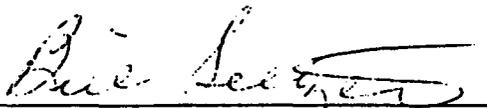
Dear Mr. and Mrs. Briston:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

P 296 956 981

RECEIPT FOR CERTIFIED MAIL

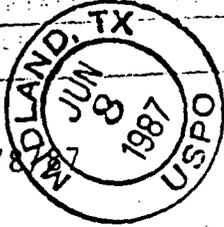
INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

PS Form 3800, June 1985

61/88

| | |
|-----------------------------|-------------|
| To: Mr. and Mrs. Briston | |
| Street and No. | |
| P.O. Station and ZIP Code | |
| Postage | .22 |
| Contract Fee | .75 |
| Special Delivery Fee | |
| Registered Delivery Fee | |
| Return Receipt (hard copy) | .70 |
| Return Receipt (electronic) | |
| Total | 1.67 |



PS Form 3811, Feb. 1986

| | |
|--|---|
| <p>SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.</p> <p>Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional services requested.</p> <p>1. <input type="checkbox"/> Show to whom delivered, date, and addressee's address. 2. <input type="checkbox"/> Restricted Delivery.</p> | |
| 3. Article Addressed to: | 4. Article Number |
| Mr. and Mrs. Arthur Briston Roland, Iowa | P 296 956 981 |
| 5. Signatures - Addressee | Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD |
| 6. Signatures - Agent | |
| 7. Date of Delivery | 8. Addressee's Address (ONLY if requested and fee paid) |
| | Always obtain signature of addressee or agent and DATE DELIVERED. |

DOMESTIC RETURN RECEIPT

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/6400 interest

Henrietta L. McDermott
3440 Grand Avenue
Des Moines, Iowa

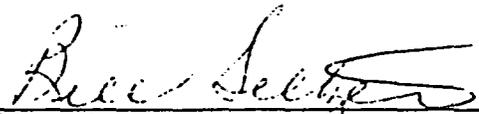
Dear Ms. Fisher:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/6400 interest

W.A. Horn
630 33rd Ave.
San Francisco, CA

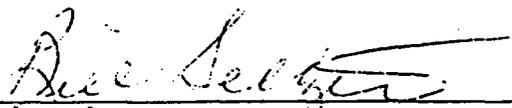
Dear Mr. Horn:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/6400 interest

June M. Thieman, a married
woman and Everett W. Kischer
sole heirs of Florence Kischer
who was the widow of Walter W.
Newell, Iowa 50568

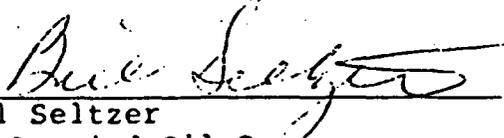
Dear Ms. Thieman and Mr. Kischer:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

* U.S.G.P.O. 1985-480-794

PS Form 3800, June 1985

| | |
|---|---------|
| June M. Thieman Everett W. Kischer Newell, Iowa 50568 | |
| P.O. State and ZIP Code | |
| Postage | \$.22 |
| Certified Fee | |
| Special Delivery Fee | .75 |
| Restricted Delivery Fee | |
| Return Receipt showing to whom and Date Delivered | .70 |
| Return Receipt showing to whom, Date, and Address of Delivery | |
| TOTAL POSTAGE AND FEES | \$ 1.67 |
| Postmark of date | 6/8/87 |



SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to:
June M. Thieman
Everett W. Kischer
Newell, Iowa 50568
June M. Thieman

4. Article Number
P 296 956 984

Type of Service:
 Registered
 Certified
 Express Mail
 Insured
 COD

5. Signature of Agent
June M. Thieman

6. Signature of Agent
X

7. Date of Delivery
6-15-87

8. Addressee's Address (ONLY if requested and fee paid)

Always obtain signature of addressee or agent and DATE DELIVERED.

PS Form 3811, Feb. 1986 DOMESTIC RETURN RECEIPT

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/6400 interest

Harry Schrader
Laura C. Schrader, a widow
Rudd, Iowa 50471

Dear Ms. Schrader:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

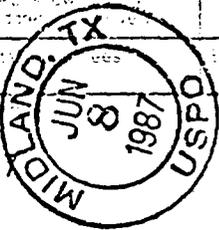
P-296 956 985

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

PS Form 3800, June 1985 * U.S.G.P.O. 1985-480-794

| | |
|---|------------|
| Harry Schrader | |
| Laura C. Schrader | |
| Street and No. | |
| Rudd | Iowa 50471 |
| Postage | \$.22 |
| Certified Fee | .75 |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt showing to whom and Date Delivered | .70 |
| Return Receipt showing Date and Address | |
| TOTAL POSTAGE AND FEES | 1.67 |
| Postmark | |
| 6/8/85 | |



SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to:
Harry Schrader
Laura C. Schrader
Rudd, Iowa 50471

4. Article Number
P 296 956 985

Type of Service:
 Registered
 Certified
 Express Mail
 Insured
 COD

5. Signature of Addressee
X

6. Signature - Agent
X *Edward Hall*

7. Date of Delivery
X *6-13-85*

8. Addressee's Address (ONLY if requested and fee paid)
X *6*

Always obtain signature of addressee or agent and DATE DELIVERED.

DOMESTIC RETURN RECEIPT

PS Form 3811, Feb. 1986

OFFICE PHONE 513 554 5555

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/6400 interest

Ellen A. Crepow
Mason City, Iowa

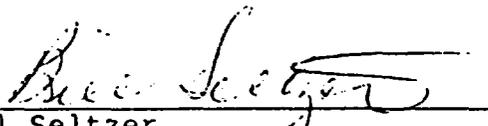
Dear Ms. Crepow:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/6400 interest

Frances M. Heffron
Clara Agnes Sofranko
Gerald L. Sofranko
Eleanora Sofranko
Heirs of J.F. and Verona Sofranko
Lovila, Iowa

Dear Ladies and Gentlemen:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

P. 296 956 987

RECEIPT FOR CERTIFIED MAIL

Frances M. Heffron
Clara Agnes Sofranko

Gerald L. Sofranko
Eleanora Sofranko

Lovila, Iowa

Postage .22

Certified Fee .72

Special Delivery Fee

Restricted Delivery Fee

Return Receipt (including Postage and Date Delivered) .70

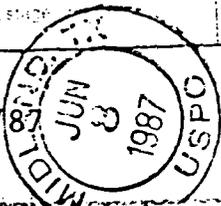
Return Receipt (including Postage and Address of Returner)

TOTAL POSTAGE 1.67

6/8/87 JUN 3 1987

U.S.G.P.O. 1985-489-794

PS Form 3800, June 1985



SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to:
Frances M. Heffron
Clara Agnes Sofranko
Gerald L. Sofranko
Eleanora Sofranko
Lovila, Iowa

4. Article Number
P 296 956 987

5. Signature - Addressee
X

6. Signature - Agent
X

7. Date of Delivery
6-7-87

8. Addressee's Address (ONLY if requested and fee paid)
Always obtain signature of addressee or agent and DATE DELIVERED.

Type of Service:
 Registered
 Certified
 Express Mail
 Insured
 COD

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/6400 interest

Estella Maple
Banning, CA

Dear Ms. Maple:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/12800 interest

C.F. Hemphill
Mason City, Iowa

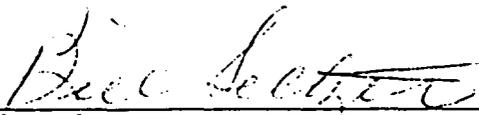
Dear Mr. Hemphill:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/12800 interest

Mr. and Mrs. W.J. Parrott
Mason City, Iowa

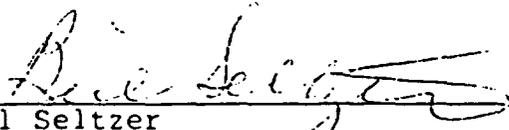
Dear Mr. and Mrs. Parrott:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,


Bill Seltzer
For Amerind Oil Co.

BS/kp

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/6400 interest

Elizabeth C. Corbett
Humboldt, Iowa

Dear Ms. Corbett:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S; R-37-E
Section 28: S/2
Lea County, New Mexico
1/8 of 29/32 of 1/32 interest

Bank of America
National Trust and
Savings Association
Trust U/W/ of Eleanor
W. McAdoo
P.O. Drawer EE
Santa Barbara, CA 83102

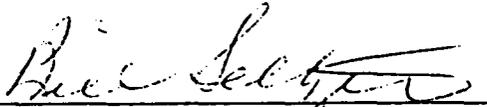
Gentlemen:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

P 296 956 992

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

* U.S.G.P.O. 1985-480-794

| | |
|---|--------|
| Sent to Bank of America | |
| National Trust & Savings Asoc. Trust U/W/ Eleanor McAdoo, ZIP P.O. Drawer EE Santa Barbara, CA 83102 | |
| Postage | \$.22 |
| Certified Fee | .75 |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt showing to whom and Date Delivered | .70 |
| Return Receipt showing Date and Address | |
| TOTAL FEE | 1.67 |
| Postmark Date | 6/8/87 |



PS Form 3800, June 1985

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional services requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to:
Bank of America National
Trust & Savings Association
Trust U/W/ of Eleanor W.
McAdoo
P.O. Drawer EE
Santa Barbara, CA 83102

4. Article Number
P 296 956 992

Type of Service:
 Registered
 Certified
 Express Mail
 Insured
 COD

5. Signature - Addressee
 [Signature]

6. Signature - Agent
 [Signature]

7. Date of Delivery

8. Addressee's Address (ONLY if requested and fee paid)
 Always obtain signature of addressee or agent and DATE DELIVERED.

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 8, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
.56440

Cynthia McAdoo Wheatland
33 Branch Street
Boston, MASS 02108

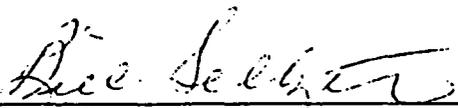
Dear Ms. Wheatland:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above interest.

I desire to purchase an Oil and Gas Lease on the above and offer you \$200.00 per acre for a 5 year Paid Up Oil and Gas Lease with 3/16ths royalty.

If this offer is acceptable, please advise the correct ownership and address of the owners, and we will forward a lease for execution.

Yours very truly,



Bill Seltzer
For Amerind Oil Co.

BS/kp

P 296 956 993

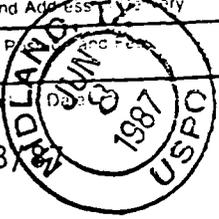
RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

* U.S.G.P.O. 1985-460-794

PS Form 3800, June 1985

| | |
|--|-----------------|
| Send to Cynthia McAdoo Wheatland | |
| Street and No. 33 Branch Street | |
| P.O., State and ZIP Code Boston, MASS 02108 | |
| Postage | .22 |
| Certified Fee | .75 |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt showing to whom and Date Delivered | .70 |
| Return Receipt showing to whom, Date, and Address of Recipient | |
| TOTAL POSTAGE AND FEES | 1.67 |
| Postmark Date | 6/8 1987 |



SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to:
**Cynthia McAdoo Wheatland
33 Branch Street
Boston, MASS 02108**

4. Article Number
P 296 956 993

Type of Service:
 Registered
 Certified
 Express Mail
 Insured
 COD

5. Signature - Addressee
Cynthia McAdoo Wheatland

6. Signature - Agent
[Signature]

7. Date of Delivery

8. Addressee's Address **ONLY IF requested and for delivery**
[Signature]

PS Form 3811, Feb. 1985

DOMESTIC RETURN RECEIPT

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 10, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico

Rio Pecos
110 West Louisiana
Suite 460
Midland, Texas 79701

Attn: Mr. Scott E. Wilson

Dear Mr. Wilson:

According to a check of the County Records of Lea County, New Mexico, you are the owner of Oil and Gas Leases covering certain interests in the captioned lands.

Amerind Oil Co. proposes to drill a 11,500' Strawn Formation test at a legal location in the SW/4 SE/4 of Section 28, T-16-S, R-37-E, Lea County, New Mexico. It is our understanding that Rio Pecos desires to cause a well to be drilled in the S/2 of Section 28 and we invite you to join us in the drilling of the test well.

We plan to commence operations immediately and if you desire to join please execute the attached AFE and return to the undersigned. Please forward a copy of your Oil and Gas Leases and the interest covered by each in order that we may prepare an operating agreement to cover the cost of drilling the test well.

If you have any questions, please call.

Yours very truly,

Bill Seltzer
Bill Seltzer

TS/kg
Attachment

| |
|---|
| BEFORE EXAMINER CATANACH OIL CONSERVATION DIVISION AMERIND EXHIBIT NO. <u>6</u> CASE NO. <u>9162</u> |
|---|

ILLEGIBLE

P 296 956 997

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

* U.S.G.P.O. 1985-480-794

PS Form 3800, June 1985

| | |
|---|---------|
| Rio Pecos Corp. 110 West Louisiana Suite 460 Midland, Tx. 79701 P.O. State and Zip Code | |
| Postage | \$.22 |
| Certified Fee | .75 |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt with Receipt and Delivery Confirmation | .70 |
| Return Receipt with Date and Address of Delivery | |
| TOTAL Postage and Fees | \$ 1.67 |
| Postmark at Office 6/10/87 | |

PS Form 3811, Feb. 1986

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to:
Rio Pecos Corporation
110 West Louisiana
Suite 460
Midland, Texas 79701

4. Article Number
P 296 956 997

Type of Service:
 Registered
 Certified
 Express Mail
 Insured
 COD

5. Signature - Addressee
Mr. Scott E. Wilson

6. Signature - Agent
C. Wilson

7. Date of Delivery
6-11-87

8. Addressee's Address (ONLY if requested and fee paid)
Always obtain signature of addressee or agent and DATE DELIVERED.

DOMESTIC RETURN RECEIPT

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 9, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico

Standard Oil Production Co.
Two Lincoln Centre
5420 LBJ Freeway
Suite 1000/LB 03
Dallas, Texas 75240-6222

Attn: Ms. Diane Tripp

Dear Ms. Tripp:

Please refer to our letter of May 26, 1987 (copy attached).

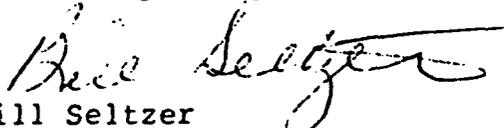
Please be advised that Amerind has filed an application for a Non-Standard unit consisting of the SW/4 SE/4 and SE/4 SW/4 of Section 28 and an application to compulsory pool various owners.

We request you to join us in the drilling of the proposed test and concur in our location and dedication of acreage or farmout or grant us a lease on your interest.

We plan to commence operations immediately and if you desire to join, please execute the attached AFE and return to the undersigned in order that we may prepare an operating agreement to cover the cost of the drilling of said test well.

Your immediate attention is requested.

Yours very truly,


Bill Seltzer

BS/kp
Attachments

P-519 404 223

RECEIPT FOR CERTIFIED MAIL

Diane Tripp
Standrad Oil
Two Lincoln Centre
5420 LBJ Freeway
Suite 1000/LB 03
Dallas, Tx. 75240-6222

905-551-0530
G.P.O. U.S.

.22

.75

.70

1.67

6/9/87

Post Office 0085
Post Office 0085

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent the card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address.

2. Restricted Delivery.

3. Article Addressed to:
Standrad Oil Prod. Co.
Two Lincoln Centre
5420 LBJ Freeway
Suite 1000/LB 03
Dallas, Tx. 75240-6222

4. Article Number
P 519 404 223

Type of Service:

Registered
 Certified
 Insured
 Express Mail
 COD

Always obtain signature of addressee or agent and DATE DELIVERED.

8. Addressee's Address (ONLY if requested and fee paid)

5

5. Signature - Addressee

X

6. Signature - Agent

X

7. Date of Delivery

6-11-87

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

May 26, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/16 interest

Standard Oil Production Co.
Two Lincoln Centre
5420 LBJ Freeway
Suite 1000/LB 03
Dallas, Texas 75240-6222

Attn: Ms. Diane Tripp

Dear Ms. Tripp:

I am representing Amerind Oil Co. of Midland, Texas and we propose to drill a 11,500' Strawn test well at a legal location in the SW/4 SE/4 of Section 28, T-16-S, R-37-E, Lea County, New Mexico.

We request you to join us in the drilling of the proposed test well or farmout your interest delivering an Oil and Gas Lease with a 1/4th royalty until payout at which time you would have the option to convert 1/16th of the royalty to a 25% working interest or we request you to grant us an Oil and Gas Lease on your interest for a bonus of \$300.00 per acre, 1/4th royalty and 3 year term.

This tract of land is divided among 135 different mineral owners and we own approximately a 50% leasehold interest. Due to the diversity of ownership of the tract it will be necessary to apply for a compulsory pooling order with the New Mexico Conservation Division.

If you desire to join, please execute the attached AFE.

If you have any questions, please call.

Yours very truly,


Bill Seltzer

BS/kp
Attachment: AFE

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 9, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico

Conoco, Inc.
200 N. Lorraine Street
Midland, Texas 79701

Attn: Mr. David Twomey

Dear Mr. Twomey:

Please refer to my letter of May 26, 1987, copy attached.

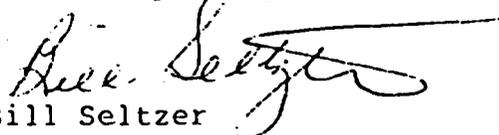
Amerind Oil Co. has made an application for a Non-Standard unit consisting of the SE/4 SW/4 and SW/4 SE/4 of Section 28 for the drilling of the proposed test well and an application to compulsory pool the various owners.

We plan to commence operations immediately and request that Conoco, Inc. join in the drilling of the test well or farmout their interest as requested in our May 26, 1987 letter.

If you desire to join, please execute the attached AFE and return in the enclosed envelop in order that we may prepare an operating agreement.

Your immediate attention is requested.

Yours very truly,


Bill Seltzer

BS/kp
Attachments

RECEIPT FOR CERTIFIED MAIL

PS Form 3817, Jan 1986 U.S.G.P.O. 153-506

Recipient's Name: **Conoco, Inc.**
 Address: **200 N. Lorraine**
Midland, Tx. 79701
 Attention: **David Twomey**

Postage: **.39**
 Insurance: **.75**
 Other: **.70**
 Total: **1.84**

Date: **6/9/87**

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes) for additional services(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to:
Conoco, Inc.
200 N. Lorraine Street
Midland, Texas 79701
Attn: David Twomey

4. Article Number
P 519 404 227

Types of Service:
 Registered Insured
 Certified COD
 Express Mail

Always obtain signature of addressee or agent and **DATE DELIVERED**.

5. Signature - Addressee

6. Signature - Agent
 D. Howard

7. Date of Delivery
6/12/87 *PH*

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3817, Feb. 1986

DOMESTIC RETURN RECEIPT

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

May 26, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
30 acres leasehold interest

Conoco Inc.
200 N. Lorraine Street
Midland, Texas 79701

Attn: Mr. David Twomey

Dear Mr. Twomey:

I am representing Amerind Oil Co. of Midland, Texas and we propose to drill a 11,500' Strawn test well at a legal location in the SW/4 SE/4 of Section 28, T-16-S, R-37-E, Lea County, New Mexico.

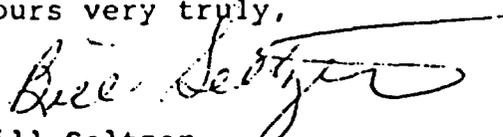
We request you to join us in the drilling of the proposed test well or farmout your interest delivering an Assignment of Oil and Gas Lease with a 1/8th overriding royalty until payout at which time you would have the option to convert the override to a 25% working interest or we request you to grant us an Assignment of Oil and Gas Lease on your interest for a bonus of \$300.00 per acre, 1/8th override and 3 year term.

This tract of land is divided among 135 different mineral owners and we own approximately a 50% leasehold interest. Due to the diversity of ownership of the tract it will be necessary to apply for a compulsory pooling order with the New Mexico conservation Division.

If you desire to join, please execute the attached AFE.

If you have any questions, please call.

Yours very truly,


Bill Seltzer

BS/kp

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 9, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico

Felmont Oil Corp.
P.O. box 2266
Midland, Texas 79702

Attn: Mr. Bob Hinson

Dear Mr. Hinson:

Please refer to my letter of May 26, 1987 (copy attached).

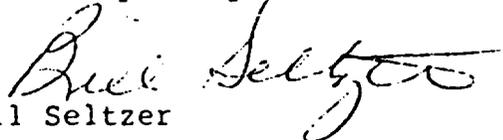
Please be advised Amerind has made an application with the New Mexico Conservation Division for a Non-Standard unit consisting of the SE/4 SW/4 and SW/4 SE/4 of Section 28 for the drilling of our test well in the SW/4 SE/4 of Section 28 along with an application to compulsory pool various owners.

We request you join in the drilling of the test well or make a trade as outlined in our letter. We request you to concur with our dedication of acreage.

We plan to commence operations immediately and if you desire to join, please execute the AFE and return in order that we may prepare an operating agreement.

If you have any questions, please call.

Yours very truly,


Bill Seltzer

BS/kp
Attachments

P-519 404 222

RECEIPT FOR CERTIFIED MAIL

U.S. POSTAL SERVICE
POST OFFICE

(See Back)

| | | |
|-------------------------|------------------|-------------------|
| 9053-51 P.O. U.S.G.P.O. | Sent to | Felmont Oil Corp. |
| | Postage | .22 |
| | Certified Fee | .75 |
| | Postage and Fees | .70 |
| 53-100 (086) | Postage and Fees | 1.67 |
| | Date | 6/9/87 |

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

| | |
|--|---|
| 3. Article Addressed to: | 4. Article Number |
| Felmont Oil Corp. P.O. Box 2266 Midland, Texas 79702 Attn: Mr. Bob Hinson | P 519-404-222 |
| 5. Signature - Addressee | Type of Service: |
| X | <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail |
| 6. Signature - Agent | <input type="checkbox"/> Insured <input type="checkbox"/> COD |
| X | Always obtain signature of addressee or agent and DATE DELIVERED. |
| 7. Date of Delivery | 8. Addressee's Address (ONLY if requested and fee paid) |
| 6-10-87 | |

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

May 26, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
22/800 interest = $\frac{1}{8}$ A c

Felmont Oil Corp.
P.O. Box 2266
Midland, Texas 79702

Attn: Mr. Bob Hinson

Dear Mr. Hinson:

I am representing Amerind Oil Co. of Midland, Texas and we propose to drill a 11,500' Strawn test well at a legal location in the SW/4 SE/4 of Section 28, T-16-S, R-37-E, Lea County, New Mexico.

We request you to join us in the drilling of the proposed test well or farmout your interest delivering an Oil and Gas Lease with a 1/4th royalty until payout at which time you would have the option to convert 1/16th of the royalty to a 25% working interest or we request you to grant us an Oil and Gas Lease on your interest for a bonus of \$300.00 per acre, 1/4th royalty and 3 year term.

This tract of land is divided among 135 different mineral owners and we own approximately a 50% leasehold interest. Due to the diversity of ownership of the tract it will be necessary to apply for a compulsory pooling order with the New Mexico Conservation Division.

If you desire to join, please execute the attached AFE.

If you have any questions, please call.

Yours very truly,


Bill Seltzer

BS/kp

Attachment: AFE

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 9, 1987

Re: T-16-S, R-37-E
Section 28: SW/4
Section 28: SE/4
Lea County, New Mexico

Pat Alston Ward
c/o Bill Ward
P.O.Box 67
McDonald, New Mexico 88262

Attn: Mr. Bill Ward

Dear Mr. Ward:

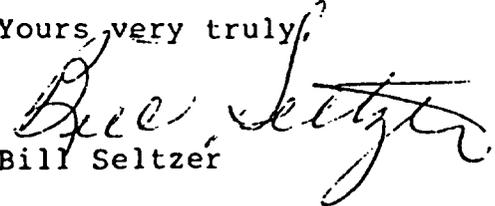
I am representing Amerind Oil Co. of Midland, Texas and as I stated in my letter to you dated May 26, 1987, we propose to drill a 11,500' Strawn test in the SW/4 SE/4 of Section 28, T-16-S, R-37-E immediately.

I incorrectly advised you that all of your interest was unleased but a review of our title reveals that Amerind owns an Oil and Gas Lease on the SW/4 of Section 28. Your interest in the SE/4 remains unleased and we invite you to join us in the drilling of the proposed test well or farmout your interest delivering an Oil and Gas Lease with a 1/4th royalty until payout at which time you would have the option to convert 1/16th of the royalty to a 25% working interest or we request you to grant us an Oil and Gas Lease on your interest for a bonus of \$300.00 per acre, 1/4th royalty. We have filed with the New Mexico Conservation Division an application for a non-standard unit being SW/4 SE/4 and SE/4 SW/4 of Section 28 along with an application to compulsory pool.

If you desire to join, please execute the attached AFE and return in the enclosed envelop in order that we may prepare our operating agreement.

If you have any questions, please call.

Yours, very truly,


Bill Seltzer

BS/kp

P-519 404 220

RECEIPT FOR CERTIFIED MAIL

PS Form 3811, Feb. 1986
See Instructions

905351 (C.O.D.) S1

| | |
|----------------------|------|
| Pat Alston Ward | |
| c/o Bill Ward | |
| P.O. Box 67 | |
| McDonald, N.M. 88262 | |
| | .39 |
| | .75 |
| | .70 |
| | 1.84 |

XXXXXX 6/9/87

PS Form 3811, Feb. 1986

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to:
 Pat Alston Ward
 c/o Bill Ward
 P.O. Box 67
 McDonald, NM 88262

4. Article Number
 P 519 404 220

Type of Service:
 Registered
 Certified
 Insured
 Express Mail
 COD

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee
 X *Pat Alston Ward*

6. Signature - Agent
 X

7. Date of Delivery

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Feb. 1986 DOMESTIC RETURN RECEIPT

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

May 26, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
19/1024 = 5.9375 acres

Pat Alston Ward
c/o Bill Ward
P.O. Box 67
McDonald, New Mexico 88262

Attn: Mr. Bill Ward

Dear Mr. Ward:

I am representing Amerind Oil Co. of Midland, Texas and we propose to drill a 11,500' Strawn test well at a legal location in the SW/4 SE/4 of Section 28, T-16-S, R-37-E, Lea County, New Mexico.

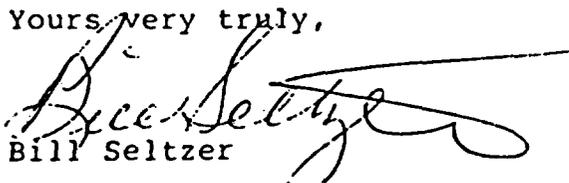
We request you to join us in the drilling of the proposed test well or farmout your interest delivering an Oil and Gas Lease with a 1/4th royalty until payout at which time you would have the option to convert 1/16th of the royalty to a 25% working interest or we request you to grant us an Oil and Gas Lease on your interest for a bonus of \$300.00 per acre, 1/4th royalty and 3 year term.

This tract of land is divided among 135 different mineral owners and we own approximately a 50% leasehold interest. Due to the diversity of ownership of the tract it will be necessary to apply for a compulsory pooling order with the New Mexico Conservation Division.

If you desire to join, please execute the attached AFE.

If you have any questions, please call.

Yours very truly,


Bill Seltzer

BS/kp

Attachment: AFE

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 9, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
6.66 leasehold interest

Pennzoil Co.
P.O. Box 2967
Houston, Texas 77252-2967

Attn: Mr. Greg Davis

Dear Mr. Davis:

Please refer to my letter of May 26, 1987 (copy attached).

