(formerly 9-331C)

23.

1 File

SUBMIT IN TRIPLICATE. (Other Instrucțions on

Form approved. Budget Bureau No. 1004-0136 Expires August 31, 1985

UNITED STATES

DEPARTMEN	NT OF THE INT	ERIOR		5. LEASE D	BRIGHATION	AND BERTAL	<u> </u>
BUREAU C	F LAND MANAGEN	MENT		i i			-0.
APPLICATION FOR PERMIT	TO DRILL DE	EPEN. OR PI	UG BAC	NN 293	N, ALLOTTER	OR TRIBE NA	X.
Ia. TYPE OF WORK		=-=	200 5/ (0)				
DRILL X	DEEPEN []	PLL	IG BACK [7. UNIT AG	BEEMENT M	MB	
b. TEPR OF WELL	24.411 23	120	J I TOR E		as Unit		
OIL GAR X OTHER		AINGLE	MULTIPLE ZONE	8. FARM OF	LEASS NAM		
2. NAME OF OPERATOR				Carrac	as Unit	15 R	
NASSAU RESOURCES, INC.		Same					
3. ADDRESS OF OPERATOR		RIE CE	MINIE	5 17			
P O Box 809, Farmington	, N.M. 87499		A CAR	10. FIELD A	ND POOL, O	WILDCAT	
4. LOCATION OF WELL (Report location clearly a	nd in accordance with a	by State regulremen	(ts.*)	Basin	Fruitla	nd Coal	
) -,	JUL I	2 1989	11. BRC., T.	B., M., OE B	LE.	
1650' FNL - 1850' FEL		Oll CONORE		G	EVEY OR AR.	E A	
		OIL CONSERV	ATION DIV.	Sec. 1	5, T32N	RAIJ	имрм
14. DISTANCE IN MILES AND DIRECTION FROM N	SAREST TOWN OR POST OF	SANT,	1-1-E	12. COUNTY	OR PARISH	18. STATE	11111
+ 15 miles E SE of Arboles,	CO.			Rio Ar	riba	MM	
10. DIRT INCE FROM PROPOSED®	18	. NO. OF ACRES IN		NO. OF ACRES ASS		L_124	
PROPERTY OR LEASE LINE, FT. (Also to pearest drig, unit line, if any)	530'	520.0	}	TO THIS WELL,	20.0		
18. DISTANCE FROM PROPOSED LOCATIONS	19	PROPOSED PEPTH	20.	ROTARY OR CABLE			
TO NEAREST WELL, DRILLING, CUMPLETED, ON APPLIED FOR, ON THIS LEASE, FT.	1/2 mile	3270'	į	Rotary			
21. ELEVATIONS (Show whether DF, RT, GR, etc.)					I. DATE WO	K WILL ST	BT

PROPOSED CASING AND CEMENTING PROGRAM BIZE OF HOLE BIZE OF CASING WEIGHT PER POOT SETTING DEPTH QUANTITY OF CEMENT 12-1/4" 9-5/8" 350' 36# 165 cu.ft. circ. to surface. 8-3/4" 5-1/2" 3270' 15.5# 1239 cu.ft. circ. to surface.

Plan to drill with spud mud to set 350' of surface casing. Will then drill with water and gel-chem. mud to test the Fruitland coal zone at + 3270'. Will run IES, CDL and Microlog logs. If well appears productive, will set 5-1/2" casing at TD, cement in 1 stage, selectively perforate, frac, clean out after frac and complete with 2-7/8" tubing.

6535 GL

6543' KB

REGEIVE JULO 3 1989

OIL CON. DIV.

IN ABOVE SPACE DESCRIBE PROPOSED PROCHAM: If proposal is to deepen or flug back, give data on present productive some and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, it may.

BIGNED James S. Wazen	TITLE Field Supt.	DATE 5/5/89
(This stuce for Federal or State office use)		APPROVED AS AMENDED
PERSON NO.	APPROVAL DATE	
APPROVED BY CONDITIONS OF APPROVAL, IF ANY:	TITLE	JUN 27 1989
a deta	Alten	AREA MANAGER

State of New Mexico Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Drawer DD, Artesia, NM 88210

DISTRICT III 1000 Rio Brezos Rd.	Алес, NM 87-	410		•	GE DEDICATION boundaries of the se		`		
Operator				Lease				Well No.	
Nassau Re	esources, I	nc.		Ca	rracas Unit 15	В		7	100
Unit Letter	Section	Township		Range			County	l ————————	
G A	15		North	1	West	NMPM	1	Arriba	24
Actual Footage Local	ion of Well:			l		_ MAILM	1		
17 61 w	feet from the	North	line and	1850		feet from	the Eas	t line	
Fround level Elev.	Prox	tucing Formation		Pool	· · · · · · · · · · · · · · · · · · ·	112 112111		Dedicated Acreage:	
6535	Fru	itland Coal		Basin F	ruitland Coa	1		320.0 A	cres
2. If more unitizating this form i	than one lease is than one lease of on, force-poolin Yes is "no" list the of f neccessary.	No If an where and tract descript	outline each and dedicated to the swer is "yes" typ ions which have	identify the own well, have the in se of consolidation	nership thereof (both a interest of all owners b On <u>Carracas</u> onsolidated (Use reve	to working the consolution of th	- Uniti	nunitization. zation	
		ned to the well until all t, eliminating such inter				umilization	OPERAT	OR CERTIFICA	
			16	550	Various Fe Leases	- S	onleined hereinen of my known ignature James S rinted Name		
N COOM	U AH SEUS RESOURCE AND SN. NEW MEXICO	÷ 4	(9	1850'		Company 5/5/89 Date	Resources.	
		SECTION	15				SURVEY	OR CERTIFICA	NOIT
	EVENUE TAKHIN						on this plat w actual surveys pupervison, as	ly that the well loca was plotted from fie t made by me or and that the same i t best of my know	id notes under t s true a
	! 		Dalpor	t Oil Co	 	=	Data Surveyed March 3 Signature \$ S. Professional \$	31416Hours	in the same of the
			100% NM 293				Certificate No.	5979 Salaumana Risannos Vacu	ii ii

1500

1000

			語語語語語語でつきま	THE USE OF THE PARTY OF THE PAR	1.15 为4.60 (1.40) (1.40) (1.40) (1.40)	2016年中100人为阿拉克加加
	ORNI M LAURA A HUGHES	B	MARTINEZ	EL PASO WHITSETT		i2
	71. 100 6-17. SPIEG-7L.B. QRIMING ELBURGHIBE HG11-1-77 5-1-511-1-71 248 12813 7248C 3248	15	> 5	PAU-	BALL- FAGS	1 300
		, b	the Other		BALL- FROS	AZTEC 1-1-77
137 16	(8	17	Peauling 16 A	15	WART- INEZ	13
			osw Jys	一种企业	BARCIA	859
2	1	1	4	1-00-1	TOYA	1
1	AZTEC 10-1-78	VINCENT J. DUNCAN DENVER	AZTEC 10-1-76	LEE O. PUCKETT HIDLAND 10-1-79	AZTEC V	AZTEC 1-1-77
127	; (9	20	21	22	23	24
200			4		44	
		0557792	1	w ₂₇ 1	9558924	1 860
	, k	V	V	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	h	
0					-4.00	25
1016	30	29 PHILUPS	28	JACQUELINE ANDERSON : NOUSTON 3-(-75	26 5 /	
074		Cobaco A	1	0436857	2 850 1	1
TRANS.	/	The state of the last	- L	DORIS MARD ABILENE	-99	V
				11.43		
#1	31	32 AZTEC 1-1-74	33	34	35	36
		A STATE OF THE STA	V.J. DUNCAN 11-1-75	14090		
		0450369 (AHOCO)	0557792		(J. GLENN TURNER)	4171211
1716		DYNA RAY S/R		SE S		1.00
	, e		4	3 . <	2 -	> 2 (1)
						1012
Tin	MANAGE TERM	SF078890	and the same of th		SF078891	
	DYNA RAT S/R		DYNA RAY S/R	(AHOCO)	DYNA RAY S/R	17.3
	7	8	9	. 10	11.	12
				- 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1		
4,1	Company of the Company of		The Sales of the	SF07888		1
		(AMOCO) DYMA RAY S/R		DYNA RAY S/R		DYNA RAY S/R
	18	17	16	15	14	13
			ROSA	UNIT		
	1	1 SF078889	EL PASO NATURAL	SF078892		SF078887 1
		<u> </u>	DYNA RAY S/R	(AHOCO)	DYNA RAY S/R PACAGE	V
	BHAN ALAN					73.00
	19 DINA MAY	20	21	7 55 -	23	24

T. 32 N.

T. 31 N.

KELLAHIN, KELLAHIN and AUBREY

Attorneys at Law

W. Thomas Kellahin Karen Aubrey

Jason Kellahin Of Counsel El Patio - 117 North Guadalupe
Post Office Box 2265
Santa Fé, New Mexico 87504-2265

Telephone 982-4285 Area Code 505

FAX 505/982-2047

August 10, 1989

HAND-DELIVERED

Michael E. Stogner, Examiner Oil Conservation Division Post Office Box 2088 Santa Fe, New Mexico 87501

Re: Case No. 9717 - Application of Nassau Resources, Inc. for Compulsory Pooling, Rio Arriba County, New Mexico

Dear Mr. Stogner:

I enclose a proposed order for your consideration in connection with the above captioned case which was heard on August 9, 1989. Nassau Resources, Inc. would appreciate it if you could expedite this Order since they have a drilling rig in the area.

Please let me know if I may provide you with additional information or documents.

Sincerely,

Karen Aubrey

KA:rs Encl.

cc: Kent Craig - Nassau Resources

RECEIVED JUL 2 0 1989

()	11	.4	ME	\mathbf{C}	AC	T.	E A	CD	
١,	11.	/ 1	1 7 1	F 4 -	11.3	- 1.	H. A	71	

Ans	d	 		

AGREEMENT, Made and entered into the Norma Maria Madrid	29th	_day ofJune	, 19 <u>89</u> , by and betwee	en
whose post office address is Kindermac Partners, a Coloral general partnership WITNESSETH, That the Lessor, for and cash in hand paid, the receipt of which is here leased and let, and by these presents does graexclusive right for the purpose of mining, explowhatsoever nature or kind, with rights of way as of said products, all that certain tract of land site.	in consideration of by acknowledged, and the nt, demise, lease and let cring by geophysical and ot nd easements for laying partial in the County of	Ten and more covenants and agreements hereinal exclusively unto the said Lessee, the her methods, and operating for and poetines, and erection of structures the Rio Arriba	DOLLAR ter contained, has granted, demise land hereinafter described, with b producing therefrom oil and all gas	S d, he of
State of New Mexico		_, described as follows, to-wit:		
	Township 32 No. Section 15: E,	rth, Range 4 West 72NE/4, NE/4SE/4		
and containing 1. It is agreed that this lease shall remanature or kind is produced from said leased prift, at the explication of the primary term of the Lessee is then engaged in drilling or re-working jously prosecuted on the leased premises or on more than ninety (90) days shall clapse between subsequent well. If after discovery of oil or gatter the primary term, this lease shall not term date of cessation of production of from date of the actions at or after the expiration of the primary premises or on acreage pooled therewith. 2. This is a PAID-UP LEASE. In considing wise provided barein, to commence or continuary term surrender this lease as to all or any release or releases, and he reheved of all obligations of the premises the a list. To deliver to the credit of Lesse (178) part of all oil produced and saved found, while the same is being used of monthly at the prevailing market rate for 3rd. To pay Lessor one-eighth (178) found, while the same is being used of monthly at the prevailing market rate for 3rd. To pay Lessor one-eighth (178) of the proceeding a royalty of one-eighth (178) of the proceeding a royalty of one-eighth (178) of the proceeding and the prevailing market rate for 3rd. To pay Lessor one-eighth (178) of the proceeding and the prevailing market rate for 3rd. To pay Lessor one-eighth (178) of the proceeding and the prevailing market rate for 3rd. To pay Lessor for gas produced a royalty of one-eighth (178) of the proceeding and the prevailing market rate for 3rd. To pay Lessor for gas produced a royalty of one-eighth (178) of the proceeding and the prevailing market rate for 3rd. To pay Lessor for gas produced a royalty acre retained a cassing a fiter the expiration of 90 days from the production of the such well is shut in. If such payment 5, If said Lessor owns a less interest in (including any shut-in gas royalty) herein produced so Lessee shall have the right to use, free wells of Lessor shall be drilled nearer than 2, Lessee shall have the right at any tremove casing. 11. The ri	emises or on acreage pool is lease, oil or gas Is not by operations thereon, then acreage pooled therewith en the completion or abait as on said land or on acreations it Lessee commence of completion of dry hole term of this lease, this lease of completion of dry hole term of this lease, this lease to the premise said Lessee covenants and are free of cost, in the piper on the leased premises. In the premises, and if us rease. I from any oil well and use each, at the mouth of the producing gas is not sold increunder, such payment the date such well is shot or tender is made, it will the above described land ided for shall be paid the e of cost, gas, oil and water all bury Lessee's operations to gime to remove all machinates and shall operate to any such division. If all complete chatched herein and as to this lease with other land, en in Lessee's judgment if the any lesses with other land, en in Lessee's judgment if and, hease or leases. Lift ducing formations. The fed leation or reformation, where of surface acres in such and hease or leases. Lift ducing formations. The fed leation of the surface acres in such this lease with other land, en in Lessee's judgment in the terms, conditions, and the terms of surface acres in such and the propose of condition only as so allocated. Lessee and approved by this part, or the purpose of condition only as so allocated between the ties herein the own in allocated between the ties herein the well is highl	ed therewith, or drilling operations a coming produced on the leased premise of this lease shall continue in force so; and operations shall be considered adonment of one well and the beginning pooled therewith, the production sadditional drilling or re-working operations and different production as the primary term. Lessee may at any as to any strata or stratum by deliver or the acreage surrendered, agrees: line to which Lessee may connect weath year, payable quarterly, for the aed in the manufacture of gasoline and off the premises or in the manufacture of gasoline and off the premises or in the manufacture of the december to be made on or before the analytic to the made on or before the manufacture and undivided fee sing. Lesser only in the proportion white reproduced on said land for Lessee's conclowed than the entire and undivided fee sing. Lesser only in the proportion white reproduced on said land. The considered that gas is being produced on said land. The entire and undivided fee sing. Lesser only in the proportion white reproduced on said land. The counties of the formations of diminist large the obligations or diminist large the analytic the of this lease is assigned, any time and from time to time as a any one or more of the formations hall here or here, we will be such approved to more formiting of any unit shall high declaration shall describe the or for different portions of the land committee of the formations thereunder the unit's pooled royalities on interoduction that the total number hand, in addition to the foregoing, more of the formations thereunder recement and, in such event, the termal production that the total number hand, in addition to the foregoing, more of the formations thereunder and not to may other tract of land; a fesse shall formally express the analytic to be paid herein and not to any other tract of hand; a fesse shall formally express the completion of the large shall for	re continued as berelaster provides or on acreage pooled therewith blong as operations are being continuously prosecuted if a ling of operations for the drilling of thereof should cease from any carations within ninety (90) days for deproduced as a result of such operation for the drilling of thereof should cease from the least all not be obligated, except as oth time or times during or after the ging to Lessor or by filing for recording to Lessor or by filing for recording for a such operation of the case of the filing for recording to the continuous of the case of the such of the case	d, distribution of the control of th
		Norma Maria Madrid	Mada 3/11810	ίς Τω:
		mornia na radi ja		* .

