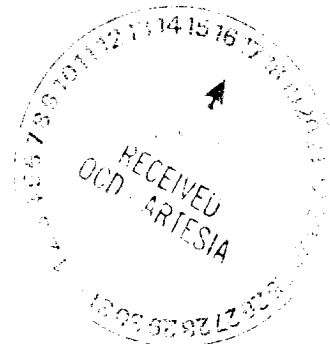




Terry L. Manning
Contract Agent
Right of Way and Claims

Conoco Inc.
10 Desta Drive, Suite 649W
Midland, Texas 79705-4500
(915) 686-6548



April 12, 2000

Commissioner of Public Lands
State Land Office
P.O. Box 1148
Santa Fe, New Mexico 87504-1148
Attn: Debra Padilla

RE: Bellwether Spur "11" State Com #1, Section 11, T19S, R29E, Eddy County

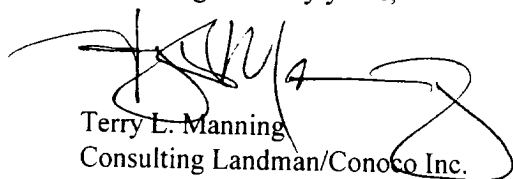
Dear Ms. Padilla;

Please find enclosed Conoco Inc. check #0032196 issued in the amount of \$611.00. This represents Conoco's offer for the above referenced pipeline right of way and easement based on the following:

1. \$30.00 application fee.
2. \$60.00 appraisal fee.
3. 7.00 rods @ \$15.00 per rod (less 30% per Rule 10.008B)
4. One 4" meter run to be located within the right of way to be conveyed.
5. Ten year term for easement. Payment has been reduced proportionately to reflect 10-year term.

Please contact me at 915-686-6548 if I can be of any assistance.

Remaining sincerely yours,


Terry L. Manning
Consulting Landman/Conoco Inc.



NEW MEXICO STATE LAND OFFICE

APPLICATION FOR RIGHT-OF-WAY EASEMENT

(Highways, Roads, Telephone and Telegraph,
Pipelines, Saltwater Disposal, etc.)



Commissioner of Public Lands
State Land Office
P.O. Box 1148
Santa Fe, New Mexico 87504-1148

Dear Commissioner:

Conoco Inc.

(Name of Applicant)

10 Desta Drive, Suite 649W

Midland, TX 79705

(Address)

hereby applies for a right-of-way easement for construction and location of a 6" steel (.188 wall X 42 with FBE coating) welded natural gas pipeline and a 4" meter run.

(type of line or facility, for pipeline give o.d.)

It is requested that the right-of-way be 30 feet wide, as indicated on the attached two copies of survey maps or plats, which show in red, except for saltwater disposal applications, the survey centerline and the length of the right-of-way measured in rods. Also, enclosed is the legal description of the proposed right-of-way allocated by 40 acre tracts and a computation of the number of acres included in the proposed right-of-way.

If the right-of-way is desired for a period other than thirty-five years, state the duration for which the grant is sought and, if over thirty-five years, the reason why the longer period is necessary:
10 years

One of the following is enclosed to cover payment for any damages that might accrue to the state land or improvements of a surface lessee:

☐ A bond in the amount of \$500 for a single right-of-way.

☒ A blanket bond in a minimum amount of \$2,500 is already on file with the State Land Office.

☐ Applicant desires to have bond waived by consent of the Commissioner of Public Lands. A waiver of property damage bond by the current surface lessee is enclosed.

Enclosed is a check in the amount of \$611.00 for 7.00 (acres) (rods) at \$15.00 (less 30%) per (acre) (rod), plus \$30.00 application fee and \$60.00 appraisal fee; plus \$500.00 for meter run. Payment reflects reduced consideration for 10 year term.

The approximate dates for construction of facilities on the right of way are from as soon as possible to 30 days after construction begins.

Applicant covenants and agrees to abide by all laws and regulations of the Land Office and to hold harmless, indemnify, and defend the Commissioner, his agents and lessees, in their official and individual capacities of and from any and all liability, claims, losses, or damages arising out of or alleged to arise out of or indirectly connected with operations under any grant made by the Commissioner.

Applicant

By:

J. Ann Johnson

Title: Senior Property Analyst

(Acknowledgements on Reverse Side)

ACKNOWLEDGEMENT FOR CORPORATIONS

STATE OF TEXAS
COUNTY OF MIDLAND

)
) ss.
)

The foregoing instrument was acknowledged before me this

day of

April, Senior Property Analyst

(Title of Officer)

Delaware

(Name of Officer)

of Conoco Inc.

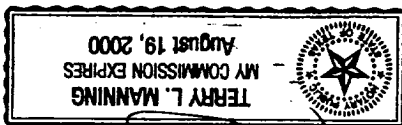
(Name of Corporation Acknowledging)

(State of Incorporation)

corporation, on behalf of said corporation.