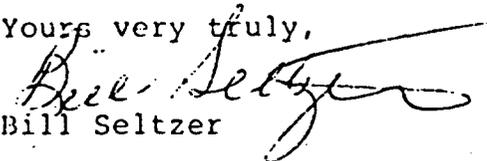
Please be advised Amerind has made an application with the New Mexico Conservation Division for a Non-Standard unit consisting of the SE/4 SW/4 and SW/4 SE/4 of Section 28 for the drilling of the test well along with an application to compulsory pool various owners.

We request Pennzoil to join Amerind in the drilling of the test well and concur in our dedication or make a trade as outlined in the above letter.

We plan to commence operations immediately and if you desire to join please execute the attached AFE in order that we may prepare an operating agreement.

Your immediate attention will be appreciated.

Yours very truly,


Bill Seltzer

BS/kp
Attachments

P 296 956 999

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

* U.S.G.P.O. 1985-480-794
PS Form 3800, June 1985

| | |
|---|---------|
| Pennzoil Co. | |
| P.O. Box 2967 | |
| Houston, Tx. 77252-2967 | |
| Attn: Greg Davis | |
| Postage | \$.22 |
| Certified Fee | .75 |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt showing to whom and Date Delivered | .70 |
| Return Receipt showing to whom Date and Address of Delivery | |
| TOTAL Postage and Fees | \$ 1.67 |
| Postmark or Date 6/9/87 | |

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional services requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to:
Pennzoil Co.
P.O. Box 2967
Houston, Texas 77252-2967
Attn: Greg Davis

4. Article Number
P 296 956 999

Type of Service:
 Registered
 Certified
 Express Mail
 Insured
 COD

5. Signature - Addressee
X

6. Signature - Agent
X

7. Date of Delivery
JUN 12 1987 6:12

8. Addressee's Address (ONLY if requested and fee paid)
Always obtain signature of addressee or agent and DATE DELIVERED.

PS Form 3811, Feb. 1986
DOMESTIC RETURN RECEIPT

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

May 26, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
6.66 leasehold interest

Pennzoil Co.
P.O. Box 2967
Houston, Texas 77252-2967

Attn: Mr. Greg Davis

Dear Mr. Davis:

I am representing Amerind Oil Co. of Midland, Texas and we propose to drill a 11,500' Strawn test well at a legal location in the SW/4 SE/4 of Section 28, T-16-S, R-37-E, Lea County, New Mexico.

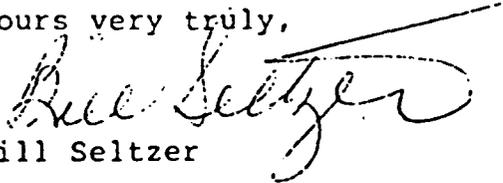
We request you to join us in the drilling of the proposed test well or farmout your interest delivering an Assignment of Oil and Gas Lease with a 1/8th overriding royalty until payout at which time you would have the option to convert the override to a 25% working interest or we request you to grant us an Assignment of Oil and Gas Lease on your interest for a bonus of \$300.00 per acre, 1/8th override and 3 year term.

This tract of land is divided among 135 different mineral owners and we own approximately a 50% leasehold interest. Due to the diversity of ownership of the tract it will be necessary to apply for a compulsory pooling order with the New Mexico conservation Division.

If you desire to join, please execute the attached AFE.

If you have any questions, please call.

Yours very truly,


Bill Seltzer

BS/kp

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 9, 1987

Re: T-16-S, R-37-E
Section 28
Lea County, New Mexico
1/256 = 1.25 acre

Mr. Ed White
P.O. Box 2052
Midland, Texas 79702

Dear Mr. White:

Please refer to my letter of May 26, 1987 (copy attached).

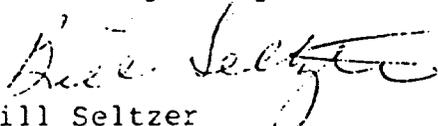
Amerind Oil Co. has made an application with the New Mexico Conservation Division for a Non-Standard unit consisting of the SW/4 SE/4 and SE/4 SW/4 of Section 28 for the drilling of the test well in the SW/4 SE/4 of Section 28 along with an application to compulsory pool various owners.

We plan to commence operations immediately and request you join in the drilling of the test well or make a trade as outlined in my letter.

If you desire to join please execute the AFE attached and return in order that we may prepare an operating agreement.

Your immediate attention will be appreciated.

Yours very truly,


Bill Seltzer

BS/kp
Attachments

P-519 404 225

RECEIPT FOR CERTIFIED MAIL

U.S. POSTAL SERVICE
POST OFFICE BOX 1000
MIDLAND, TEXAS 79702

See Reverse

| | | |
|-------------------------|----------------------|------|
| PS Form 3800, June 1981 | Mr. Ed White | |
| | P.O. Box 2052 | |
| | Midland, Texas 79702 | |
| | | .22 |
| | | .75 |
| | | .70 |
| | | 1.67 |
| | 6/9/87 | |

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to:

Mr. Ed White
P.O. Box 2052
Midland, Texas 79702

4. Article Number

P 519 404 225

Type of Service:

Registered
 Certified
 Express Mail
 Insured
 COD

Always obtain signature of addressee or agent and DATE DELIVERED.

8. Addressee's Address (ONLY if requested and fee paid)

5. Signature - Addressee

X Signature - Agent

6. Signature - Agent

7. Date of Delivery

JUN 10 1987

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

May 26, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
White 1/256 = 1.25 ac.
Miller 1/256 = 1.25 ac.

Mr. Ed White
Mr. Harry Miller
P.O. Box 2052
Midland, Texas 79702

Gentlemen:

I am representing Amerind Oil Co. of Midland, Texas and we propose to drill a 11,500' Strawn test well at a legal location in the SW/4 SE/4 of Section 28, T-16-S, R-37-E, Lea County, New Mexico.

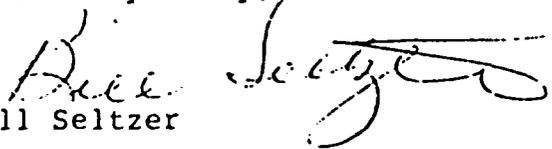
We request you to join us in the drilling of the proposed test well or farmout your interest delivering an Oil and Gas Lease with a 1/4th royalty until payout at which time you would have the option to convert 1/16th of the royalty to a 25% working interest or we request you to grant us an Oil and Gas Lease on your interest for a bonus of \$300.00 per acre, 1/4th royalty and 3 year term.

This tract of land is divided among 135 different mineral owners and we own approximately a 50% leasehold interest. Due to the diversity of ownership of the tract it will be necessary to apply for a compulsory pooling order with the New Mexico Conservation Division.

If you desire to join, please execute the attached AFE.

If you have any questions, please call.

Yours very truly,


Bill Seltzer

BS/kp

Attachment: AFE

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 9, 1987

Re: T-16-S, R-37-E
Section 28
Lea County, New Mexico
1/256 = 1.25 acre

Harry Miller, Jr.
Harry Miller
Margaret Ann Miller Carrico
600 First National Bank Bldg.
Midland, Texas 79701

Dear Ladies and Gentlemen:

Please refer to my letter of May 26, 1987 (copy attached).

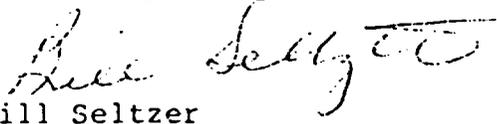
Amerind Oil Co. has made an application with the New Mexico Conservation Division for a Non-Standard unit consisting of the SW/4 SE/4 and SE/4 SW/4 of Section 28 for the drilling of the test well in the SW/4 SE/4 of Section 28 along with an application to compulsory pool various owners.

We plan to commence operations immediately and request you join in the drilling of the test well or make a trade as outlined in my letter.

If you desire to join please execute the AFE attached and return in order that we may prepare an operating agreement.

Your immediate attention will be appreciated.

Yours very truly,


Bill Seltzer

BS/kp
Attachments

P-519 404 224

RECEIPT FOR CERTIFIED MAIL

PS Form 3811, Feb. 1986

Section
 Harry Miller, Jr., et al
 Street and No.
 600 1st National Bank
 Midland, Tx. 79701
 Postmark or Date
 6/9/87

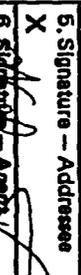
.22
 .75
 .70
 1.67

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fee the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to:
 Harry Miller, Jr.
 Harry Miller
 Margaret Ann Miller Carrico
 600 First National Bank Bldg.
 Midland, Tx. 79701

4. Article Number
 P 519 404 224

5. Signature - Addressee
 X 

6. Signature - Agent
 X 

7. Date of Delivery
 6/18/87

8. Addressee's Address (ONLY if requested and fee paid)
 Always obtain signature of addressee or agent and DATE DELIVERED.

Type of Service:
 Registered
 Certified
 Insured
 COD
 Express Mail

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

May 26, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
White 1/256 = 1.25 ac.
Miller 1/256 = 1.25 ac.

Mr. Ed White
Mr. Harry Miller
P.O. Box 2052
Midland, Texas 79702

Gentlemen:

I am representing Amerind Oil Co. of Midland, Texas and we propose to drill a 11,500' Strawn test well at a legal location in the SW/4 SE/4 of Section 28, T-16-S, R-37-E, Lea County, New Mexico.

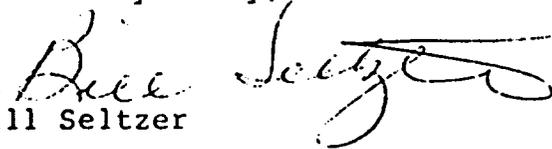
We request you to join us in the drilling of the proposed test well or farmout your interest delivering an Oil and Gas Lease with a 1/4th royalty until payout at which time you would have the option to convert 1/16th of the royalty to a 25% working interest or we request you to grant us an Oil and Gas Lease on your interest for a bonus of \$300.00 per acre, 1/4th royalty and 3 year term.

This tract of land is divided among 135 different mineral owners and we own approximately a 50% leasehold interest. Due to the diversity of ownership of the tract it will be necessary to apply for a compulsory pooling order with the New Mexico Conservation Division.

If you desire to join, please execute the attached AFE.

If you have any questions, please call.

Yours very truly,


Bill Seltzer

BS/kp
Attachment: AFE

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 9, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico

Cleroy, Inc.
Lanroy, Inc.
J.R. McGinley, Jr.
512 Mayo Building
Tulsa, OK 74101

Attn: Mr. John Clegg

Dear Mr. Clegg:

Please refer to my letter of May 26, 1987 (copy attached).

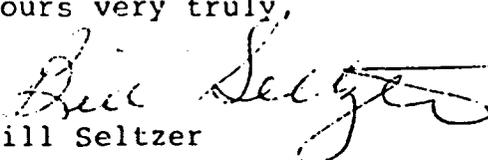
Please be advised Amerind has made an application for a Non-Standard unit with the New Mexico Conservation Division consisting of the SW/4 SE/4 and SE/4 SW/4 of Section 28 for the drilling of our test well along with an application to compulsory pool various owners.

We request you to join us in the drilling of the test well and concur in our acreage dedicated or farmout your interest as outlined in the above referred letter.

We plan to commence operations immediately and if you desire to join please execute the attached AFEs and return in the enclosed envelop in order that we may prepare an operating agreement.

Your immediate attention will be appreciated.

Yours very truly,


Bill Seltzer

BS/kp
Attachments

P-519 404 226

RECEIPT FOR CERTIFIED MAIL

U.S. POSTAL SERVICE
POST OFFICE OF TULSA
See Reverse

U.S.G.P.O. 153-506

PS Form 3800, June 1985

| | |
|----------------|---------------------|
| Sender | Cleroy, Inc., et al |
| Street | P.O. Box 3405 |
| City | Tulsa, OK 74101 |
| Postage | .39 |
| Postage Due | .75 |
| Postage Paid | .70 |
| Postage Refund | 1.84 |
| Date | 6/9/87 |

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional services requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

| | |
|--|--|
| 3. Article Addressed to: Mr. John Clegg Cleroy, Inc. Lanroy, Inga J.R. McGintey, Jr. 512 Mayo Bldg. P.O. Box 3405 Tulsa, OK 74101 | 4. Article Number P 519 404 226 |
| 5. Signature - Addressee X | Type of Service: <input checked="" type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD |
| 6. Signature - Agent X | Always obtain signature of addressee or agent and DATE DELIVERED. |
| 7. Date of Delivery JUN 15 1987 | 8. Addressee's Address (ONLY if requested and fee paid) |

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

May 26, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/16 interest

Cleroy, Inc.
Lanroy, Inc.
J.R. McGinley, Jr.
512 Mayo Building
P.O. Box 3405
Tulsa, OK 74101

Attn: Mr. John Clegg

Dear Mr. Clegg:

I am representing Amerind Oil Co. of Midland, Texas and we propose to drill a 11,500' Strawn test well at a legal location in the SW/4 SE/4 of Section 28, T-16-S, R-37-E, Lea County, New Mexico.

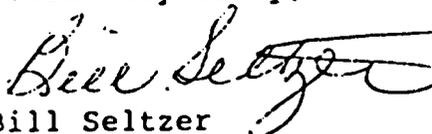
We request you to join us in the drilling of the proposed test well or farmout your interest delivering an Oil and Gas Lease with a 1/4th royalty until payout at which time you would have the option to convert 1/16th of the royalty to a 25% working interest or we request you to grant us an Oil and Gas Lease on your interest for a bonus of \$300.00 per acre, 1/4th royalty and 3 year term.

This tract of land is divided among 135 different mineral owners and we own approximately a 50% leasehold interest. Due to the diversity of ownership of the tract it will be necessary to apply for a compulsory pooling order with the New Mexico Conservation Division.

If you desire to join, please execute the attached AFE.

If you have any questions, please call.

Yours very truly,


Bill Seltzer

BS/kp
Attachment: AFE

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 9, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/320 = 1 acre

Mr. Douglas Cone
P.O. Box 13612
Albuquerque, New Mexico 87123

Dear Mr. Cone:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above mineral interest.

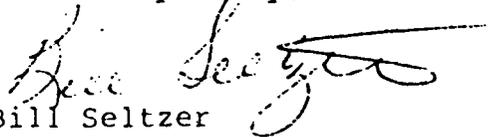
I am representing Amerind Oil Co. and we propose to drill a 11,500' Strawn formation test at a legal location in the SW/4 SE/4 of Section 28. We request that you join us in the drilling of the test well or grant us a lease for \$200.00 per acre and 1/4th royalty.

If you desire to join, please execute the attached AFE and return. We will forward an Operating Agreement at a later date.

Your immediate attention will be appreciated.

If you have any questions, please call.

Yours very truly,


Bill Seltzer

BS/kp
Attachment

U.S. MAIL PERMIT NO. 1000 ALBUQUERQUE, N.M. 87103
 (See Reverse)

PS Form 3800, June 1981

PS Form 3800, June 1981

U.S.G.P.O. 1985-480-794

| | |
|---|-------------|
| Sent to Douglas Cone | |
| Street and No. P.O. Box 13612 | |
| P.O. State and ZIP Code Albuquerque, N.M. 87123 | |
| Postage | .22 |
| Certified Fee | .75 |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt with to whom and Date Delivered | .70 |
| Return Receipt with to whom and Date Delivered and Address Correction | |
| TOTAL POSTAGE AND FEES | 1.67 |

6/9/87

PS Form 3811, Feb. 1985

DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to:
 Mr. Douglas Cone
 P.O. Box 13612
 Albuquerque, New Mexico
 87123

4. Article Number:
 P 296 956 994

Type of Service:
 Registered
 Certified
 Express Mail
 Insured
 COD

Always obtain signature of addressee or agent and **DATE DELIVERED**.

5. Signature - Addressee
 Self
 6. Signature - Agent
 Clymer

7. Date of Delivery
 6-12-87

8. Addressee's Address (ONLY if requested and fee paid)

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 9, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/320 = 1 acre

Mr. Clifford Cone
P.O. Box 1509
Lovington, New Mexico 88260

Dear Mr. Cone:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above mineral interest.

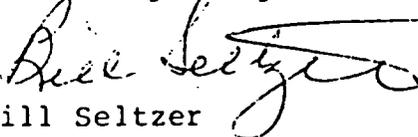
I am representing Amerind Oil Co. and we propose to drill a 11,500' Strawn formation test at a legal location in the SW/4 SE/4 of Section 28. We request that you join us in the drilling of the test well or grant us a lease for \$200.00 per acre and 1/4th royalty.

If you desire to join, please execute the attached AFE and return. We will forward an Operating Agreement at a later date.

Your immediate attention will be appreciated.

If you have any questions, please call.

Yours very truly,


Bill Seltzer

BS/kp
Attachment

P 296 956 995

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

PS Form 3800, June 1985
U.S.G.P.O. 1985-480-794

| | |
|---|-------------|
| Sent to Mr. Clifford Cone | |
| Street and No. P.O. Box 1509 | |
| P.O. State and ZIP Code Lovington, N.M. 88260 | |
| Postage | .22 |
| Certified Fee | .75 |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt (if you want to know and date of delivery) | .70 |
| Return Receipt (if you want date and address of delivery) | |
| TOTAL POSTAGE AND FEES | 1.67 |
| Postmark or Date 6/9/87 | |

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent the card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to:
**Mr. Clifford Cone
P.O. Box 1509
Lovington, N.M. 88260**

4. Article Number
P 296 956 995

Type of Service:
 Registered
 Certified
 Express Mail
 Insured
 COD

Always obtain signature of addressee or agent and **DATE DELIVERED**.

5. Signature - Addressee
X

6. Signature - Agent
X *Clifford Cone*

7. Date of Delivery
6-10-87

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 9, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/320 = 1 acre

Mr. Kenneth Cone
P.O. Box 11310
Midland, Texas 79702

Dear Mr. Cone:

According to a check of the County Records of Lea County, New Mexico, you are the owner of the above mineral interest.

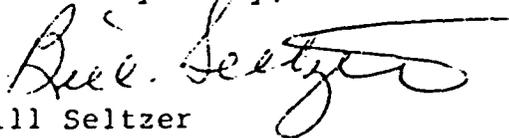
I am representing Amerind Oil Co. and we propose to drill a 11,500' Strawn formation test at a legal location in the SW/4 SE/4 of Section 28. We request that you join us in the drilling of the test well or grant us a lease for \$200.00 per acre and 1/4th royalty.

If you desire to join, please execute the attached AFE and return. We will forward an Operating Agreement at a later date.

Your immediate attention will be appreciated.

If you have any questions, please call.

Yours very truly,


Bill Seltzer

BS/kp
Attachment

P 296 956 996

RECEIPT FOR CERTIFIED MAIL

NO POSTAGE NECESSARY IF MAILED IN THE UNITED STATES

(See Reverse)

U.S.G.P.O. 1985-480-794

PS Form 3800, June 1981

| | |
|------------------------------------|-------------|
| Send to Mr. Kenneth Cone | |
| P.O. Box 11310 | |
| Midland, Tx. 79702 | |
| Postage | .22 |
| Postnet fee | .75 |
| Registration fee | |
| Insurance fee | .70 |
| TOTAL | 1.67 |
| Date of Delivery 6/9/87 | |

SENDER: Complete items 1 and 2 when additional services are desired. Agent complete items 3 and 4.
Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested. **87**

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to: **Mr. Kenneth Cone**
P.O. Box 11310
Midland, Texas 79702

4. Article Number: **P 296 956 996**
Type of Service: Registered Insured
 Certified COD
 Express Mail

5. Signature - Addressee: *Kenneth D. Cone*

6. Signature - Agent: *[Signature]*

7. Date of Delivery: **6-19-87**

8. Addressee's Address (ONLY if requested and fee paid):
Always obtain signature of addressee or agent and DATE DELIVERED.

DOMESTIC RETURN RECEIPT

PS Form 3811, Feb. 1986

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 9, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/2 of 3/160 = 3 acres

Ms. Jeanne Van Zant Sanders
Suite 508
Sinclair Bldg.
Ft. Worth, Texas 76102

Dear Ms. Sanders:

Please refer to my letter of May 26, 1987 (copy attached).

Please be advised Amerind Oil Co. has made an application with the New Mexico Conservation Division for a Non-Standard unit consisting of the SE/4 SW/4 and SW/4 SE/4 of Section 28 for the drilling of our test well in the SW/4 SE/4 of Section 28 along with an application to compulsory pool various owners.

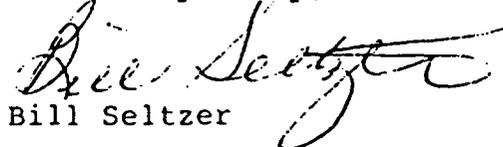
We plan to commence operations immediately and request you join us in the drilling of the test well and concur with our dedication or make a trade as outlined in my letter.

If you desire to join please execute the AFE attached and return in order that we may prepare an operating agreement.

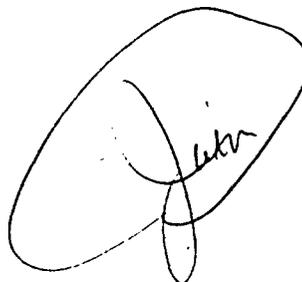
Your immediate attention will be appreciated.

If you have any questions, please call.

Yours very truly,


Bill Seltzer

BS/kp
Attachments



RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

* U.S.G.P.O. 1985-480-794

PS Form 3800, June 1985

| | |
|--|---------|
| Send to Jeanne Van Zant Sanders | |
| Street and No. Suite 508 | |
| P.O. State and Zip Code Sinclair Bldg. Ft. Worth, Tx. 76102 | |
| Postage | \$.22 |
| Certified Fee | .75 |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt showing to whom and Date Delivered | .70 |
| Return Receipt showing to whom Date and Address of Delivery | |
| TOTAL Postage and Fees | \$ 1.67 |
| Postmark or Date 6/9/87 | |

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

| | |
|--|---|
| <p>● SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent the card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.</p> <p>1. <input type="checkbox"/> Show to whom delivered, date, and addressee's address. 2. <input type="checkbox"/> Restricted Delivery.</p> | |
| <p>3. Article Addressed to: Ms. Jeanne Van Zant Sanders Suite 508 Sinclair Bldg. Ft. Worth, Tx. 76102</p> | <p>4. Article Number P 296 957 000</p> <p>Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD</p> |
| <p>5. Signature - Addressee X</p> | <p>Always obtain signature of addressee or agent and DATE DELIVERED.</p> <p>8. Addressee's Address (ONLY if requested and fee paid)</p> |
| <p>6. Signature - Agent X <i>Maddy Brown</i></p> | |
| <p>7. Date of Delivery <i>6/11/85</i></p> | |

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

May 26, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/2 of 3/160 = 3 acres

Ms. Jeanne Van Zant Sanders
Suite 508
Sinclair Bldg.
Fort Worth, Texas 76102

Dear Ms. Sanders:

I am representing Amerind Oil Co. of Midland, Texas and we propose to drill a 11,500' Strawn test well at a legal location in the SW/4 SE/4 of Section 28, T-16-S, R-37-E, Lea County, New Mexico.

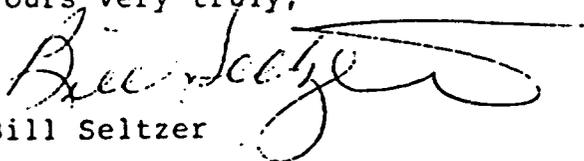
We request you to join us in the drilling of the proposed test well or farmout your interest delivering an Oil and Gas Lease with a 1/4th royalty until payout at which time you would have the option to convert 1/16th of the royalty to a 25% working interest or we request you to grant us an Oil and Gas Lease on your interest for a bonus of \$300.00 per acre, 1/4th royalty and 3 year term.

This tract of land is divided among 135 different mineral owners and we own approximately a 50% leasehold interest. Due to the diversity of ownership of the tract it will be necessary to apply for a compulsory pooling order with the New Mexico Conservation Division.

If you desire to join, please execute the attached AFE.

If you have any questions, please call.

Yours very truly,


Bill Seltzer

BS/kp
Attachment: AFE

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 9, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico

Mr. Roy Barton, Jr.
P.O. Box 978
Hobbs, New Mexico 88240

Dear Mr. Barton:

Please refer to my letter of May 26, 1987 (copy attached).

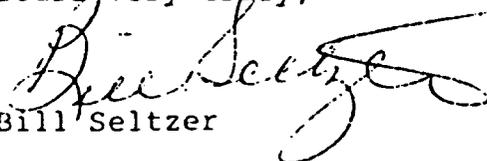
Amerind Oil Co. has made an application with the New Mexico Conservation Division for a Non-Standard unit consisting of the SE/4 SW/4 and SW/4 SE/4 of Section 28 for the drilling of our test well in the SW/4 SE/4 of Section 28 along with an application to compulsory pool various owners.

We plan to commence operations immediately and request you join in the drilling of the proposed test well and concur in our dedication of acreage or make a trade as outlined in our letter.

If you desire to join, please execute the AFE attached and return in order that I may prepare an operating agreement.

Your immediate attention will be appreciated.

Yours very truly,


Bill Seltzer

BS/kp
Attachment

RECEIPT FOR CERTIFIED MAIL

U.S. MAIL SERVICE
POST OFFICE BOX 978
HOBBS, N.M. 88240

(See Reverse)

505 551 P.O. BOX 978

| | |
|--------------------|------|
| Roy G. Barton, Jr. | |
| P.O. Box 978 | |
| Hobbs, N.M. 88240 | |
| | .22 |
| | .75 |
| | .70 |
| | 1.67 |
| Date of Sale | |
| 6/9/87 | |

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to: Mr. Roy G. Barton, Jr.
P.O. Box 978
Hobbs, N.M. 88240

4. Article Number: P 519-404-221

Type of Service: Registered Insured
 Certified COD
 Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee

6. Signature - Agent

7. Date of Delivery: 6-12-87

8. Addressee's Address (ONLY if requested and fee paid)

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

May 26, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/128 = 2.5 acres

Mr. Roy G. Barton
P.O. Box 978
Hobbs, New Mexico 88240

Dear Mr. Barton:

I am representing Amerind Oil Co. of Midland, Texas and we propose to drill a 11,500' Strawn test well at a legal location in the SW/4 SE/4 of Section 28, T-16-S, R-37-E, Lea County, New Mexico.

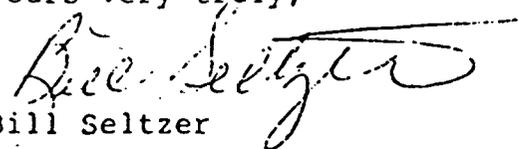
We request you to join us in the drilling of the proposed test well or farmout your interest delivering an Oil and Gas Lease with a 1/4th royalty until payout at which time you would have the option to convert 1/16th of the royalty to a 25% working interest or we request you to grant us an Oil and Gas Lease on your interest for a bonus of \$300.00 per acre, 1/4th royalty and 3 year term.

This tract of land is divided among 135 different mineral owners and we own approximately a 50% leasehold interest. Due to the diversity of ownership of the tract it will be necessary to apply for a compulsory pooling order with the New Mexico Conservation Division.

If you desire to join, please execute the attached AFE.

If you have any questions, please call.

Yours very truly,


Bill Seltzer

BS/kp
Attachment: AFE

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

June 9, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/2 of 3/160 = 3 acres

Mr. J.H. Van Zant, II
1722 Commerce Bldg.
307 W. 7th Street
Ft. Worth, Texas 76102-5173

Dear Mr. Van Zant:

Please refer to my letter of May 26, 1987 (copy attached).

Please be advised Amerind Oil Co. has made an application with the New Mexico Conservation Division for a Non-Standard unit consisting of the SE/4 SW/4 and SW/4 SE/4 of Section 28 for the drilling of our test well in the SW/4 SE/4 of Section 28 along with an application to compulsory pool various owners.

