

## R.33 E.

# BAGLEY FIELD

### LEA COUNTY NEW MEXICO

BAGLEY - SILURO-DEVONIAN POOL WELLS
BAGLEY - PENNSYLVANIAN POOL WELLS

APPLICATION AMERADA PETROLEUM CORPORATION DECEMBER 20, 1949

"EXHIBIT A"

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said lands having been awarded to lessee and designated as tract No........................at a public sale-

TO HAVE AND TO HOLD said land, and all the rights and privileges granted hereunder, to and unto

the lessee for a primary term of <u>yoars</u> from the date hereof, and as long thereafter as oil and gas in paying quantities, or either of them, is produced from said land by the lessee, subject to all the terms and conditions as hereinafter set forth.

In consideration of the premises the parties covenant and agree as follows:

1. Subject to the free use without royalty, as hereinbefore provided, the lessee shall pay the lessor as royalty one-eighth part of the oil produced and saved from the leased premises, or the cash value thereof, at the option of the lessor, such value to be the price prevailing the day oil is run into a pipe line, if the oil be run into a pipe line, or into storage tanks, if the oil be stored.

2. The lesses agrees to pay the lessor the one-eighth of the net proceeds derived from the sale of gas from each gas well. If casing-head gas produced from said land is sold by the lessee, the lessee shall pay the lessor as royalty one-eighth of the net proceeds of said sale; if casing-head gas produced from said land is utilized by the lessee otherwise than for carrying on the lessee's operations for producing oil or gas from said iands, then the lesses shall pay the lessor the market value in the field of the equal one-eighth part of the casing-head gas so utilized at the time of such utilization.

3. Lessee agrees to make full settlement on the 20th day of each month for all royalties due the lessor for the preceding month, under this lease, and to permit the lessor or its agents, at all reasonable hours, to examine lessee's books relating to the production and disposition of oil and gas produced. The lessee further agrees to submit to the lessor, for each and every royalty payment, a correct statement showing the amount of oil and gas produced and saved since his last report and the market value thereof. Lessee further agrees to submit to lessor annually upon forms furnished by lessor, verified reports showing lessee's operations for the preceding year.

4. It is expressly agreed that the consideration hereinbefore specified is a good, valid and substantial consideration and sufficient in all respects to support each and every covenant herein, including specifically the option granted the lessee to prevent the terminaion of this lease from year to year, by the payment or tender of the further rental hereinafter provided for.

In event the lease shall elect to surrender any or all of said acreage, he shall deliver to the Commissioner a duly executed release thereof and in event said lease has been recorded, then he shall upon request furnish and deliver to said Commissioner a certified copy of a duly recorded release.

5. The lessee may at any time by paying to the State of New Mexico, acting by its Commissioner of Public Lands, or other authorized officer, all amounts then due as provided herein and the further sum of Ten Dollars (\$10.00), surrender and cancel this lease insofar as the same covers all or any portion of the lands herein leased and be relieved from further obligations or liability hereunder, in the manner as hereinbefore provided. Provided, this surrender clause and the option herein reserved to the lessee shall cease and become absolutely inoparative immediately and concurrently with the institution of any suit in any court of law or equity by the lessee, lessor or any assignee, to enforce this lease, or any of its terms express or implied.

6. All payments due hereunder shall be made on or before the day such payment is due, in cash or by certified exchange at the Office of the Commissioner of Public Lands in Santa Fe, New Mexico.

7. The lease with the consent of the leasor, shall have the right to assign this lease in whole or in part. Provided, however, that no assignment of any undivided interest in the lease or any part thereof nor any assignment of less than a legal subdivision shall be recognized or approved by the lessor. Upon approval in writing by the lessor of as assignment, the assignor shall stand relieved from all obligations to the lessor with respect to the lands embraced in the assignment and the lessor shall likewise be relieved from all obligations to the assignor as to such tracts and the assignment and the lessor shall of the rights and privileges of the assignor with respect to such tracts and shall be held to have assumed all of the duties and obligations of the assignor to the lessor as to such tracts.

