

N. M. Oil Cons. Division
811 SUBMIT IN TRIPLICATE

ARTESIA, NM 88210-2834

(Other instructions on reverse side)

FORM APPROVED

CRM NO. 1884-0136

Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL ☒ DEEPEN ☐
1b. TYPE OF WELL
OIL ☐ GAS ☒
WELL ☐ OTHER ☐ SINGLE ☒ MULTIPLE ☐
ZONE ZONE

2. NAME OF OPERATOR
Gothic Production Company, c/o J.O. Easley, Inc. 169680

3. ADDRESS AND TELEPHONE NO.
P.O. Box 2691, Roswell, NM 88202-2691

4. LOCATION OF WELL (Repeat location clearly and in accordance with any State requirements.)
1310'ESL & 1310'FWL, Unit M Lot 4

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
18 miles northeast of Roswell, NM

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, T.O. 1310'
(Also to nearest dip, well line, if any)

16. NO. OF ACRES IN LEASE
1872.48

17. NO. OF ACRES ASSIGNED TO THIS WELL
160.00

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
2019'

19. PROPOSED DEPTH
4,600'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3681'

22. APPROX. DATE WORK WILL START
ASAP

PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48#	40'	Circulate to surface
12-1/4"	8-5/8"	24#	900'	550 sxs
7-7/8"	4-1/2"	10.5#	4600'	500 sxs

Duration of Program: Drilling - Ten (10)
Completion - Nine (9)
See attached for complete Drilling Program

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portions thereof, as described.

EXHIBITS

Exhibit "A": Drilling Program
Exhibit "B": Surface Use Plan
Exhibit "C": Land Survey Plat

Exhibit "D": Location Plat
Exhibit "E": Existing Well Plat
Exhibit "F": Rig Layout

Exhibit "G": BOP Program

IN ABOVE SPACE, DESCRIBE PROPOSED PROGRAM:

If proposal is to deepen, give data on present productive zone and proposed new productive zone.
If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

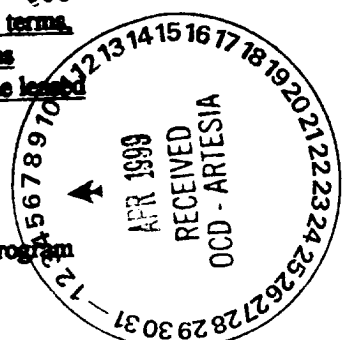
SIGNED [Signature] TITLE Agent/Gothic Prod. Corp DATE 2/19/99

PERMIT No. APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:
APPROVED BY (ORIG. SGD.) ARMANDO A. LOPEZ TITLE Acting Assistant Field Office Manager DATE APR 05 1999
Lands and Minerals

*See Instructions On Reverse Side

Title 18 U.S.C. Section 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 as to any matter within its jurisdiction.



RECEIVED
FEB 22 98
BLM
ROSWELL, NM

EXHIBIT "A"
MM Federal #13

DRILLING PROGRAM

I. The geological surface formation is recent Permian with quaternary alluvium and other surficial deposits.

II. Estimated Tops of Geological Markers:

<u>FORMATION</u>	<u>DEPTH</u>
San Andres	600'
Glorietta	1700'
Tubb	3200'
Abo	3900'
TD	4600'

III. Estimated depths at which water, oil, gas or other mineral-bearing formations are expected to be encountered:

<u>SUBSTANCE</u>	<u>DEPTH</u>
Fresh Water	Surface to between 100' and 300'
Oil	None anticipated
Gas	Possible in Abo below 4030'

IV. Proposed Casing Program:

<u>Hole Size</u>	<u>Casing Size</u>	<u>Grade</u>	<u>Weight Per Foot</u>	<u>Depth</u>
17-1/2"	13-3/8"	H-40	48#	40'
12-1/4"	8-5/8"	J-55	24#	900'
7-7/8"	4-1/2"	J-55	10.5#	4600'

B. Proposed Cement Program:

13-5/8"	Cement with Ready-Mix and circulate to surface.
8-5/8"	Cement with 350 sxs Halliburton Lite and 200 sxs Class "C" cement. Circulate to surface.
4-1/2"	Cement with 250 sxs Class "C" 50/50 POZ and 250 sxs Halliburton Lite

V. Proposed Mud Program:

The well will be drilled to total depth using fresh water and natural mud to top of Abo @ 3900'. Mud up 100' above Abo with Salt Gel, 40 viscosity and 20 cc water loss and 9.8#/gas mud weight.

VI. Proposed Control Equipment:

Will install Shaffer type E 10" series 900 hydraulic BOP. See Exhibit "G" for BOP layout.

VII. Auxiliary Equipment:

Blowout preventor, gas detector, kelly cock, pit level monitor, flow sensors, and stabbing valve.

VIII. A. Testing Program:

Drill Stem Tests: If necessary

B. Logging Program:

CNL, DLL or GL, CDL or GR

C. Coring Program:

None planned

IX. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered, however, the proposed mud program will be modified.

X. H2S: None anticipated as none encountered in previously drilled wells in the vicinity.

EXHIBIT "B"

SURFACE USE AND OPERATIONS PLAN

CULTURAL RESOURCES SURVEY

APPROXIMATE REHABILITATION SCHEDULE

LOCALITY: MM FEDERAL #13

LOCATION: SW4SW4 OF SECTION 30, T9S-R26E, N.M.P.M.
CHAVES COUNTY, NEW MEXICO

OPERATOR: GOTHIC PRODUCTION CORPORATION

SUBMITTED TO:

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

ROSWELL DISTRICT OFFICE

2909 WEST 2ND STREET

ROSWELL, NEW MEXICO 88201

TELEPHONE (505) 627-0272

THIS LOCATION WAS ORIGINALLY PERMITTED UNDER THE NAME OF THE MM FEDERAL #11 AND APPROVED ON 12/17/97. THE LOCATION WAS CONSTRUCTED, BUT NOT DRILLED. THE APD EXPIRED ON 12/17/98. GOTHIC PRODUCTION CORPORATION HAS PERMITTED ANOTHER WELL CALLED THE MM FEDERAL #11 AND IS CHANGING THE NAME OF THIS WELL TO THE MM FEDERAL #13.

