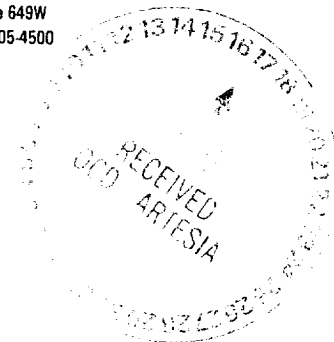




Terry L. Manning
Contract Agent
Right of Way and Claims

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 Stetson "2" State Com #1, Sections 2 and 11, T19S, R29E, Eddy County


Dear Ms. Padilla;

Please find enclosed Conoco Inc. check #0032195 issued in the amount of \$914.00. 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. 107.82 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,

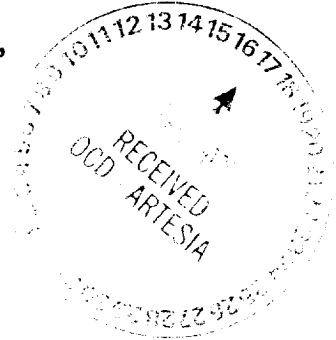

Terry L. Manning
Consulting Landman/Conoco Inc.



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)

of

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 \$ 914.00 for 107.82 (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

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)