8. Lease agrees, with reasonable diligence to offset all paying oil or gas wells drilled, within 300 feet of any of the land covered by this lease and retained hereunder.

9. The losses agrees to notify the lessor of the location of each well before commencing drilling thereon, to keep a complete and accurate log of each well drilled and to furnish a copy thereof, verified by some person having actual knowledge of the facts, to the lessor upon the completion of any well, and to furnish the log of env withinished well at any time when requested to do so by the lessor. If any lands embraced in this lease shall be included in any deed or contract of purchase outstanding and subsisting issued pursuant to any sale made of the surface of such lands prior to the date of this lease, it is agreed and understood that no drilling operations shall be commenced on any such lands so sold unless and until the lessee or his assignee shall have filed a good and sufficient bond with the lessor as required by law, to secure the payment for such damage to the livestock, range, water, crops or tangible improvements on such lands as may be suffered by the purchaser holding such lands by such lessee. Provided, however, that no such bond shall be required if such purchaser shall waive the right to require such bond to be given in the manner provided by law.

10. In drilling wells all water-bearing strate shall be noted in the log, and the lessor reserves the right to require that all or any part of the casing shall be left in any non-productive well when lessor deems it to the interest of the State of New Mexico to maintain said well or wells for water. For such casing so let in wells the lessor shall pay the lesse the reasonable value thereof.

11. Lessee shall be liable and agrees to pay for all damages to the range, livestock, growing crops or improvements caused by lessee's operations on said lands. When requested by the lessor, the lessee shall bury pipelines below plow depth.

12. The lesses shall not remove any machinery or fixtures placed on said premises, nor draw the casing from any well unless and until all payments and obligations due the lessor under the terms of this agreement shall have been paid or satisfied. The lesse's right to remove the casing is subject to the provision of paragraph 10 above.

13. Upon failure or default of the lessee or any assignee to comply with any of the provisions or convenants hereof, the lessor is hereby authorized to cancel this lease and such cancellation shall extend to and include all rights hereunder as to the whole of the tract so claimed, or possessed by the lessee or assignee so defaulting, but shall not extend to, nor affect the rights of any other lessee or assignee claiming any portion of the lands upon which no default has been made; provided however, that before any such cancellation shall be made, the lessor shall mail to the lessee or assignee so defaulting, by registered mail addressed to the postoffice address of such lessee or assignee as shown by the records of the State Land Office, a notice of intention of cancellation specifying the default for which cancellation is to be made, and if within 30 days from the date of mailing said notice the said lessee or assignee shall remedy the default specified in said notice, cancellation shall not be made.

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

15. If the lessee shall have failed to make discovery of oil and-/or gas in paying quantities during the primary term hereof, the lessee may continue this lease in full force and effect for an additional term of five years and as long thereafter as oil and gas in paying quantities, or either of them is produced from the leased premises, by paying each year in advance, as herein provided, double the rental provided herein for the primary term, or the highest rental prevailing at the commencement of the secondary term in any rental district, or districts in which the lands or any part thereof, may be situated, if it be greater than double the rental provided for the primary term. (This paragrah (15) shall not be inserted in any lease issued pursuant to the provisions of Section 3 (132-403) of this Act.)

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.