My Commission expires:

8-19-2000



ACKNOWLEDGEMENT FOR NATURAL PERSONS

STATE OF NEW MEXICO

)
) ss.
)

COUNTY OF

The foregoing instrument was acknowledged before me this

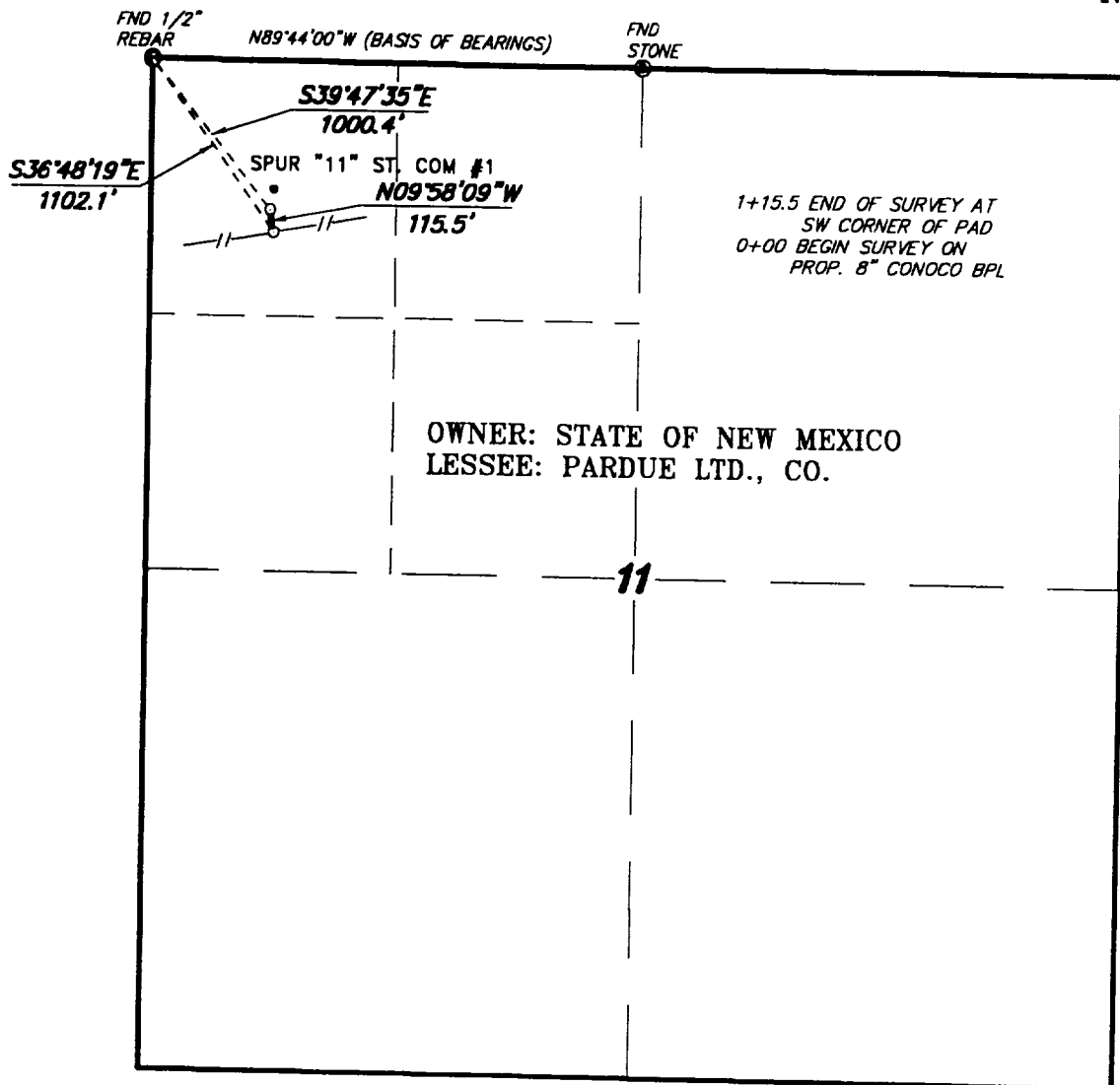
day of

19, by

My Commission expires:

NOTARY PUBLIC

**SECTION 11, TOWNSHIP 19 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.**



LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 11, TOWNSHIP 19 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY.
BEGINNING AT A POINT WHICH LIES S.36°48'19"E., 1102.1 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 11; THENCE N.09°58'09"W., 115.5 FEET TO THE END OF THIS LINE WHICH LIES S.39°47'55"E., 1000.4 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 11. SAID STRIP OF LAND BEING 115.5 FEET OR 7.00 RODS IN LENGTH AND CONTAINING 0.08 ACRES, MORE OR LESS, AND BEING ALLOCATED BY FORTIES AS FOLLOWS.

NW/4 NW/4 7.00 RODS OR 0.08 ACRES

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE OF NEW MEXICO.

GARY L. JONES N.M. P.S.
TEXAS P.L.S.



BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

1000 0 1000 2000 FEET

CONOCO INC.

REF: PROPOSED PIPELINE TO THE BELL WHETHER-SPUR "11" STATE COM #1

A PIPELINE CROSSING STATE LAND IN
SECTION 11, TOWNSHIP 19 SOUTH, RANGE 29 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

W.O. Number: 0194

Drawn By: K. GOAD

Date: 04-04-2000

Disk: KJG #122 - CON0194A.DWG

Survey Date: 03-30-2000

Sheet 1 of 1 Sheets