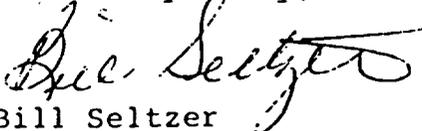
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Your immediate attention will be appreciated.

If you have any questions, please call.

Yours very truly,


Bill Seltzer

BS/kp
Attachments

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

U.S.G.P.O. 1985-480-794
PS Form 3811, June 1985

Mr. J.H. Van Zant, II
1722 Commerce Bldg.
307 W. 7th Street
Ft. Worth, Tx. 76102-5173
P.O. State and Zip Code

| | |
|--|-------------|
| Postage | .22 |
| Certified Fee | .75 |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt (showing to whom and date of delivery) | .70 |
| Return Receipt (with return date and time of delivery) | |
| TOTAL POSTAGE AND FEES | 1.67 |

6/9/87

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to:
Mr. J.H. Van Zant, II
1722 Commerce Bldg.
307 W. 7th Street
Ft. Worth, Tx. 76102-5173

4. Article Number
P 296 956 998

Type of Service:
 Registered
 Certified
 Express Mail
 Insured
 COD

5. Signature - Addressee
X *J.H. Van Zant II*

6. Signature - Agent
X

7. Date of Delivery
JUN 1987

8. Addressee's Address (ONLY if requested and fee paid)
Always obtain signature of addressee or agent and DATE DELIVERED.

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

May 26, 1987

Re: T-16-S, R-37-E
Section 28: S/2
Lea County, New Mexico
1/2 of 3/160 = 3 acres

Mr. J. H. Van Zant, II
1722 Commerce Bldg.
307 W. 7th Street
Fort Worth, Texas 76102-5173

Dear Mr. Van Zant:

I am representing Amerind Oil Co. of Midland, Texas and we propose to drill a 11,500' Strawn test well at a legal location in the SW/4 SE/4 of Section 28, T-16-S, R-37-E, Lea County, New Mexico.

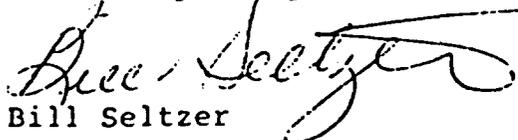
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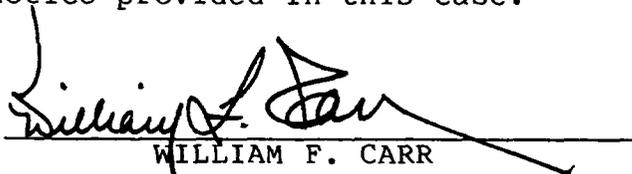
If you have any questions, please call.

Yours very truly,

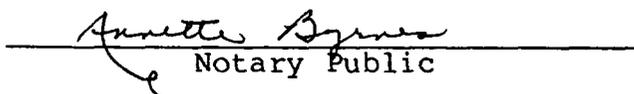

Bill Seltzer

BS/kp
Attachment: AFE

Such notice was provided by certified mail, return receipt requested. Exhibit A, attached hereto and incorporated herein by reference, is a list of the names and addresses, where information is available and known, of each interested person to whom such notice has been sent. Exhibit B, attached hereto and incorporated herein by reference, is the return receipts by Applicant in response to the notice provided in this case.


WILLIAM F. CARR

SUBSCRIBED AND SWORN to before me this 30th day of June, 1987.


Notary Public

My Commission Expires:

January 10, 1991

E X H I B I T A

AMERIND OIL COMPANY

INTEREST OWNER LIST

| | |
|---|--|
| Florence M. and Frank B. Balkam 919 North Federal Mason City, Iowa 50401 | Kenneth Cone Post Office Box 11310 Midland, Texas 79702 |
| Roy G. Barton, Jr. Post Office Box 978 Hobbs, New Mexico 88240 | Conoco, Inc. 200 North Lorraine Street Midland, Texas 79701 Attn: David Twomey |
| Doris Kennedy Baumgartner Bruce Kennedy Baumgartner Dexter Kay Baumgartner Duva Baumgartner Hill Maida Baumgartner Latvis Mason City, Iowa 50401 | Elizabeth C. Corbett Humboldt, Iowa 50548 |
| Helen M. Brewer address unknown | J. Patrick Corrigan, J. Edward Corrigan, & Hugh Corrigan IV c/o Mr. Clem Ware 2500 Castleford Road Midland, Texas 79705 |
| Arthur and Helga Briston Roland, Iowa 50236 | Ellen A. Crepow Mason City, Iowa 50401 |
| Louis E. and Ana Brooker Mason City, Iowa 50401 | Floy Mae & Joel O. : Mawhinney Dennis 8840 Crawford Avenue Sun Valley, Ca. 91352 |
| O.H. Brown, Annie I. Brown H. Frank Porawski Audrain, Missouri 65232 | Lillian Mabel Drew address unknown |
| W. C. Caldwell address unknown | Alex H. and Maggie Johnson Duncan address unknown |
| Nick D. Christakos c/o Ourania Christakos 1345 - 6th Ave., Apt. #1 Des Moines, Iowa 50314 | Henry R. and Effie M. Elvidge address unknown |
| Evan Christiansen Lake Mills, Iowa 50450 | J. D. and Myrtle I. Evans Madison, Wisconsin 53701 |
| Clifford Cone Post Office Box 1509 Lovington, N. M. 88260 | Felmont Oil Corporation Post Office Box 2266 Midland, Texas 79702 Attn: Robert N. Hinson |
| Douglas L. Cone Post Office Box 13612 Albuquerque, N.M. 87123 | Clifford K. and Hazel Ferguson Rolland S. and Fay Ferguson K.L. & Marjorie A. Mendenhall Pearl L. Brechler address unknown |

Henrietta L. McDermott Fisher
3440 Grand Avenue
Des Moines, Iowa 50312

Frederick M. and Alta Grace
Mason City, Iowa 50401

Clifford and Clara Gray
Mason City, Iowa 50401

Ada L. Grew
address unknown

Mary E. Grisso
c/o Harry J. Schafer
Post Office Box 14667
Oklahoma City, Ok. 73113

C. A. & Lillian W. Hansen
Mason City, Iowa 50401

Earl L. and Kathryn Hansen
Swea City, Iowa 50590

Frances M. Heffron, Clara Agnes
Sofranko, Gerald L. Sofranko,
Eleanora Sofranko
Lovila, Iowa 50150

C. F. Hemphill
Mason City, Iowa 50401

Heritage Resources
Post Office Box 777
Davis, Oklahoma 73030
Attn: Brian Healey

Mildred L. Hitchcock
address unknown

F. C. Holmes
Hampton, Iowa 50441

The Home-Stake Royalty Corp.
The Home-Stake Oil & Gas Co.
2800 First National Tower
Tulsa, Oklahoma 74103

W. A. Horn
630 - 33rd Avenue
San Francisco, Ca. 94121

Fred Kemper
address unknown

Cynthia E. Larson and
Charles B. Larson
Paola, Kansas 66071

Cora I. Lohr Law and G. L. Law
Humboldt, Iowa 50548

Coates Energy Trust and
Elizabeth H. Maddux
Post Office Box 171717
San Antonio, Texas 78217
Attn: Ms. Margie Gormley

Estella Maple
Banning, Ca. 92220

Trust U/W of Eleanor W. McAdoo
Bank of America National Trust
and Savings Association
Post Office Drawer EE
Santa Barbara, Ca. 83102

J. R. & Catherine McGinley,
Lanroy, Inc., Cleroy, Inc.
Post Office Box 3405
Tulsa, Oklahoma 74101
Attn: Mr. John Clegg

Arthur J. and Jennie M. Miller
Leonard & Echo Belle Miller
Humboldt, Iowa 50548

Harry A. Miller, Jr., Harry A.
Miller, Margaret Ann Miller
Carrico, c/o H. A. Miller
600 First National Bank Bldg.
Midland, Texas 79701

Andrew E. and Bessie R. Nelson
Mason City, Iowa 50401

Lorene S. and Hugo W. Nemela
823 Kingsley
Waterloo, Iowa 50701

W. J. and Muriel J. Parrott
Mason City, Iowa 50401

Pennzoil Co.
Post Office Box 2967
Houston, Texas 77252-2967
Attn: Ken Stanaland

Petco Limited
Post Office Box 911
Breckenridge, Texas 76024-0911
Attn: Mrs. Frankie Jenkins

Ethel Armentrout Petersen
Banning, Ca. 92220

Frank O. and Ella M. Peterson
Callendar, Iowa 50523

Blanche L. Probert, Shirley F.
Porter & H. Hewell Probert
6233 - 40th, N.E.
Seattle, Washington 98105

Rio Pecos Corporation
110 West Louisiana, Suite 460
Midland, Texas 79701
Attn: Scott E. Wilson

Dorothy Jeanne Van Zant Sanders
Suite 508, Sinclair Building
106 West 5th Street
Fort Worth, Texas 76102

John Satoka
address unknown

Harry and Laura C. Schrader
Rudd, Iowa 50471

Gertrude J. Sproule Scullin
500 West Ocean Avenue
Long Beach, Ca. 90802

Burt R. and Mae Shifflet
320 Sunset Road
Waterloo, Iowa 50701

J.E. & Beulah H. Simmons Trust
First National Bank of Lubbock
Post Office Box 1241
Lubbock, Texas 79408
Attn: Mr. Steve Exter

Charles E. and Madge L. Snipps
Mason City, Iowa 50401

Standard Oil Production Co.
2 Lincoln Centre, Suite 1000
5420 LBJ Freeway
Dallas, Texas 75240-6222
Attn: Ms. Diane Tripp

Sun Exploration & Prod. Co.
Post Office Box 2880
Dallas, Texas 75221-2880
Attn: Charles Measley

Texaco, Inc.
Post Office Box 3109
Midland, Texas 79702
Attn: Gary Kern

June M. Thieman and
Everett W. Kischer
Newell, Iowa 50568

J. H. Van Zant, II
1730 Commerce Building
307 West 7th
Fort Worth, Texas 76102-5173d

Pat Alston Ward
Post Office Box 38
Lincoln, New Mexico 88338

C. E. Werthenbach, Amerett
Schmitz, Individually and as
Executrix of the Estate of
Cora M. Westhenbach
1707 South Massachusetts Ave.
Mason City, Iowa 50450

Cynthia McAdoo Wheatland
33 Branch Street
Boston, Massachusetts 02108

Mr. E. B. White
Post Office Box 2052
Midland, Texas 79702

G. L. and Christena B. Whitman
Waterloo, Iowa 50701

Elizabeth H. Woodburn
1194 College Drive
San Bernardino, Ca. 92410

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
J. SCOTT HALL
PETER N. IVES
JOHN H. BEMIS
MARTE D. LIGHTSTONE

GUADALUPE PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

June 11, 1987

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

To the Interest Owner or Offset Operator

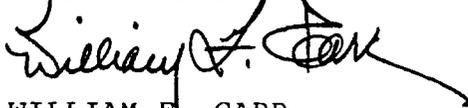
Re: Application of Amerind Oil Company for Compulsory
Pooling and a Non-Standard Spacing Unit,
Lea County, New Mexico.

Dear Interest Owner or Offset Operator:

This letter is to advise you that Amerind Oil Company has filed an application with the New Mexico Oil Conservation Division seeking the force pooling of all mineral interests in the Strawn and Atoka formations in and under a non-standard spacing unit comprised of the SW/4 SE/4 and the SE/4 SW/4 of Section 28, Township 16 South, Range 37 East, N.M.P.M., Lea County, New Mexico. Amerind Oil Company proposes to dedicate the referenced pooled unit to a well to be drilled at a standard location on said pooled unit.

This application has been set for hearing before a Division Examiner on July 1, 1987. You are not required to attend this hearing, but as an owner that has an interest which may be subject to pooling, or as an offset operator to the proposed non-standard spacing unit, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later date.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR AMERIND OIL COMPANY

WFC/ab

CAMPBELL & BLACK, P.A.
LAWYERS
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208

P 456 360 123

RETURN RECEIPT REQUESTED

P 456 360 123

~~Florence and Frank Balkam
919 North Federal
Mason City, Iowa 50401~~

*Florence & Frank Balkam
919 No. Federal
Mason City, Iowa 50401*

.22

.75

.70

1.67

6/11/87



P 456 360 145
RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

| | |
|---|-----------------------|
| Sent to <i>Ray L. Barton, Jr.</i> | |
| Street and No. <i>P.O. Box 978</i> | |
| P.O., State and ZIP Code <i>Albuquerque, N.M. 88240</i> | |
| Postage | \$ <i>.22</i> |
| Certified Fee | <i>.75</i> |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to whom and Date Delivered | <i>.70</i> |
| Return Receipt Showing to whom Date and Address of Delivery | |
| TOTAL Postage and Fees | \$ <i>1.67</i> |
| Postmark or Date <i>6/11/87</i> | |

PS Form 3800, Feb. 1982

CAMPBELL & BLACK, P.A.
LAWYERS
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208

P 456 360 172

RETURN RECEIPT REQUESTED

~~Louis E. and Ana Brooker
Mason City
Iowa 50401~~

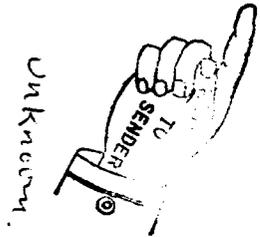
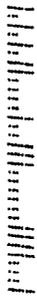
P 456 360 172

*Louis E. and
Ana Brooker
Mason City, Iowa 50401*

*.22
.75*

*.70
1.67*

6/11/87



P 456 360 166

Doris Kennedy Baumgartner
 Bruce Kennedy "
 Dexter Kay "
 Dava Baumgartner Hill
 Maida Baumgartner Latvis
 Mason City, Iowa 50401

.22

.75

.70

1.67

6/11/87

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent return of items from being returned to you. The return receipt fee will protect you the return of the items. The return receipt fee and the date of delivery. For additional fees the following services are available: (1) Insurance for 100 and special boxes for additional services requested.

Show to whom delivered, date, and addressee's address. Registered Mail

Article addressed to:
 Doris Kennedy Baumgartner
 Bruce Kennedy Baumgartner
 Dexter Kay Baumgartner
 Dava Baumgartner Hill
 Maida Baumgartner Latvis
 Mason City, Iowa 50401

Signature - Addressee
 Doris Kennedy Baumgartner

Signature - Agent

Date of Delivery 6-16-87

4. Article Number P 456 360 166
 Type of Service: Registered Mail Insured COD

Always obtain signature of addressee agent and DATE DELIVERED.
 8. Addressee's Address (ONLY if requested and fee paid)

DOMESTIC RETURN RECEIPT

Form 3871, Feb. 1986

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent the mail from being returned to you. The return receipt fee will provide you the name of the person addressed to and the date of delivery. For additional fee, the following services are available. Check appropriate boxes for each service (boxes for additional service requested).

| | | | |
|---|--|---|--|
| <input type="checkbox"/> Return to Mailed, delivered, date, and address of sender. Arthur and Helga Briston Roland Iowa 50236 | | <input type="checkbox"/> Registered Delivery. P 456 360 161 | |
| <input checked="" type="checkbox"/> Signature - Addressee X | | <input type="checkbox"/> Registered Certified Business Mail <input type="checkbox"/> Insured COD | |
| <input checked="" type="checkbox"/> Signature - Agent X <i>Helga Briston</i> | | Always obtain signature of addressee or agent and DATE DELIVERED. | |
| <input checked="" type="checkbox"/> Date of Delivery 6-15-87 | | B. Addressee's Address (ONLY if requested and fee paid) | |

PS Form 3811, Feb. 1986. DOMESTIC RETURN RECEIPT

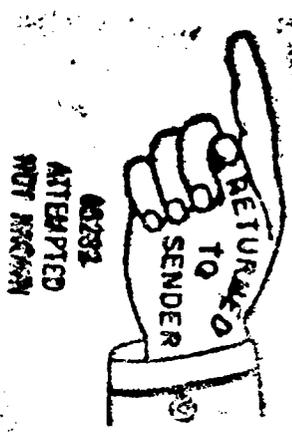
P 456 360 161

Arthur and
 Helga Briston
 Roland, Iowa 50236

.22
 .75
 .70
 1.67

6/11/87

CAMPBELL & BLACK, P.A.
LAWYERS
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208



P 456 360 165

RETURN RECEIPT REQUESTED

O. H. Brown
Annie I. Brown
H. Frank Porawski
Audrain, Missouri 65232

P 456 360 165

*O. H. Brown, Annie Brown
H. Frank Porawski
Audrain, Missouri 65*

.2
.7

.70

1.65

6/11/87

65232

HOLD

DATE

JUN 17 1987

1ST NOTICE

2ND NOTICE

RETURN

Designated from
PS Form 3849-A
Oct. 1980

CAMPBELL & BLACK, P.A.

LAWYERS

POST OFFICE BOX 2208

SANTA FE, NEW MEXICO 87504-2208

P 456 360 121

RETURN RECEIPT REQUESTED

~~Nick D. Christakos
c/o Oukania Christakos
1345 6th Avenue
Apartment #1
Des Moines, Iowa 50314~~

CHR 45 93163341 FMD TIME EX
CHRISTAKOS
3224 UNIVERSITY AVE
DES MOINES IA 50311-3611
RETURN TO SENDER

P 456 360 121

*Nick D. - Oukania Christakos
1345-6th Ave., Apt. #1
Des Moines, Iowa 50314*

.22

.75

.70

1.67

6/11/87

88334

HOLD

LATE

JUN 22 1987

1ST NOTICE

2ND NOTICE

RETURN

Detached from
PS Form 3843-A
Oct. 1980

CAMPBELL & BLACK, P.A.
LAWYERS
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208

P 456 360 163

RETURN RECEIPT REQUESTED

Evan Christiansen
Lake Mills
Iowa 50450

ADDRESS UNKNOWN



P 456 360 163

*Evan Christiansen
Lake Mills
Iowa 50450*

.22
.75
.70
1.67

6/11/87

CLAIM CHECK
548216

HOLD

DATE

6/15/87

1ST NOTICE

2ND NOTICE

RETURN

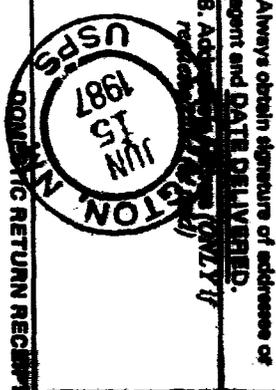
5/16

Detached from
Form 3849-A
1980

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 through 8 when you want to return the article. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent your article from being returned to you. The return request fee will be charged to the sender. For information on the return request fee and additional services, see the "RETURN TO" space on the reverse side of this form. For information on the return request fee and additional services, see the "RETURN TO" space on the reverse side of this form.

| | |
|---|--|
| 1. <input type="checkbox"/> Show to whom delivered, date, and address if address is different from the return address. 2. <input type="checkbox"/> Registered Delivery. | |
| 3. Article Addressed to: <i>Cliffard Cone</i> P.O. Box 1509 Lovington, N.M. 88260 | |
| 4. Article Number: P 456 360 141 | |
| Type of Service: <input type="checkbox"/> Registered Certified <input type="checkbox"/> Insured <input type="checkbox"/> Registered Mail <input type="checkbox"/> COD | |
| Always obtain signature of addressee of agent and DATE DELIVERED. | |
| 5. Signature - Addressee X | |
| 6. Signature - Agent X <i>Cliffard Cone by Charles</i> | |
| 7. Date of Delivery | |
| 8. Address of Agent (OPTIONAL) Lovington, N.M. 88260 | |

PS Form 3811, Feb. 1986



P 456 360 141
 Cliffard Cone
 PO Box 1509
 Lovington, NM 88260

.22
 .75
 .70
 1.67

6/11/87

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent the card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Check the postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to:
 Douglas L. Cone
 P.O. Box 13612
 Albuquerque, N.M. 87123

4. Article Number: P 456 360 140
 Type of Service:
 Registered
 Certified
 Express Mail
 Insured
 COD

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee

6. Signature - Agent
 D. L. Cone

7. Date of Delivery
 6-16-87

8. Addressee's Address (ONLY if requested and see post)

Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

P 456 360 140

Douglas L. Cone
 P O Box 13612
 Albuquerque N.M. 87123

.22
 .75
 .70
 1.67

6/11/87

P 456 360 142

Kenneth Cone
P.O. Box 11310
Midland, Tex. 79702

.22
.75

.70
1.67

6/11/87

3

SENDERS: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4 if your address in the "RETURN TO" space needs to be changed. Failure to do so may result in mail being returned to you. The return address is the address to which the mail should be returned to and the date of delivery. For additional information, see the "RETURN TO" space and check box(es) for additional services requested.

1. Show to whom delivered, date, and address of delivery.

Artists Addressed to:

Kenneth Cone
P.O. Box 11310
Midland, Tex. 79702

2. Registered Mail Registered Mail with Signature Confirmation Registered Mail with Restricted Access Registered Mail with Signature Confirmation and Restricted Access

3. Signature - Addressee Signature - Agent Signature - Recipient

4. Agent's Name: _____

5. Agent's Address: _____

6. Agent's Phone Number: _____

7. Agent's Signature: _____

8. Addressee's Address (ONLY if requested and fee paid)

9. Addressee's Signature: _____

10. Addressee's Date of Signature: _____

11. Addressee's Address (ONLY if requested and fee paid)

12. Addressee's Signature: _____

13. Addressee's Date of Signature: _____

14. Addressee's Address (ONLY if requested and fee paid)

15. Addressee's Signature: _____

16. Addressee's Date of Signature: _____

17. Addressee's Address (ONLY if requested and fee paid)

18. Addressee's Signature: _____

19. Addressee's Date of Signature: _____

20. Addressee's Address (ONLY if requested and fee paid)

21. Addressee's Signature: _____

22. Addressee's Date of Signature: _____

23. Addressee's Address (ONLY if requested and fee paid)

24. Addressee's Signature: _____

25. Addressee's Date of Signature: _____

26. Addressee's Address (ONLY if requested and fee paid)

27. Addressee's Signature: _____

28. Addressee's Date of Signature: _____

29. Addressee's Address (ONLY if requested and fee paid)

30. Addressee's Signature: _____

31. Addressee's Date of Signature: _____

32. Addressee's Address (ONLY if requested and fee paid)

33. Addressee's Signature: _____

34. Addressee's Date of Signature: _____

35. Addressee's Address (ONLY if requested and fee paid)

36. Addressee's Signature: _____

37. Addressee's Date of Signature: _____

38. Addressee's Address (ONLY if requested and fee paid)

39. Addressee's Signature: _____

40. Addressee's Date of Signature: _____

41. Addressee's Address (ONLY if requested and fee paid)

42. Addressee's Signature: _____

43. Addressee's Date of Signature: _____

44. Addressee's Address (ONLY if requested and fee paid)

45. Addressee's Signature: _____

46. Addressee's Date of Signature: _____

47. Addressee's Address (ONLY if requested and fee paid)

48. Addressee's Signature: _____

49. Addressee's Date of Signature: _____

50. Addressee's Address (ONLY if requested and fee paid)

51. Addressee's Signature: _____

52. Addressee's Date of Signature: _____

53. Addressee's Address (ONLY if requested and fee paid)

54. Addressee's Signature: _____

55. Addressee's Date of Signature: _____

56. Addressee's Address (ONLY if requested and fee paid)

57. Addressee's Signature: _____

58. Addressee's Date of Signature: _____

59. Addressee's Address (ONLY if requested and fee paid)

60. Addressee's Signature: _____

61. Addressee's Date of Signature: _____

62. Addressee's Address (ONLY if requested and fee paid)

63. Addressee's Signature: _____

64. Addressee's Date of Signature: _____

65. Addressee's Address (ONLY if requested and fee paid)

66. Addressee's Signature: _____

67. Addressee's Date of Signature: _____

68. Addressee's Address (ONLY if requested and fee paid)

69. Addressee's Signature: _____

70. Addressee's Date of Signature: _____

71. Addressee's Address (ONLY if requested and fee paid)

72. Addressee's Signature: _____

73. Addressee's Date of Signature: _____

74. Addressee's Address (ONLY if requested and fee paid)

75. Addressee's Signature: _____

76. Addressee's Date of Signature: _____

77. Addressee's Address (ONLY if requested and fee paid)

78. Addressee's Signature: _____

79. Addressee's Date of Signature: _____

80. Addressee's Address (ONLY if requested and fee paid)

81. Addressee's Signature: _____

82. Addressee's Date of Signature: _____

83. Addressee's Address (ONLY if requested and fee paid)

84. Addressee's Signature: _____

85. Addressee's Date of Signature: _____

86. Addressee's Address (ONLY if requested and fee paid)

87. Addressee's Signature: _____

88. Addressee's Date of Signature: _____

89. Addressee's Address (ONLY if requested and fee paid)

90. Addressee's Signature: _____

91. Addressee's Date of Signature: _____

92. Addressee's Address (ONLY if requested and fee paid)

93. Addressee's Signature: _____

94. Addressee's Date of Signature: _____

95. Addressee's Address (ONLY if requested and fee paid)

96. Addressee's Signature: _____

97. Addressee's Date of Signature: _____

98. Addressee's Address (ONLY if requested and fee paid)

99. Addressee's Signature: _____

100. Addressee's Date of Signature: _____

Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

6-15-87

P 456 360 132

aten: David Twomey
Conoco, Inc.
200 No. Lorraine St.
Midland, Texas 79701

.22
.75

.70

1.67

6/11/87

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person to send the date of delivery. For additional fees the following services are available. Consult [redacted] for fees and check box(es) for additional service(s) requested.

1. How to whom delivered, date, and address's address. 2. Restricted Delivery.

3. **Return Addressed to:**
Conoco, Inc.
200 North Lorraine Street
Midland, Texas 79701
aten: David Twomey

4. **Article Number**
P 456 360 132

Type of Service:
 Registered
 Certified
 Express Mail
 Insured
 COD

5. **Signature - Addressee**
[Signature]

6. **Signature - Agent**
[Signature]

7. **Date of Delivery**
6-16-87

8. **Addresser's Address (ONLY if requested and fee paid)**

Always obtain signature of addressee or agent and **DATE DELIVERED.**

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

P 456 360 134

5. Patrick, 5. Edward,
Hugh Carrigan IV
% Mr. Clem Ware
2500 Castleford Road
Midland, Texas 79705

.22

.75

.70

1.67

6/11/87

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to:
9. Patrick Carrigan, 5. Edward Carrigan, Hugh Carrigan, III
% Mr. Clem Ware
2500 Castleford Road
Midland, Texas 79705

4. Article Number
P 456 360 134
Type of Service
 Registered Insured
 Certified COD
 Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee
 Signature - Agent

6. Signature - Agent
X

7. Date of Delivery
6-13-87

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

CAMPBELL & BLACK, P.A.
LAWYERS
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208

P 456 360 158

RETURN RECEIPT REQUESTED

P 456 360 158

*Ellen A. Crepow
Mason City
Iowa 50401*

*.22
.75*

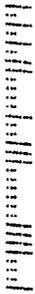
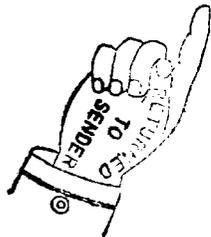
.70

1.67

6/11/87

~~Ellen A. Crepow
Mason City
Iowa 50401~~

Ull Kmetz



P 456 364 574

Hoy Mae and Joel O.
Mauphinney Dennis
9840 Crawford Ave.
Sun Valley, Ca. 91352

.22

.75

.70

1.67

6/11/87

CAMPBELL & BLACK, P.A.
LAWYERS
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208

P 456 360 173

RETURN RECEIPT REQUESTED

**NOT DELIVERABLE AS ADDRESSED
NO FORWARDING ORDER ON FILE**



RETURN TO SENDER

J. D. and Myrtle I. Evans
Madison
Wisconsin 53701

P 456 360 173

*J. D. and Myrtle Evans
Madison
Wisconsin 53701*

.22
.75
.70
1.67

6/11/87



CLAIM CHECK
NO. 8083

DATE JUN 22 1987
1ST NOTICE

2ND NOTICE

RETURN

Delegated from
PS Form 3849-8
Oct. 1980

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult the carrier for fees and check box(es) for additional service(s) requested.

| | |
|---|---|
| 1. <input type="checkbox"/> Ship to whom delivered; date, and addressee's address. 2. <input type="checkbox"/> Restricted Delivery. | |
| 3. Article Addressed to: Belmont Oil Corp. P.O. Box 2266 Midland, Tex. 79702 Attn: Robert W. Hinson | |
| 4. Article Number P 456 360 133 | Type of Service: <input checked="" type="checkbox"/> Registered Certified Express Mail <input type="checkbox"/> Insured COD |
| Always obtain signature of addressee or agent and DATE DELIVERED. 5. Signature - Addressee X 6. Signature - Agent X <i>R. W. Hinson</i> | |
| 7. Date of Delivery X <i>6/16/87</i> | |

PS Form 3811, Feb. 1985 DOMESTIC RETURN RECEIPT

P 456 360 133

Attn: Robert W. Hinson
 Belmont Oil Corp.
 P.O. Box 2266
 Midland, Tex. 79702

.32
 .75
 .70
 1.67

6/11/87

CAMPBELL & BLACK, P.A.
LAWYERS
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208

P 456 360 126

RETURN RECEIPT REQUESTED

Henrietta L. McDermott Fisher
3440 Grand Avenue
Des Moines, Iowa 50312

FIS 40 97180741 06/18/87

FISHER

RETURN TO SENDER
UNDELIVERABLE RETURN TO ADDRESSEE

Detached from
PS Form 3849
Oct. 1980

RETURN

2ND NOTICE

JUN 23 1987
1ST NOTICE

LATE

HOLD

CLAIM CHECK
883421

P 456 360 126

Henrietta L. McDermott
Fisher
3440 Grand Ave.
Des Moines, Iowa 50312

.22

.75

.70

1.67

6/11/87

CAMPBELL & BLACK, P.A.