	SPATE OF NEW MEXICO
	By H. K. Kodrers
	COMMISSIONER OF PUBLIC LANDS, Lessor.
ATTEST	TAS PACIFIC COAL AND OIL COMPANY
John B	TLeesee (VICO-Prosident (SEAL)
Distributed this the	
-	ACKNOWLEDGMENT)
	N
	)
	, 19, personally appeared before me
	e foregoing instrument as Lessee, and acknowledged that
executed the same as	
IN WITNESS WHEREOF; I have hereunto set this certificate above written.	my hand and affixed my official seal the day and year in
My Commission Expires:	Notary Public.
(ACKNOWLEDGED	BY ATTORNEY IN FACT)
98 A 87 - 07	
STATE OF	/ <b>SS.</b> (
COUNTY OF	)
On this theday of	, 19, personally appeared
before me	
-	foregoing instrument in behalf of
and acknowledged that he executed the sam	e as the free act and deed of said
	my hand and affixed my official seal the day and year in
My Commission Expires:	Notary Public.
•	CENT BY CORPORATION)
STATE OF TARRANT	)
-	
On this the 15th day of Septem	19.44 , personally appeared
	lager.
• • • • • •	rn did say that he is the Vice-President
C TEXAS PACIFIC COAL AND CIL	CO'TP INT
	nt is the corporate seal of said corporation, and that said corporation by authority of its board of directors, and said

I. K. Visan

#### A. P. ISKAL

acknowledges said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF; I have bereunto set my hand and affixed my official seal the day and year in this cartificate above written.

My Commission Expires:

June 1, 1945

(E. J. Robbins) Notary Public. Terrant County, Teras

Form 44-DUPLICATE

N. M.-248

Acres

40.00

80.00

40.00

120.00

80.00 360.00

LEASE NO	B-11446	APPLICATION NO	B <b>-11446</b> •
	11th	September	1.1.

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 \_\_\_\_\_ Texas Pacific Coal and Oil Company

Box 2110, Ft. Jorth, Texas

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

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WITNESSETH:

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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 ... Nine hundred five and 88/100 ----- (\$ 905.88 ) Dollars,

the same being the amount of the tender above mentioned, paid in cash, and evidenced by official receipt No.

 $A \ b \ 3809$ , and of the further sum of \$.5.00 filling 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 lesse, exclusive-ly, for the sole and only purpose of exploration, development and production of oil and-/or gas 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 pipe lines, telephone 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 privi-leges 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 right 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 situate in the Count. X.....of Lea

SUBDIVISION Institution Sec. TWD. Range 3 Column 1 Column 2 Column 8 Column 4 1 C.S. 2 125 <u>335</u> SHES . 2 Ì 7 12S <u>335</u> NS, SEL 1 . . . y 3 -S., SE. 29 125 <u>335</u> 4 . 128 MELNY SW. NUL 32 <u>338</u> NaLN E -5 -. . . NELSWI SF. S. ... 6 ø 7 8

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said lands having been awarded to lessee and designated as tract No...................at a public sale-

TO HAVE AND TO HOLD said land, and all the rights and privileges granted hereunder, to and unto

In consideration of the premises the parties covenant and agree as follows:

1. Subject to the free use without royalty, as hereinbefore provided, the lessee shall pay the lessor as royalty one-eighth part of the oil produced and saved from the leased premises, or the cash value thereof, at the option of the lessor, such value to be the price prevailing the day oil is run into a pipe line, if the oil be run into a pipe line, or into storage tanks, if the oil be stored.

2. The lesses agrees to pay the lessor the one-eighth of the net proceeds derived from the sale of gas from each gas well. If casing-head gas produced from said land is sold by the lessee, the lessee shall pay the lessor as royalty one-eighth of the net proceeds of said sale; if casing-head gas produced from said land is utilized by the lessee otherwise than for carrying on the lessee's operations for producing oil or gas from said lands, then the lessee shall pay the lessor the market value in the field of the equal one-eighth part of the casing-head gas so utilized at the time of such utilization.

3. Lessee agrees to make full settlement on the 20th day of each month for all royalties due the lessor for the preceding month, under this lease, and to permit the lessor or its agents, at all reasonable hours, to examine lessee's books relating to the production and disposition of oil and gas produced. The lessee further agrees to submit to the lessor, for each and every royalty payment, a correct statement showing the amount of oil and gas produced and saved since his last report and the market value thereof. Lessee further agrees to submit to lessor annually upon forms furnished by lessor, verified reports showing lessee's operations for the preceding year.