This plan is submitted to provide permitting agencies with information necessary to allow an appraisal of the environmental effects associated with the proposed drilling operations. Within the context of typical drilling operations, this plan provides for protection of surface resources and other environmental components. This plan has been developed in conformity with the United States Geological Survey NTL-6 guidelines, Bureau of Land Management Oil and Gas Order No. 1, and in connection and consultation with the private surface owner of record, it other than the United States of America, as well as the Roswell District Office for the Bureau of Land Management and the United States Department of the Interior personnel.

PART #1

1) Surface Location:

SW4SW4 of Section 30, Township 9 South, Range 26 East, NMPM
Chaves County, New Mexico
1310'FSL and 1310' FWL, Unit M
See attached Exhibit "C"

2) Bottom Hole Location

SW4SW4 of Section 30, Township 9 South, Range 26 East, NMPM
Chaves County, New Mexico
1310'FSL and 1310' FWL, Unit M
See attached Exhibit "C"

3) Lease Issued:

a) NM-0559993

4) Record Lessee:

a) McClellan Oil Corporation 50%
P.O. Box 730
Roswell, NM 88202-0730

The Toles Company 50%
P.O. Drawer 1300
Roswell, NM 88202-1300

5) Acres in Lease:

a)	<u>Township 9 South, Range 25 East</u>	
	Section 25: All	640.00
	Section 26: SE4	160.00
	Section 35: E2NE, NWNE	120.00
	<u>Township 9 South, Range 26 East</u>	
	Section 30: Lots 1-4, E2W2	316.24
	Section 31: Lots 1-4, E2, E2W2	<u>636.24</u>
		1872.48

6) Acres Dedicated to Well:

There are 160.00 acres dedicated to this well which takes in the SW/4 of Sec. 30, Township 9 South, Range 26 East, Chaves County, New Mexico.

PART #2:

1) Existing Roads:

Exhibit "D" comprises 3 maps showing location of the well site in relation to U.S. Highways 285 and 380 and other existing roads. The well is located approximately 18 miles northeast of Roswell, NM, and approximately 1.5 miles east of the Bitter Lakes National Wildlife Refuge. Access to the location will be via U.S. Highway 380, traveling approximately 10 miles east of Roswell to the Bottomless Lakes turnoff, then traveling north approximately 5.5 miles, northwest .2 mile, and northeast approximately 1 mile to the proposed access road which travels northwest to the wellsite.

2) Planned Access:

A. Length and Width: The access road is approximately 1173' long and 12' wide.

3) Location of Existing Wells:

Exhibit "E" shows exiting wells within a 1-mile radius of the proposed well.

4) **Location of Tank Battery, production Facilities & Production Gathering & Service Lines:**

If gas production is achieved, the location of the line will be determined by the purchaser laying the gather system to is existing lines.

5) **Location and Type of Water Supply:**

There is no useable water in this area. All water needed for drilling, testing and completion will be trucked in by a commercial transport on existing roads as shown on Exhibit "D".

6) **Source of Construction Materials:**

If additional caliche is necessary on the new road and location, it will be obtained from the existing pits in the area as determined by the dirt contractor. The topsoil from the location has been stockpiled near the SW/corner of the location for future rehabilitation. No surface materials has been disturbed except those necessary for actual grading and leveling of the drill site and access road.

7) **Method of Handling Waste Material:**

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- C. All pits will be fenced with normal fencing materials to prevent livestock from entering the area.
- D. Water produced during operations will be collected in tanks until hauled to an approved disposal system.
- E. Gothic Production Corporation will comply with current laws and regulations pertaining to the disposal of human waste.
- F. All waste materials will be contained to prevent scattering by the wind and will be removed from the well site within 30 days after drilling and/or completion operations are finished.

8) **Ancillary Facilities:** None required.

9) Well Site Layout:

- A. Exhibit "F" shows the relative location and dimensions of the well pad, reserve pits, and major rig components. The pad and pit area have been constructed.
- B. Mat Size: 100' X 250' plus reserve pits.
- C. Cut & Fill: Only minor leveling of the drilling site was necessary.
- D. The surface is topped with compacted caliche and the reserve pits will be plastic lined.

10) Plans for Restoration of the Surface:

- A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the well site in as aesthetically pleasing a condition as possible.
- B. Any unguarded pits containing fluids will be fenced until they are filled.
- C. If the proposed well is non-productive, Gothic Production Corporation will comply with all rehabilitation and/or vegetation requirements of the Bureau of Land Management, and such rehabilitation will be accomplished as expeditiously as possible. All pits will be filled and leveled within 90 days after abandonment.

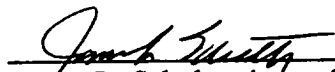
11) Other Information:

- A. Topography: The topography of the land surrounding the well is relatively level and depicted on Exhibit "D".
- B. Soil: The topsoil at the well site is a brown sandy loam mixed with a fine gravel scatter.
- C. Flora and Fauna: Vegetation consists of a sparse cover of grass, mainly grama, dropseed, three-awn, some tabosa and burro grass along with mesquite, yucca, cacti and miscellaneous wildflowers. The wildlife consists of rabbits, coyotes, antelope, rattlesnakes, dove, quail and other wildlife typical of the semi-arid desert land.
- D. Ponds and Streams: The Pecos River is approximately 2 miles West of the wellsite and should not be impacted by the well location.

- E. Residences and Other Structures: There are no occupied residences or other structures on, or in the immediate vicinity of the proposed location.
- F. Surface Ownership: The surface is owned by Messenger Revocable Trust, Paul & Mary Ann Trustees, P.O. Box 1206, Roswell, New Mexico 88202-1206, with whom an agreement for surface damages was negotiated and executed prior to construction of the location. The minerals are Federal.
- G. Land Use: The land is used for grazing cattle.
- H. Archaeological, Historical, and Other Cultural Sites:
- Desert West Archaeological Services has conducted an archaeological survey under the old ADP (MM Fed. #11) well which covers the drilling location, production facilities, and access road, including a corridor along said access road for power and flow lines. Their a copy of their is also enclosed.
- I. Operator's Senior Representatives:
- | | |
|-------------------------------|-------------------------------|
| Dick Mulford | Ben Shelton |
| Gothic Production Corporation | Gothic Production Corporation |
| 5727 S. Lewis | 5727 S. Lewis |
| Tulsa, OK 74105 | Tulsa, OK 74105 |
| (918) 749-5666 | (918) 749-5666 |
| FAX (918) 749-5882 | (918) 749-5882 |

CERTIFICATION

I hereby certify that I have inspected the proposed drillsite and access route; that I am familiar wit the conditions which presently exist; that the statements made in the plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Gothic Production Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.