LAWYERS

POST OFFICE BOX 2208

SANTA FE, NEW MEXICO 87504-2208

P 456 360 178

RETURN RECEIPT REQUESTED

~~Frederick and Alta Grace
Mason City
Iowa 50401~~

P 456 360 178

*Frederick and
Alta Grace
Mason City, Iowa 50401*

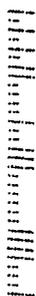
.22

.75

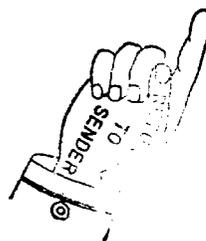
.70

1.67

6/11/87



UNKNOWN



CAMPBELL & BLACK, P.A.
LAWYERS
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208

P 456 360 169

RETURN RECEIPT REQUESTED

P 456 360 169

~~Clifford and Clara Gray
Mason City
Iowa 50401~~

Clifford and Clara Gray

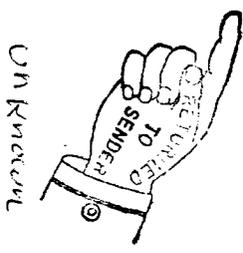
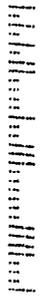
Mason City, Iowa 50401

*.22
.75*

.70

1.67

6/11/87



P 456 360 144

Mary E. Gissod, F.O.I.S.
Schaper
P.O. Box 14667
Oklahoma City, Ok. 73113

.22

.75

.70

1.67

6/11/87

PS Form 3811, Feb. 1986

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to, and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.

Show to whom delivered, date, and addressee's address. Insurance (extra fee)

1. Article Addressed to:
Mary E. Gissod
c/o Mary E. Schaper
P.O. Box 14667
Oklahoma City, Ok. 73113

2. Article Number:
P 456 360 144

3. Type of Service:
 Registered
 Certified
 Insured
 Registered Mail

4. Addressee's Signature:
Mary E. Gissod

5. Signature - Addressee:
X

6. Signature - Agent:
X

7. Date of Delivery:
X

Always obtain signature of addressee of registered mail. DATE DELIVERED.

POST OFFICE OKLAHOMA CITY, OKLAHOMA

DOMESTIC RETURN RECEIPT

CAMPBELL & BLACK, P.A.
LAWYERS
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208

P 456 360 162

RETURN RECEIPT REQUESTED

P 456 360 162

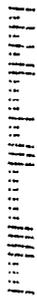
*C. A. and Lillian W.
Hansen
Mason City, Iowa 58401*

.22

.75

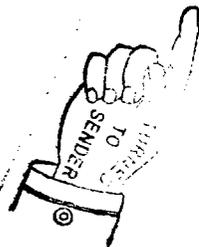
.70

1.67



~~C. A. and Lillian W. Hansen
Mason City
Iowa 50401~~

Unknown



CAMPBELL & BLACK, P.A.

LAWYERS

POST OFFICE BOX 2208

SANTA FE, NEW MEXICO 87504-2208

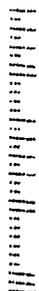
[Faint, illegible stamp]

Received

P 456 364 572

Return Receipt Requested

~~Earl and Kathryn Hansen
Swea City
Iowa 50590~~



P 456 364 572

*Earl and
Kathryn Hansen
Swea City, Iowa 50590*

.22

.75

.70

1.67

6/11/87

P 456 360 157

Frances M. Heffron, et al.
Lanila
Lawa 50150

.22
.75

.70

1.67

6/11/87

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4 if your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent the item from being returned to you. The return postage fee will be added to the amount of the return postage to give the date of delivery. For additional fees for returning services are available. Contact your carrier for fees and check box(es) for additional services requested.

Show to return delivery, date, and address of address. Registered Delivery.

1. Address Addressed to:

Frances M. Heffron
Clara Lynn Heffron
Herald & Barbara
Eleanor Heffron
Lanila, Lawa 50150

2. Address Return to:

P 456 360 157

3. Registered Delivery:

Registered
 Certified
 Express Mail

Insured
 COD

Always obtain signature of addressee or agent and **DATE DELIVERED.**

4. Addressee's Address (ONLY if requested and fee paid)

5. Signature - Addressee
X *Frances M. Heffron*

6. Signature - Agent
X *STV-MS*

7. Date of Delivery
6-15-87

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

CAMPBELL & BLACK, P.A.
LAWYERS
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208

P 456 360 155

RETURN RECEIPT REQUESTED

P 456 360 155

~~C. F. Hemphill
Mason City
Iowa 50401~~

C. F. Hemphill
Mason City
Iowa 50401

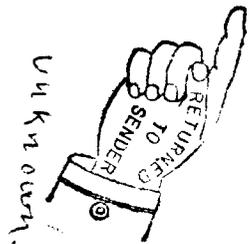
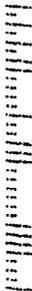
.22

.75

.70

1.67

6/11/87



P 456 360 148

atten: Brian Healey
Heritage Resources
P.O. Box 777
Davis, OR. 73030

.22

.75

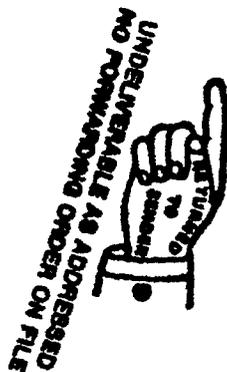
.70

1.67

6/11/87

| | |
|---|--|
| SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent your card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees and services, see the back of this receipt. Consult the postmaster for fees and check (s) for additional services requested. | |
| 1. <input type="checkbox"/> Show to whom delivered, date, and addressee's address. | |
| 2. <input type="checkbox"/> Registered Delivery. | |
| 3. Article Addressed to: Heritage Resources P.O. Box 777 Davis, Oklahoma 73030 Attn: Brian Healey | |
| 4. Article Number: P456 360 148 | |
| Type of Service: <input type="checkbox"/> Registered Certified Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD | |
| Always obtain signature of addressee or agent and DATE DELIVERED. | |
| 5. Signature - Addressee X | |
| 6. Signature - Agent X | |
| 7. Date of Delivery JUN 13 1987 | |
| PS Form 3811, Feb. 1985 | |
| DOMESTIC RETURN RECEIPT | |

CAMPBELL & BLACK, P.A.
LAWYERS
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208



P 456 360 167

F. C. Holmes
Hampton
Iowa 50441

RETURN RECEIPT REQUESTED

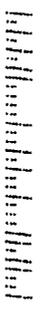
State
1st NOTICE 6/15
1st NOTICE
Return

P 456 360 167

F.C. Holmes
Hampton
Iowa 50441

.22
.75
.70
1.67

6/11/87



● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

| | | | |
|---|--|--|--|
| 1. <input type="checkbox"/> Show to whom delivered, date, and addressee's address. | | 2. <input type="checkbox"/> Registered Delivery. | |
| 3. Article Addressed to: The Home State Royalty Corp. The Home State Royalty Corp. 2800 First National Tower Julesa, Oklahoma 74103 | | 4. Article Number: P 456 360 152 Type of Service: <input checked="" type="checkbox"/> Registered Certified Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD | |
| 5. Signature - Addressee X | | Always obtain signature of addressee or agent and DATE DELIVERED. | |
| 6. Signature Agent X | | 8. Addressee's Address (ONLY if requested and fee paid) | |
| 7. Date of Delivery 6-15-87 JUN 15 1987 | | | |

PS Form 3811, Feb. 1986 DOMESTIC RETURN RECEIPT

P 456 360 152

The Home State Royalty Corp.
2800 First Nat'l Tower
Julesa, Ok. 74103

.22
.75
.70
1.67

6/11/87

P 456 360 127

W.A. Horn
630 - 33rd Ave.
San Francisco, Ca. 94121

.22
.75

.70

1.67

6/11/87

CAMPBELL & BLACK, P.A.
LAWYERS
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208



CLAIM CHECK
NO. 333182

HOLD

DATE JUN 15 1987

W. A. Horn
630 33rd Avenue
San Francisco, Ca

1ST NOTICE

2ND NOTICE

RETURN

Detached from
PS Form 3849-A
Oct. 1980

H. H. H. H.

P 456 360 127

RETURN RECEIPT REQUESTED

Handwritten notes and stamps at the top of the page, including a large '7' and some illegible markings.

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this mail from being returned to you. The return receipt fee will provide you the name of the person who received it and the date of delivery. For additional fees the following services are available. Consult the meter for fees and check box(es) for additional service(s) requested.

| | | | |
|--|--|---|--|
| <input type="checkbox"/> Show to whom delivered, date, and addressee's address. | | <input type="checkbox"/> Registered Delivery | |
| Article Addressed to: Coates Energy Trust and Elizabeth H. Maddux P.O. Box 171717 San Antonio, Tex. 78217 Attn: Ms. Margie Rowley | | 4. Zip+4 Number 78217-3601 | |
| 5. Signature - Addressee <input checked="" type="checkbox"/> Signature Agent (Signature: <i>Jan Horn</i>) | | Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Certified <input type="checkbox"/> Registered Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD | |
| 6. Date of Delivery 6-17-87 | | Always obtain signature of addressee or agent and DATE DELIVERED. Addressee's Address (ONLY if requested and fee paid) | |

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

P 456 360 149

Coates Energy Trust and
 Elizabeth H. Maddux
 P.O. Box 171717
 San Antonio, Tex. 78217

.22
 .75

.70
 1.67

6/11/87

CAMPBELL & BLACK, P.A.

LAWYERS

POST OFFICE BOX 2208

SANTA FE, NEW MEXICO 87504-2208

P 456 360 156

RETURN RECEIPT REQUESTED

P 456 360 156

Estella Maple
Banning
California 92220

.22

.75

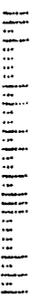
.70

1.67

6/11/87



Estella Maple
Banning
California 92220



CLAIM CHECK
080233

HOLD

JUN 17 1987

1ST NOTICE

2ND NOTICE

RETURN

Detached from
CG Form 3849-A
Oct. 1980

P 456 360 128

Trust u/w of
Eleanor W. McAdoo
Bank of America etc.
P.O. Drawer EE
Santa Barbara, Ca. 83102

.22

.75

.70

1.67

6/11/87

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult the sender for rates and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

| | |
|---|---|
| 3. Article Addressed to: <i>Bank of America Trust & Savings Association Trust u/w of Eleanor W. McAdoo P.O. Drawer EE Santa Barbara, Ca. 83102</i> | 4. Article Number <i>P 456 360 128</i> |
| 5. Signature - Addressee <i>[Signature]</i> | Type of Service: <input checked="" type="checkbox"/> Registered or Certified Express Mail. <input type="checkbox"/> Insured <input type="checkbox"/> COD |
| 6. Signature - Agent <i>[Signature]</i> | 7. Address of addressee or agent and DATE DELIVERED. <i>[Stamp: SANTA BARBARA CALIF. JUN 11 1987]</i> |
| 7. Date of Delivery <i>[Stamp: JUN 11 1987]</i> | 8. Addressee's Address (ONLY if requested and fee paid) <i>[Stamp: SANTA BARBARA CALIF. JUN 11 1987]</i> |

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent the item from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult the postmaster for fees and check box (es) for additional service(s) requested.

| | | | |
|--|--|---|--|
| <input type="checkbox"/> Show to whom delivered, date, and addressee's address. | | <input type="checkbox"/> Restricted Delivery. | |
| 2. Article Addressed to: <i>J.R. and Catherine Mc Kinley January, Ave, Cleary, Ave. 512 Mary Building P. O. Box 3405 Tulsa, Ok. 74101</i> | | 4. Article Number <i>P 456 360 139</i> | |
| 3. Signature - Addressee <i>[Signature]</i> | | Type of Service: <input checked="" type="checkbox"/> Registered Certified Express Mail | |
| 5. Signature - Agent <i>[Signature]</i> | | <input type="checkbox"/> Insured COD | |
| 6. Date of Delivery <i>MAY 15 1987</i> | | Always obtain signature of addressee or agent and DATE DELIVERED. | |
| 7. Signature - Addressee <i>[Signature]</i> | | 8. Addressee's Address (ONLY if requested and fee paid) | |

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

P 456 360 139

*J.R. & Catherine Mc Kinley
 & al.
 P.O. Box 3405
 Tulsa, Oklahoma 74101*

.22
 .75
 .70
 1.67

6/11/87

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Mark your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this article from being returned to you. The return receipt fee will provide you the name of the person to whom to send the date of delivery. For additional fees the following services are available. Consult the postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to: **ST**
Harry A. Miller, Jr., Harry A. Miller, Mrs. Margaret and Miller Carrico, 50 Harry A Miller 600 First National Bank Bldg. Midland, Texas 79701

4. Article Number: **P 456 360 138**

Type of Service:
 Registered Certified Express Mail Insured COD

Always obtain signature of addressee or agent and **DATE DELIVERED**.

5. Signature - Addressee

6. Signature - Agent
 [Signature]

7. Date of Delivery
 6-15-89

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Feb. 1985

DOMESTIC RETURN RECEIPT

P 456 360 138

Harry A., Jr.; Harry Miller; Margaret Ann Miller Carrico, 50 H.A. Miller 600 First Nat'l Bank Bldg. Midland, Tex. 79701

*.22
.75
.70
1.67*

6/11/89

CAMPBELL & BLACK, P.A.
LAWYERS
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208

P 456 360 171

RETURN RECEIPT REQUESTED

~~Andrew E. and Bessie Nelson
Mason City
Iowa 50401~~



Unknown

P 456 360 171

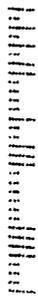
Andrew E. and
Bessie Nelson
Mason City, Iowa 50401

.22
.75

.70

1.67

6/11/87



● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent the card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for full and check box(es) for additional service(s) requested.

Show whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to:
 Lorene and Hugo Nemela
 823 Kingsley
 Waterloo, Iowa 50701

4. Article Number
 P 456 360 118

Type of Service:
 Registered
 Certified
 Express Mail
 Insured
 COD

Always obtain signature of addressee's agent and DATE DELIVERED. Addressee's Address (ONLY if requested and fee paid)

5. Signature - Addressee
 X *[Signature]*

6. Signature - Agent
 X *[Signature]*

7. Date of Delivery

PS Form 3811, Feb. 1986 DOMESTIC RETURN RECEIPT

P 456 360 118

Lorene and Hugo Nemela
 823 Kingsley
 Waterloo, Iowa 50701

.22
 .75
 .70
 1.67

6/11/87

CAMPBELL & BLACK, P.A.
LAWYERS
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208

P 456 360 154

RETURN RECEIPT REQUESTED

P 456 360 154

~~W. J. and Muriel J. Parrott
Mason City
Iowa 50401~~

*W. J. and Muriel J. Parrott
Mason City
Iowa 50401*

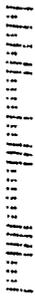
.22

.75

.70

1.67

6/11/87



P 456 360 136

Attn: Ken Stansland

Deangail Co.
P. O. Box 2967
Houston, Tex. 77252

.22
.75

.70

1.67

6/11/87

PS Form 3811, Feb. 1986

| | |
|--|---|
| SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fee and check box(es) for additional service(s) requested. | |
| 1. <input type="checkbox"/> Show to whom delivered, date, and address's address. 2. <input type="checkbox"/> Restricted Delivery. | |
| 3. Article Addressed to: | 4. Article Number |
| Deangail Co. P. O. Box 2967 Houston, Tex. 77252-2967 Attn: Ken Stansland | P 456 360 136 |
| 5. Signature - Addressee X | Type of Service: <input checked="" type="checkbox"/> Registered <input type="checkbox"/> Certified <input type="checkbox"/> Insured <input type="checkbox"/> Express Mail <input type="checkbox"/> COD |
| 6. Signature - Agent X | Always obtain signature of addressee or agent and DATE DELIVERED. |
| 7. Date of Delivery 6-16 | 8. Addressee's Address (ONLY if requested and fee paid) |

DOMESTIC RETURN RECEIPT

P 456 360 147

attn: Mrs. Frankie Jenkins

Peted Limited
P.O. Box 911
Breckenridge, Tex. 76024

.22
.75

.70
1.67

6/11/87

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.

Show to whom delivered, and addressee's address.
 Registered Delivery.

Article Addressed to:
 Peted Limited
 P.O. Box 911
 Breckenridge, Tex. 76024-0911
 attn: Mrs. Frankie Jenkins

4. Address Number: 0456360147
 Type of service:
 Registered Certified Express Mail
 Insured
 COD

Always obtain signature of addressee or agent and DATE DELIVERED.

8. Addressee's Address (ONLY if registered and fee paid)

5. Signature - Addressee
 X

6. Signature - Agent
 X *[Signature]*

7. Date of Delivery
 6-15-87

PS Form 3811, Feb. 1985

DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this mail from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult the meter for fee and check box(es) for additional service(s) requested.

| | | |
|---|--|---|
| 1. Article Addressed to: <i>Rio Pecos Corporation</i> <i>110 West Louisiana, Suite 460</i> <i>Midland, Texas 79701</i> <i>Attn: Mr. Scott E. Wilson</i> | | 2. <input type="checkbox"/> Restricted Delivery. |
| 3. Signature - Addressee <i>X</i> | | 4. Article Number <i>P 456 360 130</i> |
| 5. Signature - Agent <i>X</i> <i>Steven Steebing</i> | | Type of Service: <input checked="" type="checkbox"/> Registered Certified Express Mail <input type="checkbox"/> Insured COD |
| 6. Signature - Addressee <i>X</i> | | Always obtain signature of addressee or agent and DATE DELIVERED. |
| 7. Date of Delivery <i>6-15-87</i> | | 8. Addressee's Address (ONLY if requested and fee paid) |

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

P 456 360 130

Rio Pecos Corp. Attn: S.E. Wilson
110 W. Louisiana, Suite 460
Midland, Texas 79701

.22
 .75
 .70
 1.67

6/11/87

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult the "POSTAGE" for fees and check box(es) for additional service(s) requested.

Show to whom delivered, date, and addressee's address.

Restricted Delivery.

Article Addressed to: **Dorothy Jeanne Van Zant Sanders
Suite 508, Sinclair Building
106 W. Fifth Street
Fort Worth, Texas 76102**

4. Article Number: **P 456 360 143**

Type of Service: Registered Certified Express Mail Insured COD

Always obtain signature of addressee or agent and **DATE DELIVERED**.

8. Addressee's Address (ONLY if requested and fee paid)

5. Signature - Addressee: **X**

6. Signature - Agent: **X** *[Signature]*

7. Date of Delivery: **6/11/87**

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

P 456 360 143

Dorothy Jeanne Van Zant Sanders
Ste 508 Sinclair Bldg.
106 W. 5th St., Fort Worth, Tex. 76102

.22

.75

.70

1.67

6/11/87

P 456 360 159

Harry & Laura C. Schrader
Rudd
Iowa 50471

.22
.75

.70

1.67

6/11/87

SENDER: Complete items 1 and 2 when additional services are desired, and on change forms and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do so will result in mail from being returned to you. The return receipt fee will include your full name and address. It is required to send the date of delivery. For additional fees for returning mail, see the "Return Receipt" section for rates and check box(es) for optional service(s) requested.

Show to whom delivered, date, and addressee's address. Registered Certified Express Mail

Article Addressed to: Harry and Laura C. Schrader
Rudd
Iowa 50471

4. Article Number: P 456 360 159
Type of Service: Registered Certified Express Mail Insured CBS

5. Signature - Addressee: X

6. Signature - Agent: X *Laura C. Schrader*

7. Date of Delivery: *6-11-87*

8. Addressee's Address (ONLY if requested and fee paid): Always obtain signature of addressee or agent and DATE DELIVERED.

DOMESTIC RETURN RECEIPT

PS Form 3811, Feb. 1986

P 456 360 150

J. E. and Beulah K. Simmons
Trust
First Nat'l Bank of Lubbock, etc.
P.O. Box 1241
Lubbock, Texas 79408

.22

.75

.70

1.67

6/11/87

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return address is not required if you are sending airmail. For additional fees for forwarding services are available. Contact "contract" for full and complete details for additional services requested.

Show to whom delivered, stamp and addresser's initials.

Registered Delivery

1. Article Addressed to:

First National Bank of Lubbock
Trust Dept., Successor Bank
of J. E. Simmons and Beulah
K. Simmons Trust A-355 and
Trust B-354 - Attn: Home Equity
P.O. Box 1241
Lubbock, Texas 79408

2. Article Number: 0456 360 150

Type of Service:
 Registered
 Certified
 Insured
 Registered Mail
 Registered Delivery

Always obtain signature of addressee or agent and DATE DELIVERED.

3. Addressee's Address (ONLY if requested and fee paid)

4. Signature of Agent: *[Signature]*

5. Signature of Addressee: *[Signature]*

6. Date of Delivery: X

7. Date of Delivery: X

8. Signature of Agent: X

9. Signature of Addressee: X

10. Date of Delivery: X

11. Signature of Agent: X

12. Signature of Addressee: X

13. Date of Delivery: X

14. Signature of Agent: X

15. Signature of Addressee: X

16. Date of Delivery: X

17. Signature of Agent: X

18. Signature of Addressee: X

19. Date of Delivery: X

20. Signature of Agent: X

21. Signature of Addressee: X

22. Date of Delivery: X

23. Signature of Agent: X

24. Signature of Addressee: X

25. Date of Delivery: X

26. Signature of Agent: X

27. Signature of Addressee: X

28. Date of Delivery: X

29. Signature of Agent: X

30. Signature of Addressee: X

31. Date of Delivery: X

32. Signature of Agent: X

33. Signature of Addressee: X

34. Date of Delivery: X

35. Signature of Agent: X

36. Signature of Addressee: X

37. Date of Delivery: X

38. Signature of Agent: X

39. Signature of Addressee: X

40. Date of Delivery: X

41. Signature of Agent: X

42. Signature of Addressee: X

43. Date of Delivery: X

44. Signature of Agent: X

45. Signature of Addressee: X

46. Date of Delivery: X

47. Signature of Agent: X

48. Signature of Addressee: X

49. Date of Delivery: X

50. Signature of Agent: X

51. Signature of Addressee: X

52. Date of Delivery: X

53. Signature of Agent: X

54. Signature of Addressee: X

55. Date of Delivery: X

56. Signature of Agent: X

57. Signature of Addressee: X

58. Date of Delivery: X

59. Signature of Agent: X

60. Signature of Addressee: X

61. Date of Delivery: X

62. Signature of Agent: X

63. Signature of Addressee: X

64. Date of Delivery: X

65. Signature of Agent: X

66. Signature of Addressee: X

67. Date of Delivery: X

68. Signature of Agent: X

69. Signature of Addressee: X

70. Date of Delivery: X

71. Signature of Agent: X

72. Signature of Addressee: X

73. Date of Delivery: X

74. Signature of Agent: X

75. Signature of Addressee: X

76. Date of Delivery: X

77. Signature of Agent: X

78. Signature of Addressee: X

79. Date of Delivery: X

80. Signature of Agent: X

81. Signature of Addressee: X

82. Date of Delivery: X

83. Signature of Agent: X

84. Signature of Addressee: X

85. Date of Delivery: X

86. Signature of Agent: X

87. Signature of Addressee: X

88. Date of Delivery: X

89. Signature of Agent: X

90. Signature of Addressee: X

91. Date of Delivery: X

92. Signature of Agent: X

93. Signature of Addressee: X

94. Date of Delivery: X

95. Signature of Agent: X

96. Signature of Addressee: X

97. Date of Delivery: X

98. Signature of Agent: X

99. Signature of Addressee: X

100. Date of Delivery: X

Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to: **18**
Standard Oil Production Co.
2 Lincoln Center
5420 LBJ Freeway, Ste. 1600
Dallas, Texas 75246-6222
Attn: Ms. Diane Tripp

4. Article Number
0456 360 131

Type of Service:
 Registered Certified
 Insured
 Express Mail
 COD

Always obtain signature of addressee or agent and DATE DELIVERED.

8. Addressee's Address (ONLY if requested and fee paid)

5. Signature - Addressee
X

6. Signature of Agent
X
[Signature]

7. Date of Delivery
6-11-87

Form 3811, Feb. 1985 **DOMESTIC RETURN RECEIPT**

P 456 360 131

attn: ms. Diane Tripp
 Standard Oil Prod. Co.
 2 Lincoln Center, 5420 LBJ Freeway
 Dallas, Texas 75240-6222

.22
 .75
 .70
 1.67

6/11/87

P 456 360 146

attn: Charles Measley
Sun Exploration & Prod. Co.
P.O. Box 2880
Dallas, Texas 75221-2880

.22
.75

.70

1.67

6/11/87

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" space on the reverse side. Failure to do this will preclude return from being returned to you. The return receipt that will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Check box(es) for fees and check box(es) for additional service(s) requested.

| | | | |
|---|--|--|--|
| 1. Article Addressed to: Sun Exploration & Prod. Co. P.O. Box 2880 Dallas, Texas 75221-2880 attn: Charles Measley | | 2. <input type="checkbox"/> Registered Delivery. | |
| 3. Signature - Addressee X | | 4. Article Number P 456 360 146 | |
| 5. Signature - Agent X | | Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Certified <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Express Mail | |
| 6. Signature - Agent X | | Always obtain signature of addressee or and DATE DELIVERED. | |
| 7. Date of Delivery JUN 13 1987 | | 8. Addressee's Address (ONLY if requested and fee paid) | |

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

P 456 364 575

attn: Gary Kern
Fessas, Inc.
P. O. Box 3109
Midland, Tex. 79702

.22
.75

.70

1.67

6/11/87

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for rates and other details for additional services requested.