COUNTY OF WHATCOM	Oklahoma, Kansas, New Mexico, Wyor Nebraska, North Dakot	a, South Dakota
	ACKNOWLEDGMENT Public, in and for said County and State, on this	
	37., personally appeared 1252 2 A _ m	
,	2 1. personany appeared 12-521/cm 14 _ 25 1	
and		
	, to me known to be the identical pers	on, described in and who executed
the within and foregoing instrument of writing and voluntary act and deed for the uses and	and acknowledged to me that $> \frac{1}{2} < \frac{1}{2}$ di	uly executed the same asAfree
		a day and year last above written
My Commission Expires 3-4-90	nto set my hand and affixed my notarial seal th	C Co Ow
		Notary Public.
STATE OF		
STATE OF	Oklahoma, Kansas, New Mexico, Wyo Sss. Nebraska, North Dako ACKNOWLIDGMENT	ta, South Dakota
	Public, in and for said County and State, on this_	
day of, 19	, personally appeared	
and		
	578 , to me known to be the identical per	
and columnary act and deed to historial Alling	ற்றிந்திர் whedged to me that dippers, therein set forth.	luly executed the same as fre
IN WITNESS WATEREOF, LINGSOLOG	ppppses therein set forth.	ne day and year last above written.
My Commission ExpBook 128 P	age 120 1/2/	Notary Public
JUL 2 4 1		Tional France.
COUNTY OF County Clerk Rio A: On this By	All a Carrete	, A.D. 19, before me personall
me duly sworn, did say that he is he	O	
		ument is the corporate seal of said corporatio
1	sealed in behalf of said corporation by auti	
	day of	
The state of the s	day or	, A.P. 17
(SEAL)		Notary Public.
My Commission explication		
m, commission expires		
	d in	
	. County	office. County Clerk Deputy o
	hc hc 19_1y rec	D D
	is du du	CO Co
	County.	1 Jo S 0 11.
FROM TO	d d for 1	rded
	s flies	of the records of this office. County In recorded return to
o Z	This instrument was filed for record on the	of the records of this When recorded return to
	Cres.	
	DatedNo. AcresTermThis insti	
		1 1 11

OIL AND GAS LEASE

JUL 1 9 1989

	X 7 1 1 1 7 4 X 1 7	Ny/N i 2 - Ny	#57447#5	301. 1 3 1303	
AGREEMENT, Made and entered into the	29th ined herein by	_dav of her husba	June nd James W. 1	19 89 MB of antibecreen	
phose post office address is 611 Poplar, Kindermac Partners, a Colora general partnership WITNESSETH, that the Lessor, for and cash in hand paid, the receipt of which is here leased and let, and by these presents does greenly ive right for the purpose of mining, explowhatsoever nature or kind, with rights of way a of said products, all that certain tract of land since the second of the seco	in consider ation of thy actinowledged, and the int, demise, lease and let ring by geophysical and o nd easements for laying p	Ten and ne covenants an exclusively unt ther methods, a ipe lines, and er	more d agreements bereina to the said Lessee, the und operating for and ecction of structures to Rio Arr	DOLLARS fler contained, has granted, demised, e land hereinafter described, with the producing therefrom oil and all gas of percon to produce, save and take care	80222
	Township 32 No Section 15: E	orth, Rang Z/2NE/4, N	je 4 West IE/4SE/4		
(1/8) part of all oil produced and saved f 2nd, To pay Lessor one-eighth (1/8 found, while the same is being used o monthly at the prevailing market rate fo	emises of on acreage potis is lease, oit or gas is not; operations thereon, the acreage pooled therewill en the completion or also as on said land or on acreage into it tesses commence of completion of dry hot term of this lease, this lease in the lease, this lease of this lease, this lease of the down cash we any operations during portion of said land and ion thereafter accruing as said Lessee covenants and refere of cost, in the piperon the leased premises.) of the premises, and if we gas. If the part of the house or bay Lessee's operations to give to see has been furnishe of establish a complete chard or ensured any such division. If a ser, If the right and power at esserthed herein and as to this lease with other landers of the right of the proportion of the this lease with other landers in lasses is judgment in a land, lease or leases, Liducing formations. The fization or reformation, we or upon which operation of a market anywhere on a well shut in for want of the right of the propose of conditions of the part, or Lessee held lies aw, Order, Rule on Repul of the part, or Lessee held lies aw, Order, Rule on Repul or offenders, taves or other holder thereof, and the rand homestead in the prace is the part, or Lessee, and in the prace is should be binding on the condition and the well-reserved the sees held lies and the successity of the	shed therewith, e- being produced in this lease sha in; and operation indonment of o inge pooled their es additional drives es additional drives es, if oil or gas has shall contin payment, Less the primary ter as to any strata to the acreage s agrees; cline to which I rach year, payal sed in the man ed off the prem well, payable in or used, Lesse or tender to be in and therealt I be considered I than the entire to Lessor only in er produced on helow plow depure one well, and fixture whole or part, if d with notice, o hain of record it tive, shall be bi to enlarge the any time and fr any one or more helow plow depure one of the following tropers any time and fr any one or mor helow plow depure one of the following trowing crops o hery and fixture whole or part. I d with notice, o hain of record it tive, shall be bi to enlarge the any time and fr any one or mor helow plow depure of the following trowing trefore thich declaratio of for drilling ha- a unit which in of a market und from the unit or this lease, ex this lease shall r of, shall hereaf ed to different mputing the rox d and not to an Lessor shall hereaf ed to different mputing the rox d and not to an Lessor shall fer to all provisions o this lease, ex this lease, ex this lease, ex this lease shall r to gly the form the unit services the form the all to- time on the all more of the following the rox d and not to a lease or leases the form the unit of the following the rox d and not to a lease or leases the following the rox d and not to a lease or leases this lease, ex the following the rox d and not to a lease or leases the following the rox d and not to a lease or leases the following the rox d and not to a lease or leases the following the the follo	or drilling operations: It on the leased premis It continue in force so ns shall be considered ne well and the begin rewith, the production Illing or re-working op shall be discovered as the inforce so long as or agrees that Lessee s m. Lessee may at any tor stratum by delive surrendered. Lessee may connect we ble quarterly, for the ufacture of gasoline a ties or in the manufac- tonthly at the prevaili- tie may pay or tender to made on or before ter on or before the ar that gas is being proc- er on or before the ar that gas is being proc- er on or before the ar that gas is being proc- er and undivided fee si as the proportion while said land, or placed on said prer No change in ownersh consisting of certified title from Lessee, No obligations or diminis for this lease is assigned, from time to time as a ne of the formations h in the immediate vici- or advisable to do so, reviously formed to in ming of any unit shall n shall describe the way theretofore been calcudes all or a part of that the total numbe ition to the foregoing ormations thereunder ed by any government in such event, the ter f such approved coop pros for implied, shall n shall describe the way theretofore been calcudes all or a part of ter this lease. In lieu o so pooled royalties on that the total numbe ition to the foregoing ormations thereunder ed by any government in such event, the ter f such approved coop pros for implied to be calties to be paid here y other tract of land; orthally express Lesse orthally express Lesse thall mean any one or ors and assigns of Les- execute this lease, it hall mean any one or ors and assigns of Les-	are continued as hereinafter provided, es or on acreage pooled therewith but a long as operations are being continuation be continuously prosecuted if not an thereof should cease from any cause crations within ninety (90) days from only produced as a result of such operacioil or gas is produced from the leased thall not be obligated, except as otheretime or times during or after the prining to Lessor or by filing for record a cells on said land, the equal one-eighth gas from each well where gas only is a royalty of one-eighth (1/8), payable eture of gasoline or any other producting market rate. as royalty to the royalty owners One the anniversary date of this lease next miversary date of the lease operation thereon, except water from the consent of Lessor. The consent of Lessor. The consent of Lessor. The object of all recorded instruments or then only with respect to payments present or future division of Lessor's no leasehold owner shall be liable for a recurring right, either before or after tereunder, to pool or unitize the leasenity for the production of oil and gas, and irrespective of whether authority clude formations not producing oil or be accomplished by Lessee executing mit. Any unit may include land upon the production of oil and gas, and irrespective of whether authority clude formations not producing oil or be accomplished by Lessee executing on the production of such production of surface acres covered by this lease, with other lands in the same general tal authority and, from time to time, ms, conditions and provisions of this certive or unit plan of develo	
JAMES W. TROXELL	VIII.	Eližāi	beth Ann Trox	611720 (CO)C.C?	

Printed by PAM Printing (303) 893-1681	
STATE OF MELLY MEYELD OKlah	ioma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah, Nebraska, North Dakota, South Dakota
COUNTY OF SAIT SMALL SS. BEFORE ME, the undersigned, a Notary Public, in and for	ACKNOWLEDGMENT—INDIVIDUAL (said County and State on this 14/4/2)
day of $\mathcal{O}(10\chi)$. 19 $\mathcal{O}(10\chi)$ and 10χ	ppeared Elizabeth ann Troxell
day of $\mathcal{D}(\mathcal{C}_{\chi})$, 19 $\mathcal{D}^{\zeta}I$, personally a	ppeared CTISCESTIVE TITLE
and Alla En Tio	4611
to me	known to be the identical person <u></u> , described in and who executed
The within and look pink has fument of writing and acknowledge	d to me that They duly executed the same as Hier free set forth.
apply countary act and peed for the uses and purposes therein s	and affixed my notarial seal the day and year last above written.
NE Confriction Property L1-11-41	and affixed my notarial scal the day and year last above written.
WEW MEMMEN	Notary Public.
"Mannine"	
STATE OF SS. Oklai	ioma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah, Nebraska, North Dakota, South Dakota
COUNTY OF ()	ACKNOWLLDGMENTINDIVIDUAL
BEFORE ME, the undersigned, a Notary Public, in and for	said County and State, on this
day of, personally a	appeared
and	ne known to be the identical person, described in and who excuted
	d to me thatduly executed the same asfree
and voluntary act and deed for the uses and purposes therein s	set forth.
IN WITNESS WHEREOF, I have hereunto set my hand a My Commission Expires.	and affixed my notarial seal the day and year last above written.
70.5	77 Notary Public.
FILED IN THE COUNT	
STATE OF CLERK'S OFFICE	ACKNOWLEDGMENT (For use by Corporation)
COUNTY OF BOOK 196 Page 1	ACKNOWLEDGMENT (For use by Corporation) M B-//9 A.D. 19 , before me personally
On this thy first rough and	, A.D. 19, before me personally
me duly sworn, did say that he is the	to me personally known, who, being by
DAVID S. HANGZ	
and that said instrument was flaned park 11. 2 with Col	hat the scal affixed to said instrument is the corporate scal of said corporation of said corporation by authority of its Board of Directors, and said ou e
B) hulley () icknowledge	Duve / કુંહુમુંત્રી instrument to be the free act and deed of said corporation.
Wilness mynand and soddthis da	y of, A.D. 19
Walness myonnid and sodithis day	
(SEAT)	Notary Public.
My Conitaission expires	
My Commission expires	
	din at it is
61	office. Deputy.
	Inty Do
	on the country of to
	record on the 19 , at 19 , at age. N., and duly recorded in age. County Clerk. Deputy.
RONI TO	M., a
TO TO	lied f
	o'clock M., and duly re Page Of the records of this office. When recorded return to
ž	W.he
	l ll tit
d d d d d d d d d d d d d d d d d d d	
Dated No. Acre	This i This i day of By

11, 1 × 690)

119

AGREEMENT, Made and entered into the29th Linda Sue Lanier, joined herein by her h	_day of ushand Steve	June n Blaine Lar	19 89 by a	nd between
whose post office address is P. O. Box 922, Flora Vist. Kindermac Partners, a Colorado general partnership whose post office address is whose post office address is general partnership with the Lessor, for and in consideration of cash in hand paid, the receipt of which is hereby acknowledged, and the leased and let, and by these presents does grant, demise, lease and let exclusive right for the purpose of mining, exploring by geophysical and off whatsoever nature or kind, with rights of way and easements for laving pip of said products, all that certain fact of land situated in the County of State of New Mexico	Ten and covenants and agree sher methods, and open per lines, and erection Rio Ar	mereinafter called L ry St., Sui MOre ments heremafter aid Lessee, the lan rating for and prod of structures thereover iba	essor (whether one of te 1225, Denv hereinafter ca contained, has granted d hereinafter describ ucing therefrom oil a	DOLLARS ed, demised, ed, with the nd all gas of
Township 32 Nor Section 15: E/	th, Range 4 /2NE/4, NE/4S	West E/4		
and containing 120 acres, more or less. 1. It is agreed that this lease shall remain in force for a term of R nature or kind is produced from said leased premises or on arreage pools II, at the expiration of the primary term of this lease, oil or gas is not he Lessee is then engaged in drilling or re-working operations thereon, then outsly prosecuted on the leased premises or on acreage pooled therewith: more than ninety (40) days shall clapse between the completion or alan subsequent web. If after discusvery of oil or gas on said land or on acroading the state of cessotion of production or from date of completion of alan of actions at or after the expiration of the primary term of this lease, this lease as to after the expiration of the primary term of this lease, this lease as to all or any portion of said land and a release or releases, and be releved of all obligation thereafter accruing as to all or any portion of the primary term of the down cash posses or releases, and he releved of all obligation thereafter accruing as to all or any portion of the primary term surrender this lease as to all or any portion of said land and a release or releases, and he releved of all obligation thereafter accruing as to all or any portion of the primary term surrender the result of the result of the said Lessee executants and a release or releases, and he releved of the primary free of cost, in the pipe 1 (18) per order for in prior credit of Lesson, free of cost, in the pipe 1 (18) per order in prior credit of Lesson, free of cost, in the pipe 1 (18) per order in prior credit of Lesson, free of cost, in the pipe 1 (18) per order in prior credit of Lesson (18) of the gross proceeds on found, while the same is being used off the premises, and if we monthly at the prevailing market rate for gas. 3d. To pay Lesson for gas produced from any oil well and used a royalty of one-eighth (1/8) of the proceeds, at the mount of the web continued to the cost of the prior cost of the production of the prior cost of the prior cost of	and therewith, or drilli- this lease shall conti- dominent of one well ge pooled therewith, sadditional drilling or If oil or gas shall be se shall continue in fo- savment, Lessor agree ic primary term. Les is to any strata or stra- to- the acreage surrende grees: line to which Lessee is ch year, payable qua- ed in the manufactur d off the premises or cell, payable monthly or used, Lessee may or tender to be made in and thereafter on o be considered that go than the entire and ur Lessor only in the pr produced on said lan elow plow depth, in now on said premise oving crops on said I ry and fixtures place hole or part. No char with notice, consisti in of record title fro ve, shall be binding o o enlarge the obligati or any part of this les is time and from tin hease or leases in the i is necessary or advis- ewise, units previously may one or more of the lease or leases in the i is necessary or advis- ewise, units previously may one or more of the lease or leases in the i is necessary or advis- ewise, units previously may one or more of the lease or leases in the i is necessary or advis- ewise, units previously may one or more of the lease or leases in the i is necessary or advis- ewise, units previously may be deliant in such a provisions of such a this lease shall not to more of the formatio ration approved by a recement and, in such a provisions of such a this lease shall not ter f, shall hereafter he i t to different portior puting the royalties to and not to any other T, esor shall formally no sor shall	ng operations are economic in force so long be considered to be and the production the production the reworking operations and the beginning the production the reworking operation of the decomposition of the seconomic state of seconomic s	ont acreage pooled the continuously proceed to as operations are been continuously proceed to foperations for the reof should cease from swithin nimety (90 continuously proceed to describe a same and continuously proceed to describe a same and the continuously proceed to be obligated, exceed the continuously describe a same and the continuously describe a same and the continuously describe a same a	er provided, leerewith but ing continuous detect of not drilling of a many cause of dilling of a many cause of the leased opt as other-ofter the prifer record a. Lone-eighth end gas only is 18, payable of the product owners. One is lease next end during the of this lease, the royalties of the whole of this lease, the royalties of the whole of this lease, the royalties of the whole of the lease of the lease of the lease of authority flucing oil or received authority flucing oil of the produced as having to be made at the or unit stof Lessee, the flucing oil of the produced as having to be made at the or unit stof Lessee, the flucing oil of the produced as having to be made at the or unit stof Lessee, the flucing oil of the produced as having to be made at the or unit stof Lessee, the owner of the produced as having to be made at the or unit stof Lessee, the owner of the produced as having to be made at the or unit stof Lessee, the owner of the produced as having to be made at the or unit stof Lessee, the owner of the produced as having to be made at the or unit stof Lessee, the owner of the produced as having to be made at the or unit stof Lessee, the owner of the produced as having to be made at the or unit stof Lessee and the or unit stof Lessee
15. Should any one or more of the parties hereinabove named as I such parties who do execute it as Lessor. The word "Lessor," as used it this lease as Lessor. All the provisions of this lease shall be binding on the IN WITNESS WHEREOF, this instrument is executed as of the date	n this lease, shall me: heirs, successors and	in any one or more	or all of the parties	who execute
	Yinda Sue	Lanier	Linea.	
	, m		, , , , ,	
	e Coo	a Blair	ie Ance	i.

PRODUCERS 88-PAID UP Rev. 5-60, No. 2

OIL AND GAS LEASE

RECEIVED AIIG - 3 1989

				Allb U
GREEMENT, Made and entered into the	29th	day of	June	, 19 89 by and between
Lauralee Payne				

a Colorado whose post office address is 650 S. Cherry St., Suite 1225 . Denyer cost. 80222

New Mexico , described as follows, to-wit:

Township 32 North, Range 4 West Section 15: E/2NE/4, NE/4SE/4

and containing

1. It is agreed that this leave shall remain in force for a term of XX/xar from this date and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on arreage product therewith, or drilling operations are continued as hereinatter provided. If, at the expiration of the primary term of this lease, and to gas it not being produced on the leased premises or on accept product. It is a seen that the continue in force so long as operations thereon, then this lease shall on the leased premises or on accept pouled therewith but Lesse is then encaged in drilling or re-working operations therefore, then this lease shall encounted in our more than ninety (90) days shall chapse between the completion or abandonment with the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shill be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on accease pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any operations during the primary term. Lessee may at any time or times during or after the primary term. Lessee the primary t

8. No well shall be drilled nearer than 200 feet to the house or harn now on said preadless.

9. Lessee shall have for damages caused by Lessee's spearations to growing errors on said large presses of the state of

Myalle urales Payner

			C		
1991	168	0.00	quianed	BYZI	մգ թուսու _մ -

	When recorded return to	By Deputy.	County Clerk.	VolumePage	o'clockN., and duly recorded in	day of19191919	This instrument was filed for record on the	Term	County,	No. Acres	Dated, 19			0.1		FROM		No	
																	dxa uo	esimmo	My Co
ary Public.	10N																	(*	(SEVI
61	.d.A.,								اک در	b					_sid1 la	ן שווק צבי	սչ բցոզ	ı ssəuli,	''
	riodios l																		
said corporation ectors, and said												poleo	s pue	pou	gis sev	unent 1	neni L	jes lei	1 pue
												·			od) si o	t tedt ye	s bib ,r	nows St	ոք շ ա
n, who, being by																			
ore me personally	olad .	61.0	I.A.								,,	· · · · ·] (17 Y OF	
	(oration	dio) (q əsn ao,1	ENE (EDCK	4M0	VCKN				.88						E OE	1V1S
ary Public.	10.11		.= _ =					·									·		
	w Svode	1501 103	and ye	נווכ משא	neos ne		 L Kui		e Due	Duru						леке йсь			
								·qu	o) 158	niora	ų sə	sodme	d pue	sosn :	ot) 10]	peed to	. טכן טו	វេទរបារម្	os pue
beinges onw bing																			
·																			
								pa	eəddi	: Kliet	iosaai	1	6I						Jo Yeb
		·		s	id) no											ւշ ուսգեւ			
•11	rado, Utal	TV Big Color	ACLAIC Mechalian	onas, sonios (ota, Sonios (UNI—TV	CALED	ETTMO	KNO Spinst)V N	48111A1			.58						111.01	
		,,	,,	u uniono	•.11	1014		, control	puivi	1917()		(3O 3	IVIS
ory Fublic.	NoN	ر موس	:Z:			1,						ر بر.: د بر.:	ب داود ا		/ 		dea no		(
	x 210da	्रेड विकास इंग्रेडिंग	əş puê	Zep sur	leos li	sington	ı kuı	bəxill	e թոe	puer	լ Հա	135 On	moron	1 Sypt) 1 '30	VIIERE ires	on Exb 1E22 A	17.177/- V Izzimusi	MA CY H
9911	_ (qnJ), exe				'ųı	oj las	niona	orl1 25	ntboa	մ ըսբ	sasn	101 (he	рээр р	ue joe .	ប្រធារាជ	on pur
nd who executed									s kuov	au or			—						
			<u> </u>		-					- -	いろ			101	777) Zacı			bus
								. -				-				 ,			
	-3-20)	hoj		(1NI – 1)	イラブ			pə	bbcuı	e Ape	.105 150	1.5.	B 61	•		··· · · · //.	Jak	7	go Xep
		157	<i>E</i> :		idi no	, oleic	pue.	Anmo _.) binz	iolb	ue ui	, ublic,	4 y ns	ioM s.	orrangis	apun ə	n 'ain	HORE	18
•,	որչ, լեր	610	भुटत प	ota, Sout	मध्या या	10 N .E	Azradi Azradi	พ				-,,				נט ז י לפנ	, ₁ ,>	1(7,(1)	VIIIO.