James L. Schultz, Agent for Gothic Production Corporation
c/o J.O. Easley, Inc.
P.O. Box 2691
Roswell, NM 88202-2691
(505) 626-6879 FAX (505) 622-3615

Date: 2-19-99

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer 88, Artesia, NM 88211-8719

DISTRICT III
1900 Elie Brunes Rd., Artesia, NM 87419

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-	Pool Code	Pool Name Pecos Slope Abo
Property Code	Property Name M M FEDERAL	Well Number 13
OGRID No.	Operator Name GOTHIC ENERGY CORP.	Elevation 3681

Surface Location

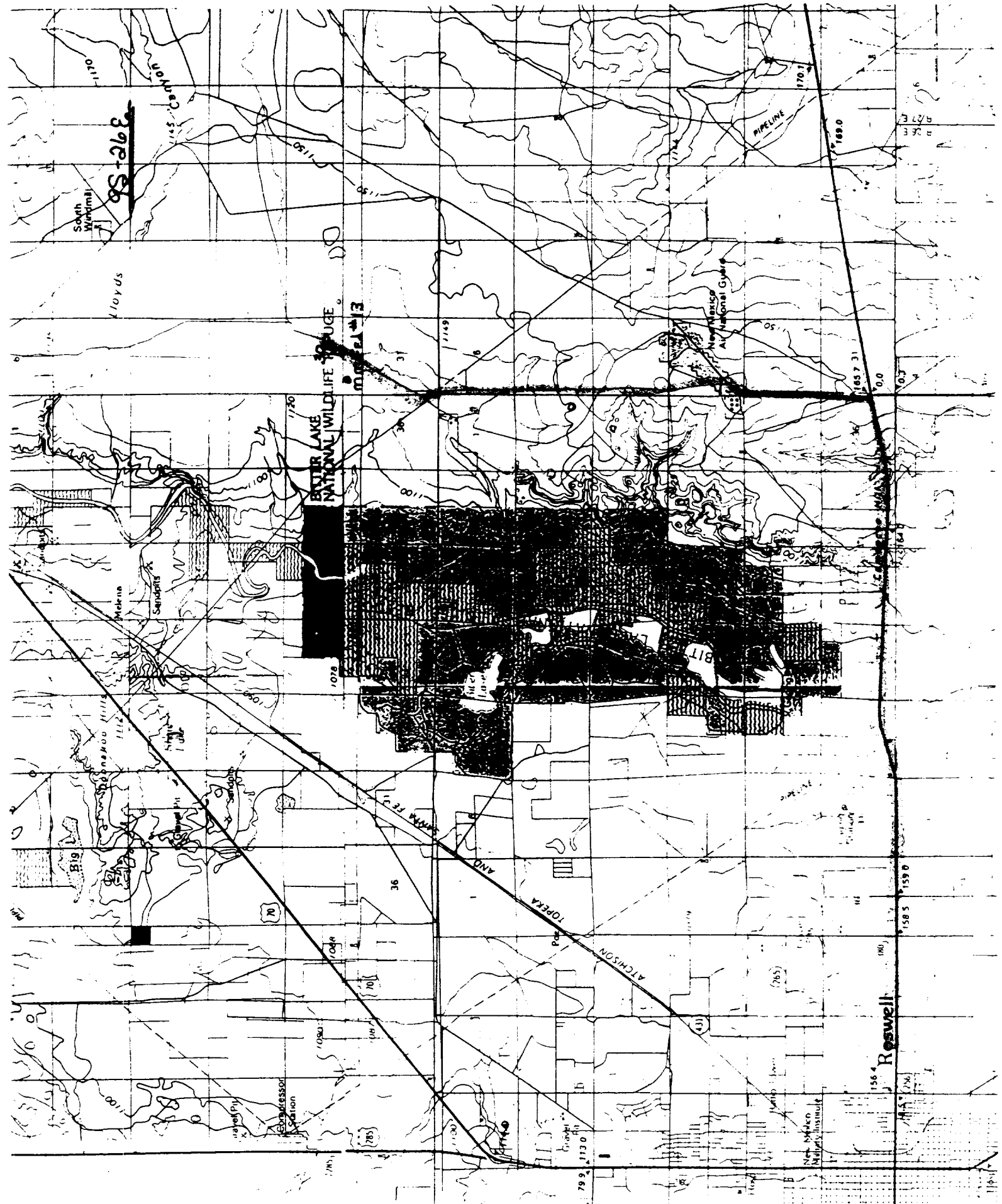
UL or lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
4	30	9 S	26 E		1310	SOUTH	1310	WEST	CHAVES