Show to whom delivered, date, and addressee's address. Registered Delivery.

1. Article Addressed to: **Fessas, Inc. 45**
P.O. Box 3109
Midland, Tex. 79702
attn: Gary Kern

2. Signature - Addressee
[Signature]

3. Signature Agent
[Signature]

4. Date of Delivery
06/11/87

4. Postal Number
456 364 575

Type of Service:
 Registered Certified Envelope Mail Insured COD

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Addressee's Address (ONLY if requested and fee paid)

PS Form 3871, Feb. 1986

DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person charged to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and service box(es) for additional services requested.

Show to whom delivered, date, and addressee's address. Registered Delivery.

1. Article Addressed to: Registered Delivery.

2. Registered Delivery.

4. Article Number: P 456 360 160

Type of Service: Registered Certified Express Mail Insured COD

Always obtain signature of addressee or agent and **DATE DELIVERED**.

5. Signature - Addressee June M. Sheeman

6. Signature - Agent

7. Date of Delivery 6-15-87

8. Addressee's Address (ONLY if requested and fee paid)

U.S. Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

P 456 360 160

June M. Sheeman and
Everett W. Kischer
Newell, Iowa 50568

.22
.75
.70
1.67

6/11/87

P 456 360 151

J. H. Van Zant, Jr.
1730 Commerce Bldg., 307 W. 7th
Fort Worth, Texas 76102

.22

.75

.70

1.67

6/11/87

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees for returning services are available. Obtain a postmaster for full and check boxes for additional services requested.

1. Show to whom delivered, date, and addressee's address. 2. Insured (postage)

3. Article Addressed to: **J. H. Van Zant, Jr.
1730 Commerce Bldg.
307 West 7th
Fort Worth, Tex. 76102-5172**

4. Article Number: **P 456 360 151**

Type of Service: Registered Certified Express Mail Insured COD

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee: **J. H. Van Zant, Jr.**

6. Signature - Agent: **X**

7. Date of Delivery: **16 JUN 1987**

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Feb. 1985

DOMESTIC RETURN RECEIPT

P 456 360 135

Pat Alston Ward
P.O. Box 38
Lincoln, NM 88338

.22
.75
.70
1.67

6/11/87

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult the back of this card for rates and check boxes for additional services requested.

Show to whom delivered, date, and addressee's address. Restricted Delivery.

3. Article Addressed to:
Pat Alston Ward
P.O. Box 38
Lincoln, N.M. 88338

4. Article Number: P 456 360 135
Type of Service:
 Registered Certified Express Mail Insured COD

Always obtain signature of addressee or agent and **POSTAL DELIVERED.**

5. Signature - Addressee
6. Signature - Agent
7. Name of Delivery
8. Address (ONLY if registered mail)
9. Date of Delivery

Pat Alston Ward
From Simpson Lund

USPS JUN 18 1987
DOMESTIC RETURN RECEIPT

PS Form 3811, Feb. 1986

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult the transmitter for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and address's address. 2. Restricted Delivery.

3. Article Addressed to: **C. E. Werthenbach, Emerald Salinity, Inc. and as Secretary of the Board of Iowa M. Werthenbach, 1707 So. Massachusetts Ave., Mason City, Iowa 50401**

4. Article Number: **P456 360 125**

Type of Service: Registered Insured Certified COD Express Mail

Always obtain signature of addressee or agent and **DATE DELIVERED**.

5. Signature - Addressee: *[Signature]*

6. Signature - Agent: *[Signature]*

7. Date of Delivery: **6-15-87**

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

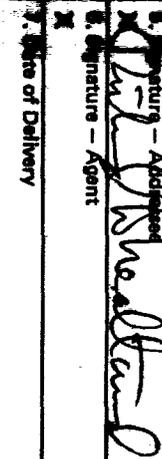
P 456 360 125

C. E. Werthenbach et al.
 1707 So. Massachusetts Ave.
 Mason City, Iowa 50401
 .22
 .75

.70
 1.67

6/11/87

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person called to get the date of delivery. For additional fees the following services are available. Consult the sender for fee and check box (a) for additional service(s) requested.

| | | | |
|--|--|---|--|
| 1. <input checked="" type="checkbox"/> Show to whom delivered, date, and addressee's address. | | 2. <input type="checkbox"/> Restricted Delivery. | |
| 3. Article Addressed to: Cynthia McAdoo Wheatland 33 Branch Street Boston, Mass. 02108 | | 4. Article Number P 456 360 129 | |
| 5. <input checked="" type="checkbox"/> Registered Certificate <input type="checkbox"/> Insured <input type="checkbox"/> Express Mail <input type="checkbox"/> COD | | Always obtain signature of addressee or agent and DATE DELIVERED. | |
| 6. Addressee's Address (ONLY if restricted and fee paid) Cynthia McAdoo Wheatland | | 8. Addressee's Address (ONLY if restricted and fee paid)  | |
| 7. Date of Delivery X | | 8. Addressee's Signature (ONLY if restricted and fee paid)  | |
| Form 3811, Feb. 1986 | | | |

DOMESTIC RETURN RECEIPT

P 456 360 129

Cynthia McAdoo Wheatland
 33 Branch Street
 Boston, Mass. 02108

.22
 .75
 .70
 1.67

6/11/87

P 456 360 137

Mr. E. B. White
P.O. Box 2052
Midland, Tex. 79702

.22
.75

.70

1.67

6/11/87

Form 3811, Feb. 1986

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent the send from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

Article Addressed to:
Mr. E. B. White
P.O. Box 2052
Midland, Texas 79702

4. Article Number
P 456 360 137

Type of Service:
 Registered Insured
 Certified COD
 Express Mail

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee
 Signature *[Signature]*

6. Signature - Post Office

7. Date of Delivery
6-15-87

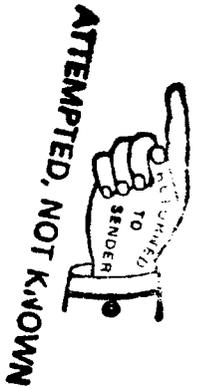
8. Addressee's Address (ONLY if requested and fee paid)

DOMESTIC RETURN RECEIPT

CAMPBELL & BLACK, P.A.
LAWYERS
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208

P 456 360 168

RETURN RECEIPT REQUESTED



Ethel Armentrout Petersen
Banning, Ca. 92220



P 456 360 168

*Ethel Armentrout
Petersen
Banning, Ca. 92220*
.22
.75
.70
1.67

6/11/87

CLAIM CHECK
885254

HOLD

JUN 16 1987

1ST NOTICE

2ND NOTICE

RETURN

Unattached from
PS Form 3849-A
Oct. 1980

CAMPBELL & BLACK, P.A.
LAWYERS
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208



RETURN ADDRESS
Postmaster, please send
Address, zip code
Manufacturer's Address
No such street number
No such office or club
Do not remove or tamper with

Frank O. and Ella M. Peterson
Callendar
Iowa 50523

RETURN RECEIPT REQUESTED

P 456 360 170

P 456 360 170

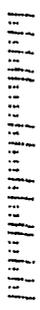
Frank O. and Ella M.
Peterson
Callendar, Iowa 50523

.22
.75

.70

1.67

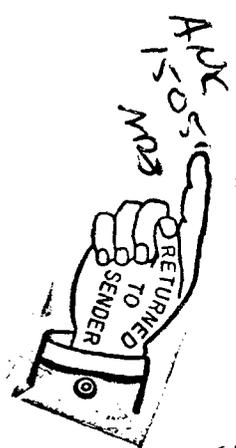
6/11/87



CAMPBELL & BLACK, P.A.

LAWYERS

POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208



P 456 360 120

RETURN RECEIPT REQUESTED

Claim Check

523019

Date

1ST Notice

2ND Notice

Return for

Delivered from
PS Form 3849
Oct. 1990

NO SUCH # UNCLAIMED
REFUSED NO MAIL RECEIVED
NO SUFFICIENT ADDRESS
INITIALS

CLAIM CHECK
883979
JUN 30 1987

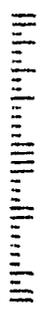
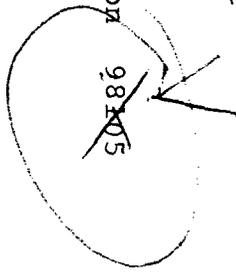
1ST NOTICE

2ND NOTICE

RETURN

Delivered from
PS Form 3849
Oct. 1990

Blanche L. Probert
Shirley F. Porter
H. Hewell Probert
6233 40th NE
Seattle, Washington



P 456 360 120

Blanche L. Probert
Shirley F. and H. Hewell Probert
6233 - 40th NE
Seattle, Wa. 98105

.22
.75
.70
1.67

6/11/87

CAMPBELL & BLACK, P.A.
LAWYERS
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208

P 456 360 122

RETURN RECEIPT REQUESTED

P 456 360 122

Gertrude J. Sproule Scullin
500 W. Ocean Ave.
Long Beach, Ca. 90802

.22
.75

.70

1.67

6/11/87

~~Gertrude J. Sproule Scullin
500 West Ocean Avenue
Long Beach, Ca. 90802~~

[Handwritten signature]

Claim Check
No. 213255

Date Hold

JUN 20 1987

1ST Notice

2ND Notice

Return

Obtained from
PS Form 3849-A
Oct. 1985

CAMPBELL & BLACK, P.A.
 LAWYERS
 POST OFFICE BOX 2208
 SANTA FE, NEW MEXICO 87504-2208

P 456 360 117

RETURN RECEIPT REQUESTED



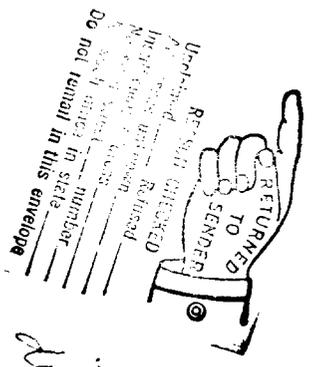
Claim Check
 N
 Hold

Date

5/15/87
 1ST Notice

2ND Notice

JUN 19 1987
 Return



Burt Shifflet and Mae Shifflet
 320 Sunset Road
 Waterloo, Iowa 50701

Shifflet

P 456 360 117

*Burt R. and Mae Shifflet
 320 Sunset Road
 Waterloo, Iowa 50701*

*.22
 .75
 .70
 1.67*

6/11/87

CLAIM CHECK
 885534

HOLD

JUN 26 1987

1ST NOTICE

2ND NOTICE

RETURN

Delayed from
 PS Form 3849-A
 Oct. 1980

CAMPBELL & BLACK, P.A.
LAWYERS
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208

P 456 360 174

RETURN RECEIPT REQUESTED

Charles and Madge Snipp
Mason City
Iowa 50401

P 456 360 174

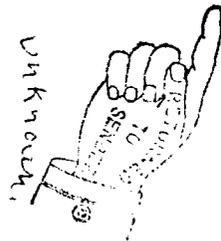
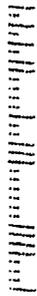
Charles and
Madge Snipp
Mason City, Iowa 50401

.22
.75

.70

1.67

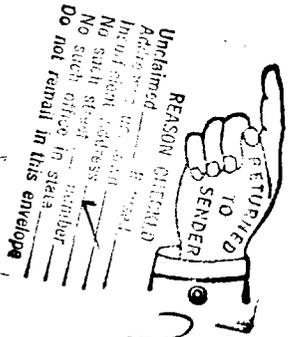
6/11/87



CAMPBELL & BLACK, P.A.
LAWYERS
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208

P 456 364 571

Return Receipt Requested



G. L. and Christena Whitman
Waterloo
Iowa 50701

DIRECTORY SERVICE GIVEN



P 456 364 571

*G. L. & Christena Whitman
Waterloo
Iowa 50701*

.22
.75

.70

1.67

6/11/87

CLAIM CHECK
NO. 888276

HOLD

DATE

JUN 22 1987

1ST NOTICE

2ND NOTICE

RETURN

Detached from
PS Form 3849-A
Oct. 1980

CAMPBELL & BLACK, P.A.
LAWYERS
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208

P 456 360 124

RETURN RECEIPT REQUESTED

CLAIM CHECK
265296

DATE 6-18

1ST NOTICE

2ND NOTICE

Detached from
PS Form 3849-A
Oct. 1980

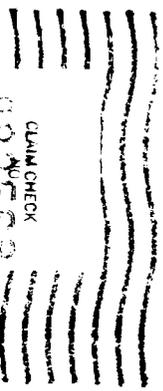


NO SUCH ADDRESS

Elizabeth H. Woodburn
1194 College Drive
~~San Bernardino, Ca. 92410~~

~~Colton~~

N/C



CLAIM CHECK
885500

DATE JUN 29 1987

1ST NOTICE

2ND NOTICE

RETURN

Detached from
PS Form 3849-A
Oct. 1980

S.B.

P 456 360 124

Elizabeth H. Woodburn
1194 College Dr.
San Bernardino, Ca. 92410

.22

.75

.70

1.67

6/11/87

N55



A.A.P.L. FORM 610-1982

MODEL FORM OPERATING AGREEMENT

OPERATING AGREEMENT

DATED

May 1, 19 87,

OPERATOR Amerind Oil Co.

CONTRACT AREA T-16-S, R-37-E, Section 28: SW/4 SE/4 and
SE/4 SW/4

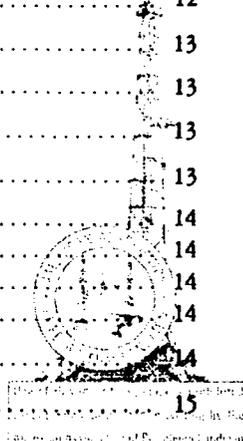
COUNTY OR ~~PARISH~~ OF Lea STATE OF New Mexico

COPYRIGHT 1982 — ALL RIGHTS RESERVED
AMERICAN ASSOCIATION OF PETROLEUM
LANDMEN, 2408 CONTINENTAL LIFE BUILDING,
FORT WORTH, TEXAS, 76102, APPROVED FORM.
A.A.P.L. NO. 610 - 1982 REVISED

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
~~AMERIND~~ EXHIBIT NO. 8
CASE NO. 9162

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OPERATING AGREEMENT

THIS AGREEMENT, entered into by and between Amerind Oil Co., hereinafter designated and referred to as "Operator", and the signatory party or parties other than Operator, sometimes hereinafter referred to individually herein as "Non-Operator", and collectively as "Non-Operators".

WITNESSETH:

WHEREAS, the parties to this agreement are owners of oil and gas leases and/or oil and gas interests in the land identified in Exhibit "A", and the parties hereto have reached an agreement to explore and develop these leases and/or oil and gas interests for the production of oil and gas to the extent and as hereinafter provided,

NOW, THEREFORE, it is agreed as follows:

ARTICLE I.
DEFINITIONS

- As used in this agreement, the following words and terms shall have the meanings here ascribed to them:
A. The term "oil and gas" shall mean oil, gas, casinghead gas, gas condensate, and all other liquid or gaseous hydrocarbons and other marketable substances produced therewith, unless an intent to limit the inclusiveness of this term is specifically stated.
B. The terms "oil and gas lease", "lease" and "leasehold" shall mean the oil and gas leases covering tracts of land lying within the Contract Area which are owned by the parties to this agreement.
C. The term "oil and gas interests" shall mean unleased fee and mineral interests in tracts of land lying within the Contract Area which are owned by parties to this agreement.
D. The term "Contract Area" shall mean all of the lands, oil and gas leasehold interests and oil and gas interests intended to be developed and operated for oil and gas purposes under this agreement. Such lands, oil and gas leasehold interests and oil and gas interests are described in Exhibit "A".
E. The term "drilling unit" shall mean the area fixed for the drilling of one well by order or rule of any state or federal body having authority. If a drilling unit is not fixed by any such rule or order, a drilling unit shall be the drilling unit as established by the pattern of drilling in the Contract Area or as fixed by express agreement of the Drilling Parties.
F. The term "drillsite" shall mean the oil and gas lease or interest on which a proposed well is to be located.
G. The terms "Drilling Party" and "Consenting Party" shall mean a party who agrees to join in and pay its share of the cost of any operation conducted under the provisions of this agreement.
H. The terms "Non-Drilling Party" and "Non-Consenting Party" shall mean a party who elects not to participate in a proposed operation.

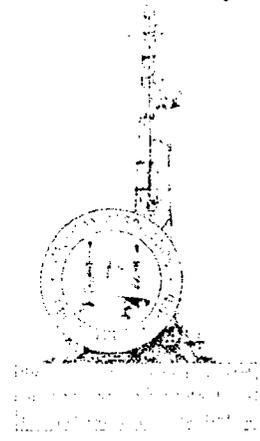
Unless the context otherwise clearly indicates, words used in the singular include the plural, the plural includes the singular, and the neuter gender includes the masculine and the feminine.

ARTICLE II.
EXHIBITS

- The following exhibits, as indicated below and attached hereto, are incorporated in and made a part hereof:
[X] A. Exhibit "A", shall include the following information:
(1) Identification of lands subject to this agreement,
(2) Restrictions, if any, as to depths, formations, or substances,
(3) Percentages or fractional interests of parties to this agreement,
(4) Oil and gas leases and/or oil and gas interests subject to this agreement,
(5) Addresses of parties for notice purposes.

- [X] B. Exhibit "B", Form of Lease.
[X] C. Exhibit "C", Accounting Procedure.
[X] D. Exhibit "D", Insurance.
[X] E. Exhibit "E", Gas Balancing Agreement.
[] F. Exhibit "F", Non-Discrimination and Certification of Non-Segregated Facilities.
[] G. Exhibit "G", Tax Partnership.

If any provision of any exhibit, except Exhibits "E" and "G", is inconsistent with any provision contained in the body of this agreement, the provisions in the body of this agreement shall prevail.



**ARTICLE III.
INTERESTS OF PARTIES**

A. Oil and Gas Interests:

If any party owns an oil and gas interest in the Contract Area, that interest shall be treated for all purposes of this agreement and during the term hereof as if it were covered by the form of oil and gas lease attached hereto as Exhibit "B", and the owner thereof shall be deemed to own both the royalty interest reserved in such lease and the interest of the lessee thereunder.

B. Interests of Parties in Costs and Production:

Unless changed by other provisions, all costs and liabilities incurred in operations under this agreement shall be borne and paid, and all equipment and materials acquired in operations on the Contract Area shall be owned, by the parties as their interests are set forth in Exhibit "A". In the same manner, the parties shall also own all production of oil and gas from the Contract Area subject to the payment of royalties to the extent of due which shall be borne as hereinafter set forth.

Regardless of which party has contributed the lease(s) and/or oil and gas interest(s) hereto on which royalty is due and payable, each party entitled to receive a share of production of oil and gas from the Contract Area shall bear and shall pay or deliver, or cause to be paid or delivered, to the extent of its interest in such production, the royalty amount stipulated hereinabove and shall hold the other parties free from any liability therefor. No party shall ever be responsible, however, on a price basis higher than the price received by such party, to any other party's lessor or royalty owner, and if any such other party's lessor or royalty owner should demand and receive settlement on a higher price basis, the party contributing the affected lease shall bear the additional royalty burden attributable to such higher price.

Nothing contained in this Article III.B. shall be deemed an assignment or cross-assignment of interests covered hereby.

C. Excess Royalties, Overriding Royalties and Other Payments:

Unless changed by other provisions, if the interest of any party in any lease covered hereby is subject to any royalty, overriding royalty, production payment or other burden on production in excess of the amount stipulated in Article III.B., such party so burdened shall assume and alone bear all such excess obligations and shall indemnify and hold the other parties hereto harmless from any and all claims and demands for payment asserted by owners of such excess burden.

D. Subsequently Created Interests:

If any party should hereafter create an overriding royalty, production payment or other burden payable out of production attributable to its working interest hereunder, or if such a burden existed prior to this agreement and is not set forth in Exhibit "A", or was not disclosed in writing to all other parties prior to the execution of this agreement by all parties, or is not a jointly acknowledged and accepted obligation of all parties (any such interest being hereinafter referred to as "subsequently created interest" irrespective of the timing of its creation and the party out of whose working interest the subsequently created interest is derived being hereinafter referred to as "burdened party"), and:

1. If the burdened party is required under this agreement to assign or relinquish to any other party, or parties, all or a portion of its working interest and/or the production attributable thereto, said other party, or parties, shall receive said assignment and/or production free and clear of said subsequently created interest and the burdened party shall indemnify and save said other party, or parties, harmless from any and all claims and demands for payment asserted by owners of the subsequently created interest; and,
2. If the burdened party fails to pay, when due, its share of expenses chargeable hereunder, all provisions of Article VII.B. shall be enforceable against the subsequently created interest in the same manner as they are enforceable against the working interest of the burdened party.

**ARTICLE IV.
TITLES**

A. Title Examination:

Title examination shall be made on the drillsite of any proposed well prior to commencement of drilling operations or, if the Drilling Parties so request, title examination shall be made on the leases and/or oil and gas interests included, or planned to be included, in the drilling unit around such well. The opinion will include the ownership of the working interest, minerals, royalty, overriding royalty and production payments under the applicable leases. At the time a well is proposed, each party contributing leases and/or oil and gas interests to the drillsite, or to be included in such drilling unit, shall furnish to Operator all abstracts (including federal lease status reports), title opinions, title papers and curative material in its possession free of charge. All such information not in the possession of or made available to Operator by the parties, but necessary for the examination of the title, shall be obtained by Operator. Operator shall cause title to be examined by attorneys on its staff or by outside attorneys. Copies of all title opinions shall be furnished to each party hereto. The cost incurred by Operator in this title program shall be borne as follows:

- Option No. 1: Costs incurred by Operator in procuring abstracts and title examination (including preliminary, supplemental, shut-in gas royalty opinions and division order title opinions) shall be a part of the administrative overhead as provided in Exhibit "C", and shall not be a direct charge, whether performed by Operator's staff attorneys or by outside attorneys.

ARTICLE IV
continued

Option No. 2: Costs incurred by Operator in procuring abstracts and fees paid outside attorneys for title examination (including preliminary, supplemental, shut-in gas royalty opinions and division order title opinions) shall be borne by the Drilling Parties in the proportion that the interest of each Drilling Party bears to the total interest of all Drilling Parties as such interests appear in Exhibit "A". Operator shall make no charge for services rendered by its staff attorneys or other personnel in the performance of the above functions.

Each party shall be responsible for securing curative matter and pooling amendments or agreements required in connection with leases or oil and gas interests contributed by such party. Operator shall be responsible for the preparation and recording of pooling designations or declarations as well as the conduct of hearings before governmental agencies for the securing of spacing or pooling orders. This shall not prevent any party from appearing on its own behalf at any such hearing.

No well shall be drilled on the Contract Area until after (1) the title to the drillsite or drilling unit has been examined as above provided, and (2) the title has been approved by the examining attorney or title has been accepted by all of the parties who are to participate in the drilling of the well.

B. Loss of Title:

~~1. Failure of Title: Should any oil and gas interest or lease, or interest therein, be lost through failure of title, which loss results in a reduction of interest from that shown on Exhibit "A", the party contributing the affected lease or interest shall have ninety (90) days from final determination of title failure to acquire a new lease or other instrument curing the entirety of the title failure, which acquisition will not be subject to Article VIII.B., and failing to do so, this agreement, nevertheless, shall continue in force as to all remaining oil and gas leases and interests: and,~~

~~(a) The party whose oil and gas lease or interest is affected by the title failure shall bear alone the entire loss and it shall not be entitled to recover from Operator or the other parties any development or operating costs which it may have theretofore paid or incurred, but there shall be no additional liability on its part to the other parties hereto by reason of such title failure;~~

~~(b) There shall be no retroactive adjustment of expenses incurred or revenues received from the operation of the interest which has been lost, but the interests of the parties shall be revised on an acreage basis, as of the time it is determined finally that title failure has occurred, so that the interest of the party whose lease or interest is affected by the title failure will thereafter be reduced in the Contract Area by the amount of the interest lost;~~

~~(c) If the proportionate interest of the other parties hereto in any producing well theretofore drilled on the Contract Area is increased by reason of the title failure, the party whose title has failed shall receive the proceeds attributable to the increase in such interest (less costs and burdens attributable thereto) until it has been reimbursed for unrecovered costs paid by it in connection with such well;~~

~~(d) Should any person not a party to this agreement, who is determined to be the owner of any interest in the title which has failed, pay in any manner any part of the cost of operation, development, or equipment, such amount shall be paid to the party or parties who bore the costs which are so refunded;~~

~~(e) Any liability to account to a third party for prior production of oil and gas which arises by reason of title failure shall be borne by the party or parties whose title failed in the same proportions in which they shared in such prior production; and,~~

~~(f) No charge shall be made to the joint account for legal expenses, fees or salaries, in connection with the defense of the interest claimed by any party hereto, it being the intention of the parties hereto that each shall defend title to its interest and bear all expenses in connection therewith.~~

~~2. Loss by Non-Payment or Erroneous Payment of Amount Due: If, through mistake or oversight, any rental, shut-in well payment, minimum royalty or royalty payment, is not paid or is erroneously paid, and as a result a lease or interest therein terminates, there shall be no monetary liability against the party who failed to make such payment. Unless the party who failed to make the required payment secures a new lease covering the same interest within ninety (90) days from the discovery of the failure to make proper payment, which acquisition will not be subject to Article VIII.B., the interests of the parties shall be revised on an acreage basis, effective as of the date of termination of the lease involved, and the party who failed to make proper payment will no longer be credited with an interest in the Contract Area on account of ownership of the lease or interest which has terminated. In the event the party who failed to make the required payment shall not have been fully reimbursed, at the time of the loss, from the proceeds of the sale of oil and gas attributable to the lost interest, calculated on an acreage basis, for the development and operating costs theretofore paid on account of such interest, it shall be reimbursed for unrecovered actual costs theretofore paid by it (but not for its share of the cost of any dry hole previously drilled or wells previously abandoned) from so much of the following as is necessary to effect reimbursement:~~

~~(a) Proceeds of oil and gas, less operating expenses, theretofore accrued to the credit of the lost interest, on an acreage basis, up to the amount of unrecovered costs;~~

~~(b) Proceeds, less operating expenses, thereafter accrued attributable to the lost interest on an acreage basis, of that portion of oil and gas thereafter produced and marketed (excluding production from any wells thereafter drilled) which, in the absence of such lease termination, would be attributable to the lost interest on an acreage basis, up to the amount of unrecovered costs, the proceeds of said portion of the oil and gas to be contributed by the other parties in proportion to their respective interests; and,~~

~~(c) Any monies, up to the amount of unrecovered costs, that may be paid by any party who is, or becomes, the owner of the interest lost, for the privilege of participating in the Contract Area or becoming a party to this agreement.~~

~~3. Other Losses: All ^{title} losses incurred, other than those set forth in Articles IV.B.1. and IV.B.2. above, shall be joint losses and shall be borne by all parties in proportion to their interests. There shall be no readjustment of interests in the remaining portion of the Contract Area.~~

ARTICLE V.
OPERATOR

A. Designation and Responsibilities of Operator:

Amerind Oil Co. shall be the Operator of the Contract Area, and shall conduct and direct and have full control of all operations on the Contract Area as permitted and required by, and within the limits of this agreement. It shall conduct all such operations in a good and workmanlike manner, but it shall have no liability as Operator to the other parties for losses sustained or liabilities incurred, except such as may result from gross negligence or willful misconduct.