All Middle

Description (into

RECEIVED

JUL 3 1 1989

Ans d					

AGREEMENT, Made and entered to the 29th Edward S. Gallegos, Jr. and Shirley A. Gall	day of June . 19 89 by and between legos, husband and wife
general parthership Witnesseth, that the Lessor, for and in consideration of cash in hand paid, the receipt of which is hereby acknowledged, and the leased and let, and by these presents does grant, demise, lease and let e exclusive right for the purpose of mining, exploring by geophysical and off whatsoever nature or kind, with rights of way and easements for laving pip of said products, all that certain tract of land situated in the County of	covenants and agreements nermatter contained, has granted, demised, coverusively unto the said Lessee, the land hereinafter described, with the her methods, and operating for and producing therefrom oil and all gas of be lines, and crection of structures thereon to produce, save and take care
Township 32 North Section 15: E/2N	, Range 4 West
wise provided herein, to commence or continue any operations during the mary term surrender this lease as to all or any portion of said land and a release or releases, and he relieved of all obligation thereafter accruing as to 3. In consideration of the premises the said Lessee covenants and a 1st. To deliver to the credit of Lessor, free of cost, in the pipe 1 (1/8) pyt of all oil produced and saved from the leased premises. 2nd. To pay Lessor one-eighth (1/8) of the gross proceeds comouthly at the prevailing market rate for gas. 3rd. To pay Lessor for gas produced from any oil well and used a royalty of one-eighth (1/8) of the proceeds, at the mouth of the will be a successful to the same and the successful to the proceeds, at the mouth of the will be prevented to the expiration of 90 days from the date such well is shut in 15 such payment or tender is made, it will be followed will be shut in. 15 such payment or tender is made, it will be said undivided fee. 5. If said Lessor owns a less interest in the above described land including any shuting gas royalty) herein provided for shall be paid the and undivided fee. 6. Lessees shall have the right to use, free of cost, gas, oil and water the wells of Lessor. 7. When requested by Lessor, Lessee shall bury Lessoe's pipe line be 8. No well shall be drilled nearer than 200 feet to the house or ban 9. Lessee shall have the right at any time to remove all machines remove casing. 11. The rights of Lessor and Lessee hereunder may be assumed in will remove casing. 11. The rights of Lessor and Lessee hereunder may be assumed in will or otherwise) shall be binding on Lessee until Lessee has been turnished documents and other information necessary to establish a complete charterefer made. No other kind of notice, whether actual or constructed womenship as to different portions or parests of said Land shall operate to operations may be conducted without regard to any such division. If all smill are only to the shall be approach to any such division, if his or separ	eing produced on the leased premises or on acreage pooled therewith but this lease shall continue in force so long as operations are being continuated on the solid productions shall be considered to be continuously prosecuted if not downient of one well and the beginning of operations for the diviling of a period-li therewith, the production thereof should cease from any cause additional drilling or neworking operations within minety (80) days from Item pass shall be decovered and produced as a result of such operation of the period of the pe
J. R. A. A. Markey	Edward S. Gallegos, Jr.
	Landra or darregos, or,

STATE OF COUNTY OF ¹			} **.		Nebra ACKN	iska, North OWLLDG	Dakota, Sc MLN 1 18	outh Dakot DIVIDUA	.1.	h,
BFFORE M^{ℓ} day of $\frac{1}{2} \left(\frac{1}{2} \right)_{\ell \in \mathcal{L}} \left(\frac{1}{2} \right)_$		signed, a No	tary Public, ii 19 ⁷ //., pei	and for said rsonally app	d County an eared	d State, or	this		5 (m. 45) 65	
€.	. !									ţ ·
and Electrical	J. A. A.		Lil. ja	Lo male					d southed in	and who execute
the within and for and voluntary ac	regoing inst t and deed	rument of wr for the uses	iting and acki	nowledged to	o me that.	The identica	duly e	ecuted th	e same as	ind who execute
IN WITNES My Commission I							eal the day		r last above w	ritten. ary Public.
						·			1400	ary r tione.
STATE OF			}	Oklahon	Nebra	iska, North	, Wyoming, Dakota, Sc MENT—18	outh Dakot		b ,
day of	· · · · · · · · · · · · · · · · · · ·	•	19 per	rsonally app	eared					
and.										
				., to me k						and who excure
the within and for and voluntary act							duly e.	xecuted th	ie same as	fre
		OF, I have h	iereunto set n	ny hand and	l affixed my	notarial s	eal the da	y and yea	r last above w	ritten.
My Commission I	i/pires	· · · · · ·	· ·	·	*				Not	ary Public.
STATE OF			}ss.		ACKNOW	FFDGME	sT (For use	by Corpo	ration)	
COUNTY OF			day of	701	001			4 D	10 1.6	ore me personal
			P11 - 1 1							
me duly sworn, di	de Withat h	e is the \D 7	CLERI 	('S OFFIC	E P			·		
appeared	····.·	Boo	ok==128	3 and that	the seal affi	xsd to said	įnstrumen	t is the co	rporate seal of	said corporatio
and that said in	rument \	ام signed a س	ind sealed in	i behalf Bf Salahunc	said corpo	mation by	authority	of its I	Board of Dir	ectors, and sai
Wilgade much	andfand cas		& GICK)	lowich wor	più mstrume c	ni to be in	e nee aci a	na acca o	r said corpora	10H.
Witness my h	، ص	C αὐ	— ĐAVID Inty Clark i	S. 《自咒仪] Bio Anibo	EZ LCountsz	**			, A.D.	19
(SEAL) My Commission e	b blek. C		H. Harry	Mexical	have	j			Not	ary Public.
My Commission e	xpires	βy	- Year Collins	2-1-	Daputy					
•	•	~	}		`-	,				
						at ded in	Pageof the records of this office.		ny.	
			0_	- 17-		9 recor	ن	County Clerk	Deputy	
	į				n the	duly	oifie	uno		
				County,	ord o	pue	fthis		17 n 10	
	7			0.)	ו רפט	X	Page rds o		d retu	
	FROM	101			led to		reco		When recorded return to	
					vas fi	o'clock_	of the		en re.	
, S					v luar	0,0			N.h	
	!				instrument was filed for record on the					
	!			. Acr.	1 11	2 i	пше			
	:			No. Ac	Term	day of	Volum		28	

MCHUGH

Jerome P. McHugh & Associates Operating Affilliate: Nassau Resources, Inc. 650 South Cherry, Suite 1225 Denver, Colorado 80222 (303) 321-2111 FAX (303) 321-1563

June 29, 1989

CERTIFIED - Return Receipt Requested

Ms. Sophia Martinez Star Route, Box 33 Pagosa Springs, Colorado 81147

Ladies:

Jerome P. McHugh, through its operating entity Nassau Resources, Inc., plans to drill an approximate 4100' Fruitland Coal test in the SW/4NE/4 of Section 15-T32N-R4W by mid-August. The proposed drilling/spacing unit for the well is the E/2 of Section 15.

The county records indicate that you own 12 net mineral acres, more or less, in the following lands:

Township 32 North, Range 4 West Section 15: E/2NE/4, NE/4SE/4

As you can see from the attached map, the above described acreage falls within our proposed drilling unit.

We are hereby proposing that you consider one of the two following alternatives:

Enclosed are three (3) original Oil and Gas Lease instruments covering your interest in the E/2NE/4, NE/4SE/4 of Section 15-T32N-R4W. Also enclosed is our draft in the amount of \$348.00, being \$25/net mineral acre for your 12 mineral acres (total \$300) plus four years of delay rentals (total \$48). Our lease provides for a five (5) year term and a 1/8th royalty. In conjunction with said lease, enclosed are six (6) Ratification and Joinder instruments for our Carracas Canyon Unit that need to be executed as well as our proposed well is a Carracas Canyon Unit well. If you are married, we ask that both you and your spouse execute the leases before a Notary Public, fill in your social security number, and return two originals to my attention. Both of you should also sign the Ratification instruments before a Notary Public and return five (5) to my attention with the lease. Upon executing and returning the lease and Ratification to me, feel free to submit the enclosed draft to your local bank as a collection item.

Ms. Sophia Martinez June 29, 1989 Page Two

-OR-

2. Enclosed are two original Authority for Expenditure (AFE) instruments No. A52202. In the event you elect not to lease with us, you may elect to join as a paying and participating working interest owner in our well. Based on your 12 net acres in the drilling unit, you may join for 3.75% (12 acres ÷ 320 acres) of the drilling and completion costs, being \$15,412.50. If this is your election, please execute and date one copy of the AFE instrument returning it to my attention, at which time I will forward the remaining documentation for your participation.

We request that you respond in writing to this proposal by July 15, 1989. Failure to do so will leave us no alternative but to request that this well be put on the August 9, 1989 docket of the New Mexico Oil Conservation Commission for a forced pooling action.

Feel free to call me at (303) 321-2111 should you have any questions.

Very truly yours,

Randi E Collins

Randi E. Collins for Kent C. Craig

KCC/rc

enclosures

and 4. "Return to" For fees)	one).	TOTAL \$ 90¢	81147	ARTICLE NUMBER P841883199	above Authorized agent	POSTMARK (may be on reverte at	7a. EMPLOYEF'S INTIALS
SENDER: Complete Items 1, 2, 3, and 4. Add your address in the "RETURN space on reverse. (CONSULT POSTMASTER FOR FEES)	The following service is requested (check one) Show to whom and date delivered Show to whom and date delivered	DIRECTRICTED DELIVERY (The restricted Delivery ise is charged in artificial ise the return receipt her.) (TOTAL	Ammute Apparates 10: Sophia Martinez Star Route, Box 33 Pagosa Springs, CO	THE OF SERVICE. DRESISTERED CERTIFIED CERTIFIED CERTESS MAIL	(Always obtain signature of addresses have received the article described above. SIGNATURE Addresses Authorized	ACOPRESSEE'S ADORESS (Only II requested	UNABLE TO DELIVER BECAUSE:

NASSAU RESOURCES, INC. - AUTHORITY FOR EXPENDITURE

27 JUNE 1989 AFE NO.: A52202 DATE: CARRACAS CANYON UNIT WELL NO.: 15 B-7 LSE NAME: LOCATION: SW NE SEC 15, T32N R04W COUNTY: RIO ARRIBA NEW MEX. OPERATOR: NASSAU RESOURCES, INC. STATE: DESCRIPTION: 4100' FRUITLAND COAL TEST EXPENDITURE TANGIBLE INTANGIBLE LEASEHOLD ACCOUNTING DESCRIPTION COST COST COSTS CODE A-60105 TITLE COSTS XXXXXXXXX XXXXXXXXX 2,000 2,000 XXXXXXXXX LEGAL COSTS/SURFACE DAMAGES XXXXXXXX A-60202 A~60203 20,000 XXXXXXXXX SURVEYOR/ARCHEOLOGIST/ROADS/LOCATION XXXXXXXX A-60204 CONTRACT DRILLING A-60205 MUD/CHEMICALS/ADDITIVES A-60206 WATER/PURCHASE/TRANSPORTATION
A-60207 OPEN HOLE LOGGING
A-60208 MUD LOGGING A~60209 DST/FORMATION TESTING A-60210 CORING/CORE ANALYSIS A~60211 TRUCKING/HAULING/CATWORK A~60212 CEMENTING SERVICES A~60213 RENTAL TOOLS AND EQUIPMENT A~60214 PROF SERVICES AND EXPENSES SUPERVISION/OVERHEAD A~60215 A~60216 CONTRACT SERVICES/SUPPLIES A-60217 A-60218 PLUG/ABANDON/CLEANUP A-60218 MISCELLANEOUS/CONTINGENCIES
A-60302 CASING, SURFACE &/OR CONDUCTOR
A-60303 CASING, INTERMEDIATE Ø XXXXXXXX XXXXXXXX A-60304 FLOAT EQUIPMENT & CENTRALIZERS
A-60305 CASING HEAD/ DRILLING FLANGE INCL XXXXXXXXX XXXXXXXX · Ø XXXXXXXXX XXXXXXX A~60306 NON-CONTROLLABLE EQUIPMENT ② XXXXXXXXX XXXXXXXX DRY HOLE COST: TOTAL \$114,000 **〈〈〈** 112,000 2,000 10,000 XXXXXXXXX A~60231 CEMENTING SERVICES XXXXXXXX A~60232 A~60233 A-60234 A~60235 RENTAL TOOLS & EQUIPMENT DIRT WORK/CONSTRUCTION XXXXXXXX 500 XXXXXXXX A~60236 XXXXXXXXX CONTRACT SERVICES/SUPPLIES 10,000 XXXXXXXX A~60237 A-60238 4,000 XXXXXXXX SUPERVISION/OVERHEAD XXXXXXXXX 1,000 XXXXXXXXX 5,000 XXXXXXXXX A-60239 A-60240 25,000 XXXXXXXXX XXXXXXXX A-60331 FLOAT EQUIPMENT & CENTRALIZERS A-60332 A-60333 A-60334 A--60335 A-60336 A-60337 SEPARATOR/TREATOR/PRODUCTION UNIT 20,000 XXXXXXXXX XXXXXXXX A-60338 PIPELINE/POWERLINE BO, OOO XXXXXXXX XXXXXXXX A-60339 A-60340 VALVES/FITTINGS/LINE PIPE ଅ, ଉଉଡ XXXXXXXXX XXXXXXXX NON-CONTROLLABLE EQUIP/MISC EQUIP 500 XXXXXXXXX XXXXXXXX 1,500 XXXXXXXXX XXXXXXXX A-60341 TRUCKING/HAULING/TRANSPORTATION A-60342 COMPLETION COSTS: TOTAL \$297,000 <<< 191,000 106,000 \$411,000 (((191,000 218,000 2,000 TOTAL WELL COSTS: WORKING INTEREST PARTNER APPROVALS: Sophia Martinez 3.75% DATE:____ TITLE McHUGH APPROVALS: ACCT. LAND ENGR. PRES. FIELD APPR. BY:

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the <u>Carracas Canyon</u> Unit Area, County of <u>Rio Arriba</u> , State of New Mexico, dated <u>January 27, 1987</u> , in form approved on behalf of the Secretary of the Interior, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned hereby expressly ratifies, approves and adopts said Unit Agreement and also said Unit Operating Agreement as fully though the undersigned had executed the original instrument.
This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering any lands within the unit area in which the undersigned may be found to have an oil or gas interest.
This Ratification and Joinder shall be binding upon the undersigned, its heirs, devisees, assigns or successors in interest.
EXECUTED this day of, 19
Sophia Martinez
Address:
STATE OF)
STATE OF) COUNTY OF)
On this day of, 19, before me personally appeared <u>Sophia Martinez</u> , to me known to be the person who executed the foregoing instrument and acknowledged that <u>she</u> executed the same as <u>her</u> free act and deed.
IN WITNESS WHEREOF, I hereunto set my hand and official seal.
Notary Public
My commission expires:

AGREEMENT, Made and entered into the Sophia Martinez	29th	day of	June	, 19_89_	, by and between	
whose post office address is Star Route, Kindermac Partners, a Colorac general partnership WITNESSETH, That the Lessor, for and i cash in hand paid, the receipt of which is herel leased and let, and by these presents does gran exclusive right for the purpose of mining, explor whatsoever nature or kind, with rights of way an of said products, all that certain tract of land situ State of New Mexico	n consideration of	the covenants et exclusively un other methods pipe lines, and forth, Rar E/2NE/4,	en and more and agreements hereinafter nto the said Lessee, the lai , and operating for and proc erection of structures there tio Arriba as follows, to-wit:	contained, has nd hereinafter d ducing therefron	DOLLARS granted, demised, escribed, with the n oil and all gas of	:
	Section 14:	NW/4SW/4				
and containing 1. It is agreed that this lease shall remainature or kind is produced from said leased press. If, at the expiration of the primary term of the Lessee is then engaged in drilling or re-working ously prosecuted on the leased premises or on a more than ninety (90) days shall elapse betwee subsequent well. If after discovery of oil or gaafter the primary term, this lease shall not term date of cessation of production or from date of tions at or after the expiration of the primary premises or on acreage pooled therewith. 2. This is a PAID-UP LEASE. In conside wise provided herein, to commence or continue mary term surrender this lease as to all or any release or releases, and be relieved of all obligatic. 3. In consideration of the premises the salst. To deliver to the credit of Lessor (1/8) part of all oil produced and saved front. To pay Lessor one-eighth (1/8) found, while the same is being used off monthly at the prevailing market rate for 3rd. To pay Lessor for gas produced a royalty of one-eighth (1/8) of the proced. Where gas from a well capable of problem of the expiration of 90 days from the period such well is shut in. If such payment of 5. If said Lessor owns a less interest in (including any shut-in gas royalty) herein providend undivided fee. 6. Lessee shall have the right to use, free the wells of Lessor.	mises or on acreage p. s. lease, oil or gas is no operations thereon, thereage pooled therew in the completion or a s. on said land or on act in the first completion of dry h. the first completion of dry h. the first completion of the down carration of the down carration of said land and thereafter accruing a fid Lessee covenants ar, free of cost, in the piom the leased premises of the gross proceeds the premises, and if gas. from any oil well and eds, at the mouth of the oducing gas is not so the country of the country of the gross proceeds the premises and if gas. I will be mouth of the country of the gross proceeds the premises and if gas, are the mouth of the country of the mouth of the date is shall be paid to the country of the cou	ooled therewith of being produce hen this lease slith; and operation bandonment of creage pooled the ces additional dole. If oil or gillease shall contist by the primary that as to the acreage add agrees: pe line to which see each year, pay used in the maused off the premewell, payable of or used, Lessit or tender to ut in and thereagill be considered than the enter the Lessor only	, or drilling operations are ced on the leased premises of hall continue in force so lon lons shall be considered to lone well and the beginning gerewith, the production the rilling or re-working operatias shall be discovered and pinue in force so long as oil of soor agrees that Lessee shall term. Lessee may at any timulate or stratum by delivering surrendered. A Lessee may connect wells able quarterly, for the gas unufacture of gasoline a roy misses or in the manufacture monthly at the prevailing not see may pay or tender as rebe made on or before the annived that gas is being produce ire and undivided fee simple in the proportion which Lessee in the seed of the continued in the proportion which Lessee in the continued to the continued in the proportion which Lessee in the proportion which the prop	continued as her or on acreage poor g as operations of operations foreof should ceal ons within nine roduced as a response or times during to Lessor or by on said land, the from each well calty of one-eight angles of gasoline or anarket rate. Oyalty to the roanniversary date resary date of the dwithin the me estate therein, essor's interest l	einafter provided, oled therewith but are being continuprosecuted if not or the drilling of a se from any cause ty (90) days from ult of such operated from the leased from the leased from the prifiling for record a secual one-eighth where gas only is inth (1/8), payable any other product yalty owners One of this lease next is lease during the aning of this lease then the royalties bears to the whole	
 When requested by Lessor, Lessee shal No well shall be drilled nearer than 20 Lessee shall pay for damages caused by 	O feet to the house or leading to Lessee's operations to	barn now on sai o growing crops	d premises without written on said land.			
10. Lessee shall have the right at any tin remove casing. 11. The rights of Lessor and Lessee hereum or otherwise) shall be binding on Lessee until L documents and other information necessary to thereafter made. No other kind of notice, who ownership as to different portions or parcels of operations may be conducted without regard to any act or omission of any other leasehold owner 12. Lessee, at its option, is hereby given production, as to all or any part of the land de hold estate and the mineral estate covered by the or separately for the production of either, when similar to this exists with respect to such other gas, may be reformed to exclude such non-product and filing of record a declaration of such unitize which a well has theretofore been completed o working operations or a well shut in for want of production, drilling or reworking operations or fied, including shut-in gas royalties, Lessor shall allocated to this lease; such allocation shall be and included in the unit bears to the total numb pool, or combine all or any part of the above dearea by entering into a cooperative or unit plawith like approval, to modify, change or termil lease shall be deemed modified to conform to to operation and, particularly, all drilling and development or operation whereby the product tion allocated to any particular tract of land shabeen produced from the particu	der may be assigned in essee has been furnish establish a complete either actual or construsial dand shall operate only such division. If the right and power alscribed herein and as this lease with other land in Lessee's judgment land, lease or leases. It acting formations. The ation or reformation, rupon which operation of a market anywhere a well shut in for want receive on production hat proportion of the errof surface acres in sescribed lands as to one not development or cate any such plan or he terms, conditions, lopment requirements plan or agreement, and lands or any part theion therefrom is allocated to which it is allocated to whome the terms of the title to the ortgages, taxes or othe older thereof, and the and homestead in the se is made, as recited his hereinabove named word "Lessor," as use se shall be binding on the se is made, as recited his hereinabove named word "Lessor," as use se shall be binding on the service of the servi	n whole or part, and with notice chain of record citive, shall be ite to enlarge the all or any part tany time and to any one or mod, lease or least it is necessary Likewise, units if forming or refewhich declarations for drilling hon a unit which tof a market un from the unit unit production such unit. In add or more of the operation approagreement and and provisions to this lease shall reof, shall here at the composition of the lease shall reof, shall here at the composition of the lease shall reof, shall here at the lease shall y any government to all Federal liable in damage ulation. Lands herein deer liens on the actual shall herein and computing the reduction. In this lease, if the lease shall y any government to all Federal liable in damage ulation. Lands herein deer liens on the actual shall herein as Lessor fail to din this lease, the heirs, success the heirs, success the same the sundersigned the premises describe the heirs, success the same the sundersigned the premises describered.	No change in ownership of consisting of certified cop little from Lessor, and the binding on Lessee. No prevolutions or diminish the of this lease is assigned, no life the formations of this lease is assigned, no life the formations hereus in the immediate vicinity or advisable to do so, and previously formed to includ orming of any unit shall be a con shall describe the unit. ave theretofore been comminctudes all or a part of this lease. In lieu of the so pooled royalties only on that the total number of a dition to the foregoing. Les formations thereunder with young governmental a, in such event, the terms, of such approved cooperatived by any governmental with the total number of such approved cooperatived by any governmental with the terminate or expire durifter be operated under any toportions of the land cover by alties to be paid hereunder yother tract of land; and formally express Lessor's cental agency by executing the scribed, and agrees that the above described lands, in the soors, for themselves and to be execute this lease, it shall mean any one or more sors and assigns of Lessor as	Lessor's interestices of all record nonly with resent or future derights of Lesse easehold owner urring right, eith nder, to pool or for the product irrespective of veromations no accomplished by Any unit may it enced. Product lease shall be treroyalties elsew on the portion ourface acres couses shall have the other lands in uthority and, foconditions and ive or unit plan osatisfied by coing the life of sevent of the same upon rorders, Rules or ewith, if compliance or ewith, if compliance or unit plan of the same upon rorders, Rules or ewith, if compliance or ewith, if compliance or all of the part of dower and nevertheless be or all of the part	st (by assignment ed instruments or pect to payments wision of Lessor's e, and all Lessee's shall be liable for the entry of the lease-ton of oil and gas, whether authority t producing oil or Lessee executing include land upon ion, drilling or related as if it were here herein specified by this lease e right to unitize, the same general form time to time, provisions of this of development or inpliance with the plan or agree-ton the production of the plan or agree-ton the plan or agree-ton the production of the plan or agree-ton the plan or agre	
		Soph	ia Martinez			

	1	by F & W Filliding, (505) 425-4051				
_		COLLECT DIRECTLY THROUGH_	Inited Cont.	The second of the second of the	10	
<u>.</u>	1		P. O. Box Bi			
-	ي. ا		Aurora, 😂 🖰			
ITEM	Page 1			DATE	2600 02.	15.70
	'S DRAFT of Re-Draft	Thirty (30) Days	After Sight and Sul	RESENTING FOR PAYMENT	2	
CASH	CUSTOMER'S Vith privilege of					\$ 320.91
NOT A C	TO y	Three Hundred Forty-Eight	and NO/100	an aga an 100 s. The and the Margar territor was the see the last the		DOLLARS
\sum_{i}	CUS				With Exchange	
	≥	Consideration for 911 & Gas Leas	19. 5 year, pa	ig~pn		
Sini		To: Jerome P. McHugh & Associated St. Cherry St., Suite	e 1225	· · · · · · · · · · · · · · · · · · ·		
	1	Panyer, 00 30222	-	Parci E. Pollins		
	Desc	ription: DETACH BEFO	RE PRESENTING FO	R PAYMENT		
				County	y <u> </u>	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \

T30N-34% Sec. IC: E/2HE/4, HE/4SE/4

OFFICE COPY

coxice

State__

Gross Acres____
Net Acres____

REC	, E	11	/ED
JUL	2	0	1989

Ans'd.

OU	1 3	NI	\mathbf{n}	$\Gamma \Lambda$	\mathbf{S}^{-1}	T 17	١.	SIL	
\ / i .	la t	MINI	. J	l w / Y	()	1 . 1 '	ıΝ	.יוכ	

AGREEMENT, Made and entered Into the Norma Maria Madrid	29th	day of	June	. 19 89 , by and between	
p. 0. Box I whose post office address is Kindermac Partners, a Coloral general partnership witnesseth, That the Lessor, for and cash in hand paid, the receipt of which is here leased and let, and by these presents does graexclusive right for the purpose of mining, explowhatsoever nature or kind, with rights of way a of said products, all that certain tract of land sit	in consideration of by acknowledged, and lent, demise, lease and lering by geophysical and nd easements for laying	the covenant of exclusively other metho pipe lines, as	Ten and more s and agreements bereinaft unto the said Lessee, the ds, and operating for and pr id crection of structures the	DOLLARS er contained, has granted, demised, land heremafter described, with the coducing therefrom oil and all gas of	0222
State of New Mexico			ed as follows, to-wit:		
	Township 32 N Section 15:	lorth, R E/2NE/4	ange 4 West , NE/4SE/4		

and containing 120 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of XX/x cars from this date and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled therewith but lessee is then engaged in drilling or re-working operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith; and operations shall be considered to be continuously prosecuted in not more than inlexty (90) days shall clapse between the completion or abandonnement of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on said land or on acreage probled therewith, the production thereof should cease from any cause after the primary term, this lease shall not treminate if Lessee commences additional drilling or re-working operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage probled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessue may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any stata or stratum by delivering to Lessor or by filing for recoid a release or releases, and be releved of all obligation thereafter

(including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said kind for Lessee's operation thereon, except water from

the wells of Lessor.

When requested by Lessor, Lessee shall bury Lessee's pipe line below plow depth.

8. No well shall be drilled nearer than 200 feet to the house or barn now or said premises without written consent of Lessor.

9. Lessee shall pay for damages caused by Lessee's operations to growing crops on said land.

10. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment

10. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

11. The rights of Lesser and Lessee hereunder may be assigned in whole or port. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee that here for the right and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to pavements and other information necessary to establish a complete chain of record title from Lesser, No present or future division of Lessor's necessary and then only with respect to pavements the respect to pavements and other independent of the control of the lesser's assigned, no leavehold where the complete chain of the lesser's assigned, no leavehold where shall be hable for any act or omission of any other leavehold owner.

12. Lessee, at its option, is hereby given the right and power at any time and from time to time at a recurring right, either before or after production, as to all or any part of the land described herrin and as to any me or more of the formations hereunder, to pool or unitive the lesser hold estate and the mineral estate covered by this bease with other land, lesse or leaves in the inhurdate strinity for the production, and the lesser hold estate and the mineral estate covered by this bease with other land, lesse or leaves in the inhurdate strinity for the production of an analysis of the lesser hold estate and the mineral estate covered by this bease with other land, lesse or leaves in the inhurdate strinity for the production of the lesser hold estate and the mineral estate covered by this bease with other land, lesse or leaves in the inhurdate strinity for the production of the lesser hold in the estate which the production of the lesser hold in the seatists of the production of the seatists of the production of the production of the control of the control of the production of the production of the production of

 Horma Maria Madrid
3 William

COUNTY OF LA ATCOM	Okianoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Ulan, Nebraska, North Dakota, South Dakota ACKNOWI FDGMENT — INDIVIDUAL
BEFORE ME, the undersigned, a Notary Public, in an	nd for said County and State, on this 18
	nally appeared Now A maria maria maria was a maria mar
and	
	, to me known to be the identical person, described in and who executed
the within and foregoing instrument of writing and acknow and voluntary act and deed for the uses and purposes the	vledged to me that $ > $
IN WITNESS WHEREOF, I have hereunto set my l	hand and affixed my notatial seal the day and year last above written.
My Commission Expires 3-4-90	Notary Public.
STATE OF	Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah, Nebraska, North Dakota, South Dakota
	ACKNOWLEDGMENT—INDIVIDUAL
	and for said County and State, on this
day of, 19, persol	nally appeared
and	
70518	_, to me known to be the identical person, described in and who excuted
and voluntary act and deed for the gree and primeses the	wledged to me that duly executed the same as free erein set forth.
DI WELLES HATTER OF LLOUTION	AMAZINA SECONDO SECOND
My Commission Exp Brok 28 Page 21	Notary Public.
JUL 2 4 1989	
STATE OF DAVID S. CHAYEZ	ACKNOWLEDGMENT (For use by Corporation)
COUNTY OF County Clerk Rio Arriba Cour	nty
On this New Mexico O Dept	, A.D. 19, before me personally
me duly sworn, did say that he is the	of, to me personally known, who, being by
	and that the seal affixed to said instrument is the corporate seal of said corporation
A second of the	behalf of said corporation by authority of its Board of Directors, and said
	wledged said instrument to be the free act and deed of said corporation.
Witness in which d and seal this	day of, A.D. 19
(SEAL)	Notary Public.
My Commission explices	
iviy Commission expires.	
	, k. k. d. i.a.
61	M., and duly recorded in age
	the16
	County.
	Mr. Mr. reco
TROM 1	County
	o'clockof the
Ž	
	Strum Strum
ared	crmCounty
Dat	

