

ORIGINAL COPY

DATE	T.G.
3-22-85	
3-22-85	
CITY	E.G.

LEASE NO. V-1406

APPLICATION NO. V-1406

OIL AND GAS LEASE

This agreement, dated this the 1ST day of APRIL, A.D. 19 85, made and entered into by and between the state of New Mexico, acting by and through the undersigned, its commissioner of public lands, thereunto duly authorized, party of the first part and hereinafter called the "lessor", and

CITIES SERVICE OIL AND GAS CORPORATION

P.O. BOX 300

TULSA, OKLAHOMA 74102

party of the second part, hereinafter called the "lessee", whether one or more,

WITNESSETH:

WHEREAS, the said lessee has filed in the office of the commissioner of public lands an application for an oil and gas lease covering the lands hereinafter described and has tendered therewith the required first payment being not less than the amount required by law and by the rules and regulations of the New Mexico state land office; and

WHEREAS, all of the requirements of law relative to said application and tender have been duly complied with and said application has been approved and allowed by the commissioner of public lands;

THEREFORE, for and in consideration of the premises as well as the sum of FOURTEEN THOUSAND DOLLARS

----- AND NO/100----- dollars (\$ 14,000.00), the same being the amount of the tender above mentioned, paid in cash, and evidenced by official receipt

No. _____ and of the further sum of \$ 30.00 filing fee, and of the covenants and agreements hereinafter contained on the part of the lessee to be paid, kept and performed, the said lessor has granted and demised, leased and let, and by these presents does grant, demise, lease and let unto the said lessee, exclusively, for the sole and only purpose of exploration, development and production of oil or gas, or both thereon and therefrom with the right to own all oil and gas so produced and saved therefrom and not reserved as royalty by the lessor under the terms of this lease, together with rights-of-way, easements and servitudes for pipelines, telephones and telegraph lines, tanks, power houses, stations, gasoline plants and fixtures for producing, treating and caring for such products, and housing and boarding employees, and any and all rights and privileges necessary, incident to or convenient for the economical operation of said land, for oil and gas, with right for such purposes to the free use of oil, gas, casing-head gas or water from said lands, but not from lessor's water wells, and with the rights of removing either during or after the term hereof, all and any improvements placed or erected on the premises by the lessee, including the right to pull all casing, subject, however, to the conditions hereinafter

set out, the following described land situated in the county of EDDY, state of New Mexico, and more particularly described as follows:

Line	SUBDIVISION	Sec.	Twp.	Rge.	Acres	Institution
1	Lots 1(39.65),2(39.75),3(39.85),4(39.95),					
2	S½NE¼, SE½NW¼,NE½SW¼, S½SW¼, SE¼	3	24S	23E	559.20	D.D. & B.
3						
4						
5						
6						
7						