Bottom Hole Location If Different From Surface

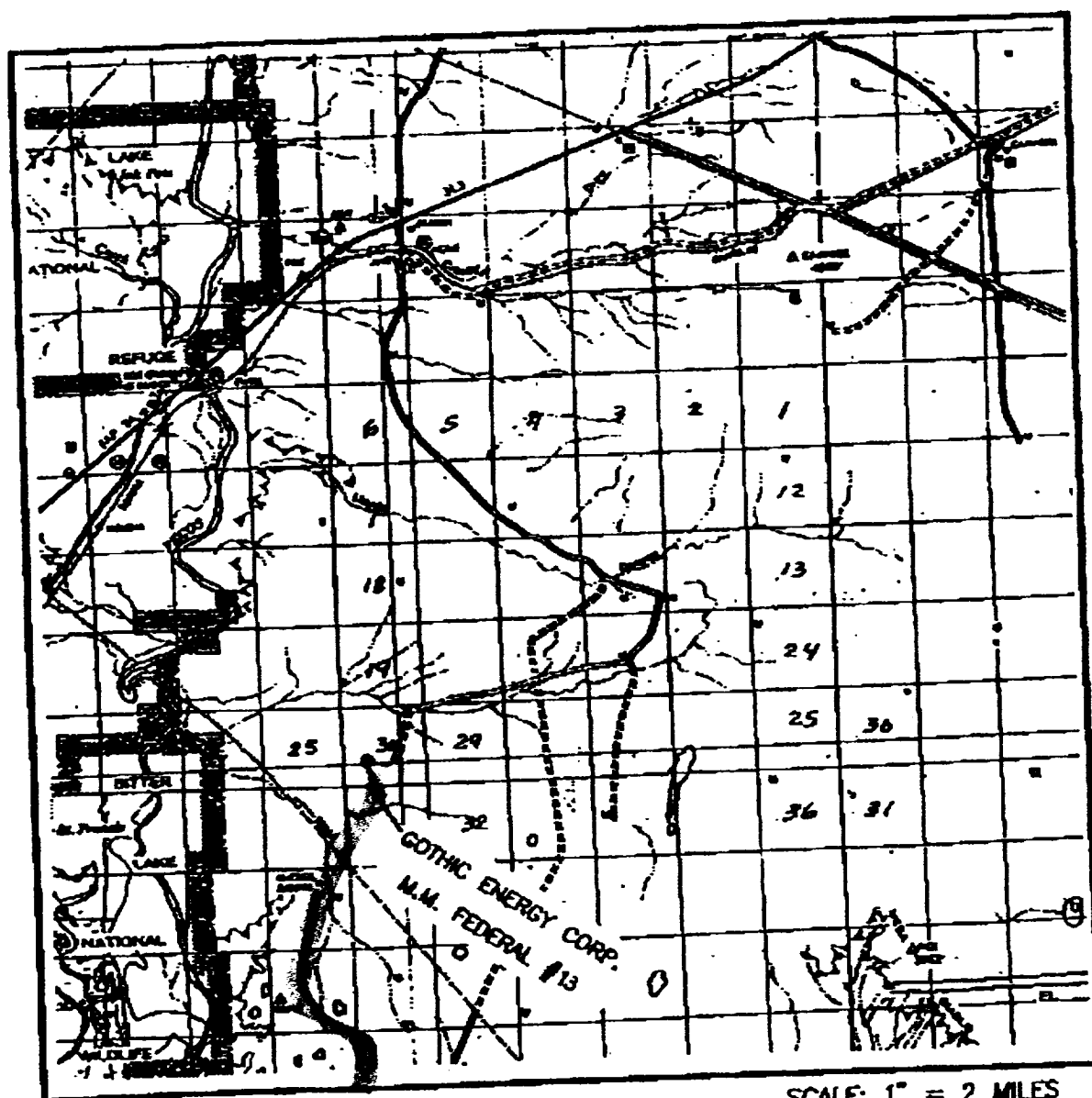
UL or lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

LOT 1 39.60 AC.				<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>James L. Schultz</i> Signature James L. Schultz Printed Name Agent for Gothic Energy Title Corporation 2-19-99 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>OCTOBER 13, 1997 Date Surveyed JLP Signature & Seal of Professional Surveyor <i>Ronald J. Edson</i> W.O. Num. 87-15-1634 Certificate No. RONALD J. EDSON, 3238 GARY G. EDSON, 12841</p>
LOT 2 39.65 AC.				
LOT 3 39.69 AC.				
LOT 4 39.73 AC.				



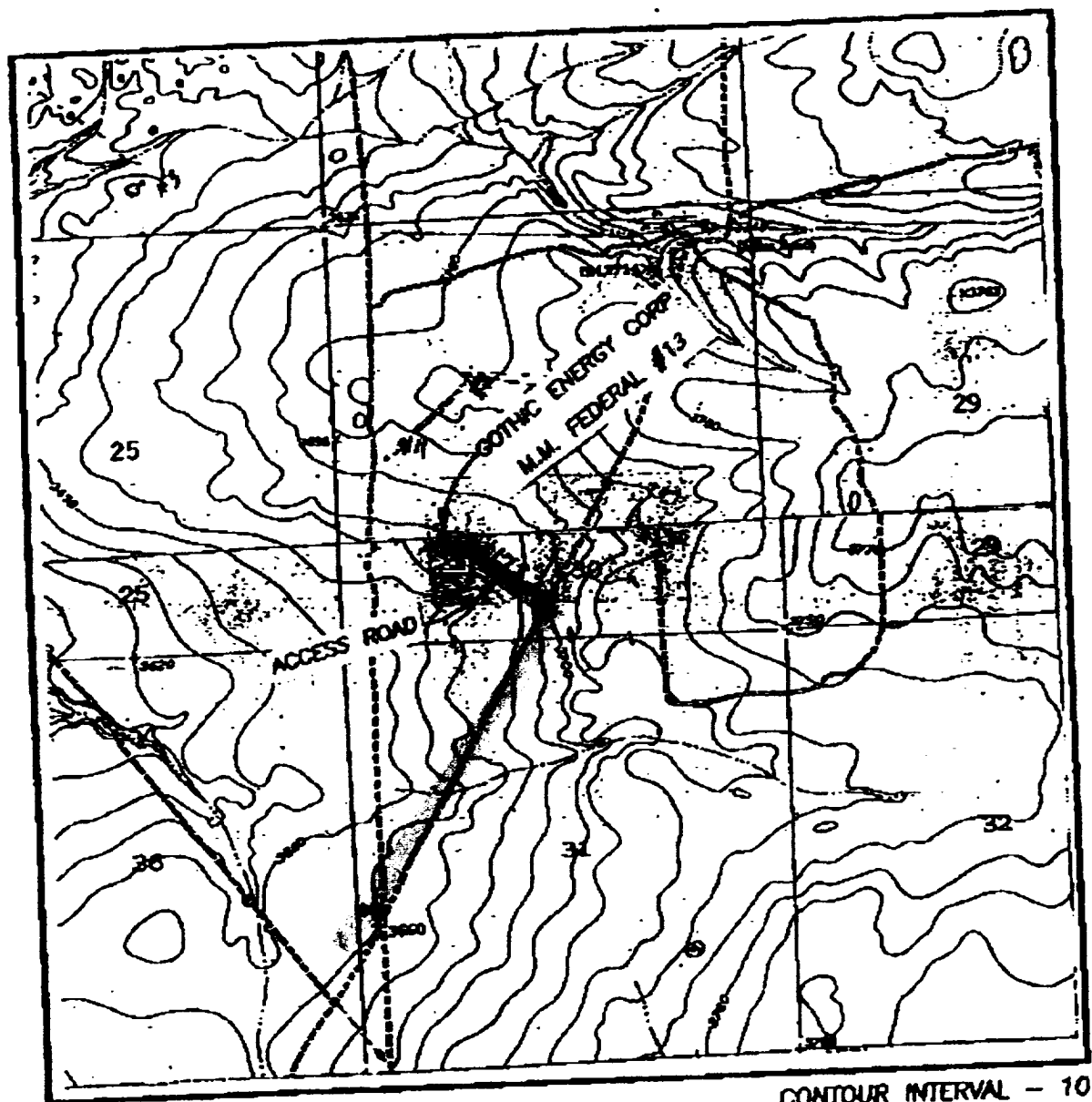
VICINITY MAP



SEC. 30 TWP. 9-S RGE. 26-E
 SURVEY N.M.P.M.
 COUNTY CHAVES
 DESCRIPTION 1310' FSL & 1310' FWL
 ELEVATION 3681'
 OPERATOR GOTHIC ENERGY CORP.
 LEASE M.M. FEDERAL #13

JOHN WEST ENGINEERING
 HOBBS, NEW MEXICO
 (505) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL - 10'

SEC. 30 TWP. 9-S RGE. 26-E

SURVEY N.M.P.M.