4. It is expressly agreed that the consideration hereinbefore specified is a good, valid and substantial consideration and sufficient in all respects to support each and every covenant herein, including specifically the option granted the lessee to prevent the termination of this lease from year to year, by the payment or tender of the further rental hereinafter provided for.

An annual rental, at the rate of .........2.5.4....... per acre shall also become due and payable to the lessor by the lesses, or by any transferee or assignee of the same, or any part hereof, where such transferee or assignee has been recognized and such transfer or assignment approved by the lessor as hereinafter provided, upon each acre of land above described and then claimed by such lessee, transferee or assignee hereunder, and the same shall be due and payable in advance to the lessor on the successive anniversary dates of this iease, but the annual rental on any assignment shall in no event be less than Six Dollars (\$6.00).

In event the lessee shall elect to surrender any or all of said acreage, he shall deliver to the Commissioner a duly executed release thereof and in event said lease has been recorded, then he shall upon request furnish and deliver to said Commissioner a certified copy of a duly recorded release.

5. The lesse may at any time by paying to the State of New Mexico, acting by its Commissioner of Public Lands, or other authorized officer, all amounts then due as provided herein and the further sum of Ten Dollars (\$10.00), surrender and cancel this lease insofar as the same covers all or any portion of the lands herein lessed and be relieved from further obligations or liability hereunder, in the manner as hereinbefore provided. Provided, this surrender clause and the option herein reserved to the lesse shall cease and become absolutely inoperative immediately and concurrently with the institution of any suit in any court of law or equity by the lessee, lessor or any assignee, to enforce this lease, or any of its terms express or implied.

6. All payments due hereunder shall be made on or before the day such payment is due, in cash or by certified exchange at the Office of the Commissioner of Public Lands in Santa Fe, New Mexico.

7. The lesses with the consent of the lessor, shall have the right to assign this lease in whole or in part. Provided, however, that no assignment of any undivided interest in the lease or any part thereof nor any assignment of less than a legal subdivision shall be recognized or approved by the lessor. Upon approval in writing by the lessor of an assignment, the assignor shall stand relieved from all obligations to the lessor with respect to the lands embraced in the assignment and the lessor shall likewise be relieved from all obligations to the assignor as to such tracts and the assignee shall succeed to all of the rights and privileges of the assignor with respect to such tracts and shall be held to have assumed all of the duties and obligations of the assignor to the lessor as to such tracts.

8. Lasse agrees, with reasonable diligence to offset all paying oil or gas wells drilled, within 300 feet of any of the land covered by this lease and retained hereunder.

9. The laster agrees to notify the lessor of the location of each well before commencing drilling thereon, to keep a complete and accurate log of each well drilled and to furnish a copy thereof, verified by some person having actual knowledge of the facts, to the lessor upon the completion of any well, and to furnish the log of envy utilisished well at any time when requested to do so by the lessor. If any lands embraced in this lease shall be included in any deed or contract of purchase outstanding and subsisting issued pursuant to any sale made of the surface of such lands prior to the date of this lease, it is agreed and understood that no drilling operations shall be commenced on any such lands so sold unless and until the lessee or his assignee shall have filed a good and sufficient bond with the lessor as required by law, to secure the payment for such damage to the livestock, range, water, crops or tangible improvements on such lands as may be suffered by the purchaser holding such deed or contract of purchase, or his successors by reason of the developments, use and occupation of such lands by such lessee. Provided, however, that no such bond shall be required if such purchaser shall waive the right to require such bond to be given in the manner provided by law.

10. In drilling wells all water-bearing strata shall be noted in the log, and the lessor reserves the right to require that all or any part of the casing shall be left in any non-productive well when lessor deems it to the interest of the State of New Mexico to maintain said well or wells for water. For such casing so let in wells the lessor shall pay the lessee the reasonable value thereof.

11. Lesses shall be liable and agrees to pay for all damages to the range, livestock, growing crops or improvements caused by lessee's operations on said lands. When requested by the lessor, the lessee shall bury pipelines below plow depth.