B. Resignation or Removal of Operator and Selection of Successor:

1. Resignation or Removal of Operator: Operator may resign at any time by giving written notice thereof to Non-Operators. If Operator terminates its legal existence, no longer owns an interest hereunder in the Contract Area, or is no longer capable of serving as Operator, Operator shall be deemed to have resigned without any action by Non-Operators, except the selection of a successor. Operator may be removed if it fails or refuses to carry out its duties hereunder, or becomes insolvent, bankrupt or is placed in receivership, by the affirmative vote of two (2) or more Non-Operators owning a majority interest based on ownership as shown on Exhibit "A" remaining after excluding the voting interest of Operator. Such resignation or removal shall not become effective until 7:00 o'clock A.M. on the first day of the calendar month following the expiration of ninety (90) days after the giving of notice of resignation by Operator or action by the Non-Operators to remove Operator, unless a successor Operator has been selected and assumes the duties of Operator at an earlier date. Operator, after effective date of resignation or removal, shall be bound by the terms hereof as a Non-Operator. A change of a corporate name or structure of Operator or transfer of Operator's interest to any single subsidiary, parent or successor corporation shall not be the basis for removal of Operator.

2. Selection of Successor Operator: Upon the resignation or removal of Operator, a successor Operator shall be selected by the parties. The successor Operator shall be selected from the parties owning an interest in the Contract Area at the time such successor Operator is selected. The successor Operator shall be selected by the affirmative vote of two (2) or more parties owning a majority interest based on ownership as shown on Exhibit "A"; provided, however, if an Operator which has been removed fails to vote or votes only to succeed itself, the successor Operator shall be selected by the affirmative vote of two (2) or more parties owning a majority interest based on ownership as shown on Exhibit "A" remaining after excluding the voting interest of the Operator that was removed.

C. Employees:

The number of employees used by Operator in conducting operations hereunder, their selection, and the hours of labor and the compensation for services performed shall be determined by Operator, and all such employees shall be the employees of Operator.

D. Drilling Contracts:

All wells drilled on the Contract Area shall be drilled on a competitive contract basis at the usual rates prevailing in the area. If it so desires, Operator may employ its own tools and equipment in the drilling of wells, but its charges therefor shall not exceed the prevailing rates in the area and the rate of such charges shall be agreed upon by the parties in writing before drilling operations are commenced, and such work shall be performed by Operator under the same terms and conditions as are customary and usual in the area in contracts of independent contractors who are doing work of a similar nature.

ARTICLE VI.
DRILLING AND DEVELOPMENT

A. Initial Well:

On or before the 1st day of September, 1987, Operator shall commence the drilling of a well for oil and gas at the following location:

At a legal location in the SW/4 SE/4 of Section 28, T-16-S, R-37-E, Lea County, New Mexico

and shall thereafter continue the drilling of the well with due diligence to a depth of 11,600 feet or to a depth sufficient to test the Strawn formation

unless granite or other practically impenetrable substance or condition in the hole, which renders further drilling impractical, is encountered at a lesser depth, or unless all parties agree to complete or abandon the well at a lesser depth.

Operator shall make reasonable tests of all formations encountered during drilling which give indication of containing oil and gas in quantities sufficient to test, unless this agreement shall be limited in its application to a specific formation or formations, in which event Operator shall be required to test only the formation or formations to which this agreement may apply.

ARTICLE VI
continued

1 If, in Operator's judgment, the well will not produce oil or gas in paying quantities, and it wishes to plug and abandon the
2 well as a dry hole, the provisions of Article VI.E.1. shall thereafter apply.
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6 **B. Subsequent Operations:**
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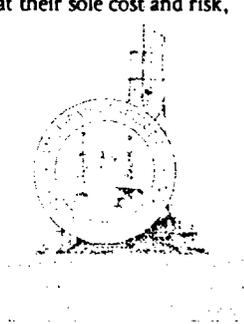
8 1. Proposed Operations: Should any party hereto desire to drill any well on the Contract Area other than the well provided
9 for in Article VI.A., or to rework, deepen or plug back a dry hole drilled at the joint expense of all parties or a well jointly owned by all
10 the parties and not then producing in paying quantities, the party desiring to drill, rework, deepen or plug back such a well shall give the
11 other parties written notice of the proposed operation, specifying the work to be performed, the location, proposed depth, objective forma-
12 tion and the estimated cost of the operation. The parties receiving such a notice shall have thirty (30) days after receipt of the notice
13 within which to notify the party wishing to do the work whether they elect to participate in the cost of the proposed operation. If a drill-
14 ing rig is on location, notice of a proposal to rework, plug back or drill deeper may be given by telephone and the response period shall be
15 limited to ~~forty-eight (48) hours, exclusive of Saturday, Sunday and legal holidays.~~ ^{twenty-four (24) hours}. Failure of a party receiving such notice to reply within
16 the period above fixed shall constitute an election by that party not to participate in the cost of the proposed operation. Any notice or
17 response given by telephone shall be promptly confirmed in writing.
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21 If all parties elect to participate in such a proposed operation, Operator shall, within ninety (90) days after expiration of the notice
22 period of thirty (30) days (or as promptly as possible after the expiration of the ~~forty-eight (48) hour~~ ^{twenty-four} hour period when a drilling rig is on loca-
23 tion, as the case may be), actually commence the proposed operation and complete it with due diligence at the risk and expense of all par-
24 ties hereto; provided, however, said commencement date may be extended upon written notice of same by Operator to the other parties,
25 for a period of up to thirty (30) additional days if, in the sole opinion of Operator, such additional time is reasonably necessary to obtain
26 permits from governmental authorities, surface rights (including rights-of-way) or appropriate drilling equipment, or to complete title ex-
27 amination or curative matter required for title approval or acceptance. Notwithstanding the force majeure provisions of Article XI, if the
28 actual operation has not been commenced within the time provided (including any extension thereof as specifically permitted herein) and
29 if any party hereto still desires to conduct said operation, written notice proposing same must be resubmitted to the other parties in accor-
30 dance with the provisions hereof as if no prior proposal had been made.
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34 2. Operations by Less than All Parties: If any party receiving such notice as provided in Article VI.B.1. or VII.D.1. (Option
35 No. 2) elects not to participate in the proposed operation, then, in order to be entitled to the benefits of this Article, the party or parties
36 giving the notice and such other parties as shall elect to participate in the operation shall, within ninety (90) days after the expiration of
37 the notice period of thirty (30) days (or as promptly as possible after the expiration of the ~~forty-eight (48) hour~~ ^{twenty-four (24)} hour period when a drilling rig is
38 on location, as the case may be) actually commence the proposed operation and complete it with due diligence. Operator shall perform all
39 work for the account of the Consenting Parties; provided, however, if no drilling rig or other equipment is on location, and if Operator is
40 a Non-Consenting Party, the Consenting Parties shall either: (a) request Operator to perform the work required by such proposed opera-
41 tion for the account of the Consenting Parties, or (b) designate one (1) of the Consenting Parties as Operator to perform such work. Con-
42 senting Parties, when conducting operations on the Contract Area pursuant to this Article VI.B.2., shall comply with all terms and con-
43 ditions of this agreement.
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47 If less than all parties approve any proposed operation, ~~the proposing party,~~ ^{the Operator} immediately after the expiration of the applicable
48 notice period, shall advise the Consenting Parties of the total interest of the parties approving such operation and its recommendation as
49 to whether the Consenting Parties should proceed with the operation as proposed. Each Consenting Party, within forty-eight (48) hours
50 (exclusive of Saturday, Sunday and legal holidays) after receipt of such notice, shall advise the proposing party of its desire to (a) limit par-
51 ticipation to such party's interest as shown on Exhibit "A" or (b) carry its proportionate part of Non-Consenting Parties' interests, and
52 failure to advise the proposing party shall be deemed an election under (a). In the event a drilling rig is on location, the time permitted for
53 such a response shall not exceed a total of ~~forty-eight (48) hours (inclusive of Saturday, Sunday and legal holidays).~~ ^{twenty-four (24)} hours. The proposing party,
54 at its election, may withdraw such proposal if there is insufficient participation and shall promptly notify all parties of such decision.
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58 The entire cost and risk of conducting such operations shall be borne by the Consenting Parties in the proportions they have
59 elected to bear same under the terms of the preceding paragraph. Consenting Parties shall keep the leasehold estates involved in such
60 operations free and clear of all liens and encumbrances of every kind created by or arising from the operations of the Consenting Parties.
61 If such an operation results in a dry hole, the Consenting Parties shall plug and abandon the well and restore the surface location at their
62 sole cost, risk and expense. If any well drilled, reworked, deepened or plugged back under the provisions of this Article results in a pro-
63 ducer of oil and/or gas in paying quantities, the Consenting Parties shall complete and equip the well to produce at their sole cost and risk,
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ARTICLE VI
continued

1 and the well shall then be turned over to Operator and shall be operated by it at the expense and for the account of the Consenting Parties. Upon commencement of operations for the drilling, reworking, deepening or plugging back of any such well by Consenting Parties in accordance with the provisions of this Article, each Non-Consenting Party shall be deemed to have relinquished to Consenting Parties, and the Consenting Parties shall own and be entitled to receive, ~~in proportion to their respective interests,~~ all of such Non-Consenting Party's interest in the well and share of production therefrom until the proceeds of the sale of such share, calculated at the well, or market value thereof if such share is not sold, (after deducting production taxes, excise taxes, royalty, overriding royalty and other interests not excepted by Article III.D. payable out of or measured by the production from such well accruing with respect to such interest until it reverts) shall equal the total of the following:

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12 (a) 100% of each such Non-Consenting Party's share of the cost of any newly acquired surface equipment beyond the wellhead connections (including, but not limited to, stock tanks, separators, treaters, pumping equipment and piping), plus 100% of each such Non-Consenting Party's share of the cost of operation of the well commencing with first production and continuing until each such Non-Consenting Party's relinquished interest shall revert to it under other provisions of this Article, it being agreed that each Non-Consenting Party's share of such costs and equipment will be that interest which would have been chargeable to such Non-Consenting Party had it participated in the well from the beginning of the operations; and

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21 (b) 300 % of that portion of the costs and expenses of drilling, reworking, deepening, plugging back, testing and completing, after deducting any cash contributions received under Article VIII.C., and 150 % of that portion of the cost of newly acquired equipment in the well (to and including the wellhead connections), which would have been chargeable to such Non-Consenting Party if it had participated therein.

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28 An election not to participate in the drilling or the deepening of a well shall be deemed an election not to participate in any reworking or plugging back operation proposed in such a well, or portion thereof, to which the initial Non-Consent election applied that is conducted at any time prior to full recovery by the Consenting Parties of the Non-Consenting Party's recoupment account. Any such reworking or plugging back operation conducted during the recoupment period shall be deemed part of the cost of operation of said well and there shall be added to the sums to be recouped by the Consenting Parties ~~one hundred percent (100%)~~ one hundred fifty percent (150%) of that portion of the costs of the reworking or plugging back operation which would have been chargeable to such Non-Consenting Party had it participated therein. If such a reworking or plugging back operation is proposed during such recoupment period, the provisions of this Article VI.B. shall be applicable as between said Consenting Parties in said well.

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39 During the period of time Consenting Parties are entitled to receive Non-Consenting Party's share of production, or the proceeds therefrom, Consenting Parties shall be responsible for the payment of all production, severance, excise, gathering and other taxes, and all royalty, overriding royalty and other burdens applicable to Non-Consenting Party's share of production not excepted by Article III.D.

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46 In the case of any reworking, plugging back or deeper drilling operation, the Consenting Parties shall be permitted to use, free of cost, all casing, tubing and other equipment in the well, but the ownership of all such equipment shall remain unchanged; and upon abandonment of a well after such reworking, plugging back or deeper drilling, the Consenting Parties shall account for all such equipment to the owners thereof, with each party receiving its proportionate part in kind or in value, less cost of salvage.

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53 Within sixty (60) days after the completion of any operation under this Article, the party conducting the operations for the Consenting Parties shall furnish each Non-Consenting Party with an inventory of the equipment in and connected to the well, and an itemized statement of the cost of drilling, deepening, plugging back, testing, completing, and equipping the well for production; or, at its option, the operating party, in lieu of an itemized statement of such costs of operation, may submit a detailed statement of monthly billings. Each month thereafter, during the time the Consenting Parties are being reimbursed as provided above, the party conducting the operations for the Consenting Parties shall furnish the Non-Consenting Parties with an itemized statement of all costs and liabilities incurred in the operation of the well, together with a statement of the quantity of oil and gas produced from it and the amount of proceeds realized from the sale of the well's working interest production during the preceding month. In determining the quantity of oil and gas produced during any month, Consenting Parties shall use industry accepted methods such as, but not limited to, metering or periodic well tests. Any amount realized from the sale or other disposition of equipment newly acquired in connection with any such operation which would have been owned by a Non-Consenting Party had it participated therein shall be credited against the total unreturned costs of the work done and of the equipment purchased in determining when the interest of such Non-Consenting Party shall revert to it as above provided; and if there is a credit balance, it shall be paid to such Non-Consenting Party.

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67 *in the same proportions elected under the terms of the preceding
68 paragraph,

ARTICLE VI
continued

1 If and when the Consenting Parties recover from a Non-Consenting Party's relinquished interest the amounts provided for above,
2 the relinquished interests of such Non-Consenting Party shall automatically revert to it, and, from and after such reversion, such Non-
3 Consenting Party shall own the same interest in such well, the material and equipment in or pertaining thereto, and the production
4 therefrom as such Non-Consenting Party would have been entitled to had it participated in the drilling, reworking, deepening or plugging
5 back of said well. Thereafter, such Non-Consenting Party shall be charged with and shall pay its proportionate part of the further costs of
6 the operation of said well in accordance with the terms of this agreement and the Accounting Procedure attached hereto.

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10 Notwithstanding the provisions of this Article VI.B.2., it is agreed that without the mutual consent of all parties, no wells shall
11 be completed in or produced from a source of supply from which a well located elsewhere on the Contract Area is producing, unless such
12 well conforms to the then-existing well spacing pattern for such source of supply.

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16 The provisions of this Article shall have no application whatsoever to the drilling of the initial well described in Article VI.A.
17 except (a) as to Article VII.D.1. (Option No. 2), if selected, or (b) as to the reworking, deepening and plugging back of such initial well
18 after it has been drilled to the depth specified in Article VI.A. if it shall thereafter prove to be a dry hole or, if initially completed for pro-
19 duction, ceases to produce in paying quantities.

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23 3. Stand-By Time: When a well which has been drilled or deepened has reached its authorized depth and all tests have been
24 completed, and the results thereof furnished to the parties, stand-by costs incurred pending response to a party's notice proposing a
25 reworking, deepening, plugging back or completing operation in such a well shall be charged and borne as part of the drilling or deepening
26 operation just completed. Stand-by costs subsequent to all parties responding, or expiration of the response time permitted, whichever
27 first occurs, and prior to agreement as to the participating interests of all Consenting Parties pursuant to the terms of the second gram-
28 matical paragraph of Article VI.B.2, shall be charged to and borne as part of the proposed operation, but if the proposal is subsequently
29 withdrawn because of insufficient participation, such stand-by costs shall be allocated between the Consenting Parties in the proportion
30 each Consenting Party's interest as shown on Exhibit "A" bears to the total interest as shown on Exhibit "A" of all Consenting Par-
31 ties.

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35 4. Sidetracking: Except as hereinafter provided, those provisions of this agreement applicable to a "deepening" operation shall
36 also be applicable to any proposal to directionally control and intentionally deviate a well from vertical so as to change the bottom hole
37 location (herein called "sidetracking"), unless done to straighten the hole or to drill around junk in the hole or because of other
38 mechanical difficulties. Any party having the right to participate in a proposed sidetracking operation that does not own an interest in the
39 affected well bore at the time of the notice shall, upon electing to participate, tender to the well bore owners its proportionate share (equal
40 to its interest in the sidetracking operation) of the value of that portion of the existing well bore to be utilized as follows:

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44 (a) If the proposal is for sidetracking an existing dry hole, reimbursement shall be on the basis of the actual costs incurred in
45 the initial drilling of the well down to the depth at which the sidetracking operation is initiated.

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49 (b) If the proposal is for sidetracking a well which has previously produced, reimbursement shall be on the basis of the well's
50 salvable materials and equipment down to the depth at which the sidetracking operation is initiated, determined in accordance with the
51 provisions of Exhibit "C", less the estimated cost of salvaging and the estimated cost of plugging and abandoning.

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55 In the event that notice for a sidetracking operation is given while the drilling rig to be utilized is on location, the response period
56 shall be limited to ~~forty eight (48) hours, exclusive of Saturday, Sunday and legal holidays;~~ ^{Twenty four (24) hours} provided, however, any party may request and
57 receive up to eight (8) additional days after expiration of the ~~forty eight (48) hours~~ ^{Twenty four (24) hours} within which to respond by paying for all stand-by time
58 incurred during such extended response period. If more than one party elects to take such additional time to respond to the notice, stand-
59 by costs shall be allocated between the parties taking additional time to respond on a day-to-day basis in the proportion each electing par-
60 ty's interest as shown on Exhibit "A" bears to the total interest as shown on Exhibit "A" of all the electing parties. In all other in-
61 stances the response period to a proposal for sidetracking shall be limited to thirty (30) days.

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65 **C. TAKING PRODUCTION IN KIND:**

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67 Each party shall take in kind or separately dispose of its proportionate share of all oil and gas produced from the Contract Area,
68 exclusive of production which may be used in development and producing operations and in preparing and treating oil and gas for
69 marketing purposes and production unavoidably lost. Any extra expenditure incurred in the taking in kind or separate disposition by any
70 party of its proportionate share of the production shall be borne by such party. Any party taking its share of production in kind shall be

ARTICLE VI
continued

1 required to pay for only its proportionate share of such part of Operator's surface facilities which it uses.

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3 Each party shall execute such division orders and contracts as may be necessary for the sale of its interest in production from
4 the Contract Area, and, except as provided in Article VII.B., shall be entitled to receive payment directly from the purchaser thereof for
5 its share of all production.

6
7 In the event any party shall fail to make the arrangements necessary to take in kind or separately dispose of its proportionate share of
8 the oil produced from the Contract Area, Operator shall have the right, subject to the revocation at will by the party owning it, but not
9 the obligation, to purchase such oil or sell it to others at any time and from time to time, for the account of the non-taking party at the
10 best price obtainable in the area for such production. Any such purchase or sale by Operator shall be subject always to the right of the
11 owner of the production to exercise at any time its right to take in kind, or separately dispose of, its share of all oil not previously
12 delivered to a purchaser. Any purchase or sale by Operator of any other party's share of oil shall be only for such reasonable periods of
13 time as are consistent with the minimum needs of the industry under the particular circumstances, but in no event for a period in excess
14 of one (1) year.

15
16 In the event one or more parties' separate disposition of its share of the gas causes split-stream deliveries to separate pipelines and/or
17 deliveries which on a day-to-day basis for any reason are not exactly equal to a party's respective proportionate share of total gas sales to
18 be allocated to it, the balancing or accounting between the respective accounts of the parties shall be in accordance with any gas balancing
19 agreement between the parties hereto, whether such an agreement is attached as Exhibit "E", or is a separate agreement.

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21 **D. Access to Contract Area and Information:**

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23 Each party shall have access to the Contract Area at all reasonable times, at its sole cost and risk to inspect or observe operations,
24 and shall have access at reasonable times to information pertaining to the development or operation thereof, including Operator's books
25 and records relating thereto. Operator, upon request, shall furnish each of the other parties with copies of all forms or reports filed with
26 governmental agencies, daily drilling reports, well logs, tank tables, daily gauge and run tickets and reports of stock on hand at the first of
27 each month, and shall make available samples of any cores or cuttings taken from any well drilled on the Contract Area. The cost of
28 gathering and furnishing information to Non-Operator, other than that specified above, shall be charged to the Non-Operator that re-
29 quests the information.

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31 **E. Abandonment of Wells:**

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33 1. Abandonment of Dry Holes: Except for any well drilled or deepened pursuant to Article VI.B.2., any well which has been
34 drilled or deepened under the terms of this agreement and is proposed to be completed as a dry hole shall not be plugged and abandoned
35 without the consent of all parties. Should Operator, after diligent effort, be unable to contact any party, or should any party fail to reply
36 within ~~forty-eight (48) hours (exclusive of Saturday, Sunday and legal holidays)~~ ^{twenty-four (24) hours} after receipt of notice of the proposal to plug and abandon
37 such well, such party shall be deemed to have consented to the proposed abandonment. All such wells shall be plugged and abandoned in
38 accordance with applicable regulations and at the cost, risk and expense of the parties who participated in the cost of drilling or deepening
39 such well. Any party who objects to plugging and abandoning such well shall have the right to take over the well and conduct further
40 operations in search of oil and/or gas subject to the provisions of Article VI.B.

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42 2. Abandonment of Wells that have Produced: Except for any well in which a Non-Consent operation has been conducted
43 hereunder for which the Consenting Parties have not been fully reimbursed as herein provided, any well which has been completed as a
44 producer shall not be plugged and abandoned without the consent of all parties. If all parties consent to such abandonment, the well shall
45 be plugged and abandoned in accordance with applicable regulations and at the cost, risk and expense of all the parties hereto. If, within
46 thirty (30) days after receipt of notice of the proposed abandonment of any well, all parties do not agree to the abandonment of such well,
47 those wishing to continue its operation from the interval(s) of the formation(s) then open to production shall tender to each of the other
48 parties its proportionate share of the value of the well's salvable material and equipment, determined in accordance with the provisions of
49 Exhibit "C", less the estimated cost of salvaging and the estimated cost of plugging and abandoning. Each abandoning party shall assign
50 the non-abandoning parties, without warranty, express or implied, as to title or as to quantity, or fitness for use of the equipment and
51 material, all of its interest in the well and related equipment, together with its interest in the leasehold estate as to, but only as to, the in-
52 terval or intervals of the formation or formations then open to production. If the interest of the abandoning party is or includes an oil and
53 gas interest, such party shall execute and deliver to the non-abandoning party or parties an oil and gas lease, limited to the interval or in-
54 tervals of the formation or formations then open to production, for a term of one (1) year and so long thereafter as oil and/or gas is pro-
55 duced from the interval or intervals of the formation or formations covered thereby, such lease to be on the form attached as Exhibit



ARTICLE VI
continued

1 "B". The assignments or leases so limited shall encompass the "drilling unit" upon which the well is located. The payments by, and the
2 assignments or leases to, the assignees shall be in a ratio based upon the relationship of their respective percentage of participation in the
3 Contract Area to the aggregate of the percentages of participation in the Contract Area of all assignees. There shall be no readjustment of
4 interests in the remaining portion of the Contract Area.

5
6 Thereafter, abandoning parties shall have no further responsibility, liability, or interest in the operation of or production from
7 the well in the interval or intervals then open other than the royalties retained in any lease made under the terms of this Article. Upon re-
8 quest, Operator shall continue to operate the assigned well for the account of the non-abandoning parties at the rates and charges con-
9 templated by this agreement, plus any additional cost and charges which may arise as the result of the separate ownership of the assigned
10 well. Upon proposed abandonment of the producing interval(s) assigned or leased, the assignor or lessor shall then have the option to
11 repurchase its prior interest in the well (using the same valuation formula) and participate in further operations therein subject to the pro-
12 visions hereof.

13
14 3. Abandonment of Non-Consent Operations: The provisions of Article VI.E.1. or VI.E.2. above shall be applicable as between
15 Consenting Parties in the event of the proposed abandonment of any well excepted from said Articles; provided, however, no well shall be
16 permanently plugged and abandoned unless and until all parties having the right to conduct further operations therein have been notified
17 of the proposed abandonment and afforded the opportunity to elect to take over the well in accordance with the provisions of this Article
18 VI.E.

19
20 ARTICLE VII.
21 EXPENDITURES AND LIABILITY OF PARTIES

22
23 A. Liability of Parties:

24
25 The liability of the parties shall be several, not joint or collective. Each party shall be responsible only for its obligations, and
26 shall be liable only for its proportionate share of the costs of developing and operating the Contract Area. Accordingly, the liens granted
27 among the parties in Article VII.B. are given to secure only the debts of each severally. It is not the intention of the parties to create, nor
28 shall this agreement be construed as creating, a mining or other partnership or association, or to render the parties liable as partners.

29
30 B. Liens and Payment Defaults:

31
32 Each Non-Operator grants to Operator a lien upon its oil and gas rights in the Contract Area, and a security interest in its share
33 of oil and/or gas when extracted and its interest in all equipment, to secure payment of its share of expense, together with interest thereon
34 at the rate provided in Exhibit "C". To the extent that Operator has a security interest under the Uniform Commercial Code of the
35 state, Operator shall be entitled to exercise the rights and remedies of a secured party under the Code. The bringing of a suit and the ob-
36 taining of judgment by Operator for the secured indebtedness shall not be deemed an election of remedies or otherwise affect the lien
37 rights or security interest as security for the payment thereof. In addition, upon default by any Non-Operator in the payment of its share
38 of expense, Operator shall have the right, without prejudice to other rights or remedies, to collect from the purchaser the proceeds from
39 the sale of such Non-Operator's share of oil and/or gas until the amount owed by such Non-Operator, plus interest, has been paid. Each
40 purchaser shall be entitled to rely upon Operator's written statement concerning the amount of any default. Operator grants a like lien
41 and security interest to the Non-Operators to secure payment of Operator's proportionate share of expense.

42
43 If any party fails or is unable to pay its share of expense within sixty (60) days after rendition of a statement therefor by
44 Operator, the non-defaulting parties, including Operator, shall, upon request by Operator, pay the unpaid amount in the proportion that
45 the interest of each such party bears to the interest of all such parties. Each party so paying its share of the unpaid amount shall, to obtain
46 reimbursement thereof, be subrogated to the security rights described in the foregoing paragraph.

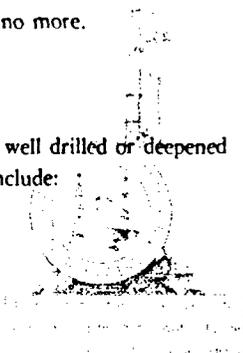
47
48 C. Payments and Accounting:

49
50 Except as herein otherwise specifically provided, Operator shall promptly pay and discharge expenses incurred in the development
51 and operation of the Contract Area pursuant to this agreement and shall charge each of the parties hereto with their respective propor-
52 tionate shares upon the expense basis provided in Exhibit "C". Operator shall keep an accurate record of the joint account hereunder,
53 showing expenses incurred and charges and credits made and received.

54
55 Operator, at its election, shall have the right from time to time to demand and receive from the other parties payment in advance
56 of their respective shares of the estimated amount of the expense to be incurred in operations hereunder during the next succeeding
57 month, which right may be exercised only by submission to each such party of an itemized statement of such estimated expense, together
58 with an invoice for its share thereof. Each such statement and invoice for the payment in advance of estimated expense shall be submitted
59 on or before the 20th day of the next preceding month. Each party shall pay to Operator its proportionate share of such estimate within
60 fifteen (15) days after such estimate and invoice is received. If any party fails to pay its share of said estimate within said time, the amount
61 due shall bear interest as provided in Exhibit "C" until paid. Proper adjustment shall be made monthly between advances and actual ex-
62 pense to the end that each party shall bear and pay its proportionate share of actual expenses incurred, and no more.

63
64 D. Limitation of Expenditures:

65
66 1. Drill or Deepen: Without the consent of all parties, no well shall be drilled or deepened, except any well drilled or deepened
67 pursuant to the provisions of Article VI.B.2. of this agreement. Consent to the drilling or deepening shall include:



ARTICLE VII
continued

1 Option No. 1: All necessary expenditures for the drilling or deepening, testing, completing and equipping of the well, including
2 necessary tankage and/or surface facilities.