COUNTY CHAVES

DESCRIPTION 1310' FSL & 1310' FWL

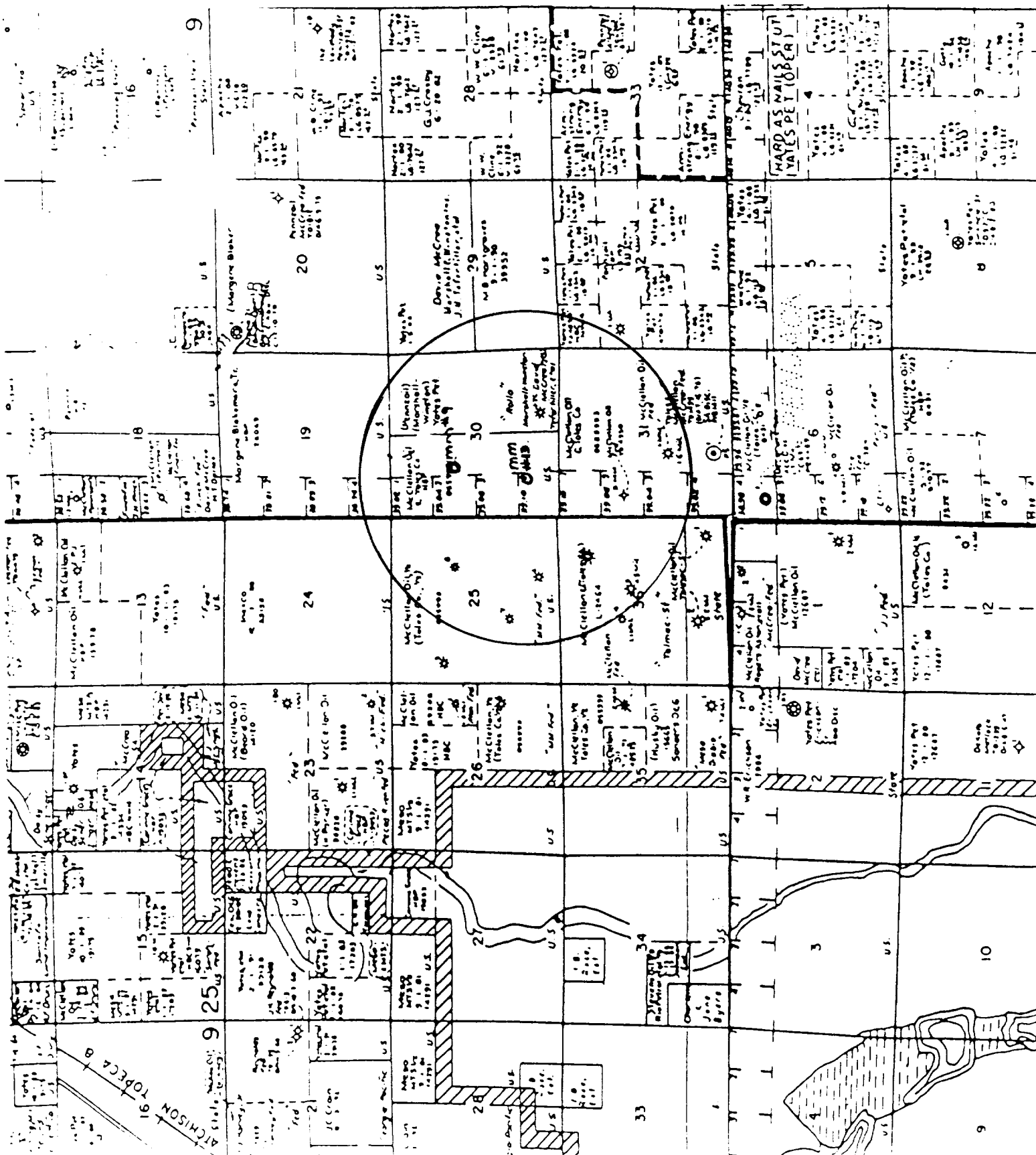
ELEVATION 3681'

OPERATOR GOTHIC ENERGY CORP.

LEASE M.M. FEDERAL #13

U.S.G.S. TOPOGRAPHIC MAP
COMMANCHE SPRING, & ACME, N.M.

JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
 (505) 393-3117



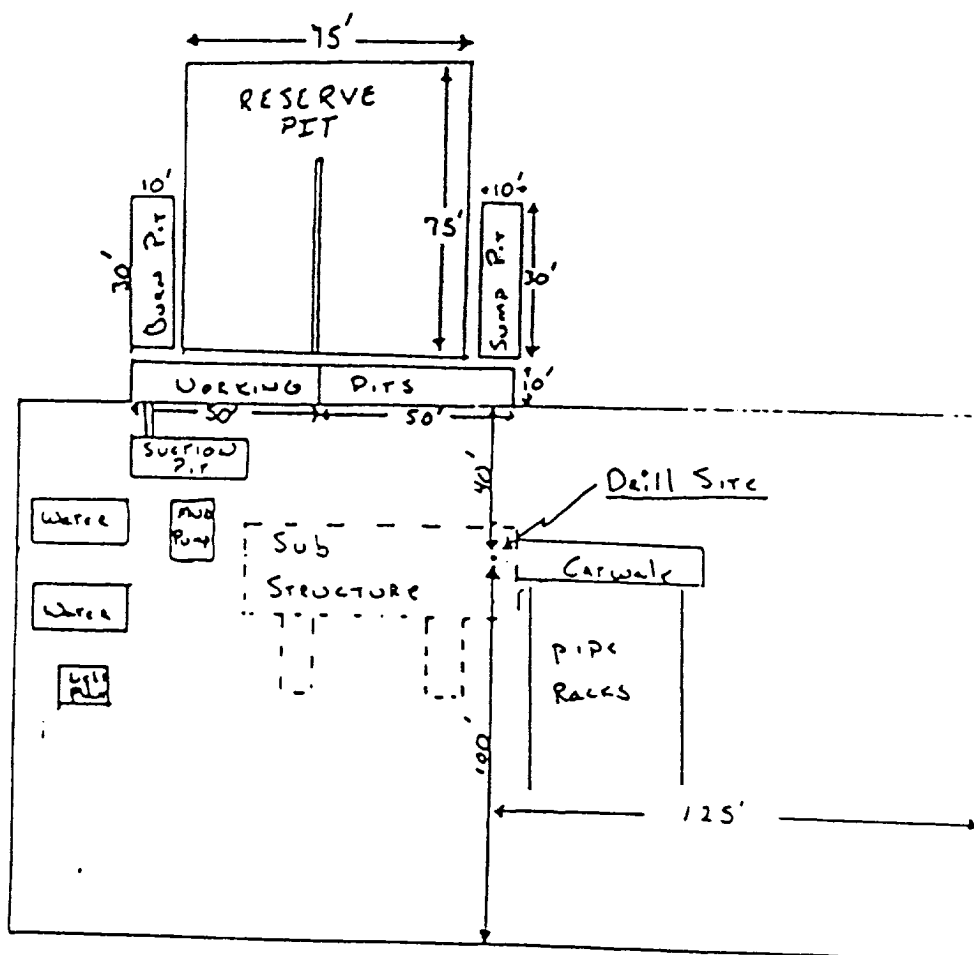
McCLELLAN OIL CORPORATION
SUGGESTED PAD DIMENSIONS



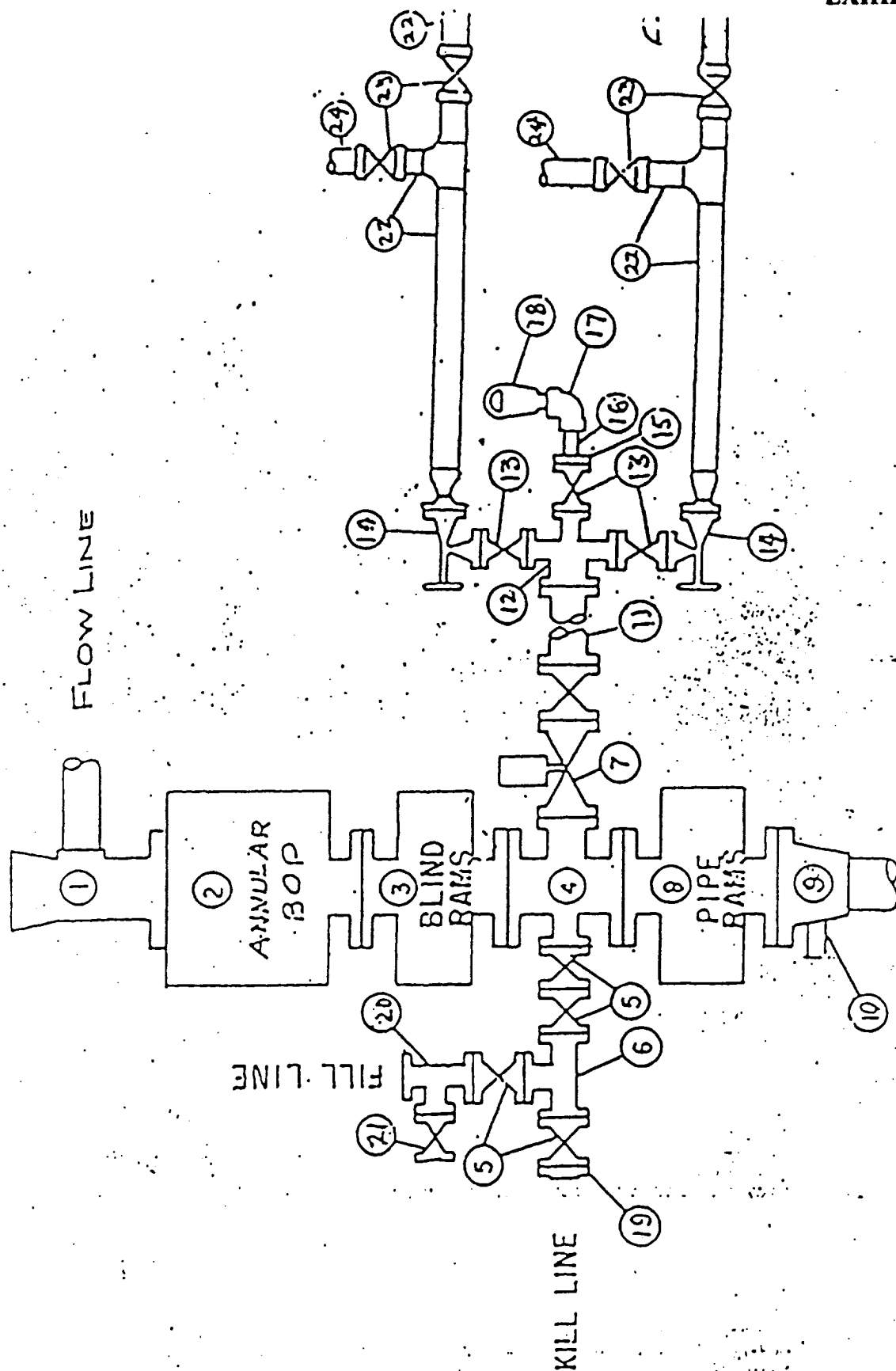
Reserve Pits 4 ft. deep, plastic lined

Working pits 5 ft. deep

No cellar



Scale 1" = 50'





Desert West

ARCHAEOLOGICAL SERVICES

November 3, 1997

Mr. Mike Burch
J.O. Easley, Inc.
P.O. Box 245
Artesia, NM 88210

Dear Mr. Burch:

Enclosed please find your copy of Desert West Archaeological Services (DWAS) Clearance Report for GOTHIC ENERGY CORPORATION's proposed M M Federal Well No. 13 and access road in Section 30, T9S, R26E, NMPM, Chaves County, New Mexico. No cultural resources were encountered during this survey; therefore, archaeological clearance is recommended as presently staked. No further archaeological work should be required.

The Bureau of Land Management will review this report and make the final decision on archaeological clearance for your project.

If you have any questions, please call our office.

Sincerely,



Arita Slate

Enclosure

xc: Bureau of Land Management, Roswell District, Roswell, NM (2)

COPY

APPENDIX B.