12. The lessee shall not remove any machinery or fixtures placed on said premises, nor draw the casing

from any well unless and until all payments and obligations due the lessor under the terms of this agreement shall have been paid or satisfied. The lesse's right to remove the casing is subject to the provision of paragraph 10 above.

13. Upon failure or default of the lessee or any assignee to comply with any of the provisions or convenants hereof, the lessor is hereby authorized to cancel this lease and such cancellation shall extend to and include all rights hereunder as to the whole of the tract so claimed, or possessed by the lessee or assignee so defaulting, but shall not extend to, nor affect the rights of any other lessee or assignee claiming any portion of the lands upon which no default has been made; provided however, that before any such cancellation shall be made, the lessor shall mail to the lessee or assignee so defaulting, by registered mail addressed to the postoffice address of such lessee or assignee as shown by the records of the State Land Office, a notice of intention of cancellation specifying the default for which cancellation is to be made, and if within 30 days from the date of mailing said notice the said lessee or assignee shall remedy the default specified in said notice, cancellation shall not be made.

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

15. If the lessee shall have failed to make discovery of oil and-/or gas in paying quantities during the primary term hereof, the lessee may continue this lease in full force and effect for an additional term of five years and as long thereafter as oil and gas in paying quantities, or either of them is produced from the leased premises, by paying each year in advance, as herein provided, double the rental provided herein for the primary term, or the highest rental prevailing at the commencement of the secondary term in any rental district, or districts in which the lands or any part thereof, may be situated, if it be greater than double the rental provided for the primary term. (This paragrah (15) shall not be inserted in any lease issued pursuant to the provisions of Section 3 (132-403) of this Act.)

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.

· .	SPATE OF NEW MEXICO
	COMMISSIONER, OF PUBLIC LANDS, Lessor.
ATTEST:	TELAS PACIFIC COAL AND OIL COMPANY
Josh I	y Manh
(R. SAIDAL) Secretary	Leesee. VIOO-PPORIdent (SEAL)
Distributed this the	QCT . Lev , 19 44 ACKNOWLEDGMENT)
(PEBSONAL )	ACANOWLEDGMENI)
	-)
•	)
day of	, 19, personally appeared before me
	he foregoing instrument as Lessee, and acknowledged that
executed the same as	
IN WITNESS WHEREOF; I have hereunto set this certificate above written.	t my hand and affixed my official seal the day and year in
My Commission Expires:	Notary Public.
(ACKNOWLEDGED	BY ATTOBNEY IN FACT)
STATE OF	)
COUNTY OF	53.
On this theday of	, 19, personally appeared
before me	
•	e foregoing instrument in behalf of
	e as the free act and deed of said
	t my hand and affixed my official seal the day and year in
My Commission Expires:	Notary Public.
(ACKNOWLEDG	MENT BY CORPORATION)
STATE OF	
COUNTY OF TARRANT	) <b>35.</b>
	aber, 1944, personally appeared
C. R.	Inger
to me personally known, who being by me duly swo	rn did say that he is the Vige-President
	CONTINI
	nt is the corporate seal of said corporation, and that said i corporation by authority of its board of directors, and said Yngar

acknowledges said instrument to be the free act and deed of said corporation.

**ILLEGIBLE** 

IN WITNESS WHEREOF; I have bereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

June 1, 1945

(E. J. Robbins) Notary Public. TEFFART County, TERE

#### Form 44-DUPLICATE

LEASE NO. 3-9950

DEC 24 11 19 AM 242

JAHIA . L. N. M.

