

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0034
Expires: August 31, 1989

TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

Lease Serial No.

NM 02460

Type or print plainly in ink and sign in ink.

PART A: TRANSFER

Transferee (Sublessee)* John H. Trigg
Street P. O. Box 520
City, State, ZIP Code Roswell, New Mexico 88202-0520

more than one transferee, check here ☐ and list the name(s) and address(es) of all additional transferees on the reverse of this form or on a separate attached sheet of paper.

This transfer is for: (Check one) ☒ Oil and Gas Lease, or ☐ Geothermal Lease
Interest conveyed: (Check one or both, as appropriate) ☒ Operating Rights (sublease) ☐ Overriding Royalty, payment out of production or other similar interests or payments

This transfer (sublease) conveys the following interest:

Land Description	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
	b	c	d	e	f
Eddy County, New Mexico Township 18 South, Range 31 East, N.M.P.M. Section 31: SW $\frac{1}{4}$ of SW $\frac{1}{4}$ 660' FSL, 592' FWL, Tract 5 Culwin Queen Unit Well #7 Letter M Originally Trigg Fed. (TR) #1 Included in Culwin Queen Unit. Effective 6-1-66 as well #7	100%	100%	0	-	As shown of record

FOR BLM USE ONLY—DO NOT WRITE BELOW THIS LINE

THE UNITED STATES OF AMERICA

This transfer is approved solely for administrative purposes. Approval does not warrant that either party to this transfer holds legal or equitable title to this lease.

☐ Transfer approved effective _____

By _____
(Authorized Officer)

(Title)

(Date)

PART C: GENERAL INSTRUCTIONS

1. Transferor/Transferees must complete Parts A1 and A2 and Part B. All parties to transfer must sign as follows: The transferor(s) must manually sign 3 original copies, and the transferee(s) must manually sign at least 1 of the 3 original copies. File three (3) completed copies of this form in the proper BLM office for each transfer of operating rights (sublease). For a transfer of overriding royalty interest, payment out of production or other similar interest or payment, file one (1) manually signed copy of this form. The required filing fee (nonrefundable) must accompany the transfer, payment out of production or other similar interests or payments. File transfer within ninety (90) days after date of execution by transferor.

2. Separate form must be used for each lease being affected by this transfer and for each type of interest conveyed.

3. In item No. 2 of Part A, describe lands affected (See 43 CFR 3106, 3135, or 3241). For columns b, c, d, and e, enter the interest expressed as a percentage of total interest in the lease, e.g., if transferor transfers one quarter of a 20% interest, enter 20% in column b, 5% in column c, and 15% in column d.

4. If any payments out of production or similar interests, arrangements or payments have previously been created out of the interest being transferred, or if any such payments or interests are reserved under this transfer include a statement giving full details as to amount, method of payment, and other pertinent terms as provided under 43 CFR 3106, 3135, or 3241.

5. The lease account must be in good standing before this transfer (sublease) can be approved (43 CFR 3106 and 3241.)

6. Transfer, if approved, takes effect on the first day of the month following date of filing in the proper BLM office. If a bond is necessary, it must be furnished prior to approval of the transfer.

7. Overriding royalty and payment out of production or other similar interests transfers must be filed with BLM. The transfer, if approved, must be approved by official approval with the BLM.

8. Upon approval of a transfer, the transferor must submit a statement of title for all lands affected.

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations or to any matter within its jurisdiction.

Executed this 13th day of October, 1988

Name of Transferor: B & A Operating Company

Transferor: (Signature) President

Attorney-in-fact: (Signature)

Executed this 10th day of October, 1988

Transferor: (Signature)

Attorney-in-fact: (Signature)

City: Lovington NM (State) (Zip Code) 88260

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

For geothermal transfers, an overriding royalty may not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this transfer is added to all previously created overriding royalties (43 CFR 32.41).

such bond as may be required by the lessor pursuant to regulations 43 CFR 3104, 3134, or 3206.

Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain the lease.

3. Transferee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Transferee is not in violation of sec. 41 of the Mineral Leasing Act.

4. Transferee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Transferee is in compliance with the regulations 43 CFR Group 3100 or 3200, and the authorizing Acts.

5. If this is an oil and gas lease issued in accordance with the Mineral Leasing Act of 1920 or 31,200 acres in any one state if this is a geothermal lease, and (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations 43 CFR Group 3100 or 3200, and the authorizing Acts.

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7. Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of NPK-A leases, transferee is a citizen, national, or resident alien of the United States or association of such citizens, national, resident alien or private, public or municipal corporations; (b) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located; (c) Transferee's chargeable interests, direct and indirect, in either public domain or acquired lands, do not exceed 200,000 acres in oil and gas options or 246,080 in oil and gas leases in the same State, or 300,000 acres in leases and 200,000 acres in options in each leasing District in Alaska.

8. All parties holding an interest in the transfer are otherwise in compliance with the regulations 43 CFR Group 3100 or 3200, and the authorizing Acts.

9. Transferee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Transferee is in compliance with the regulations 43 CFR Group 3100 or 3200, and the authorizing Acts.

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

1. The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.

2. Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of NPK-A leases, transferee is a citizen, national, or resident alien of the United States or association of such citizens, national, resident alien or private, public or municipal corporations; (b) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located; (c) Transferee's chargeable interests, direct and indirect, in either public domain or acquired lands, do not exceed 200,000 acres in oil and gas options or 246,080 in oil and gas leases in the same State, or 300,000 acres in leases and 200,000 acres in options in each leasing District in Alaska.

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Part A (Continued): ADDITIONAL SPACE for Names and addresses of additional transferees in Item No. 1, if needed, or for Land Description in Item No. 2, if needed

PRINCIPAL PURPOSE—The information is to be used to process transfers of operating rights (subleases) for oil and gas/geothermal resources leases.

AUTHORITY: 30 U.S.C. 181 et seq; 30 U.S.C. 1001-1025; 42 U.S.C. 6508

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this oil and gas/geothermal lease transfer application.

NOTICE

3. Response to this request is required to obtain benefit

(12) Documentation for public information in support of decisions made on land state records for the management, disposal, and use of public lands and resources

(13) Transfer to appropriate Federal agencies when concurrence is required prior to granting a right in public lands or resources.

(4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION—If all requested information is not provided, the transfer may not be approved. See regulations at 43 CFR Groups 3100 and 3200.

Text