OIL AND GAS LEASE

JUL 1 9 1989

AGREEMENT, Made and entered into the	29th	_day of	June	19 89 And Janu becreen	
Elizabeth Ann Troxell, jo	ined herein by		nd James W. 1	[roxel]	
whose post office address is 611 Poplar, Kindermac Partners, a Colora general partnership WITNESSETH. That the Lessor, for and cash in hand paid, the receipt of which is here leased and let, and by these presents does gravelusive right for the purpose of mining, explosive to the color of which is here exclusive right for the purpose of mining, explosive to the color of way as of said products, all that certain tract of land sit	whose post office address in consideration of by melmowledged, and th nt, demise, lease and let ring by geophysical and or nd easements for laying p	Ten and is covenants and exclusively unto their methods, and pre lines, and ere	Cherry St., Some agreements bereins a greenents bereins de operating for and	e land hereinafter described, with the producing therefrom oil and all gas of percon to produce, save and take care	80222
State of New Mexico		, described as	follows, to-wit:		
	Township 32 No Section 15: E	rth, Range	e 4 West		
	Section 15: E	/211L/4, 11t	-/436/4		
and containing 120 1. It is agreed that this lease shall remain nature or kind is produced from said leased pilf, at the expiration of the primary term of the Lessee is then engaged in drilling or re-working ously prosecuted on the leased premises or on more than ninety (90) days shall elapse betwee subsequent well. If after discovery of oil or gaster the primary term, this lease shall not term date of cessation of production or from date of tions at or after the expination of the primary premises or on acceage pooled therewith. 2. This is a PAHD-UP LEASE. In considewise provided lierein, to commence or continuously term suriender this lease as to all or any release or releases, and be relieved of all obligations. In consideration of the premises the sair. To deliver to the credit of Lesson (1/8) part of all oil produced and saved from the continuous while the same is being used of monthly at the prevailing market rate for 3rd. To pay Lessor for gas produced a royalty of one-eighth (1/8) of the process. Where gas from a well capable of policies of the previous gasterned the ensuing after the expiration of 90 days from the period such well is shut in, 1f such payment 5. If said Lessor owns a less interest in (including any shut-in gas royalty) herein provi	emises or on acreage poo- is lease, oit or gas is not- coperactions thereon, thei- acreage pooled therewith- on the completion or aba- as on said land or on acre- cinate if Lessee commence of completion of dry hole- term of this lease, this fe- cration of the down eash- e any operations during (portion of said land and on thereafter accruing as- aid Lessee covenants and r, free of cost, in the pipe roun the leased premises.) of the gross proceeds e- f the premises, and if u- gas, from any oil well and use eads, at the month of the roducing gas is not sould elected, such payment he date such well is shut or tender is made, it will the above described Land	led therewith, or being produced on this lease shall at and operation adoption age pooled there is additional drill at the primary term as to any strata of the primary term as to any strata of the Acreage su agrees: The to which Least in the manual off the premised in the manual off the premised off the premised of the decorated to be in and thereafter to be in and thereafter than the entire	edrilling operations; continue in force so shall be considered ewell and the begins with, the productioning or resworking ophall be discovered as e in force so long as a grees that Lessee so. Lessee may at anyor stratum by deliverendered, essee may connect we quarterly, for the facture of gasoline a set of the manufacture of gasoline and pays or tender may pay or tender may pay or tender and or or before a not or before the and untily delivered and untily delivered and untily delivered and untily at the prevail of the set of the set of the prevail of the set of the	are continued as hereinafter provided, es or on acreage pooled therewith but along as operations are being continuted by continuously prosecuted if not ning of operations for the drilling of a higher through the tree of should cease from any cause erations within ninety (90) days from and produced as a result of such operation of organic produced from the leased thall not be obligated, except as otherefing or times during or after the principal of this lease next miversary date of this lease during the luced within the meaning of this lease, mple estate therein, then the royalties	
and undivided fee. 6. Lessee shall have the right to use, free the wells of Lessor.	•				
7. When requested by Lessor, Lessee sha 8. No well shall be drilled nearer than 20 9. Lessee shall pay for damages caused b	M feet to the house or ba	rn now on said p	remises without wri	tten consent of Lessor.	
10. Lessee shall have the right at any ti-remove easing.	me to remove all machin	erv and fixtures	placed on said prer		
or otherwise) shall be binding on Lessee hereur or otherwise) shall be binding on Lessee until documents and other information necessary to thereafter made. No other kind of notice, who whereful as to different portions on parcels of operations may be conducted without regard to any act or omission of any other leasehold owned to the conducted without regard to any act or omission of any other leasehold owned to the conduction, as to all or any part of the land do hold estate and the mineral estate covered by the conduction of either, where smilar to this exists with respect to such other gas, may be reformed to exclude such non-production of filing of record a declaration of such unit, which a well has theretofore been completed to working operations or a well shut in for want of production, drilling or reworking operations or field, including shut-in gas royalties, Lessor shall allocated to this lease; such allocation shall be and included in the unit bears to the total number of the combine all or any part of the above dearea by entering into a cooperative or unit playith like approval, to modify, change or term lease shall be deemed modified to conform to operation and, particularly, all drilling and development or operation whereby the production allocated to any particular tract of land shabeen produced from the particular tract of land shabeen produced t	Lessee has been furnished of establish a complete of either actual or construct for any such division. If all of any such division. If all of any such division. If all of a construction and such this lease with other land, in in Lessee's judgment if land, lease or leases. Littlein formations. The feating or reformation. The feating or reformation, were upon which operations of a market anywhere on a well shut in for want of the upon the distribution of the upon the distribution of the upon of development or opinate any such plan or after the terms, conditions, and the lands or any part there tion therefrom is allocated all for the purpose of condition only as so allocated ction only as so allocated the term of the subject in part, nor Lessee held liah aw, Order, Rule or Regula or order thereof, and the uportages, taxes or other nobler thereof, and the upon the term of the condition thereof, and the upon the term of the tother lands of the tothereof, and the upon the term of the tothereof, and the upon the condition on the condition of the condition thereof, and the upon the condition of the condition thereof, and the upon the condition of the condition thereof, and the upon the condition of the condition thereof, and the upon the condition of the condit	I with notice, or an of record to tive, shall be bin to enlarge the of I or any part of I on the or I or any part of I or any one or more, lease or leases in I is necessary or towise, units preorming or reform hich declaration is for drilling have a unit which income the unit. In addit remore of the foi or a market under more of the foi or at the unit. In addit remore of the foi or a different proputing the royal and not to any overnment to all Federal ambie in damages, fition, and sherein describered the sherein describered the aboundersigned Lesson the aboundersigned Lesson day overnment describered to the aboundersigned Lesson the aboundersigned Lesson the aboundersigned Lesson	onsisting of certified the from Lessor, and ding on Lessor. No bligations or diminis this lease is assigned, on time to time as a of the formations he are to the formations he advisable to do so, viously formed to in ing of any unit shall describe the usaffer to be a part of	copies of all recorded instruments or I then only with respect to payments present or future division of Lessee's the the rights of Lessee, and all Lessee's no leasehold owner shall be liable for a recurring right, either before or after ereunder, to pool or unitize the leasenity for the production of oil and gas, and irrespective of whether authority clude formations not producing oil or he accomplished by Lessee executing nit. Any unit may include land upon ounmenced. Production, drilling or rethis lease shall be treated as if it were of the royalties elsewhere herein specially on the portion of such production of surface acres covered by this lease. Lessee shall have the right to unitize, with other lands in the same general tal authority and, from time to time, ms, conditions and provisions of this crative or unit plan of development or 1 be satisfied by compliance with the eduring the life of such plan or agreer any such cooperative or unit plan of royered by said plan, then the productioner to Lessor, be regarded as having and the royalty payments to be made in the same upon request of Lessee, tive Orders, Rules or Regulations, and therewith, if compliance is prevented to the lessee shall have the right at any in the event of default of payment by and their heirs, successors and assigns,	
hereby surrender and release all right of dower in any way's affect the purposes for which this let 15. Should any one or more of the parti- such parties who do execute it as Lessor. The this lease as Lessor. All the provisions of this let IN WITNESS WHEREOF, this instrumen	ase is made, as recited her es hereinabove named as word "Lessor," as used ase shall be hinding on the	ein. Lessor fail to e in this lease, sha e heirs, successor	xecute this lease, it ill mean any one or it is and assigns of Less	shall nevertheless be binding upon all more or all of the parties who exceute	
Onnings 7 500 JAMES W. TROXELL	vll_	Elizab	eth Ann Trox	an toda	

STATE OF MELLY 17 COUNTY OF SOUTH S BEFORE ME, the undersign			as, New Mexico, Wyo Nebraska, North Dako CKNOW LLDGMENT ty and State, on this_	ta, South Dakota —INDIVIDUAL	rado, Utab,
day of July	19.85.	personally appeared	Elizabe	yn ann-	Troxell
	ames lu.		ha the identical page	on S. dec	ribed in and who executed
The within and flood pine Reservation of the Control of the Contro	ment of writing and ac r the uses and purpos	cknowledged to me th ses therein set forth.	ar They a	uly executed the san	ne as 11.01 free
·//mainim					
COUNTY OF BEFORE ME, the undersi	aned a Notary Public	,	sas, New Mexico, Wyo Nebraska, North Dako ACKNOWLEDGMEN ity and State, on this	da, Šouth Dakota F—INDIVIDUAL	
day of		personally appeared_			
and					
the within and foregoing instru- and voluntary act and deed fe		cknowledged to me th			scribed in and who excuted me asfree
IN WITNESS WHEREO My Commission Expires	F, I have hereunto se	t my hand and affixe	ed my notarial seal ()	ne day and year las	
	FILED IN 1HE	COUNTY		<u> </u>	Notary Public.
STATE OF COUNTY OF Bappeared	ook	DEFICE ACK DCKM Page//8-//	9	, A.D. 19_	, before me personally
and that said instrument was	DAVID S. OUNTY Clark 1: 1 Jeney pilk softed, Mulley Officers this	HAV'S Z HAV'S Z HAV'S Z HAV'S Z HOUNTY HOUSE Linowled Epidepid inst		ument is the corpor hority of its Boar act and deed of sai	ate seal of said corporation d of Directors, and said d corporation.
(SEAT) My Commission expires.	1				Notary Public.
No.	10	No. AcresCounty	This instrument was filed for record on the	of the records of this office	When recorded return to

	OIL AND	GAS L	EASE		
AGREEMENT, Made and entered Into the	29th herein by her	day of husband S	June teven Blaine	Lanie) . 19 89 by and between	
whose post office address is P. O. Box Kindermac Partners, a Colorageneral partnership WITNESSETH, That the Lessor, for and cash in hand paid, the receipt of which is here leased and let, and by these presents does gracked and let, and by these presents does gracked which is here leased and let, and by these presents does gracked with right for the purpose of mining, explowhatsoever nature or kind, with rights of way a of said products, all that certain fact of land sit State of New Mexico	922, Flora Vis do whose post office addre- in consideration of by acknowledged, and to out, demise, lease and le- ring by geophysical and nd easements for laving a triated in the County of	sta, NM 87 ss is 650 S. Ten he covenants and t exclusively und other methods, a pipe lines, and en Ri	Cherry St., Standard more and more diagreements bereinate for the said Lessee, the independent of structures to the said	led Lessor (whether one or more) and Suite 1225, Denver, CU, hereinafter called Lessee: The contained, has granted, demised, eland hereinafter described, with the producing therefrom oil and all gas of	80222
	Township 32 No Section 15:	orth, Rang E/2NE/4, N	je <u>4 West</u> IE/4SE/4		
and containing 120 acres, mon 1. It is agreed that this lease shall remanature or kind is produced from said leased pril, at the expiration of the primary term of th Lessee is then engaged in drilling or re-working ously prosecuted on the leased premises or on more than ninety (90) days shall clapse between the primary term, this lease shall not term date of cessation of production of the primary premises or on acreage pooled therewith. 2. This is a PAID-UP LEASE. In consid wise provided herein, to commence or continuation many term surrender this lease as to all or any release or releases, and he reheved of all obligations of the premises of the control of the premises the st. To deliver to the credit of Lesso (178) part of all oil produced and saved for 2nd. To pay Lessor one-eighth (178 found, while the same is being used of monthly at the prevailing market rate for 3rd. To pay Lessor for gas produced a royalty of one-eighth (178) of the process of the production and, particula	is lease, oil or gas is not a operations thereon, the acreage pooled therewaten the completion or abas on said land or on aer ninate if Lesses commens of completion of dry hoo term of this lease, this least of this lease covenants and the grown the least of profiles. In the pip rom the least of profiles, of the gross proceeds of the premises, and if the gas. If the premises, and if the grown and the least he had the from the least he payment he date, such well is shu or tender is made, it with above described handed for shall be paid the of cost, gas, oil and wall bury Lessee's pipe line of the above described handed for shall be paid the object of the house or box Lessee's operations to me to remove all maching the grown of the house or least of the result of the house or box Lessee has been furnished establish a complete contenter actual or construct of said land shall operate of any such division. If the results of the results of the remove all maching the results of the remove and the results of the profiles of the part of the profiles of the purpose of the least shut in for want. If receive on production that proportion of the ber of surface acres in su lesseribed lands as to one and of development or or intate any such plan or a the terms, conditions, a copan of development and the propose of cod to which it is allocated thereof, and the rand homestead in the past in male, as recited he as hall be subject to the lease shall be subject to the lease shall be subject to the part, nor Lessee held liaw, Order, Rule or Rule or the rand homestead in the r	obed therewith, is, being produced in this lease, shall and operation and onment of o cage proofed their sea additional drives a the primary ter Las to any strate it to the acreage stagees: I agrees: I agrees: I agrees: I agrees: I agreed: I cach year, payalused in the man seed off the primary ter drives and the entire of the considered of the them of record it the considered of the them of record it the considered of the them of record it the considered of the consider	or drilling operations; It on the leased premis II continue in force so ns shall be considered ne well and the beginn rewith, the production Iling or re-working operations; shall he discovered as the inforce so long as or agrees that Lessee size in Lessee may constrain by deliver autrendered. Lessee may connect we ble quarterly, for the ufacture of gasoline; a dises or in the manufaction this at the prevailing may pay or tender et made on or before er on or before er on or before er on or before er and undivided fee sign the proportion while said land for Lessee's oth. Premises without writing said land for Lessee's oth, and undivided fee sign the proportion while said land. The premises without writing said land, as placed on said prerections of the formations him the immediate vicing advisable to do so, eviously formed to in ming of any unit shall in shall describe the unce theretofore been excludes all or a part of the total number of the total number of the proportions of the land callies of the proportion of the land callies of the proportion of the land callies of the proportions of the land callies to the paid here we other tract of land; sort, for the make we have described lands, sort, for the meakes a development of the land of the proportions of the land of the proport	are continued as heremafter provided, es or on acreage pooled therewith but bing as operations are being continuations as operations for the drilling of an thereof should cease from any cause crations within ninety (90) days from the produced as a result of such operation of gas is produced from the leased hall not be obligated, except as otherwing or after the priring to Lessor or by filing for record a clls on said land, the equal one-eighth gas from each well where gas only is a royalty of one-eighth (1/8), payable eture of gasoline or any other producting market rate. as royalty to the royalty owners One the anniversary date of this lease next inversary date of this lease next inversary date of this lease during the Lessor's interest bears to the whole operation thereon, except water from the consent of Lessor. Inises, including the right to draw and ip of Lessor's interest bears to the whole operation thereon, except water from then only with respect to payments or future division of Lessor's no leasehold owner shall be liable for a recurring right, either before or after creunder, to pool or unitize the leasenity for the production of oil and gas, and irrespective of whether authority clude formations not producing oil or be accomplished by Lessee exceuting nit. Any unit may include land upon numenced, Froduction, drilling or rethis lease shall have the right to unitize, with other lands in the same general tal authority and, from time to time, ms, conditions and provisions of this crative or unit plan of development or i be satisfied by compliance with the carries of surface acres covered by this lease responsed by said plan, then the production of surface acres covered by this lease responsed to any cooperative or unit plan of overed by said plan, then the production of the conditions and provisions of this calling the free operative or unit plan of overed by said plan, then the production of ordered by said plan, then the production of a payments to be made r's consent to any cooperative or unit plan	
		Linda	Sue Lanier	i Kunca.	

Steven Blaine Law.

PRODUCERS 88-PAID UP Rev. 5-60, No. 2

RECEIVED

AHG - 3 1989

Ans'd

AGREEMENT, Made and entered into the Lauralee Payne	29th	day of	June	. 19 89	, by and between
whose post office address is 1308 Gladevie Kindermac Partners, a Colorac general partnership WITNESSETH, That the Lessor, for and in cash in hand paid, the receipt of which is hereby leased and let, and by these presents does grant exclusive right for the purpose of mining, explorit whatsoever nature or kind, with rights of way and of said products, all that certain tract of land situations.	consideration of racknowledged, and l, demise, lease and lo g by geophysical and l easements for laying	len an the covenants i desclusively u other methods pipe lines, and	O More und agreements hereinaft uto the said Lessee, the and operating for and p	er contained, has land hereinafter c	DOLLARS granted, demised, escribed, with the n oil and all gas of
	Township 3 Section 15	2 North, : E/2NE/	Range 4 West 4, NE/4SE/4		
and containing 1. It is agreed that this lease shall remain nature or kind is produced from said leased preulf, at the expiration of the primary term of this custo kind is produced from said leased preulf, at the expiration of the primary term of this cously prosecuted on the leased premises or on amore than ninety (90) days shall clapse between subsequent well. If after discovery of oil or gas after the primary term, this lease shall not termindate of cessation of production or from date of thous at or after the expiration of the primary term date of after the expiration of the primary term surrender this lease as to all or any prelease or releases, and be relieved of all obligation. 3. In consideration of the premises the sailst. To deliver to the credit of Lessor, (1/8) part of all oil produced and saved from 2nd. To pay Lessor one-eighth (1/8). found, while the same is being used off monthly at the prevailing market rate for gard. To pay Lessor for gas produced a royalty of one-eighth (1/8) of the proceed. Where gas from a well capable of probling per year per net royalty acre retained he ensuing after the expiration of 90 days from the period such well is shut in. If such payment on 5. If said Lessor owns a less interest in dinctuding any shut-in gas royalty herein provid and undivided fee. 6. Lessee shall have the right to use, free a twell of Lessor. 7. When requested by Lessor, Lessee shall 8. No well shall be drilled nearer than 200 9. Lessee shall have the right at any time remove casing. 11. The rights of Lessor and Lessee hereum or otherwise) shall be binding on Lessee until Leocuments and other information necessary to the reafter made. No other kind of notice, when ownership as to different portions or parcels of operations may be conducted without regard to any act or omission of any other leasehold owner the residuation, as to all or any part of the land deshold estate and the mineral estate covered by the or separatety for the production of either, when it is a superior of the production,	nises or on acreage pulses or of or gas is no operations thereon, thereage pooled therew the completion or a on said land or on ac on the first of the land of this lease, this attoo of this lease, this attoo of the down cas any operations during ortion of said land and the offers of cost, in the pion the leased premises of the gross proceeds the gross proceeds the premises, and if as, at the mouth of the duding gas is not so remoter, such payment of the said well is she above described lated for shall be paid to feet to the house or Lessee's operations to the toring as is not so remote at the move all mach der may be assigned in essee has been furnish establish a complete ther actual or construction of the control of the first and shall operate any such dictsion. If a her ight and shall operate any such dictsion. The scribed herein and as a with other land, lease or leases, leing formations. The action or reformation, upon which operation of the cross urface acres in every such grown of the purpose of a well shut in for wan receive on productional proportion of the cross surface acres in the terms, conditions, lands or any such plan or a certifical lands as to one of development or acte any such plan or the terms, conditions, scribed lands as to one of development or a second lands or any part the on therefore is allocation only as so allocat essee and approved by the control of the cont	coled therewith of being produce ien this lease stift; and operational doponent of reage pooled the reage pooled there's additional dole. If on or glease shall continue to the premark to the acreage in agrees: pe line to which seems of the premark to the management of the premark to the management of the premark to the management of the premark to the premark to the premark to the produced of the premark to end the notice chain of record the confider of the premark to end the premark to the confider to the total of the premark to the premark to the confider to the total of the premark to the total of the premark to the total of the premark to the confider to the premark to different to the premark to the premark to different to the premark to	, or drilling operations ared on the leased premises stall continue in force so hone shall be considered to one well and the beginning operations shall be discovered and increwith, the production brilling or re-working operates shall be discovered and incrementation of second and incrementation of second and incrementation of second and incrementation of second and incrementation of the production of second and incrementation of gasoline a consistency of the production of the proportion which in the proportion of certified it title from Lessor, and binding on Lessee. No see obligations or diminish of this lease is assigned, the proportion of the immediate vicinary advisable to do so, appreciously formed to incoming of any unit shall into the foregoing, formations thereunder to previously formed to incoming of any unit shall into the trought of the transported to incoming of any unit shall into the propored copered to include all or a part of inder this lease. In lieu of the top of such approved coopered to include all or a part of inder this lease. In lieu of the proportions of the land continues the protions of the land continues to be paid hereunary other tract of land; all formally express Lesson in the protions of the land continues to be paid hereunary other tract of land; all formally express Lesson in the protions of the land continues to be paid hereunary other tract of comply express the protions of the land continues to be paid hereunary other tract of comply express the protions of the land continues to be paid hereunary other tract of comply express the protions of the land continues to be paid hereunary other tract of comply express the protions of the land continues the protions of the land continues to be paid hereunary other tract of comply express the protions of the land continues to be paid hereunary of all means any one or a s	e continued as her cor on acreage poong as operations to be continuously ong of operations of thereof should certations within nine is produced as a real or gas is productime or times during to Lessor or by the continuously of one-cipure of gasoline or g market rate, is royalty to the reanniversary data to the continue of the contin	reinafter provided. Jed therewith but are being continuate prosecuted if not or the drilling of a see from any cause ty (90) days from suit of such operated from the leased d. except as othering or after the prifiling for record a cequal one-eighth where gas only is hith (1/8), pavable any other product ovally owners One of this lease next tis lease during the caning of this lease, then the royalties bears to the whole except water from the following of the lease, then the royalties bears to the whole except water from the following of the lease of the whole except water from the following of the lease of the whole except water from the following of the lease of the whole except water from the liable for the before or after or unitize the lease-tion of oil and gas, whether authority of producing oil or y lessee executing include land upon tion, drilling or retrated as if it were where herein specific such production overed by this lease he right to unitize, the same general from time to time, to provisions of this of development or by the same general from time to time, to provisions of this of development or unit plan of a, then the production of payment to be made econerative or unit plan of a, then the production, and dilance is prevented we the right at any and of payment by cessors and assigns, and homestead may be binding upon all
		I,au	Malle Payne	1ayn E	