## OIL AND GAS LEASE

THIS AGREEMENT, dated this the <u>10th</u> day of <u>December</u>, A. D. 19.42, 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 <u>Texas Pacific Coal and Oil Company</u>, Box 2110, Fort Worth, Texas,

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

WITNESSETH:

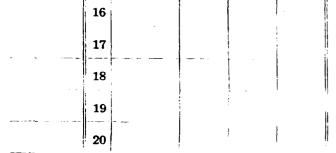
WHEREAS, the said lessee has filed in the office of the Commissioner of Public Lands an application for an oil and gas lease covering the lands hereinafter described and has tendered therewith the required first payment being not less than the amount required by law and by the rules and regulations of the New Mexico State Land Office; and

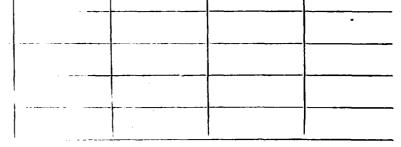
WHEREAS, all of the requirements of law relative to said application and tender have been duly complied with and said application has been approved and allowed by the Commissioner of Public Lands:

the same being the amount of the tender above mentioned, paid in cash, and evidenced by official Receipt No. 22377

....., State of New Mexico, and more particularly described as follows:

	Institution	Sec.	Twp.	Range		SUBDI	VISION		Астев
Line	Institution	<b>DE</b> U.	Iwp.	Range	Column 1	Column 2	Column 3	Column 4	ACITS
1	C.3	, 2	125	335			Swine;	SE HE	80.00
2					NECSEL	NWLSEL			80.00
3	M. Inst	•4		<b>ft</b>		NW SEL	SWI SEL		80.08
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	ILLEGIBLE		<i>ر_</i>	
	lands having been awarded to lessee and designated			
heid	by the Commissioner of Public Lands on	Dec. 10	, 19	(To be filled in
only	where lands are offered at public sale.)	,		

TO HAVE AND TO HOLD said land, and all the rights and privileges granted hereunder, to and unto

In consideration of the premises the parties covenant and agree as follows:

1. Subject to the free use without royalty, as hereinbefore provided, the lessee shall pay the lessor as royalty one-eighth part of the oil produced and saved from the leased premises, or the cash value thereof, at the option of the lessor, such value to be the price prevailing the day oil is run into a pipe line, if the oil be run into a pipe line, or into storage tanks, if the oil be stored.

2. The lessee agrees to pay the lessor the one-eighth of the net proceeds derived from the sale of gas from each gas well. If casing-head gas produced from said land is sold by the lessee, the lessee shall pay the lessor as royalty one-eighth of the net proceeds of said sale; if casing-head gas produced from said lands is utilized by the lessee otherwise than for carrying on the lessee's operations for producing oil or gas from said lands, then the lessee shall pay the lessor the market value in the field of the equal one-eighth part of the casing-head gas so utilized at the time of such utilization.

3. Lessee agrees to make full settlement on the 20th day of each month for all royalties due the lessor for the preceding month, under this lease, and to permit the lessor or its agents, at all reasonable hours, to examine lessee's books relating to the production and disposition of oil and gas produced. The lessee further agrees to submit to the lessor, for each and every royalty payment, a correct statement showing the amount of oil and gas produced and saved since his last report and the market value thereof. Lessee further agrees to submit to lessor annually upon forms furnished by lessor, verified reports showing lessee's operations for the preceding year.

4. It is expressly agreed that the consideration hereinbefore specified is a good, valid and substantial c as ideration and sufficient in all respects to support each and every covenant herein, including specifically the option granted the lesse to prevent the termination of this lease from year to year, by the payment or trader of the further routal hereinafter provided for.

An annual rental, at the rate of the same conts per acre shall also become due and payable to the lessor by the lessee, or by any transferee or assignce of the same, or any part hereof, where such transferee or assignee has been recognized, and such transfer or assignment approved by the lessor as hereinafter provided, up on each acre of the land above described and then claimed by such lessee, transferee or assignee hereunder, and the same shall be due and payable in advance to the lessor on the successive anniversary dates of this lease, but the annual rental on any assignment shall in no event be less than Six Dollars (\$6.00).

In event the lessee shall elect to surrender any or all of said acreage, he shall deliver to the Commissioner a duly executed release thereof and in event said lease has been recorded, then he shall upon request furnish and deliver to said Commissioner a certified copy of a duly recorded release.