TITLE PAGE/ABSTRACT/ NEGATIVE SITE REPORT ROSWELL DISTRICT

BLM/ RDO 1/95

1. BLM Report No.	2. (ACCEPTED) (REJECTED)	3. NMCRIS No. 58857
4. Title of Report (Project Title): Archaeological survey of Gothic Energy Corporation's proposed M M Federal Well No. 11 and access road in Section 30, T9S, R26E, NMPM, Chaves County, NM.		5. Project Date(s) 10-31-1997
		6. Report Date - 11-3-1997
7. Consultant Name & Address: Direct Charge: David Wilcox Name: Desert West Archaeological Services Address: 102 N. Main, Carlsbad, NM 88220 Authors Name: David Wilcox field personnel names - David Wilcox Phone (505 887-7646)		8. Permit No. 123-2920-97-N
		9. Consultant Report No. DWAS 97-04N
10. Sponsor Name and Address: Indiv. Responsible: Mr. Mike Burch, Agent for Name: Gothic Energy Corporation Address: P.O. Box 245, Artesia, NM 88210 Phone (505) 746-1070		11. For BLM Use only.
		12 ACREAGE: Total No. of acres surveyed - 6.36 Per Surface Ownership: Federal
13. Location & Area: (Maps Attached if negative survey)		
<p>a. State - NM</p> <p>b. County - Chaves</p> <p>c. BLM District: Roswell Resource Area: Roswell</p> <p>d. Nearest City or town: Roswell, NM</p> <p>e. Location: T9S; R26E; Sec. 30 Well Pad footages: 1310' FSL; 1310' FWL</p> <p>f. 7.5' Map Name(s) and Code Numbers(s): Comanche Spring, NM (1950; Photo Revised 1975 [33104-D3]), and Acme, NM (1962 [33104-E3]).</p> <p>g. Area: Block: Impact: Within the staked area Surveyed: 400' x 400' Linear: Impact: 50' x 1173' Surveyed: 100' x 1173'</p>		

14. a. Records Search:

Location: BLM and ARMS

Date: 10-27-1997; and 11-3-1997

Conducted by: Arlita Slate, and David Wilcox

List by LA# All sites within .25 miles of the project:

(Those sites within 500' are to be shown on the project map)

b. Description of undertaking:

Class III pedestrian survey of Gothic Energy Corporation's proposed M M Federal Well No. 13 and access road in Section 30, T9S, R26E, NMPM, Chaves County, NM. This proposed access road connects to an existing road towards the southeast.

c. Environmental Setting (NRCS soil designation; vegetative community; etc.)

Vegetation - tree cholla, yucca, assorted grasses, mesquite, creosote, salt brush and prickly pear cactus

Topography - The project is on the western slope of an ancient Pecos River terrace. The area has loamy soils with gypsum outcrops found protruding from areas where sheetwash has depleted the top soils these gypsum soils are only found near the beginning of the access road). The survey area is in a gently sloping (westward) alluvial terrain which empties into a valley. Ephemeral drainages have incised this slope. The valley has much sediment overburden from sediment deposition via water transport. The proposed well pad has a very dense mesquite growth which obscures much of the visible surface.

Soils - Sotim-Simona-Pajarito association: Shallow and deep, well drained, nearly level to gently sloping soils; on high terraces and on alluvial side slopes below landscape breaks; and Hollomex-Reves-Milner association: Deep, well drained, nearly level to undulating soils; on terraces.

d. Field Methods:

Transect Intervals: straight and zig-zag transects, spaced not greater than 15 meters apart

Crew Size: 1

Time in Field: 1 1/2 hours

Collections: n/a

15. Cultural Resource Findings: n/a

16. Management Summary (Recommendations):

Archaeological clearance for Gothic Energy Corporation's proposed M M Federal Well No. 13 and access road in Section 30, T9S, R26E, NMPM, Chaves County, NM is recommended.

I maintain that the information provided above is correct and accurate and meets all appreciable BLM standards.

Responsible Archaeologist

Signature

Date

11-3-97

Figure 1. Topographic map of USGS 7.5' Series Comanche Spring, NM (1950; Photo Revised 1975), and Acme, NM (1962) showing the project area in T9S; R26E; Sec. 30.