of the records of this office. County Clerk. By Deputy. When recorded return to	TermCounty, TermCounty, This instrument was filed for record on the day ofo'clockM., and duly recorded in Volumeo'reachM., and duly recorded in	FROM FROM TO 19
		My Commission expires.
Notary Public.		(SEAL)
and deed of said corporation.		endon
	orthus 3d notationation by autho	d ni bolicos bine bongie esm momunismi bine tailt bine
A.D. 19 before me personally known, who, being by		STATE OF COUNTY OF Appeared
Notary Public.		
se sumes app papasas &	or so me known to be the identical personical personicated to me that erein set forth. hand and attixed my notatial seal the	and within and foregoing instrument of writing and acknow and voluntary act and deed for the uses and purposes the All WITNESS WHEREOF, I have hereunto set my My Commission Expires.
	pəreədde Allen	Jo yab
ng, Montana, Colorado, Utah, South Dakota JAUUIVIUMI.	Oklahoma, Kansas, New Mexico, Wyomb Nebraska, North Dakota, ACKNOWLEDGMENT— ad for said County and State, on this	STATE OF COUNTY OF BEFORE ME, the undersigned, a Notary Public, in an
Older Kreion	· · · · · · · · · · · · · · · · · · ·	IN WITNESS WHEREOF, I have hereunly set my l
day and feat less thomas willen.		and voluntary act and deed for the uses and purposes the
	to me known to be the identical person vledged to me that	bin bin and foregoing instrument of writing and acknow
		('
78/E.	d for said County and State, on this	an ni , Jahr Yusion a , bangkrahmu ah , HM HRO (1880) day ob

Printed by PAM Printing (303) 893-1683

08% - 100%

RECEIVED

JUL 3 1 1989

	-			
		, ,		
Λ	n c	· d		

0011	MIS U
Edward S. Gallegos, Jr. and Shirley A. Gall	
WITNESSETH, That the Lessor, for and in consideration of eash in hand paid, the receipt of which is hereby acknowledged, and the leased and let, and by these presents does grant, demise, lease and let exclusive right for the purpose of mining, exploring by geophysical and oth whatsoever nature or kind, with rights of way and easements for laying pip	coverants and agreements hereinafter contained, has granted, demised, selusively unto the said Lessee, the land hereinafter described, with the er methods, and operating for and producing therefrom oil and all gas of e lines, and greetion of structures thereon to produce, save and take care
of said products, all that certain tract of land situated in the County of	, described as follows, to-wit:
Township 32 North Section 15: E/2NE	Range 4 West E/4, NE/4SE/4
nature or kind is produced from said leased premises or on acreage poole if, at the expiration of the primary term of this lease, oil or gas is not be Lessee is then engaged in drilling or re-working operations thereon, then ously prosecuted on the leased premises or on acreage pooled therewith: more than ninety (90) days shall clapse between the completion or abanc subsequent well. If after discovery of oil or gas on said land or on acreage after the primary term, this lease shall not terminate if Lessee commences, date of cessation of production or from date of completion of dry hole, tions at or after the expiration of the primary term of this lease, this lease premises or on acreage pooled therewith. 2. This is a PAHD-UP LEASE. In consideration of the down cash pawise provided herein, to commence or continue any operations during the mary term surrender this lease as to all or any portion of said land and as release or releases, and the relieved of all obligation thereafter accruing as to 3. In consideration of the premises the said Lessee covenants and as 1st. To deliver to the credit of Lessor, free of cost, in the pipe It (1/8) part of all oil produced and saved from the leased premises. 2nd. To pay Lessor one-eighth (1/8) of the gross proceeds eact found, while the same is being used off the premises, and if used monthly at the prevailing market rate for gas. 3rd. To pay Lessor for gas produced from any oil well and used a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well is shut in period such well is shut in. If such payment or tender is made, it will be 5. If said Lessor owns a less interest in the above described land the (including any shut-in gas royalty) herein provided for shall be paid the I (including any shut-in gas royalty) herein provided for shall be paid the I	sing produced on the leased premises or on acreage pooled therewith but this lease shall continue in force so long as operations are being continuand operations shall be considered to be continuously proceeded in not lemment of one well and the beginning of operations for the drilling of a copoled therewith, the production thereof should cease from any cause additional drilling or re-working operations within ninety (90) days from if oil or gas shall be discovered and produced as a result of such operate shall continue in force so long as oil or gas is produced from the leased exament. Lessee may at any time or times during or after the print to any strata or stratum by delivering to Lessor or by filing for record a the acreage surrendered. The extremal continue of gasoline are as from each well where gas only is done to which Lessee may connect wells on said land, the equal one-eighth the war, payable quarterly, for the gas from each well where gas only is done to manufacture of gasoline a royalty of one-eighth (1/8), payable coff the premises or in the manufacture of gasoline or any other product ell, payable monthly at the prevailing market rate. I used, Lessee may pay or tender as royalty to the royalty owners One tender to be made on or before the anniversary date of this lease next and thereafter on or before the anniversary date of this lease next and thereafter on or before the anniversary date of this lease, than the entire and undivided fer simple estate therein, then the royalties
the wells of Lessor. 7. When requested by Lessor, Lessee shall bury Lessee's pipe line be 8. No well shall be drilled nearer than 200 feet to the house or barn 9. Lessee shall pay for damages caused by Lessee's operations to gro 10. Lessee shall have the right at any time to remove all machiner remove casing. 11. The rights of Lessor and Lessee hereunder may be assigned in who or otherwise) shall be binding on Lessee until Lessee has been furnished y documents and other information necessary to establish a complete chait thereafter made. No other kind of notice, whether actual or constructive ownership as to different portions or parcels of said land shall operate to operations may be conducted without regard to any such division. If all o	now on said premises without written consent of Lessor, wing grops on said land. v and fixtures placed on said premises, including the right to draw and object part. No change in ownership of Lessor's interest (by assignment with notice, consisting of certified copies of all recorded instruments or not record title from Lessor, and then only with respect to payments by shall be binding on Lessor, No present or future division of Lessor's enlarge the obligations or diminish the rights of Lessee, and all Lessee's
any act or omission of any other leasehold owner. 12. Lessee, at its option, is hereby given the right and power at any production, as to all or any part of the land described herem and as to an hold estate and the mineral estate covered by this lease with other land, le or separately for the production of either, when in Lessee's indigment it is similar to this exists with respect to such other land, lease or leases. Likes gas, may be reformed to exclude such non-producing formations. The form and filing of record a declaration of such unitization or reformation, which which a well has theretofore been completed or upon which operations for working operations or a well shut in for want of a market anywhere on a sproduction, drilling or reworking operations or a well shut in for want of a market anywhere on a sproduction, drilling or reworking operations or a well shut in for or want of a market anywhere on a sproduction, drilling shut-in gas royalties, Lessor shall receive on production from allocated to this lease; such allocation shall be that proportion of the unit and included in the unit bears to the total number of surface acres in such pool, or combine all or any part of the above described lands as to one or n area by entering into a cooperative or unit plan of development or operawith like approval, to modify, change or terminate any such plan or agreement, and the operation and, particularly, all drilling and development requirements of the drilling and development requirements of such plan or agreement, and the ment. In the event that said above described lands or any part thereof, development or operation whereby the production therefrom is allocated to allocated to any particular tract of land shall, for the purpose of complete or produced from the particular tract of land shall, for the purpose of complete produced from the particular tract of land to which it is allocated a hereunder to Lessor shall be based upon production only as so allocated a hereunder to Lessor shall be based upon producti	time and from time to time as a recurring right, either before or after a one or more of the formations hereunder, to pool or unitize the lease-case or leases in the immediate vicinity for the production of oil and gas, so necessary or advisable to do so, and irrespective of whether authority wise, units previously formed to include formations not producing oil or ning or reforming of any unit shall be accomplished by Lessee executing the declaration shall describe the unit. Any unit may include land upon by drilling have therefolore been commenced. Production, drilling or result which includes all or a part of this lease shall be treated as if it were a market under this lease. In lieu of the royalties elsewhere herein specific the unit so pooled royalties only on the portion of such production typroduction that the total number of surface acres covered by this lease unit. In addition to the foregoing, Lessee shall have the right to unitize, more of the formations thereunder with other lands in the same general attion approved by any governmental authority and, from time to time, ement and, in such event, the terms, conditions and provisions of this provisions of such approved cooperative or unit plan of development or this lease, express or implied, shall be satisfied by compliance with the sclease shall not terminate or expire during the life of such plan or agreeshall hereafter be operated under any such cooperative or unit plan of to different portions of the land covered by said plan, then the production the royalties to be paid hereunder to Lessor, be regarded as having and not to any other tract of fand; and the royalty payments to be made become all formally express Lessor's consent to any cooperative or unit y governmental agency by executing the same upon request of Lessee, all Federal and State Laws, Executive Orders, Rules or Regulations, and in damages, for failure to comply therewith, if compliance is prevented en.
CANN TO STATE	
The state of the s	Edward S. Gallegos, Jr.
· · · · · · · · · · · · · · · · · · ·	

STATE OF COUNTY OF	1-1-1-16		}		Nebr ACK:	iska, Norti SOWLEDC	i Dakota, Šoi MENI INI	DIVIDUAL -	orado, Utah,	
•	E, the undersign	ied, a Notary	Public, in a	ind for said	County ar	id State, o	n this	ا المالية الم المالية المالية المالي		
day of () () () ()	(,)	, 19	$\frac{1}{2} \frac{1}{2} \frac{1}{2}$, perso	onally appe			<u> </u>		1900)
	Strip .	•		, to me kno					cribed in and v	
the within and for and voluntary ac	regoing instrun t and deed for	nent of writin the uses and	ig and ackno I purposes tl	wledged to herein set f	me that, orth.	11.00	, duly exc	ecuted the sa	me as LLL	Charles free
My Commission I	SS WHEREOF.			2		: <u>(U.). </u>	<i>/</i> (\)	1000	Villa o.	**
STATE OF COUNTY OF			}ss.	Oklahoma	Nebr	iska, North	o, Wyoming, i Dakota, Soi MENT—INI	Montana, Col ith Dakota DIVIDUAL	orado, Utah,	•
BEFORE ME	E, the undersign	ied, a Notary	Public, in a	ind for said	County ar	d State, o	n this		- 	·
day of		, 19.	e perso	onally appe	ared					
and							cal person		escribed in and	who evented
the within and for and voluntary ac				wledged to	me that	the Richtic	•		me as.	
IN WITNES My Commission I	SS WHEREOF.				-	notarial	seal the day	and year las		
									Notary	Public.
STATE OF			ss.		ACKNOW	LEDGME	NT (For use	by Corporatio	n)	
COUNTY OF		day) cof	706	04			A D 19	before n	ne personally
		ŕ	HED as	arae . Ala	1.111				11 1 .	
me duly sworn, di	deay, that he is	the	SCLERK'	S OFFIC	E 10					
me duly sworn, di	Arument was	Book signed and	scaled in	and that the behalf of	he scal affi said corpo	xed to saig tration by	l instrument authority se free act ar	is the corpor of its Boar	ate seal of said d of Directo d corporation.	corporation
Wiline's my h	andend seal th	•								
7, 7,	ره	Count	y Clark Ri	o Aniba	Z Солиту.					
(SEAL)	+ NERICO	- R.	haden !	Mexico D	have	/			Notary	Public.
My Commission e	expires	EX 2			Daputy (
			}							
			61			M. and duly recorded in		County Clerk.	Deputy.	
					hc	_19	r. Fice.	unty	عَ	
,				1.6	lont	od du	nis of	Co	01	
				County,	ecord.		Page		eturr	
	FROM	01			Tori		P?		pap.	
	4				filec	<u> </u>	PageOf this of fice.		recor	
No.					instrument was filed for record on the	o'clock	0.01		When recorded return to	
					nmen		•		=	
				cres			o l			
			Dated	No. Ac	Term	day of	Volum	<u> </u>		
11 11	}	1	1 II 🗀	Z. 1	 11	ਹ	ı - :	1 22	11	11

MCHUGH

Jerome P. McHugh & Associates Operating Affilliate: Nassau Resources, Inc. 650 South Cherry, Suite 1225 Denver, Colorado 80222 (303) 321-2111 FAX (303) 321-1563

July 5, 1989

CERTIFIED - Return Receipt Requested

Mr. Edward S. Gallegos, Jr. 6468 West Arbor Drive Littleton, Colorado 80123

Mr. Joe E. Martinez, Jr. P. O. Box 1303 Pagosa Springs, Colorado 81147

Mr. Demetrio Martinez
c/o Joe E. Martinez, Jr.
P. O. Box 1303
Pagosa Springs, Colorado 81147

àndi E Callins

Gentlemen:

During a telephone conversation with Elizabeth Troxell today, I realized that the letter dated June 29, 1989 that you received was not complete. I sincerely apologize for this error.

Enclosed please find the letter in complete format.

Again, I apologize for this error and hope that it did not cause you any inconvenience.

Very truly yours,

Randi E. Collins

enclosure

BEFORE EXAMINAR STOGNER

Oil Conservation Division

___Exhibit No.__I

Case No. 9717

N RECEIPT	RUTBA									1982 YIN	, , , , , ,	SE mio 7 &
7. UNABLE TO DELIVER BECAUSE:	6. ADDRESSEE'S ADDRESS JONY II requested	O D NEW OF DEFINERY	IGNATURE LAddressee ((Aways obtain signature of addressee I have received the article described above.	D COD	4. TYPE OF SERVICE:	which aboves to: oe E. Martinez, Jr. 0. Box 1303		RESTRICTED DELIVERY (The restricted delivery lies is charged in addition to the return receipt lies.)	 The following service is requested (check one). Show to whom and date delivered Show to whom, date, and address of delivery 	(CONSULT POSTMASTER FOR FEES)	 SENDER: Complete Items 1, 2, 3, ar Add your address in the "I space on reverse.
7a. EMPLOYEE'S MITTALS * GPO: 1882-379-693		POSTMARK (may too on reverse eide)	Authorized agent	or agent)	.883206	ARTICLE NUMBER		TOTAL \$ 90¢		90	EES)	and 4. "RETURN TO"

	N REC											200	3 3 3 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	* * * *	E mod 8
\$ GPQ, 1882-379-53	7. UNABLE TO DELIVER BECAUSE: 7a. EMPLOYEE'S	K	ADDRESS Cody of management	5 DATE OF DELIVERY POSTMANK	SIGNATURE Addressee Authorized agent	(Always obtain signature of addressee or agent)	DEXPRESS MAIL FOT 1003200	REGISTERED INSURED DO 11002200	Pagosa Springs, CO 81	Martinez, Jr. Box 1303	2. RESTRICTED DELIVERY	of delivery	1. The following service is requested (check one). **C3 Show to whom and date delivered	(CONSULT POSTMASTER FOR FEES)	• SENDER: Complete items 1, 2, 3, and 4. Add your address in the "RETURN TO" space on reverse.
	/														

MCHUGH

Jerome P. McHugh & Associates Operating Affilliate: Nassau Resources, Inc. 650 South Cherry, Suite 1225 Denver, Colorado 80222 (303) 321-2111 FAX (303) 321-1563

June 29, 1989

CERTIFIED - Return Receipt Requested

Mr. Edward S. Gallegos, Jr. 6468 West Arbor Drive Littleton, Colorado 80123

Mr. Joe E. Martinez, Jr. P. O. Box 1303 Pagosa Springs, Colorado 81147

Mr. Demetrio Martinez
c/o Joe E. Martinez, Jr.
P. O. Box 1303
Pagosa Springs, Colorado 81147

Gentlemen:

Jerome P. McHugh, through its operating entity Nassau Resources, Inc., plans to drill an approximate 4100' Fruitland Coal test in the SW/4NE/4 of Section 15-T32N-R4W by mid-August. The proposed drilling/spacing unit for the well is the E/2 of Section 15.