5. The lessee may at any time by paying to the State of New Mexico, acting by its Commissioner of Public Lands, or other authorized officer, all amounts then due as provided herein and the further sum of Ten Dollars (\$10.00), surrender and cancel this lease insofar as the same covers all or any portion of the lands herein leased and be relieved from further obligations or liability hereunder, in the manner as hereinbefore provided. Provided, this surrender clause and the option herein reserved to the lessee shall cease and become absolutely inoperative immediately and concurrently with the institution of any suit in any court of law or equity by the lessee, lessor, or any assignee, to enforce this lease, or any of its terms express or implied.

6. All payments due hereunder shall be made on or before the day such payment is due, in cash or by certified exchange at the Office of the Commissioner of Public Lands in Santa Fe, New Mexico.

7. The lessee with the consent of the lessor, shall have the right to assign this lease in whole or in part. Provided, however, that no assignment of any undivided interest in the lease or any part thereof nor any assignment of less than a legal subdivision shall be recognized or approved by the lessor. Upon appoval in writing by the lessor of an assignment, the assignor shall stand relieved from all obligations to the lessor with respect to the lands embraced in the assignment and the lessor shall likewise be relieved from all obligations to the assignor as to such tracts and the assignee shall succeed to all the rights and privileges of the assignor with respect to such tracts and shall be held to have assumed all of the duties and obligations of the assignor to the lessor as to such tracts.

8. Lessee agrees, with reasonable diligence to offset all paying oil or gas wells drilled, within 300 feet of any of the land covered by this lease and retained hereunder.

9. The lessee agrees to notify the lessor of the location of each well before commencing drilling thereon, to keep a complete and accurate log of each well drilled and to furnish a copy thereof, verified by some person having actual knowledge of the facts, to the lessor upon the completion of any well, and to furnish the log of any unfinished well at any time when requested to do so by the lessor. If any lands embraced in this lease shall be included in any deed or contract of purchase outstanding and subsisting issued pursuant to any sale made of the surface of such lands prior to the date of this lease, it is agreed and understood that no drilling operations shall be commenced on any such lands so sold unless and until the lessee or his assignee shall have filed a good and sufficient bond with the lessor as required by law, to secure the payment for such damage to the livestock, range, water, crops or tangible improvements on such lands as may be suffered by the purchaser holding such deed or contract of purchase, or his successors by reason of the developments, use and occupation of such lands by such lessee. Provided, however, that no such bond shall be required if such purchaser shall waive the right to require such bond to be given in the manner provided by law.

10. In drilling wells all water-bearing strata shall be noted in the log, and the lessor reserves the right to require that all or any part of the casing shall be left in any non-productive well when lessor deems it to the interest of the State of New Mexico to maintain said well or wells for water. For such casing so left in wells the lessor shall pay to the lessee the reasonable value thereof.

11. Lessee shall be liable and agrees to pay for all damages to the range, livestock, growing crops or improvements caused by lessee's operations on said lands. When requested by lessor, the lessee shall bury

pipelines below plow depth.

12. The lessee shall not remove any machinery or fixtures placed on said premises, nor draw the casing from any well unless and until all payments and obligations due the lessor under the terms of this agreement shall have been paid or satisfied. The lessee's right to remove the casing is subject to the provision of paragraphic h 19 above.

13. Upon failure or default of the lessee or any assignee to comply with any of the provisions or convenants hereof, the lessor is hereby authorized to cancel this lease and such cancelation shall extend to and include all rights hereunder as to the whole of the tract so claimed, or possessed by the lessee or assignee so defaulting, but shall not extend to, nor affect the rights of any other lessee or assignee claiming any portion of

the lands upon which no default has been made; provided, however, that before any such cancellation shall be made, the lessor shall mail to the lessee or assignce so defaulting, by registered mail; addressed to the postoffice address of such lessee or assignee as shown by the records of the State Land Office, a notice of intention of cancellation specifying the default for which cancellation is to be made, and if within 30 days from the date of mailing said notice the said lessee or assignee shall remedy the default specified in said notice, cancellation shall not be made.

