

17. Should Lessor desire to exercise its rights to take in-kind its royalty share of oil, gas or associated substances or purchase all or any part of the oil, gas or associated substances produced from the lands covered by this lease, the lessee hereby irrevocably consents to the Lessors exercising its right. Such consent is a consent to the termination of any supplier/purchaser relationship between the lessor and the lessee deemed to exist under federal regulations. Lessee further agrees that it will require any purchaser of oil, gas or associated substances to likewise waive any such rights.

18. Reserving to the Lessor a continuing option to purchase at any time and from time to time, at the market price prevailing in the area on the date of purchase, all or any part of the minerals (oil and gas) that will be produced from the lands covered by this lease.

19. And further reserving to the Lessor the right to execute leases for geothermal resource development and operation thereon; the right to sell or dispose of the geothermal resources of such lands; and the right to grant rights of way and easements for these purposes.

20. All terms of this agreement shall extend to and bind the heirs, executors, administrators, successors and assigns of the parties hereto.

In witness whereof, the party of the first part has hereunto signed and caused its name to be signed by its commissioner of public lands thereunto duly authorized, with the seal of his office affixed, and the lessee has signed this agreement the day and year first above written.

STATE OF NEW MEXICO

By: _____

Commissioner of Public Lands, Lessor

Dean Athens, Attorney in Fact

CITIES SERVICE OIL AND GAS CORPORATION (Seal)

Lessee

(PERSONAL ACKNOWLEDGMENT)

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by

My commission expires: _____ Notary Public

(ACKNOWLEDGMENT BY ATTORNEY-IN-FACT)

STATE OF OKLAHOMA }
COUNTY OF TULSA } ss.

The foregoing instrument was acknowledged before me this 27th day of March, 1985, by
DEAN ATHENS

as attorney-in-fact in behalf of

CITIES SERVICE OIL AND GAS CORPORATION

My commission expires: August 12, 1985 Ruby C. Vandiver
Notary Public Ruby C. Vandiver

(ACKNOWLEDGMENT BY CORPORATION)

STATE OF _____ }
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by

(Name)

(Title)

(Corporation)

a _____ corporation, on behalf of said corporation.

My commission expires: _____ Notary Public