The county records indicate that each of you own 6 net mineral acres, more or less, in the following lands:

Township 32 North, Range 4 West Section 15: E/2NE/4, NE/4SE/4

As you can see from the attached map, the above described acreage falls within our proposed drilling unit.

We are hereby proposing that you consider one of the two following alternatives:

1. Enclosed are three (3) original Oil and Gas Lease instruments covering your interest in the E/2NE/4, NE/4SE/4 of Section 15-T32N-R4W. Also enclosed is our draft in the amount of \$174.00, being \$25/net mineral acre for your 6 mineral acres (total \$150) plus four years of delay rentals (total \$24). Our lease provides for a five (5) year term and a 1/8th royalty. In conjunction with said lease, enclosed are six (6) Ratification and Joinder instruments for our Carracas Canyon Unit that need to be executed as well as our

Ms. Edward S. Gallegos, Jr., et al June 29, 1989 Page Two

-OR-

2. Enclosed are two original Authority for Expenditure (AFE) instruments No. A52202. In the event you elect not to lease with us, you may elect to join as a paying and participating working interest owner in our well. Based on your 6 net acres in the drilling unit, you may join for 1.875% (6 acres ÷ 320 acres) of the drilling and completion costs, being \$7,706.25. If this is your election, please execute and date one copy of the AFE instrument returning it to my attention, at which time I will forward the remaining documentation for your participation.

We request that you respond in writing to this proposal by July 15, 1989. Failure to do so will leave us no alternative but to request that this well be put on the August 9, 1989 docket of the New Mexico Oil Conservation Commission for a forced pooling action.

Feel free to call me at (303) 321-2111 should you have any questions.

Very truly yours,

Randi E. Collins

andi E Collins

for Kent C. Craig

KCC/rc

enclosures

	Printed b	by P & M Printing, (303) 423-4691		
		COLLECT DIRECTLY THROUGH P. O	<u></u>	
147	ORAFT Re-Draft		DATE	· · · · · · · · · · · · · · · · · · ·
-	'S D of R	Days After Si	ght and Subject to Approval of Title	
2	MER"	Pay to the Order of Joo F. Harting, Jr.		\$
	CUSTOMER'S DRAFT With privilege of Re-Draf	the Landred Seventy-Four and Nev	With Exchange	DOLLARS
-	^O ≽	Consideration for Oil & Gas Losso, I vo	97, 1973 A.D.	
		To: Januare P. McHugh & Associates (14 Scutherry St., Swite 1256)		
		Conver, Colorado in 1929	Test to College	
	Descr	ription: DETACH BEFORE PRESI		
			County State	
	1 C.	DEL EVIDENC, NEV SENT	Gross Acres	

OFFICE COPY

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

the Development and Operation of the Area, County of Rio Arriba, State January 27, 1987, in form a Secretary of the Interior, and in correction by other working contemporary Unit Operating Agreement Agreement, the undersigned hereby expand adopts said Unit Agreement and Agreement as fully though the undersignal instrument.	te of New Mexico, dated approved on behalf of the sideration of the execution interest owners of the which relates to said Unit pressly ratifies, approves also said Unit Operating
This Ratification and Joinder slundersigned's interests in any lands therein, and royalties presently helexisting option agreements or othe substances, covering any lands within undersigned may be found to have an or	and leases, or interests d or which may arise under interests in unitized the unit area in which the
This Ratification and Joinder undersigned, its heirs, devisees, interest.	
EXECUTED this day of	, 19
Joe E. I	Martinez, Jr.
Address	·
STATE OF) ss. COUNTY OF)	
	19, before me personally, to me known to be instrument and acknowledged
STATE OF) ss. COUNTY OF) On this day of, appeared _Joe E. Martinez, Jr. the person who executed the foregoing	19, before me personally , to me known to be instrument and acknowledged free act and deed.
STATE OF) ss. COUNTY OF) On this day of, appeared _Joe E. Martinez, Jr. the person who executed the foregoing that _he executed the same as _his IN WITNESS WHEREOF, I hereunto	19, before me personally , to me known to be instrument and acknowledged free act and deed. set my hand and official
STATE OF) ss. COUNTY OF) ss. On this day of, appeared _Joe E. Martinez, Jr. the person who executed the foregoing that _he executed the same as _his IN WITNESS WHEREOF, I hereunto seal.	19, before me personally , to me known to be instrument and acknowledged free act and deed. set my hand and official

AGREEMENT, Made and entered into the	29th	day of	June	, 19 89	, by and between
<u>Joe E. Martinez, Jr.</u>					
whose post office address is P. O. Box Kindermac Partners, a Color general partnership WITNESSETH, That the Lessor, for an eash in hand paid, the receipt of which is he leased and let, and by these presents does gexclusive right for the purpose of mining, explain	d in consideration of reby acknowledged, a rant, demise, lease and loring by geophysical a	Ten id the covenants. Het exclusively u nd other methods	and more ind agreements here into the said Lessee , and operating for a	unatter contained, has, the land heremafter d	DOLLARS granted, demised, escribed, with the roil and all gas of
whatsoever nature or kind, with rights of way of said products, all that certain tract of land	and easements for lay; situated in the County	ng pipe lines, and of	erection of structur Rio	es thereon to produce, Arriba	save and take care
State of New Mexico			as follows, to-wit:		
·	Township 32 Section 15: Section 10:	E/2NE/4, Lots 6(28	ge 4 West NE/4SE/4 .37), 7(28.2	26),	
	Section 14:	NW74SW74			
and containing 244.91 acres, in 1. It is agreed that this lease shall ren nature or kind is produced from said leased of the said is produced from said leased of the said is produced from said leased of the said is the expiration of the primary term of the leased premises or of more than ninety (90) days shall elapse between the primary term, this lease shall not tend to date of cessation of production or from date the primary term, this lease shall not tend to after the primary term, this lease shall not tend to after the expiration of the primary premises or on acreage pooled therewith. 2. This is a PAID-UP LEASE. In consider the primary term surrender this lease as to all or an release or releases, and be relieved of all obligations. In consideration of the premises the list. To deliver to the credit of Less	his lease, oil or gas is no operations thereon, in acreage pooled there een the completion or gas on said land or on of completion of dry term of this lease, the deration of the down one any operations dury portion of said land tion thereafter accruminal.	not being produce then this lease showith; and operative abandonment of acreage pooled the decrees additioned decrees additioned to hole. If oil or gains lease shall continue the primary to and as to any straig as to the acreage and agrees:	don the leased pre- sall continue in force ons shall be conside one well and the be- crewith, the produc- rilling or reworking is shall be discovere- nue in force so long sor agrees that Lesse tm. Lessee may at ta or stratum by del surrendered.	intses or on acreage poo- y so long as operations a cred to be continuously ginning of operations for tion thereof should eas- operations within nine; d and produced as a res- as oil or gas is produce as shall not be obligated any time or times durin evering to Lessor or by	hed therewith but me being continu- prosecuted if not or the drilling of a se from any cause x (90) days from alt of such operad from the leased cexcept as other- g or after the priciping for record a
(1/8) part of all oil produced and saved 2nd. To pay Lessor one-eighth (1 found, while the same is being used a monthly at the prevailing market rate fo 3rd. To pay Lessor for gas produce a royalty of one-eighth (1/8) of the pro 4. Where gas from a well capable of Dollar per year per net royalty acre retained ensuing after the expiration of 90 days from period such well is shut in. If such payment 5. If said Lessor owns a less interest in (including any shut-in gas royalty) herein pro and undivided fee.	from the leased premi 8) of the gross proceed off the premises, and or gas, d from any oil well an ceeds, at the mouth of producing gas is not hereunder, such payin the date such well is so for tender is made, it in the above described yided for shall be paid	ds each year, pay if used in the ma d used off the prei the well, pay ible sold or used. Less ent or tender to but in and thereat will be considered land than the entitit the Lessor only	able quarterly, for inufacture of gas directure on a period of the form of the proportion with the proportion with the form of gas directure of	he gas from each well be a royalty of one-eigh ifacture of gasoline or a ailing market rate. her as royalty to the ro- re the anniversary date anniversary date of thi reduced within the me- e simple estate therein, ' hich Lessor's interest b	where gas only is th (1-8), payable ny other product valty owners One of this lease next is lease during the uning of this lease, hen the royalties cars to the whole
6. Lessee shall have the right to use, free the wells of Lessor. 7. When requested by Lessor, Lessee shall be drilled nearer than 19. Lessee shall pay for damages caused 10. Lessee shall have the right at any remove casing.	all bury Lessee's pipe 200 feet to the house o by Lessee's operations	line below plow de r barn now on said to growing crops	pth. Epremises without von said Luid.	vritten consent of Lesso	or.
11. The rights of Lessor and Lessee here or otherwise) shall be binding on Lessee until documents and other information necessary thereafter made. No other kind of notice, we ownership as to different portions or parcels operations may be conducted without regard	Lessee has been furnito establish a complet hether actual or const of said land shall oper to any such division.	shed with notice, e chain of record ructive, shall be b ate to enlarge the	consisting of certif title from Lessor, a inding on Lessee, obligations or dimi	ied copies of all records ind then only with resp No present or future di nish the rights of Lesses	ed instruments or beet to payments vision of Lesson's e, and all Lessee's
12. Lessee, at its option, is hereby river 12. Lessee, at its option, is hereby river production, as to all or any part of the land oblid estate and the mineral estate covered by or separately for the production of either, which similar to this exists with respect to such other gas, may be reformed to exclude such non-pround filling of record a declaration of such unit which a well has theretofore been completed working operations or a well shut in for want production, drilling or reworking operations or independent of the land including shut-in gas royalties, Lessor shallocated to this lease; such allocation shall be and included in the unit bears to the total nun pool, or combine all or any part of the above area by entering into a cooperative or unit p with like approval, to modify, change or term lease shall be deemed modified to conform to operation and, particularly, all drilling and dedrilling and development requirements of such ment. In the event that said above describe development or operation whereby the production allocated to any particular tract of land shown produced from the particular tract of land shown in any way affect the purposes for which this heaven and he subrogated to the rights of the hereby surrender and release all right of dowe in any way affect the purposes for which this heaven and be subrogated to the rights of the hereby surrender and release all right of dowe in any way affect the purposes for which this heaven and be subrogated for the rights of the hereby surrender and release all right of dowe in any way affect the purposes for which this here way affect the purposes for which this here who do execute it as Lessor. The this lease as Les	in the right and power lescribed herein and a this lease with other land, lease or leases, ducing formations. Il ization or reformation or upon which operat of a market anywhere is that proportion of the propose of t	It is necessary. Likewise, units per forming or reforming or reforming for reforming for reforming for declarations for drilling his on a unit which is on a unit which is on a unit which is not of a market unit of a market unit ne unit production, such unit. In additional to the operation approver agreement and, and provisions of the following the following the result of this lease, event this lease, shall hereafted to different computing the rotated to different computing the rotated and not to an ited. Lessor shall it by any specific lease of the lease, so the heirs, success	or of the formation is in the immediate x or advisable to do so reviously formed to ming of any unit shows therefore been relides all or a part ler this lease. In lie so pooled royalties that the total numition to the foregoi formations thereunded by any governm in such event, the fof such approved coorspress or implied, shout terminate or expers to be operated unceptions of the langualties to be paid he y other tract of langualties to be paid he yother tract of langualties to compercial uncertain all energy by executed and state Laws, five for failure to comperited, and agrees those described landualties to the second State Laws, five and State Laws, five the formal green the compercial and agrees the core described landualties to be paid the second of the second for themselve the formal the second for themselve the second for the se	scheender, to pool or remity to) the products of, and rur spective of winclude formations not all be accomplished by cunit. Any unit may incommenced. Production of this lease shall be treated to the royalties elsewhould be rot surface acres coving. Lessee shall have the terms, conditions and properative or unit plan on the latent authority and, freems, conditions and properative or unit plan on the latent be satisfied by compreduring the life of said covered by said plan, reunder to Lessor, be really and the royalty paying the same upon reutive Orders, Rules or ely therewith, if compliant the Lessee shall have so and then hears, successaid right of dower and it shall nevertheless be more or all of the par	unit or the lease on of oil and vas, hether authority producing oil or Lessee executing nelude land upon on, drilling or reated as if it were nere herein specisuch production cred by this lease or right to unitize, the same general out time to time, rovisions of this if development or upliance with the chiplan or agreeate or unit plan of then the production of the same general of the same general of the plan or agreeate or unit plan of the plan or agreeated as having the person of the same generative or unit squest of Lessee, Regulations, and more is prevented or the right at any that plan the productions and assigns, homestead may building upon all
		Joe	E. Martinez,	Jr.	

NASSAU RESDURCES, INC. - AUTHORITY FOR EXPENDITURE

27 JUNE 1989 AFE NO.: A22202 WELL NO.: 15 B-7 LSE NAME: CARRACAS CANYON UNIT LOCATION: SW NE SEC 15, T32N RØ4W COUNTY: RIO ARRIBA STATE: NEW MEX. OPERATOR: NASSAU RESOURCES, INC. DESCRIPTION: 4100' FRUITLAND COAL TEST EXPENDITURE TANGIBLE INTANGIBLE LEASEHOLD ACCOUNTING DESCRIPTION COST CODE COST COSTS XXXXXXXXX XXXXXXXXX 2,000 A-60105 TITLE COSTS 2,000 XXXXXXXX 20,000 XXXXXXXX A-60202 LEGAL COSTS/SURFACE DAMAGES XXXXXXXXX SURVEYOR/ARCHEOLOGIST/ROADS/LOCATION A--E0203 XXXXXXXXX 55,000 XXXXXXXX CONTRACT DRILLING XXXXXXXXX A--60204 10,000 XXXXXXXXX A-60205 MUD/CHEMICALS/ADDITIVES XXXXXXXXX A-60206 WATER/PURCHASE/TRANSPORTATION XXXXXXXXX INCL XXXXXXXX 8,500 XXXXXXXXX OPEN HOLE LOGGING XXXXXXXXX A-60207 MUD LOGGING XXXXXXXXX 1,000 XXXXXXXX A-60208 A-60209 DST/FORMATION TESTING XXXXXXXXX 1, ଉଡ଼ଡ XXXXXXXX XXXXXXXX 1,000 XXXXXXXX CORING/CORE ANALYSIS A-60210 XXXXXXXXX 1,000 XXXXXXXX TRUCKING/HAULING/CATWORK A-60211 CEMENTING SERVICES XXXXXXXX INCL XXXXXXXXX A-60212 ×××××××× ×××××××× ×××××××× 1,000 XXXXXXXX RENTAL TOOLS AND EQUIPMENT A-60213 a, 000 XXXXXXXXX PROF SERVICES AND EXPENSES A-60214 5,000 XXXXXXXXX SUPERVISION/OVERHEAD A-60215 1,500 XXXXXXXXX A-60216 CONTRACT SERVICES/SUPPLIES A-60217 PLUG/ABANDON/CLEANUP MISCELLANEOUS/CONTINGENCIES A-60218 CASING, SURFACE &/OR CONDUCTOR CASING, INTERMEDIATE A-60308 Ø XXXXXXXX XXXXXXX A-60303 INCL XXXXXXXXX XXXXXXXX FLOAT EQUIPMENT & CENTRALIZERS A - E O B O AØ XXXXXXXX XXXXXXXX A-60305 CASING HEAD/ DRILLING FLANGE A-60306 NON-CONTROLLABLE EQUIPMENT @ XXXXXXXX XXXXXXXX DRY HOLE COST: TOTAL \$114,000 **〈〈〈** Ø 112,000 2,000 10,000 XXXXXXXX CEMENTING SERVICES A-60231 XXXXXXXXX COMPLETION UNIT/POWER SWIVEL/PUMP/PITS XXXXXXXXX A-60232 15,000 XXXXXXXXX PERFORATING AND CASED HOLE LOGGING XXXXXXXX A-6@233 3,500 XXXXXXXXX XXXXXXXX FORMATION TREATING/FRAC/ACID A-60234 55,000 XXXXXXXX RENTAL TOOLS & EQUIPMENT XXXXXXXXX ଅ,ଉଡଡ XXXXXXXX A~60235 XXXXXXXX 500 XXXXXXXX DIRT WORK/CONSTRUCTION A-60236 CONTRACT SERVICES/SUPPLIES XXXXXXXX 10, ଉପଡ XXXXXXXX A-60237 SUPERVISION/OVERHEAD XXXXXXXX ୟ, ଉପଡ XXXXXXXX A-60238 PROFESSIONAL SERVICES & EXPENSES XXXXXXXX 1,000 XXXXXXXXX A-60239 MISCELLANEOUS/CONTINGENCIES XXXXXXXX 5,000 XXXXXXXX A-60240 25,000 XXXXXXXXX XXXXXXXX CASING, PRODUCTION &/OR LINER A-60331 Ø XXXXXXXXX XXXXXXXX FLOAT EQUIPMENT & CENTRALIZERS A-60338 ୨,ଉଉଷ XXXXXXXX XXXXXXX TUBING/PACKER/SPECIAL SUBSURFACE EQUIP A--60333 E, ଉହଣ XXXXXXXXX XXXXXXXX A-60334 RODS/PUMP/AUXILLARY EQUIP TUBING HEAD/CHRISTMAS TREE 7,000 XXXXXXXX XXXXXXXX A--60335 20,000 XXXXXXXXX XXXXXXX PUMPING UNIT/PRIME MOVER/COMPRESSOR A-60336 ବଦ, ଦଦଦ XXXXXXXXX XXXXXXX ବଦ, ଦଦଦ XXXXXXXXX XXXXXXXX A-60337 TANKS/STAIRWAY/WALKWAY SEPARATOR/TREATOR/PRODUCTION UNIT A-60338 BØ, ØØØ XXXXXXXX XXXXXXXX PIPELINE/POWERLINE A-60339 ଅ, ଉପର XXXXXXXXX XXXXXXXX VALVES/FITTINGS/LINE PIPE A-60340 NON-CONTROLLABLE EQUIP/MISC EQUIP 500 XXXXXXXXX XXXXXXX A = 603411,500 XXXXXXXXX XXXXXXXX TRUCKING/HAULING/TRANSPORTATION A-60342 COMPLETION COSTS: TOTAL \$297,000 <<< 191,000 106,000</p> \$411,000 (((191,000 218,000 2,000 TOTAL WELL COSTS: WORKING INTEREST PARTNER APPROVALS: Joe E. Martinez, Jr. 1.875% DATE:__ TITLE McHUGH APPROVALS: LAND ENGR. ACCT. PRES. FIELD APPR. BY: ____