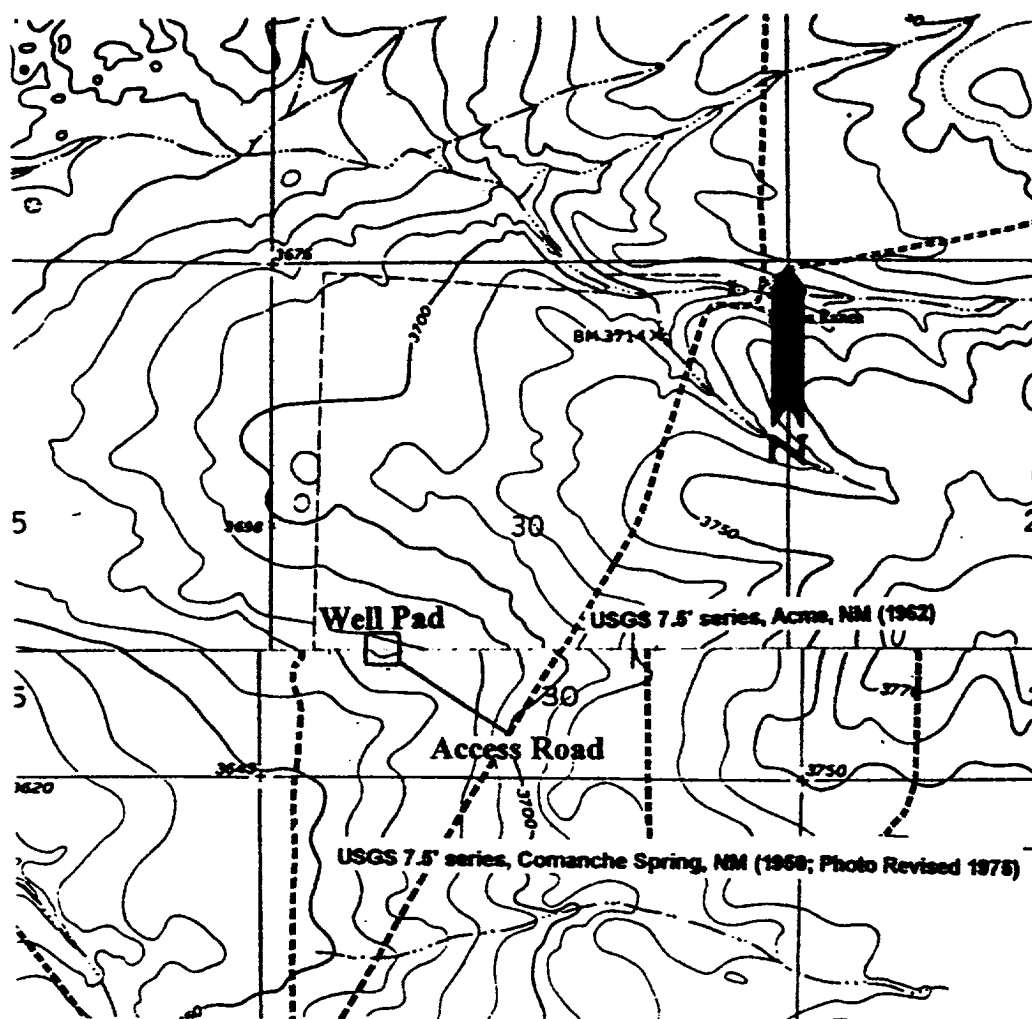


Figure 1. Showing GOTHIC ENERGY CORPORATION's proposed M M Federal Well No. 13 (1310' FSL; 1310' FWL) and access road in Section 30, T9S, R26E, NMPM, Chaves County, NM. Map Reference: USGS 7.5' series, Comanche Springs, NM (1950; Photo Revised 1975) and Acme, NM (1962)

SURFACE DAMAGE AGREEMENT

FOR AND IN CONSIDERATION OF TEN AND OTHER DOLLARS

the sufficiency of which is hereby acknowledged, Paul Messenger (hereinafter referred to as Landowner) do hereby release and discharge Gothic Energy Corporation (hereinafter referred to as Operator), its successors, assigns, agents, servants or contractors of all liability for damages to the surface of the following described lands, including but not limited to the well site location, access roads, well accessories and equipment, electrical accessories and equipment and temporary lines necessary for the purpose of locating, surveying, constructing, drilling, completing, equipping, producing and operating the oil and/or gas wells being located and situated in Chaves County, New Mexico, described as follows, to-wit:

U Federal Com. # 3
2086' FNL & 2086' FWL
Section 1-T10S-R25E
Chaves County, NM

MM Federal # 11
1310' FSL & 1310' FWL
Section 30-T9S-R26E
Chaves County, NM

FOR AND IN CONSIDERATION OF [REDACTED] per rod.
the sufficiency of which is hereby acknowledged Landowner does hereby release and discharge Operator, its successors, assigns, agents, servants or contractors of all liability for damages to the surface of the lands described herein above during the construction of access roads for those wells listed.

OPERATOR further agrees that all drilling locations prepared from the date of this agreement and beyond shall be restricted and shall be a maximum size of 200 feet by 300 feet inclusive of any and all reserve pits. These drilling location sizes will be restricted to maintain and protect land as much as possible. It is understood and agreed that after completion of any well the pad size will be reduced to a smaller size if possible.

OPERATOR agrees that any terraces broken or otherwise disturbed by its operations will be rebuilt according to the original contour and returned to the original condition prior to OPERATOR'S entry on said premises or rebuilt in such a manner as to allow for proper water drainage and to minimize soil erosion. OPERATOR agrees to fill and level all ditches, depressions and ruts resulting from the above described operations. Upon abandonment of these locations, any land taken by OPERATOR for roads shall be similarly restored, or at the option of the LANDOWNER may be retained as roads. In the event that roads are retained by LANDOWNER and being used by OPERATOR it will be the responsibility of the OPERATOR to maintain all roads utilized for its operations for the referenced wells.

OPERATOR agrees to install plastic lining in all reserve pits and to install temporary fencing around said pits. In the event that the location and reserve pits lie close to any lake, pond or stream, additional lining and burning may be necessary in order to prevent leakage into bodies of water and shall also be used to prevent water runoff and to control the route of drainage. Upon completion of said wells all pits shall be drained and all liners and temporary fencing shall be removed and the restoration process shall take place.

OPERATOR further agrees that all garbage products including trash, bolts, couplings, filters and anchors shall be hauled off and disposed of at an offsite location. There will be no dumping of garbage products allowed into reserve pits and covered up once drilling has ceased. It is also agreed by OPERATOR that the land shall be maintained and kept as clean as possible at all times.

OPERATOR agrees that it will strive to conduct all operations in a good workmanlike manner and shall use all normal precautions to prevent damages to said lands. However, should any inadvertent damages occur, OPERATOR and LANDOWNER shall enter into negotiations to settle any and all alleged claims by LANDOWNER.

LANDOWNER hereby agrees that this release is intended to cover all surface damages including, but not limited to, crops, trees and grass damaged or destroyed in connection with the above described activities.

THIS AGREEMENT covers all damages to be incurred by LANDOWNER within the dimensions of the well site and access road including without limitation, diminution in the value of the property, damages for loss or restriction of use of the property, damages to growing crops both present and future, from the effective date of this agreement and throughout the time of subsequent operation of the well, if productive.

WHEREBY, this agreement shall be valid for the term of the oil and gas leases, renewals or extensions thereof, and the privileges herein granted are each divisible and are each assignable or transferable, in whole or in part.

NO failure to comply with any covenant on the part of OPERATOR shall be construed as a breach of this Agreement unless and until written notice has been given to OPERATOR that the LANDOWNER believes that OPERATOR is not in compliance with said covenants and OPERATOR has failed to correct such failure within sixty (60) days after receipt of such notice or has failed to correct such failure within sixty (60) days after final determination, by agreement or by litigation in court of competent jurisdiction, that a breach, in fact, exists.

THIS AGREEMENT, as written covers the entire agreement between the parties and no other representations or agreements, written or oral, have been made modifying, adding to or changing the terms hereof or inducing the execution hereof and the person obtaining this agreement on behalf OPERATOR has no authority to make any promise, agreement or representation not expressly set forth herein.

IN WITNESS WHEREOF, this instrument has been executed by the undersigned parties this
13th day of FEBRUARY, 1998.

OPERATOR

LANDOWNER

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GOTHIC ENERGY CORPORATION

BY: Michael Paulk
Michael Paulk, President

Paul Messenger
PAUL MESSENGER
SSA/V 527-90-1506