3
4 Option No. 2: All necessary expenditures for the drilling or deepening and testing of the well. When such well has reached its
5 authorized depth, and all tests have been completed, and the results thereof furnished to the parties, Operator shall give immediate notice
6 to the Non-Operators who have the right to participate in the completion costs. The parties receiving such notice shall have forty-eight
7 ~~(48) hours (exclusive of Saturday, Sunday and legal holidays)~~ Twenty Four (24) hours in which to elect to participate in the setting of casing and the completion at-
8 tempt. Such election, when made, shall include consent to all necessary expenditures for the completing and equipping of such well, in-
9 cluding necessary tankage and/or surface facilities. Failure of any party receiving such notice to reply within the period above fixed shall
10 constitute an election by that party not to participate in the cost of the completion attempt. If one or more, but less than all of the parties,
11 elect to set pipe and to attempt a completion, the provisions of Article VI.B.2. hereof (the phrase "reworking, deepening or plugging
12 back" as contained in Article VI.B.2. shall be deemed to include "completing") shall apply to the operations thereafter conducted by less
13 than all parties.

14
15 2. Rework or Plug Back: Without the consent of all parties, no well shall be reworked or plugged back except a well reworked or
16 plugged back pursuant to the provisions of Article VI.B.2. of this agreement. Consent to the reworking or plugging back of a well shall
17 include all necessary expenditures in conducting such operations and completing and equipping of said well, including necessary tankage
18 and/or surface facilities.

19
20 3. Other Operations: Without the consent of all parties, Operator shall not undertake any single project reasonably estimated
21 to require an expenditure in excess of Twenty Five Thousand and no/100-----Dollars (\$ 25,000.00)
22 except in connection with a well, the drilling, reworking, deepening, completing, recompleting, or plugging back of which has been
23 previously authorized by or pursuant to this agreement; provided, however, that, in case of explosion, fire, flood or other sudden
24 emergency, whether of the same or different nature, Operator may take such steps and incur such expenses as in its opinion are required
25 to deal with the emergency to safeguard life and property but Operator, as promptly as possible, shall report the emergency to the other
26 parties. If Operator prepares an authority for expenditure (AFE) for its own use, Operator shall furnish any Non-Operator so requesting
27 an information copy thereof for any single project costing in excess of Twenty Five Thousand and no/100-----
28 Dollars (\$ 25,000.00) but less than the amount first set forth above in this paragraph.

E. Rentals, Shut-in Well Payments and Minimum Royalties:

30
31
32 Rentals, shut-in well payments and minimum royalties which may be required under the terms of any lease shall be paid by the
33 party or parties who subjected such lease to this agreement at its or their expense. In the event two or more parties own and have con-
34 tributed interests in the same lease to this agreement, such parties may designate one of such parties to make said payments for and on
35 behalf of all such parties. Any party may request, and shall be entitled to receive, proper evidence of all such payments. In the event of
36 failure to make proper payment of any rental, shut-in well payment or minimum royalty through mistake or oversight where such pay-
37 ment is required to continue the lease in force, any loss which results from such non-payment shall be borne in accordance with the pro-
38 visions of Article IV.B.2.

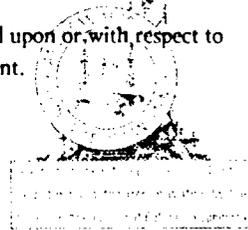
39
40 Operator shall notify Non-Operator of the anticipated completion of a shut-in gas well, or the shutting in or return to production
41 of a producing gas well, at least five (5) days (excluding Saturday, Sunday and legal holidays), or at the earliest opportunity permitted by
42 circumstances, prior to taking such action, but assumes no liability for failure to do so. In the event of failure by Operator to so notify
43 Non-Operator, the loss of any lease contributed hereto by Non-Operator for failure to make timely payments of any shut-in well payment
44 shall be borne jointly by the parties hereto under the provisions of Article IV.B.3.

F. Taxes:

45
46
47
48 Beginning with the first calendar year after the effective date hereof, Operator shall render for ad valorem taxation all property
49 subject to this agreement which by law should be rendered for such taxes, and it shall pay all such taxes assessed thereon before they
50 become delinquent. Prior to the rendition date, each Non-Operator shall furnish Operator information as to burdens (to include, but not
51 be limited to, royalties, overriding royalties and production payments) on leases and oil and gas interests contributed by such Non-
52 Operator. If the assessed valuation of any leasehold estate is reduced by reason of its being subject to outstanding excess royalties, over-
53 riding royalties or production payments, the reduction in ad valorem taxes resulting therefrom shall inure to the benefit of the owner or
54 owners of such leasehold estate, and Operator shall adjust the charge to such owner or owners so as to reflect the benefit of such reduc-
55 tion. If the ad valorem taxes are based in whole or in part upon separate valuations of each party's working interest, then notwithstanding
56 anything to the contrary herein, charges to the joint account shall be made and paid by the parties hereto in accordance with the tax
57 value generated by each party's working interest. Operator shall bill the other parties for their proportionate shares of all tax payments in
58 the manner provided in Exhibit "C".

59
60 If Operator considers any tax assessment improper, Operator may, at its discretion, protest within the time and manner
61 prescribed by law, and prosecute the protest to a final determination, unless all parties agree to abandon the protest prior to final deter-
62 mination. During the pendency of administrative or judicial proceedings, Operator may elect to pay, under protest, all such taxes and any
63 interest and penalty. When any such protested assessment shall have been finally determined, Operator shall pay the tax for the joint ac-
64 count, together with any interest and penalty accrued, and the total cost shall then be assessed against the parties, and be paid by them, as
65 provided in Exhibit "C".

66
67 Each party shall pay or cause to be paid all production, severance, excise, gathering and other taxes imposed upon or with respect to
68 the production or handling of such party's share of oil and/or gas produced under the terms of this agreement.



ARTICLE VII
continued

1 G. Insurance:

2
3 At all times while operations are conducted hereunder, Operator shall comply with the workmen's compensation law of
4 the state where the operations are being conducted; provided, however, that Operator may be a self-insurer for liability under said com-
5 pensation laws in which event the only charge that shall be made to the joint account shall be as provided in Exhibit "C". Operator shall
6 also carry or provide insurance for the benefit of the joint account of the parties as outlined in Exhibit "D", attached to and made a part
7 hereof. Operator shall require all contractors engaged in work on or for the Contract Area to comply with the workmen's compensation
8 law of the state where the operations are being conducted and to maintain such other insurance as Operator may require.
9

10 In the event automobile public liability insurance is specified in said Exhibit "D", or subsequently receives the approval of the
11 parties, no direct charge shall be made by Operator for premiums paid for such insurance for Operator's automotive equipment.
12

13 ARTICLE VIII.
14 ACQUISITION, MAINTENANCE OR TRANSFER OF INTEREST
15

16 A. Surrender of Leases:

17
18 The leases covered by this agreement, insofar as they embrace acreage in the Contract Area, shall not be surrendered in whole
19 or in part unless all parties consent thereto.
20

21 However, should any party desire to surrender its interest in any lease or in any portion thereof, and the other parties do not
22 agree or consent thereto, the party desiring to surrender shall assign, without express or implied warranty of title, all of its interest in
23 such lease, or portion thereof, and any well, material and equipment which may be located thereon and any rights in production
24 thereafter secured, to the parties not consenting to such surrender. If the interest of the assigning party is or includes an oil and gas in-
25 terest, the assigning party shall execute and deliver to the party or parties not consenting to such surrender an oil and gas lease covering
26 such oil and gas interest for a term of one (1) year and so long thereafter as oil and/or gas is produced from the land covered thereby, such
27 lease to be on the form attached hereto as Exhibit "B". Upon such assignment or lease, the assigning party shall be relieved from all
28 obligations thereafter accruing, but not theretofore accrued, with respect to the interest assigned or leased and the operation of any well
29 attributable thereto, and the assigning party shall have no further interest in the assigned or leased premises and its equipment and pro-
30 duction other than the royalties retained in any lease made under the terms of this Article. The party assignee or lessee shall pay to the
31 party assignor or lessor the reasonable salvage value of the latter's interest in any wells and equipment attributable to the assigned or leas-
32 ed acreage. The value of all material shall be determined in accordance with the provisions of Exhibit "C", less the estimated cost of
33 salvaging and the estimated cost of plugging and abandoning. If the assignment or lease is in favor of more than one party, the interest
34 shall be shared by such parties in the proportions that the interest of each bears to the total interest of all such parties.
35

36 Any assignment, lease or surrender made under this provision shall not reduce or change the assignor's, lessor's or surrendering
37 party's interest as it was immediately before the assignment, lease or surrender in the balance of the Contract Area; and the acreage
38 assigned, leased or surrendered, and subsequent operations thereon, shall not thereafter be subject to the terms and provisions of this
39 agreement.
40

41 B. Renewal or Extension of Leases:

42
43 If any party secures a renewal of any oil and gas lease subject to this agreement, all other parties shall be notified promptly, and
44 shall have the right for a period of thirty (30) days following receipt of such notice in which to elect to participate in the ownership of the
45 renewal lease, insofar as such lease affects lands within the Contract Area, by paying to the party who acquired it their several proper pro-
46 portionate shares of the acquisition cost allocated to that part of such lease within the Contract Area, which shall be in proportion to the
47 interests held at that time by the parties in the Contract Area.
48

49 If some, but less than all, of the parties elect to participate in the purchase of a renewal lease, it shall be owned by the parties
50 who elect to participate therein, in a ratio based upon the relationship of their respective percentage of participation in the Contract Area
51 to the aggregate of the percentages of participation in the Contract Area of all parties participating in the purchase of such renewal lease.
52 Any renewal lease in which less than all parties elect to participate shall not be subject to this agreement.
53

54 Each party who participates in the purchase of a renewal lease shall be given an assignment of its proportionate interest therein
55 by the acquiring party.
56

57 The provisions of this Article shall apply to renewal leases whether they are for the entire interest covered by the expiring lease
58 or cover only a portion of its area or an interest therein. Any renewal lease taken before the expiration of its predecessor lease, or taken or
59 contracted for within six (6) months after the expiration of the existing lease shall be subject to this provision; but any lease taken or con-
60 tracted for more than six (6) months after the expiration of an existing lease shall not be deemed a renewal lease and shall not be subject to
61 the provisions of this agreement.
62

63 The provisions in this Article shall also be applicable to extensions of oil and gas leases.
64

65 C. Acreage or Cash Contributions:

66
67 While this agreement is in force, if any party contracts for a contribution of cash towards the drilling of a well or any other
68 operation on the Contract Area, such contribution shall be paid to the party who conducted the drilling or other operation and shall be
69 applied by it against the cost of such drilling or other operation. If the contribution be in the form of acreage, the party to whom the con-
70 tribution is made shall promptly tender an assignment of the acreage, without warranty of title, to the Drilling Parties in the proportions

ARTICLE VIII
continued

1 said Drilling Parties shared the cost of drilling the well. Such acreage shall become a separate Contract Area and, to the extent possible, be
2 governed by provisions identical to this agreement. Each party shall promptly notify all other parties of any acreage or cash contributions
3 it may obtain in support of any well or any other operation on the Contract Area. The above provisions shall also be applicable to op-
4 tional rights to earn acreage outside the Contract Area which are in support of a well drilled inside the Contract Area.

5
6 If any party contracts for any consideration relating to disposition of such party's share of substances produced hereunder, such
7 consideration shall not be deemed a contribution as contemplated in this Article VIII.C.

8
9 **D. Maintenance of Uniform Interest:**

10
11 For the purpose of maintaining uniformity of ownership in the oil and gas leasehold interests covered by this agreement, no
12 party shall sell, encumber, transfer or make other disposition of its interest in the leases embraced within the Contract Area and in wells,
13 equipment and production unless such disposition covers either:

- 14 1. the entire interest of the party in all leases and equipment and production; or
- 15 2. an equal undivided interest in all leases and equipment and production in the Contract Area.

16
17 Every such sale, encumbrance, transfer or other disposition made by any party shall be made expressly subject to this agreement
18 and shall be made without prejudice to the right of the other parties.

C.V.O

19
20 If, at any time the interest of any party is divided among and owned by ~~two~~ or more co-owners, Operator, at its discretion, may
21 require such co-owners to appoint a single trustee or agent with full authority to receive notices, approve expenditures, receive billings for
22 and approve and pay such party's share of the joint expenses, and to deal generally with, and with power to bind, the co-owners of such
23 party's interest within the scope of the operations embraced in this agreement; however, all such co-owners shall have the right to enter
24 into and execute all contracts or agreements for the disposition of their respective shares of the oil and gas produced from the Contract
25 Area and they shall have the right to receive, separately, payment of the sale proceeds thereof.

26
27
28
29 **E. Waiver of Rights to Partition:**

30
31 If permitted by the laws of the state or states in which the property covered hereby is located, each party hereto owning an
32 undivided interest in the Contract Area waives any and all rights it may have to partition and have set aside to it in severalty its undivided
33 interest therein.

34
35 ~~**F. Preferential Right to Purchase:**~~

36
37 ~~Should any party desire to sell all or any part of its interests under this agreement, or its rights and interests in the Contract~~
38 ~~Area, it shall promptly give written notice to the other parties, with full information concerning its proposed sale, which shall include the~~
39 ~~name and address of the prospective purchaser (who must be ready, willing and able to purchase), the purchase price, and all other terms~~
40 ~~of the offer. The other parties shall then have an optional prior right, for a period of ten (10) days after receipt of the notice, to purchase~~
41 ~~on the same terms and conditions the interest which the other party proposes to sell; and, if this optional right is exercised, the purchas-~~
42 ~~ing parties shall share the purchased interest in the proportions that the interest of each bears to the total interest of all purchasing par-~~
43 ~~ties. However, there shall be no preferential right to purchase in those cases where any party wishes to mortgage its interests, or to~~
44 ~~dispose of its interests by merger, reorganization, consolidation, or sale of all or substantially all of its assets to a subsidiary or parent com-~~
45 ~~pany or to a subsidiary of a parent company, or to any company in which any one party owns a majority of the stock.~~

46
47 **ARTICLE IX.**
48 **INTERNAL REVENUE CODE ELECTION**

49
50 This agreement is not intended to create, and shall not be construed to create, a relationship of partnership or an association
51 for profit between or among the parties hereto. Notwithstanding any provision herein that the rights and liabilities hereunder are several
52 and not joint or collective, or that this agreement and operations hereunder shall not constitute a partnership, if, for federal income tax
53 purposes, this agreement and the operations hereunder are regarded as a partnership, each party hereby affected elects to be excluded
54 from the application of all of the provisions of Subchapter "K", Chapter 1, Subtitle "A", of the Internal Revenue Code of 1954, as per-
55 mitted and authorized by Section 761 of the Code and the regulations promulgated thereunder. Operator is authorized and directed to ex-
56 ecute on behalf of each party hereby affected such evidence of this election as may be required by the Secretary of the Treasury of the
57 United States or the Federal Internal Revenue Service, including specifically, but not by way of limitation, all of the returns, statements,
58 and the data required by Federal Regulations 1.761. Should there be any requirement that each party hereby affected give further
59 evidence of this election, each such party shall execute such documents and furnish such other evidence as may be required by the
60 Federal Internal Revenue Service or as may be necessary to evidence this election. No such party shall give any notices or take any other
61 action inconsistent with the election made hereby. If any present or future income tax laws of the state or states in which the Contract
62 Area is located or any future income tax laws of the United States contain provisions similar to those in Subchapter "K", Chapter 1,
63 Subtitle "A", of the Internal Revenue Code of 1954, under which an election similar to that provided by Section 761 of the Code is per-
64 mitted, each party hereby affected shall make such election as may be permitted or required by such laws. In making the foregoing elec-
65 tion, each such party states that the income derived by such party from operations hereunder can be adequately determined without the
66 computation of partnership taxable income.

ARTICLE X.
CLAIMS AND LAWSUITS

Operator may settle any single uninsured third party damage claim or suit arising from operations hereunder if the expenditure does not exceed Ten Thousand and no/100----- Dollars (\$10,000.00) and if the payment is in complete settlement of such claim or suit. If the amount required for settlement exceeds the above amount, the parties hereto shall assume and take over the further handling of the claim or suit, unless such authority is delegated to Operator. All costs and expenses of handling, settling, or otherwise discharging such claim or suit shall be at the joint expense of the parties participating in the operation from which the claim or suit arises. If a claim is made against any party or if any party is sued on account of any matter arising from operations hereunder over which such individual has no control because of the rights given Operator by this agreement, such party shall immediately notify all other parties, and the claim or suit shall be treated as any other claim or suit involving operations hereunder.

ARTICLE XI.
FORCE MAJEURE

If any party is rendered unable, wholly or in part, by force majeure to carry out its obligations under this agreement, other than the obligation to make money payments, that party shall give to all other parties prompt written notice of the force majeure with reasonably full particulars concerning it; thereupon, the obligations of the party giving the notice, so far as they are affected by the force majeure, shall be suspended during, but no longer than, the continuance of the force majeure. The affected party shall use all reasonable diligence to remove the force majeure situation as quickly as practicable.

The requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes, lockouts, or other labor difficulty by the party involved, contrary to its wishes; how all such difficulties shall be handled shall be entirely within the discretion of the party concerned.

The term "force majeure", as here employed, shall mean an act of God, strike, lockout, or other industrial disturbance, act of the public enemy, war, blockade, public riot, lightning, fire, storm, flood, explosion, governmental action, governmental delay, restraint or inaction, unavailability of equipment, and any other cause, whether of the kind specifically enumerated above or otherwise, which is not reasonably within the control of the party claiming suspension.

ARTICLE XII.
NOTICES

All notices authorized or required between the parties and required by any of the provisions of this agreement, unless otherwise specifically provided, shall be given in writing by mail or telegram, postage or charges prepaid, or by telex or telecopier and addressed to the parties to whom the notice is given at the addresses listed on Exhibit "A". The originating notice given under any provision hereof shall be deemed given only when received by the party to whom such notice is directed, and the time for such party to give any notice in response thereto shall run from the date the originating notice is received. The second or any responsive notice shall be deemed given when deposited in the mail or with the telegraph company, with postage or charges prepaid, or sent by telex or telecopier. Each party shall have the right to change its address at any time, and from time to time, by giving written notice thereof to all other parties.

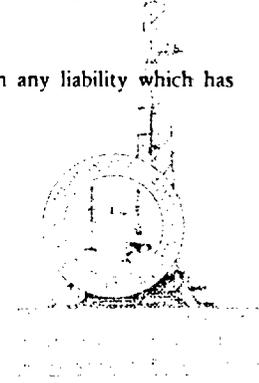
ARTICLE XIII.
TERM OF AGREEMENT

This agreement shall remain in full force and effect as to the oil and gas leases and/or oil and gas interests subject hereto for the period of time selected below; provided, however, no party hereto shall ever be construed as having any right, title or interest in or to any lease or oil and gas interest contributed by any other party beyond the term of this agreement.

Option No. 1: So long as any of the oil and gas leases subject to this agreement remain or are continued in force as to any part of the Contract Area, whether by production, extension, renewal or otherwise.

Option No. 2: In the event the well described in Article VI.A., or any subsequent well drilled under any provision of this agreement, results in production of oil and/or gas in paying quantities, this agreement shall continue in force so long as any such well or wells produce, or are capable of production, and for an additional period of 120 days from cessation of all production; provided, however, if, prior to the expiration of such additional period, one or more of the parties hereto are engaged in drilling, reworking, deepening, plugging back, testing or attempting to complete a well or wells hereunder, this agreement shall continue in force until such operations have been completed and if production results therefrom, this agreement shall continue in force as provided herein. In the event the well described in Article VI.A., or any subsequent well drilled hereunder, results in a dry hole, and no other well is producing, or capable of producing oil and/or gas from the Contract Area, this agreement shall terminate unless drilling, deepening, plugging back or reworking operations are commenced within 120 days from the date of abandonment of said well.

It is agreed, however, that the termination of this agreement shall not relieve any party hereto from any liability which has accrued or attached prior to the date of such termination.



ARTICLE XIV.
COMPLIANCE WITH LAWS AND REGULATIONS

A. Laws, Regulations and Orders:

This agreement shall be subject to the conservation laws of the state in which the Contract Area is located, to the valid rules, regulations, and orders of any duly constituted regulatory body of said state; and to all other applicable federal, state, and local laws, ordinances, rules, regulations, and orders.

B. Governing Law:

This agreement and all matters pertaining hereto, including, but not limited to, matters of performance, non-performance, breach, remedies, procedures, rights, duties and interpretation or construction, shall be governed and determined by the law of the state in which the Contract Area is located. ~~If the Contract Area is in two or more states, the law of the state of _____ shall govern.~~

C. Regulatory Agencies:

Nothing herein contained shall grant, or be construed to grant, Operator the right or authority to waive or release any rights, privileges, or obligations which Non-Operators may have under federal or state laws or under rules, regulations or orders promulgated under such laws in reference to oil, gas and mineral operations, including the location, operation, or production of wells, on tracts offsetting or adjacent to the Contract Area.

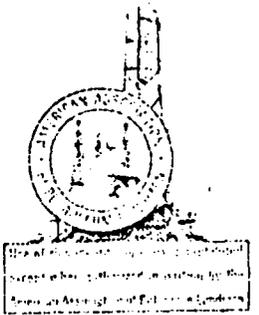
With respect to operations hereunder, Non-Operators agree to release Operator from any and all losses, damages, injuries, claims and causes of action arising out of, incident to or resulting directly or indirectly from Operator's interpretation or application of rules, rulings, regulations or orders of the Department of Energy or predecessor or successor agencies to the extent such interpretation or application was made in good faith. Each Non-Operator further agrees to reimburse Operator for any amounts applicable to such Non-Operator's share of production that Operator may be required to refund, rebate or pay as a result of such an incorrect interpretation or application, together with interest and penalties thereon owing by Operator as a result of such incorrect interpretation or application.

Non-Operators authorize Operator to prepare and submit such documents as may be required to be submitted to the purchaser of any crude oil sold hereunder or to any other person or entity pursuant to the requirements of the "Crude Oil Windfall Profit Tax Act of 1980", as same may be amended from time to time ("Act"), and any valid regulations or rules which may be issued by the Treasury Department from time to time pursuant to said Act. Each party hereto agrees to furnish any and all certifications or other information which is required to be furnished by said Act in a timely manner and in sufficient detail to permit compliance with said Act.

ARTICLE XV.
OTHER PROVISIONS

(a) Each party will use its best efforts to abstain from distributing any information or photographs to the press or other media without the approval of all the parties except as required by law or regulation. When all parties have reviewed such material, the company designated as operator shall have the principal responsibility for its issuance. The only other exception to the foregoing shall be that in the event of an emergency involving extensive property damage, operations failure, loss of human life or other clear emergency, the party designated as operator is authorized to furnish such minimum strictly factual information as shall be necessary to satisfy the legitimate public interest on the part of the press and duly constituted authorities. If time does not permit the obtaining or prior approval by the other party or parties, such party shall thereupon promptly advise the other party or parties of the information so furnished.

(b) As to any contract executed by operator with an independent contractor covering operations or services to be performed on properties covered by this operating agreement, operator shall require that any indemnification provision contained therein shall extend to and inure to the benefit of non-operator in the same manner as operator.



ARTICLE XVI.
MISCELLANEOUS

This agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective heirs, devisees, legal representatives, successors and assigns.

This instrument may be executed in any number of counterparts, each of which shall be considered an original for all purposes.

IN WITNESS WHEREOF, this agreement shall be effective as of 1st day of May, 19 87.

OPERATOR

Amerind Oil Co., a Texas
General Partnership.

By: Robert C. Leibrock
Robert C. Leibrock,
Partner

NON-OPERATORS

Jeanne Van Zant Sanders

J.H. Van Zant, II

Felmont Oil Corporation

By: _____

Clifford Cone

Kenneth Cone

Douglas Cone

Roy G. Barton, Jr.

E.B. White, Jr.

Harry A. Miller, Jr.

Harry A. Miller, III

Margaret Miller Carrico

Standard Oil Production Co.

Cleroy, Inc.

By: _____

By: _____

Lanroy, Inc.

By: _____

J.R. McGinley, Jr.

Conoco, Inc.

Pennzoil Company

By: _____

By: _____

Rio Pecos Corp.

By: _____

THE STATE OF TEXAS

COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me this 29th day of June, 1987 by Robert C. Leibrock, Partner of Amerind Oil Co. a Texas General Partnership, on behalf of said partnership.

My Commission Expires:



MARY ANN BROCK
Notary Public, State of Texas
My Commission Expires March 18, 1988

Mary Ann Brock
Notary Public in and for the
State of Texas

Printed Name: _____

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on this _____ day of _____, 1987 by Jeanne Van Zant Sanders.

My Commission Expires:

Notary Public in and for the
State of Texas

Printed Name: _____

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on this _____ day of _____, 1987 by J.H. Van Zant, II.

My Commission Expires:

Notary Public in and for the
State of Texas

Printed Name: _____

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on this _____ day of _____, 1987 by _____ of Felmont Oil Corporation, a _____ corporation, on behalf of said corporation.

My Commission Expires:

Notary Public in and for the
State of Texas

Printed Name: _____

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on this _____ day of _____, 1987 by Kenneth Cone.

My Commission Expires:

Notary Public in and for the
State of Texas

Printed Name: _____

STATE OF NEW MEXICO

COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 1987 by Douglas Cone.

My Commission Expires: _____

Notary Public in and for the
State of New Mexico

Printed Name: _____

STATE OF NEW MEXICO

COUNTY OF LEA

This instrument was acknowledged before me on the _____ day of _____, 1987 by Clifford Cone.

My Commission Expires: _____

Notary Public in and for the
State of New Mexico

Printed Name: _____

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on the _____ day of _____, 1987 by E.B. White.

My Commission Expires: _____

Notary Public in and for the
State of Texas

Printed Name: _____

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on the _____ day of _____, 1987 by Harry A. Miller, Jr.

My Commission Expires: _____

Notary Public in and for the
State of Texas

Printed Name: _____

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on the _____ day of _____, 1987 by Harry A. Miller, III.

My Commission Expires: _____

Notary Public in and for the
State of Texas

Printed Name: _____

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on the ____ day of _____, 1987 by Margaret Miller Carrico.

My Commission Expires: _____

Notary Public in and for the State of Texas

Printed Name: _____

STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on the ____ day of _____, 1987 by _____ of Standard Oil Production Co., a _____ corporation, on behalf of said corporation.

My Commission Expires: _____

Notary Public in and for the State of Texas

Printed Name: _____

STATE OF OKLAHOMA

COUNTY OF _____

This instrument was acknowledged before me on the ____ day of _____, 1987 by _____ of Lanroy, Inc., a _____ corporation, on behalf of said corporation.

My Commission Expires: _____

Notary Public in and for the State of Oklahoma

Printed Name: _____

STATE OF OKLAHOMA

COUNTY OF _____

This instrument was acknowledged before me on the ____ day of _____, 1987 by _____ of Cleroy, Inc., a _____ corporation, on behalf of said corporation.

My Commission Expires: _____

Notary Public in and for the State of Oklahoma

Printed Name: _____

STATE OF OKLAHOMA

COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 1987 by J.R. McGinley, Jr.

My Commission Expires:

Notary Public in and for the
State of Oklahoma

Printed Name: _____

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 1987 by _____, _____ of Conoco, Inc., a _____ corporation, on behalf of said corporation.

My Commission Expires:

Notary Public in and for the
State of _____

Printed Name: _____

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on the _____ day of _____, 1987 by _____, _____ of Pennzoil Company, a _____ corporation, on behalf of said corporation.

My Commission Expires:

Notary Public in and for the
State of Texas

Printed Name: _____

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on the _____ day of _____, 1987 by _____, _____ of Rio Pecos Corporation, a _____ corporation, on behalf of said corporation.

My Commission Expires:

Notary Public in and for the
State of Texas

Printed Name: _____

STATE OF NEW MEXICO

COUNTY OF LEA

This instrument was acknowledged before me on the _____ day of _____, 1987 by Roy G. Barton, Jr.