DETACH BEFORE PRESENTING FOR PAYMENT

Description:

E/211E/4, NE/4SE/4

T3211-R4W

Sec. 15:

OFFICE COPY

Rio Arriba

Hew Wexico

County_

Gross Acres_

Net Acres

NASSAU RESOURCES, INC. - AUTHORITY FOR EXPENDITURE

AFE NO.: A52202 27 JUNE 1989 DATE: CARRACAS CANYON UNIT WELL NO.: 15 B-7 COUNTY: RIO ARRIBA STATE: NEW MEX. LOCATION: SW NE SEC 15, T32N R04W OPERATOR: NASSAU RESOURCES, INC. DESCRIPTION: 4100' FRUITLAND COAL TEST EXPENDITURE TANGIBLE INTANGIBLE LEASEHOLD ACCOUNTING DESCRIPTION COST COST COSTS A-60105 A-60202 XXXXXXXXX XXXXXXXXX 2,000 TITLE COSTS XXXXXXXXX 2,000 XXXXXXXXX ZXXXXXXX 20,000 XXXXXXXXX LEGAL COSTS/SURFACE DAMAGES A-60203 SURVEYOR/ARCHEOLOGIST/ROADS/LOCATION A-60204 CONTRACT DRILLING A-60205 MUD/CHEMICALS/ADDITIVES
A-60206 WATER/PURCHASE/TRANSPORTATION
A-60207 OPEN HOLE LOGGING A-60208 MUD LOGGING A-60209 DST/FORMATION TESTING A-60210 CORING/CORE ANALYSIS A-60211 TRUCKING/HAULING/CATWORK A-60212 CEMENTING SERVICES A-60213 RENTAL TOOLS AND EQUIPMENT A-60214 PROF SERVICES AND EXPENSES A-60215 SUPERVISION/OVERHEAD A-60216 CONTRACT SERVICES/SUPPLIES
A-60217 PLUG/ABANDON/CLEANUP
A-60218 MISCELLANEOUS/CONTINGENCIES
A-60302 CASING, SURFACE &/OR CONDUCTOR A-60303 CASING, INTERMEDIATE @ XXXXXXXXX XXXXXXXX A-60304 FLOAT ÉQUIPMENT & CENTRALIZERS A-60305 CASING HEAD/ DRILLING FLANGE INCL XXXXXXXXX XXXXXXXX A-60305 - Ø XXXXXXXXX XXXXXXXX NON-CONTROLLABLE EQUIPMENT Ø XXXXXXXX XXXXXXXX A~60306 TOTAL \$114,000 (((DRY HOLE COST: 112,000 Ø 2,000 A~60231 CEMENTING SERVICES
A~60232 COMPLETION UNIT/POWER SWIVEL/PUMP/PITS XXXXXXXXX 10,000 XXXXXXXXX A~60233 PERFORATING AND CASED HOLE LOGGING XXXXXXXXX 3,500 XXXXXXXXX A~60234 FORMATION TREATING/FRAC/ACID XXXXXXXXX 55,000 XXXXXXXXX A~60235 RENTAL TOOLS & EQUIPMENT XXXXXXXXXX 2,000 XXXXXXXXXX A~60236 DIRT WORK/CONSTRUCTION XXXXXXXXXX 500 XXXXXXXXX A~60237 CONTRACT SERVICES/SUPPLIES XXXXXXXXX 10,000 XXXXXXXXX A~60238 SUPERVISION/OVERHEAD XXXXXXXXX 4,000 XXXXXXXXX A~60239 PROFESSIONAL SERVICES & EXPENSES XXXXXXXXX 1,000 XXXXXXXXX A~60230 MISCELLANEOUS/CONTINGENCIES XXXXXXXXX 5,000 XXXXXXXXX A~60231 CASING, PRODUCTION &/OR LINER 25,000 XXXXXXXXX XXXXXXXX A~60332 FLOAT EQUIPMENT & CENTRALIZERS 0 XXXXXXXXX XXXXXXXXX A~60332 TUBING/PACKER/SPECIAL SUBSURFACE EQUIP A-60332 FLOAT EQUIPMENT & CENTRALIZERS 0 XXXXXXXXX XXXXXXXXX A-60333 TUBING/PACKER/SPECIAL SUBSURFACE EQUIP 9,000 XXXXXXXXX XXXXXXXXX A-60334 RODS/PUMP/AUXILLARY EQUIP 6,000 XXXXXXXXX XXXXXXXXX A-60335 TUBING HEAD/CHRISTMAS TREE 7,000 XXXXXXXXX XXXXXXXXX A-60336 PUMPING UNIT/PRIME MOVER/COMPRESSOR 20,000 XXXXXXXXX XXXXXXXXX A-60337 TANKS/STAIRWAY/WALKWAY 20,000 XXXXXXXXX XXXXXXXX A-60338 SEPARATOR/TREATOR/PRODUCTION UNIT 20,000 XXXXXXXXX XXXXXXXX A-60339 PIPELINE/POWERLINE 80,000 XXXXXXXXX XXXXXXXX NON-CONTROLLABLE EQUIP/MISC EQUIP TRUCKING/HAULING/TRANSPORTATION മ, തെത xxxxxxxxx xxxxxxxx A-60340 VALVES/FITTINGS/LINE PIPE A-60341 500 XXXXXXXXX XXXXXXXX 1,500 XXXXXXXXX XXXXXXXX A-60342 COMPLETION COSTS: TOTAL \$297,000 <<< 191,000 106,000 \$411,000 (((191,000 218,000 2,000 TOTAL WELL COSTS: WORKING INTEREST PARTNER APPROVALS: Demetrio Martinez 1.875% DATE: TITLE McHUGH APPROVALS: LAND ENGR. FIELD ACCT. PRES. APPR. BY: _

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the <u>Carracas Canyon</u> Unit Area, County of <u>Rio Arriba</u> , State of New Mexico, dated <u>January 27, 1987</u> , in form approved on behalf of the Secretary of the Interior, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned hereby expressly ratifies, approves and adopts said Unit Agreement and also said Unit Operating Agreement as fully though the undersigned had executed the original instrument.
This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering any lands within the unit area in which the undersigned may be found to have an oil or gas interest.
This Ratification and Joinder shall be binding upon the undersigned, its heirs, devisees, assigns or successors in interest.
EXECUTED this day of, 19
Demetrio Martinez
Address:
STATE OF) COUNTY OF)
On this day of, 19, before me personally appeared <u>Demetrio Martinez</u> , to me known to be the person who executed the foregoing instrument and acknowledged that _he executed the same as _his free act and deed.
IN WITNESS WHEREOF, I hereunto set my hand and official seal.
Notary Public
My commission expires:

AGREEMENT, Made and entered into the	29th	day of	June	$\frac{89}{19}$, by and between	
Demetrio Martinez					
c/o Joe E. M	artinez, Jr.		81147		
whose post office address is P. O. Box 13 Kindermac Partners, a Colorad	03, Pagosa S	prings, CO	, hereinafter c	alled Lessor (whether one or more) and Suite 1225, halfen were essentially	8022
dellerar bartilersilib.					
WITNESSETH, That the Lessor, for and ir cash in hand paid, the receipt of which is hereb	y acknowledged, and	d the covenants a	ind agreements hereir	DOLLARS	
leased and let, and by these presents does gran exclusive right for the purpose of mining, explori	t, demise, lease and	let exclusively un id other methods.	nto the said Lessee, to and operating for an	he land hereinafter described, with the	
whatsoever nature or kind, with rights of way and	d easements for layir	ng pipe lines, and	erection of structures	thereon to produce, save and take care	
of said products, all that certain tract of land situ	ated in the County of	of	KIO AITII	<u> </u>	
State of New Mexico		, described	as follows, to-wit:		
		5			
	Township 32 Section 15:	North, Ran	ge 4 West		
	Section 10:	Lo t s 6(28	.37), 7(28.20	5),	
	Section 14:	8(28.28)			
	Section 14:	NW/45W/4			
and containing 244.91 acres more		£2			
1. It is agreed that this lease shall remain nature or kind is produced from said leased preint, at the expiration of the primary term of this Lessee is then engaged in drilling or re-working ously prosecuted on the leased premises or on a	lease, oil or gas is roperations thereon, creage pooled there	not being produce then this lease sh with; and operation	ed on the leased premall continue in force on shall be considered	s are continued as hereinarce; provided, isses or on acreage pooled therewith but so long as operations are being continued to be continuously prosecuted if not	
more than ninety (90) days shall elapse between subsequent well. If after discovery of oil or gas after the primary term, this lease shall not termin date of cessation of production or from date of tions at or after the expiration of the primary to premises or on acreage pooled therewith.	on said land or on a nate if Lessee comme completion of dry l	icreage pooled the ences additional di hole, If oil or ga	erewith, the production rilling or re-working of s shall be discovered	on thereof should cease from any cause perations within ninety (90) days from and produced as a result of such opera-	
2. This is a PAID-UP LEASE. In consider wise provided herein, to commence or continue mary term surrender this lease as to all or any p release or releases, and be relieved of all obligation	any operations during ortion of said land a	ng the primary te and as to any strat	rm. Lessee may at an ta or stratum by deliv	ny time or times during or after the pri-	
 In consideration of the premises the sai 1st. To deliver to the credit of Lessor, (1/8) part of all oil produced and saved fro 2nd. To pay Lessor one-eighth (1/8) 	free of cost, in the p on the leased premise	oipe line to whiches.			
found, while the same is being used off monthly at the prevailing market rate for g 3rd. To pay Lessor for gas produced for	the premises, and i as.	f used in the ma	nufacture of gasoline	a royalty of one-eighth (1/8), payable	
a royalty of one-eighth (1/8) of the procee 4. Where gas from a well capable of pro					
Dollar per year per net royalty acre retained her ensuing after the expiration of 90 days from the period such well is shut in. If such payment or 5. If said Lessor owns a less interest in the (including any shut-in gas royalty) herein provide	reunder, such payme date such well is sl tender is made, it s te above described b	ent or tender to b nut in and thereaf will be considered and than the enti	pe made on or before ter on or before the a I that gas is being pro- re and undivided fees	the anniversary date of this lease next inniversary date of this lease during the oduced within the meaning of this lease, simple estate therein, then the royalties	
and undivided fee. 6. Lessee shall have the right to use, free o	f cost, gas, oil and w	ater produced on	said land for Lessee's	s operation thereon, except water from	
the wells of Lessor.				operation uncrease, except name from	
 When requested by Lessor, Lessee shall No well shall be drilled nearer than 200 Lessee shall pay for damages caused by Lessee shall have the right at any tim 	feet to the house or Lessee's operations t	barn now on said to growing crops o	l premises without wr on said land.		
remove easing. 11. The rights of Lessor and Lessee hereund					
or otherwise) shall be binding on Lessee until Le documents and other information necessary to thereafter made. No other kind of notice, whet ownership as to different portions or parcels of a operations may be conducted without regard to	essee has been furnis establish a complete her actual or constr said land shall opera any such division. I	thed with notice, chain of record uctive, shall be bute to enlarge the	consisting of certific title from Lessor, an inding on Lessee. N obligations or dimini	d copies of all recorded instruments or d then only with respect to payments o present or future division of Lessor's sh the rights of Lessee, and all Lessee's	
any act or omission of any other leasehold owner. 12. Lessee, at its option, is hereby given the	ie right and power a				
production, as to all or any part of the land deschold estate and the mineral estate covered by the or separately for the production of either, when similar to this exists with respect to such other 1	is lease with other la in Lessee's judgmen	nd, lease or leases it it is necessary o	s in the immediate vic or advisable to do so	inity for the production of oil and gas, and irrespective of whether authority	
gas, may be reformed to exclude such non-produc and filing of record a declaration of such unitiza which a well has theretofore been completed or	tion or reformation,	, which declaratio	on shall describe the	unit. Any unit may include land upon	
working operations or a well shut in for want of	a market anywhere	on a unit which it	neludes all or a p <mark>art</mark> o	f this lease shall be treated as if it were	
production, drilling or reworking operations or a fied, including shut-in gas royalties, Lessor shall :	receive on productio	on from the unit	so pooled royalties o	nly on the portion of such production	
allocated to this lease; such allocation shall be the and included in the unit bears to the total number	at proportion of the r of surface acres in	e unit production such unit. In add	that the total numbe	er of surface acres covered by this lease. Lessee shall have the right to unitize.	
pool, or combine all or any part of the above des area by entering into a cooperative or unit plan	cribed lands as to one	e or more of the f	ormations thereunde:	r with other lands in the same general	
with like approval, to modify, change or termina	ate any such plan or	r agreement and,	in such event, the te	rms, conditions and provisions of this	
lease shall be deemed modified to conform to th operation and, particularly, all drilling and develo	opment requirement	s of this lease, ex	press or implied, sha	ll be satisfied by compliance with the	
drilling and development requirements of such plus ment. In the event that said above described is	lan or agreement, an ands or any part the	d this lease shall r reof, shall hereaf	iot terminate or expi ter be operated unde	re during the life of such plan or agree- er any such cooperative or unit plan of	
development or operation whereby the production	on therefrom is alloc	ated to different	portions of the land	covered by said plan, then the produc-	
tion allocated to any particular tract of land shall, been produced from the particular tract of land	to which it is alloca	ted and not to an	y other tract of land;	and the royalty payments to be made	
hereunder to Lessor shall be based upon producti plan of development or operation adopted by Le	ion only as so allocat ssee and approved b	ed. Lessor shall f ny any governmen	ormally express Lessital agency by execu	or's consent to any cooperative or unit- ting the same upon request of Lessee,	
 All express or implied covenants of thi this lease shall not be terminated, in whole or in p 	s lease shall be subje-	ct to all Federal a	nd State Laws, Execu	itive Orders, Rules or Regulations, and	
by, or if such failure is the result of, any such Law	, Order, Rule or Reg	ulation,			
14. Lessor hereby warrants and agrees to d time to redeem for Lessor, by payment, any moi Lessor and be subrogated to the rights of the ho hereby surrender and release all right of dower as	rtgages, taxes or oth lder thereof, and the	er liens on the al e undersigned Les	iove described lands, ssors, for themselves	In the event of default of payment by and their heirs, successors and assigns,	
in any way affect the purposes for which this lease 15. Should any one or more of the parties	e is made, as recited l hereinabove named	ierein. as Lessor fail to	execute this lease, it	shall nevertheless be binding upon all	
such parties who do execute it as Lessor. The w this lease as Lessor. All the provisions of this lease IN WITNESS WHEREOF, this instrument i	shall be binding on	the heirs, success	ors and assigns of Les		
		Deme	trio Martine	7	

SENDER: Complete items 1 and 2 when additional service	• •
Put your articless in the "RETURN TO" space on the reverse cardinom being returned to you. The return receipt fee will delivered to and the date of delivery. For additional fees the postmaster for fees and check box(as) for additional service(provide you the name of the person following services are available. Consult
1. Show to whom delivered, date, and addressee's add	
3. Article Addressed to:	4. Article Number
Demetrio Martinez	P 841883214
c/o Joe E. Martinez, Jr.	Type of Service:
P. O. Box 1303 Pagosa Springs, CO 81147	Registered Insured XXCertified COD Express Mail
	Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .
5. Signature - Addressee	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X Mary Eller Marlins	
7. Date of Delivery	
PS Form 3811, Feb. 1986 /	DOMESTIC RETURN RECEIPT

and 4. "RETURN TO"	FOR FEES)	906	addition	101AL \$ 90¢	io Martinez z, dr.	81147 (\$500)	ANTICLE NUMBER	P841883207	L	iressee or agent)	ove. JAuthorized agent	artiner	POSTMARK (may be on traverse side)		7a. EMPLOYEE'S	# GPC: 1982-379-593
SENDER: Complete thems 1, 2, 3, and 4. Add your address in the "RETURN TO" space on reverse.	(CONSULT POSTMASTER FOR FEES) 1. The following service is requested (check one).	Show to whom and date delivered	2		3. ARTICLE ADDRESSED TO DEMETRICS, C/O JOE E. Martinez, D/O JOE E. Martinez,	Pagosa Springs, CO	ٔ نیز	L Presistered Linsured X cermined Loo	EXPRESS MAIL	(Always obtain signature of addressee	I have received the article described above.	Mars Phin Mi	S, DATE OF DELIVERY	6. ADDRESSEE'S ADDRESS (Only If inquested)	7. UNABLE TO DELIVER BECAUSE:	