My Commission Expires:

Notary Public in and for
the State of New Mexico

Printed Name: _____

EXHIBIT "A"

Attached to and made a part of that certain Operating Agreement dated May 1, 1987 by between Amerind Oil Co., as Operator, and certain Non-Operators.

IDENTIFICATION OF LANDS SUBJECT TO AGREEMENT:

SE/4 SW/4 and SW/4 SE/4 of Section 28,
T-16-S, R-37-E, Lea N.M.P.M., Lea
County, New Mexico

INTERESTS OF PARTIES

| | |
|---|--------|
| Amerind Oil Co. | 48.986 |
| Jeanne Van Zant Sanders | .9375 |
| J.H. Van Zant, II | .9375 |
| Felmont Oil Corporation | 2.75 |
| Clifford Cone | .3125 |
| Kenneth Cone | .3125 |
| Douglas Cone | .3125 |
| Roy G. Barton, Jr. | .78125 |
| E.B. White, Jr. | .3906 |
| Harry A. Miller Jr., Harry A. Miller, III Margaret Miller Carrico | .3906 |
| Standard Oil Production Co. (Sohio) | 6.406 |
| Cleroy, Inc. | 2.075 |
| Lanroy, Inc. | 2.075 |
| J.R. McGinley, Jr. | 2.075 |
| Conoco, Inc. | 9.375 |
| Pennzoil Company | 2.0812 |
| Rio Pecos Corp. | 19.7 |

This exhibit may be revised at a later date to indicate the correct ownership.

ADDRESSES OF THE PARTIES

Amerind Oil Co.
500 Wilco Bldg.
Midland, Texas 79701

Pennzoil Company
P.O. Box 2967
Houston, Texas 77252-2967

J.R. McGinley, Jr.
Cleroy, Inc.
Lanroy, Inc.
P.O. Box 3405
Tulsa, Oklahoma 74101

Standard Oil Production Co.
Two Lincoln Centre
5420 LBJ Freeway
Suite 1000/LB 03
Dallas, Texas 75240

Conoco, Inc.
200 North Lorraine Street
P.O. Box 1959
Midland, Texas 79701

Felmont Oil Co.
P.O. Box 2266
Midland, Texas 79702

E.B. White, Jr.
P.O. Box 2052
Midland, Texas 79702

Harry A. Miller, Jr.
Harry A. Miller, III
Margaret Miller Carrico
600 First National Bank Bldg.
Midland, Texas 79701

Clifford Cone
P.O./ Drawer 1509
Lovington, Texas 88260

Kenneth Cone
P.O. Box 11310
Midland, Texas 79702

Douglas L. Cone
P.O. Box 13612
Albuquerque, New Mexico 87123

Roy A. Barton, Jr.
P.O. Box 978
Hobbs, New Mexico 88240

Rio Pecos Corporation
110 W. Louisiana
Suite 460
Midland, Texas 79701

Jeanne Van Zant Sanders
Suite 508, Sinclair Bldg.
106 W. Fifth Street
Ft. Worth, Texas 76102

J.H. Van Zant, II
1730 Commerce Bldg.
307 W. 7th
Ft. Worth, Texas 76102-5173

Oil and Gas Leases subject to the Agreement insofar as Lease covers SW/4 SE/4, SE/4 SW/4 of Section 28, T-16-S, R-37-E, Lea County, New Mexico.

A LIST OF OIL AND GAS LEASES WILL BE FURNISHED AT A LATER DATE.

INDIVIDUAL ACKNOWLEDGMENT

STATE OF NEW MEXICO, }
County of _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 19_____ by _____

My commission expires _____, 19_____, Notary Public

CORPORATION ACKNOWLEDGMENT

STATE OF NEW MEXICO }
County of _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 19_____ by _____ President of _____ a _____ corporation on behalf of said corporation.

My Commission Expires: _____ Notary Public

INDIVIDUAL ACKNOWLEDGMENT

STATE OF _____ }
County of _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 19_____ by _____

My commission expires _____, 19_____, Notary Public

Producers 88 Rev. (5 Year Lease) (10-57)

Oil and Gas Lease
FROM
TO
Dated _____, 19_____.
No. Acres _____ County, N. M.
This instrument was filed for record on the _____ day of _____, 19_____, at _____ o'clock _____ M., and duly recorded in Book _____, Page _____ of the _____ records of this office.
By _____ County Clerk
When recorded return to _____ Deputy

EXHIBIT " C "

Attached to and made a part of Operating Agreement dated
 May 1, 1987 by and between Amerind Oil Co., as
 Operator, and certain Non-Operators

ACCOUNTING PROCEDURE
 JOINT OPERATIONS

I. GENERAL PROVISIONS

1. Definitions

"Joint Property" shall mean the real and personal property subject to the agreement to which this Accounting Procedure is attached.

"Joint Operations" shall mean all operations necessary or proper for the development, operation, protection and maintenance of the Joint Property.

"Joint Account" shall mean the account showing the charges paid and credits received in the conduct of the Joint Operations and which are to be shared by the Parties.

"Operator" shall mean the party designated to conduct the Joint Operations.

"Non-Operators" shall mean the parties to this agreement other than the Operator.

"Parties" shall mean Operator and Non-Operators.

"First Level Supervisors" shall mean those employees whose primary function in Joint Operations is the direct supervision of other employees and/or contract labor directly employed on the Joint Property in a field operating capacity.

"Technical Employees" shall mean those employees having special and specific engineering, geological or other professional skills, and whose primary function in Joint Operations is the handling of specific operating conditions and problems for the benefit of the Joint Property.

"Personal Expenses" shall mean travel and other reasonable reimbursable expenses of Operator's employees.

"Material" shall mean personal property, equipment or supplies acquired or held for use on the Joint Property.

"Controllable Material" shall mean Material which at the time is so classified in the Material Classification Manual as most recently recommended by the Council of Petroleum Accountants Societies of North America.

2. Statement and Billings

Operator shall bill Non-Operators on or before the last day of each month for their proportionate share of the Joint Account for the preceding month. Such bills will be accompanied by statements which identify the authority for expenditure, lease or facility, and all charges and credits, summarized by appropriate classifications of investment and expense except that items of Controllable Material and unusual charges and credits shall be separately identified and fully described in detail.

3. Advances and Payments by Non-Operators

Unless otherwise provided for in the agreement, the Operator may require the Non-Operators to advance their share of estimated cash outlay for the succeeding month's operation. Operator shall adjust each monthly billing to reflect advances received from the Non-Operators.

Each Non-Operator shall pay its proportion of all bills within fifteen (15) days after receipt. If payment is not made within such time, the unpaid balance shall bear interest monthly at the rate of twelve percent (12%) per annum or the maximum contract rate permitted by the applicable usury laws in the state in which the Joint Property is located, whichever is the ~~lesser~~ ^{greater}, plus attorney's fees, court costs, and other costs in connection with the collection of unpaid amounts.

4. Adjustments

Payment of any such bills shall not prejudice the right of any Non-Operator to protest or question the correctness thereof; provided, however, all bills and statements rendered to Non-Operators by Operator during any calendar year shall conclusively be presumed to be true and correct after twenty-four (24) months following the end of any such calendar year, unless within the said twenty-four (24) month period a Non-Operator takes written exception thereto and makes claim on Operator for adjustment. No adjustment favorable to Operator shall be made unless it is made within the same prescribed period. The provisions of this paragraph shall not prevent adjustments resulting from a physical inventory of Controllable Material as provided for in Section V.

5. Audits

A. Non-Operator, upon notice in writing to Operator and all other Non-Operators, shall have the right to audit Operator's accounts and records relating to the Joint Account for any calendar year within the twenty-four (24) month period following the end of such calendar year; provided, however, the making of an audit shall not extend the time for the taking of written exception to and the adjustments of accounts as provided for in Paragraph 4 of this Section I. Where there are two or more Non-Operators, the Non-Operators shall make every reasonable effort to conduct joint or simultaneous audits in a manner which will result in a minimum of inconvenience to the Operator. Operator shall bear no portion of the Non-Operators' audit cost incurred under this paragraph unless agreed to by the Operator.

6. Approval by Non-Operators

Where an approval or other agreement of the Parties or Non-Operators is expressly required under other sections of this Accounting Procedure and if the agreement to which this Accounting Procedure is attached contains no contrary provisions in regard thereto, Operator shall notify all Non-Operators of the Operator's proposal, and the agreement or approval of a majority in interest of the Non-Operators shall be controlling on all Non-Operators.

II. DIRECT CHARGES

Operator shall charge the Joint Account with the following items:

1. Rentals and Royalties

Lease rentals and royalties paid by Operator for the Joint Operations.

2. Labor

A. (1) Salaries and wages of Operator's field employees directly employed on the Joint Property in the conduct of Joint Operations.

(2) Salaries of First Level Supervisors in the field.

(3) Salaries and wages of Technical Employees directly employed on the Joint Property if such charges are excluded from the Overhead rates.

B. Operator's cost of holiday, vacation, sickness and disability benefits and other customary allowances paid to employees whose salaries and wages are chargeable to the Joint Account under Paragraph 2A of this Section II. Such costs under this Paragraph 2B may be charged on a "when and as paid basis" or by "percentage assessment" on the amount of salaries and wages chargeable to the Joint Account under Paragraph 2A of this Section II. If percentage assessment is used, the rate shall be based on the Operator's cost experience.

C. Expenditures or contributions made pursuant to assessments imposed by governmental authority which are applicable to Operator's costs chargeable to the Joint Account under Paragraphs 2A and 2B of this Section II.

D. Personal Expenses of those employees whose salaries and wages are chargeable to the Joint Account under Paragraph 2A of this Section II.

3. Employee Benefits

Operator's current costs of established plans for employees' group life insurance, hospitalization, pension, retirement, stock purchase, thrift, bonus, and other benefit plans of a like nature, applicable to Operator's labor cost chargeable to the Joint Account under Paragraphs 2A and 2B of this Section II shall be Operator's actual cost not to exceed ~~thirty-three percent (33%)~~ twenty-three percent (23%) or the percent most recently recommended by the Council of Petroleum Accountants Societies of North America.

4. Material

Material purchased or furnished by Operator for use on the Joint Property as provided under Section IV. Only such Material shall be purchased for or transferred to the Joint Property as may be required for immediate use and is reasonably practical and consistent with efficient and economical operations. The accumulation of surplus stocks shall be avoided.

5. Transportation

Transportation of employees and Material necessary for the Joint Operations but subject to the following limitations:

A. If Material is moved to the Joint Property from the Operator's warehouse or other properties, no charge shall be made to the Joint Account for a distance greater than the distance from the nearest reliable supply store, recognized barge terminal, or railway receiving point where like material is normally available, unless agreed to by the Parties.

B. If surplus Material is moved to Operator's warehouse or other storage point, no charge shall be made to the Joint Account for a distance greater than the distance to the nearest reliable supply store, recognized barge terminal, or railway receiving point unless agreed to by the Parties. No charge shall be made to the Joint Account for moving Material to other properties belonging to Operator, unless agreed to by the Parties.

C. In the application of Subparagraphs A and B above, there shall be no equalization of actual gross trucking cost of \$200 or less excluding accessorial charges.

6. Services

The cost of contract services, equipment and utilities provided by outside sources, except services excluded by Paragraph 9 of Section II and Paragraph 1. ii of Section III. The cost of professional consultant services and contract services of technical personnel directly engaged on the Joint Property if such charges are excluded from the Overhead rates. The cost of professional consultant services or contract services of technical personnel not directly engaged on the Joint Property shall not be charged to the Joint Account unless previously agreed to by the Parties.

7. Equipment and Facilities Furnished by Operator

A. Operator shall charge the Joint Account for use of Operator owned equipment and facilities at rates commensurate with costs of ownership and operation. Such rates shall include costs of maintenance, repairs, other operating expense, insurance, taxes, depreciation, and interest on investment not to exceed eight per cent (8%) per annum. Such rates shall not exceed average commercial rates currently prevailing in the immediate area of the Joint Property.

B. In lieu of charges in Paragraph 7A above, Operator may elect to use average commercial rates prevailing in the immediate area of the Joint Property less 20%. For automotive equipment, Operator may elect to use rates published by the Petroleum Motor Transport Association.

8. Damages and Losses to Joint Property

All costs or expenses necessary for the repair or replacement of Joint Property made necessary because of damages or losses incurred by fire, flood, storm, theft, accident, or other cause, except those resulting from Operator's gross negligence or willful misconduct. Operator shall furnish Non-Operator written notice of damages or losses incurred as soon as practicable after a report thereof has been received by Operator.

9. Legal Expense

Expense of handling, investigating and settling litigation or claims, discharging of liens, payment of judgments and amounts paid for settlement of claims incurred in or resulting from operations under the agreement or necessary to protect or recover the Joint Property, except that no charge for services of Operator's legal staff or fees or expense of outside attorneys shall be made unless previously agreed to by the Parties. ~~All other legal expense is considered to be covered by the overhead provisions of Section III unless otherwise agreed to by the Parties, except as provided in Section I, Paragraph 3.~~

10. Taxes

All taxes of every kind and nature assessed or levied upon or in connection with the Joint Property, the operation thereof, or the production therefrom, and which taxes have been paid by the Operator for the benefit of the Parties.

11. Insurance

Net premiums paid for insurance required to be carried for the Joint Operations for the protection of the Parties. In the event Joint Operations are conducted in a state in which Operator may act as self-insurer for Workmen's Compensation and/or Employers Liability under the respective state's laws, Operator may, at its election, include the risk under its self-insurance program and in that event, Operator shall include a charge at Operator's cost not to exceed manual rates.

12. Other Expenditures

Any other expenditure not covered or dealt with in the foregoing provisions of this Section II, or in Section III, and which is incurred by the Operator in the necessary and proper conduct of the Joint Operations.

III. OVERHEAD**1. Overhead - Drilling and Producing Operations**

i. As compensation for administrative, supervision, office services and warehousing costs, Operator shall charge drilling and producing operations on either:

- (X) Fixed Rate Basis, Paragraph 1A, or
 () Percentage Basis, Paragraph 1B.

Unless otherwise agreed to by the Parties, such charge shall be in lieu of costs and expenses of all offices and salaries or wages plus applicable burdens and expenses of all personnel, except those directly chargeable under Paragraph 2A, Section II. The cost and expense of services from outside sources in connection with matters of taxation, traffic, accounting or matters before or involving governmental agencies shall be considered as included in the Overhead rates provided for in the above selected Paragraph of this Section III unless such cost and expense are agreed to by the Parties as a direct charge to the Joint Account.

ii. The salaries, wages and Personal Expenses of Technical Employees and/or the cost of professional consultant services and contract services of technical personnel directly employed on the Joint Property shall () shall not (X) be covered by the Overhead rates.

A. Overhead - Fixed Rate Basis

(1) Operator shall charge the Joint Account at the following rates per well per month:

Drilling Well Rate \$ 5,000.00
 Producing Well Rate \$ 500.00

(2) Application of Overhead - Fixed Rate Basis shall be as follows:

(a) Drilling Well Rate

- [1] Charges for onshore ^{re-entry or} drilling wells shall ^{be for a minimum of one month to} begin on the date the well is spudded and terminate on the date the drilling or completion rig is released, whichever is later, except that no charge shall be made during suspension of drilling operations for fifteen (15) or more consecutive days.
- [2] Charges for offshore drilling wells shall begin on the date when drilling or completion equipment arrives on location and terminate on the date the drilling or completion equipment moves off location or rig is released, whichever occurs first, except that no charge shall be made during suspension of drilling operations for fifteen (15) or more consecutive days
- [3] Charges for wells undergoing any type of workover or recompletion for a period of five (5) consecutive days or more shall be made at the drilling well rate. Such charges shall be applied for the period from date workover operations, with rig, commence through date of rig release, except that no charge shall be made during suspension of operations for fifteen (15) or more consecutive days.

(b) Producing Well Rates

- [1] An active well either produced or injected into for any portion of the month shall be considered as a one-well charge for the entire month.
- [2] Each active completion in a multi-completed well in which production is not commingled down hole shall be considered as a one-well charge providing each completion is considered a separate well by the governing regulatory authority.
- [3] An inactive gas well shut in because of overproduction or failure of purchaser to take the production shall be considered as a one-well charge providing the gas well is directly connected to a permanent sales outlet.
- [4] A one-well charge may be made for the month in which plugging and abandonment operations are completed on any well.
- [5] All other inactive wells (including but not limited to inactive wells covered by unit allowable, lease allowable, transferred allowable, etc.) shall not qualify for an overhead charge.
- (3) The well rates shall be adjusted as of the first day of April each year following the effective date of the agreement to which this Accounting Procedure is attached. The adjustment shall be computed by multiplying the rate currently in use by the percentage increase or decrease in the average weekly earnings of Crude Petroleum and Gas Production Workers for the last calendar year compared to the calendar year preceding as shown by the index of average weekly earnings of Crude Petroleum and Gas Fields Production Workers as published by the United States Department of Labor, Bureau of Labor Statistics, or the equivalent Canadian index as published by Statistics Canada, as applicable. The adjusted rates shall be the rates currently in use, plus or minus the computed adjustment.

B. Overhead - Percentage Basis

(1) Operator shall charge the Joint Account at the following rates:

(a) Development

_____ Percent (%) of the cost of Development of the Joint Property exclusive of costs provided under Paragraph 9 of Section II and all salvage credits.

(b) Operating

_____ Percent (%) of the cost of Operating the Joint Property exclusive of costs provided under Paragraphs 1 and 9 of Section II, all salvage credits, the value of injected substances purchased for secondary recovery and all taxes and assessments which are levied, assessed and paid upon the mineral interest in and to the Joint Property.

(2) Application of Overhead - Percentage Basis shall be as follows:

For the purpose of determining charges on a percentage basis under Paragraph 1B of this Section III, development shall include all costs in connection with drilling, re-drilling, deepening or any remedial operations on any or all wells involving the use of drilling crew and equipment; also, preliminary expenditures necessary in preparation for drilling and expenditures incurred in abandoning when the well is not completed as a producer, and original cost of construction or installation of fixed assets, the expansion of fixed assets and any other project clearly discernible as a fixed asset, except Major Construction as defined in Paragraph 2 of this Section III. All other costs shall be considered as Operating.

2. Overhead - Major Construction TO BE NEGOTIATED

~~To compensate Operator for overhead costs incurred in the construction and installation of fixed assets, the expansion of fixed assets, and any other project clearly discernible as a fixed asset required for the development and operation of the Joint Property, Operator shall either negotiate a rate prior to the beginning of construction, or shall charge the Joint Account for Overhead based on the following rates for any Major Construction project in excess of \$ _____:~~

- ~~A. _____ % of total costs if such costs are more than \$ _____ but less than \$ _____; plus
 B. _____ % of total costs in excess of \$ _____ but less than \$1,000,000; plus
 C. _____ % of total costs in excess of \$1,000,000.~~

~~Total cost shall mean the gross cost of any one project. For the purpose of this paragraph, the component parts of a single project shall not be treated separately and the cost of drilling and workover wells shall be excluded.~~

3. Amendment of Rates

~~The Overhead rates provided for in this Section III may be amended from time to time only by mutual agreement between the Parties hereto if, in practice, the rates are found to be insufficient or excessive.~~

IV. PRICING OF JOINT ACCOUNT MATERIAL PURCHASES, TRANSFERS AND DISPOSITIONS

Operator is responsible for Joint Account Material and shall make proper and timely charges and credits for all material movements affecting the Joint Property. Operator shall provide all Material for use on the Joint Property; however, at Operator's option, such Material may be supplied by the Non-Operator. Operator shall make timely disposition of idle and/or surplus Material, such disposal being made either through sale to Operator or Non-Operator, division in kind, or sale to outsiders. Operator may purchase, but shall be under no obligation to purchase, interest of Non-Operators in surplus condition A or B Material. The disposal of surplus Controllable Material not purchased by the Operator shall be agreed to by the Parties.

1. Purchases

Material purchased shall be charged at the price paid by Operator after deduction of all discounts received. In case of Material found to be defective or returned to vendor for any other reason, credit shall be passed to the Joint Account when adjustment has been received by the Operator.

2. Transfers and Dispositions

Material furnished to the Joint Property and Material transferred from the Joint Property or disposed of by the Operator, unless otherwise agreed to by the Parties, shall be priced on the following bases exclusive of cash discounts:

A. New Material (Condition A)

- (1) Tubular goods, except line pipe, shall be priced at the current new price in effect on date of movement on a maximum carload or barge load weight basis, regardless of quantity transferred, equalized to the lowest published price f.o.b. railway receiving point or recognized barge terminal nearest the Joint Property where such Material is normally available.
- (2) Line Pipe
 - (a) Movement of less than 30,000 pounds shall be priced at the current new price, in effect at date of movement, as listed by a reliable supply store nearest the Joint Property where such Material is normally available.
 - (b) Movement of 30,000 pounds or more shall be priced under provisions of tubular goods pricing in Paragraph 2A (1) of this Section IV.
- (3) Other Material shall be priced at the current new price, in effect at date of movement, as listed by a reliable supply store or f.o.b. railway receiving point nearest the Joint Property where such Material is normally available.

B. Good Used Material (Condition B)

Material in sound and serviceable condition and suitable for reuse without reconditioning:

(1) Material moved to the Joint Property

- (a) At seventy-five percent (75%) of current new price, as determined by Paragraph 2A of this Section IV.

(2) Material moved from the Joint Property

- (a) At seventy-five percent (75%) of current new price, as determined by Paragraph 2A of this Section IV, if Material was originally charged to the Joint Account as new Material, or

- (b) at sixty-five percent (65%) of current new price, as determined by Paragraph 2A of this Section IV, if Material was originally charged to the Joint Account as good used Material at seventy-five percent (75%) of current new price.

The cost of reconditioning, if any, shall be absorbed by the transferring property.

C. Other Used Material (Condition C and D)

(1) Condition C

Material which is not in sound and serviceable condition and not suitable for its original function until after reconditioning shall be priced at fifty percent (50%) of current new price as determined by Paragraph 2A of this Section IV. The cost of reconditioning shall be charged to the receiving property, provided Condition C value plus cost of reconditioning does not exceed Condition B value.

(2) Condition D

All other Material, including junk, shall be priced at a value commensurate with its use or at prevailing prices. Material no longer suitable for its original purpose but usable for some other purpose, shall be priced on a basis comparable with that of items normally used for such other purpose. Operator may dispose of Condition D Material under procedures normally utilized by the Operator without prior approval of Non-Operators.

D. Obsolete Material

Material which is serviceable and usable for its original function but condition and/or value of such Material is not equivalent to that which would justify a price as provided above may be specially priced as agreed to by the Parties. Such price should result in the Joint Account being charged with the value of the service rendered by such Material.

E. Pricing Conditions

- (1) Loading and unloading costs may be charged to the Joint Account at the rate of fifteen cents (15¢) per hundred weight on all tubular goods movements, in lieu of loading and unloading costs sustained, when actual hauling cost of such tubular goods are equalized under provisions of Paragraph 5 of Section II.
- (2) Material involving erection costs shall be charged at applicable percentage of the current knocked-down price of new Material.

3. Premium Prices

Whenever Material is not readily obtainable at published or listed prices because of national emergencies, strikes or other unusual causes over which the Operator has no control, the Operator may charge the Joint Account for the required Material at the Operator's actual cost incurred in providing such Material, in making it suitable for use, and in moving it to the Joint Property; provided notice in writing is furnished to Non-Operators of the proposed charge prior to billing Non-Operators for such Material. Each Non-Operator shall have the right, by so electing and notifying Operator within ten days after receiving notice from Operator, to furnish in kind all or part of his share of such Material suitable for use and acceptable to Operator.

4. Warranty of Material Furnished by Operator

Operator does not warrant the Material furnished. In case of defective Material, credit shall not be passed to the Joint Account until adjustment has been received by Operator from the manufacturers or their agents.

V. INVENTORIES

The Operator shall maintain detailed records of Controllable Material.

1. Periodic Inventories, Notice and Representation

At reasonable intervals, Inventories shall be taken by Operator of the Joint Account Controllable Material. Written notice of intention to take inventory shall be given by Operator at least thirty (30) days before any inventory is to begin so that Non-Operators may be represented when any inventory is taken. Failure of Non-Operators to be represented at an inventory shall bind Non-Operators to accept the inventory taken by Operator.

2. Reconciliation and Adjustment of Inventories

Reconciliation of a physical inventory with the Joint Account shall be made, and a list of overages and shortages shall be furnished to the Non-Operators within six months following the taking of the inventory. Inventory adjustments shall be made by Operator with the Joint Account for overages and shortages, but Operator shall be held accountable only for shortages due to lack of reasonable diligence.

3. Special Inventories

Special Inventories may be taken whenever there is any sale or change of interest in the Joint Property. It shall be the duty of the party selling to notify all other Parties as quickly as possible after the transfer of interest takes place. In such cases, both the seller and the purchaser shall be governed by such inventory.

4. Expense of Conducting Periodic Inventories

The expense of conducting periodic Inventories shall not be charged to the Joint Account unless agreed to by the Parties.

EXHIBIT "D"

Attached to and made a part of that certain Operating Agreement dated May 1, 1987, by and between Amerind Oil Co., as Operator, and certain Non-Operators.

OPERATOR agrees to contract for and keep in full force and effect for the duration of this agreement, insurance policies as follows:

- (a) Workman's Compensation and Employers Liability Insurance as may be required by the laws of the state in which the properties are located.
- (b) General Public Liability in an amount not less than \$100,000.00.
- (c) Property damage insurance in an amount not less than \$100,000.00.
- (d) Automotive Public Liability and Property Damage in an amount not less than \$100,000.00 for injuries to one person, \$300,000.00 for injuries in any one accident and \$100,000.00 property damage.

Such insurance may contain exceptions as are reasonable in the sole judgment of the operator, including but not limited to blowouts, underground damage, etc.

EXHIBIT "E"

Attached to and made a part of that certain Operating Agreement dated May 1, 1987, by and between Amerind Oil Co., as Operator, and certain Non-Operators

GAS BALANCING AGREEMENT FOR GAS WELL PRODUCTION

During the period or periods when any party hereto has no market for, or its purchaser is unable to take or if any party fails to take its share of gas, the other parties shall be entitled to produce each month one hundred percent of the allowable gas production assigned to the Unit Area by the appropriate governmental entity having jurisdiction, and each of such parties shall have the right to take all or any part of its pro rata share. All parties hereto shall share in and own the condensate recovered at the surface in accordance with their respective interest, but each party taking such gas shall own all of the gas delivered to its purchaser. Each party unable to market its share of the gas produced shall be credited with gas in storage equal to its share of the gas produced, less its share of gas used in lease operations, vented or lost. Operator shall maintain a current account of the gas balance between the parties and shall furnish all parties hereto monthly statements showing the total quantity of gas produced, used in lease operation, vented or lost, and the total quantity of condensate recovered.

After written notice to Operator, any party may begin taking or delivering its share of the gas produced. In addition to its share, each party, until it has recovered its gas in storage and balanced its gas account, shall be entitled to take or deliver a volume of gas equal to twenty-five percent of each over produced party's share of gas produced. If more than one party is entitled to the additional gas produced, they shall divide such additional gas in accordance with Unit participation.

In the event production of gas permanently ceases prior to the time that the accounts of the parties have been balanced, a complete balancing shall be accomplished by a money settlement. Such settlement shall be based on the price or prices received by each over produced party, less taxes, for its share of the over produced gas, without interest.

At all times while gas is produced from the Unit Area, each party shall make appropriate settlement of all royalties, overriding royalty interest, and other payments out of, or in lieu of production for which is it responsible, as if each party were taking or delivering to a purchaser its share, and its share only, of such gas production. Each party hereto agrees to hold each other party harmless from any and all claims for royalty payments asserted by royalty owners to whom each party is accountable.