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

15. If the lessee shall have failed to make discovery of oil and-/or gas in paying quantities during the primary term hereof, the lessee may continue this lease in full force and effect for an additional term of five years and as long thereafter as oil and gas in paying quantities, or either of them is produced from the leased premises, by paying each year in advance, as herein provided, double the rental provided herein for the primary term, or the highest rental prevailing at the commencement of the secondary term in any rental district, or districts in which the lands or any part thereof, may be situated, if it be greater than double the rental provided for the primary term. (This paragraph (15) shall not be inserted in any lease issued pursuant to the provisions of Section 3 (132-403) of this Act.)

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. (. 

	A D Kanlis	
	COMMISSIONER OF PUBLIC LANDS Less	
	Texas Pacific Coal and Oil Comp	1.
ATTEST:	By Proge Vice Presi	
(R. Seibel) Secretary	Jeesee. (E. E. Yager) (SEAL)	
Distributed this the 2.4 Manual of		
	CKNOWLEDGE	Ĭ
reasonal A	CKNOWLEDGE	
STATE OF		
COUNTY OF	SS.	H
	, 19, personally appeared befor	• m
•	, is a provide service	- 11
		*h
he he executed the same as	e foregoing instrument as Lessee, and acknowledged	u
IN WITNESS WHEREOF I have hereunto set r his certificate above written.	my hand and affixed my official seal the day and ye	ar i
My Commission Expires:	Notary Public.	
(ACKNOWLEDGED	BY ATTORNEY IN FACT)	
STATE OF		
COUNTY OF		
On this the	, 19, personally app	eare
pefore me		
to me known to be the personwho executed the	e forgoing instrument in behalf of	
• • • • • • • • • • • • • • • • • • • •		
and acknowledged that he executed the s	same as the free act and dead of said	
and acknowledged thathe executed the s	same as the free act and deed of said	
and acknowledged thathe executed the s	same as the free act and deed of said	
	same as the free act and deed of said my hand and affixed my official seal the day and ye	
IN WITNESS WHEREOF I have hereunto set a this certificate above written.	my hand and affixed my official seal the day and ye	
IN WITNESS WHEREOF I have hereunto set a this certificate above written. My Commission Expires:	my hand and affixed my official seal the day and ye Notary Public.	
IN WITNESS WHEREOF I have hereunto set a this certificate above written. My Commission Expires: (ACKNOWLEDGM	my hand and affixed my official seal the day and ye	
IN WITNESS WHEREOF I have hereunto set a this certificate above written. My Commission Expires: (ACKNOWLEDGM STATE OF TEXAS	my hand and affixed my official seal the day and ye Notary Public. IENT BY CORPORATION)	
IN WITNESS WHEREOF I have hereunto set a this certificate above written. My Commission Expires: (ACKNOWLEDGM STATE OF TEXAS	my hand and affixed my official seal the day and ye Notary Public. IENT BY CORPORATION)	
IN WITNESS WHEREOF I have hereunto set a this certificate above written. My Commission Expires: (ACKNOWLEDGM STATE OF TEXAS COUNTY OF TARRANT	my hand and affixed my official seal the day and ye Notary Public. IENT BY CORPORATION)	ar i
IN WITNESS WHEREOF I have hereunto set a this certificate above written. My Commission Expires: (ACKNOWLEDGM STATE OF TEXAS COUNTY OF 19th day of December	my hand and affixed my official seal the day and ye Notary Public. IENT BY CORPORATION)	ar i

and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said

instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said Texas Pacific Coal and Oil Company ......

acknowledges said instrument to be the free act and deed of said corporation. IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year in this certificate above written. E.J. Kobbing Notary Public.

My Commission Expires: June 1, 1943

### Form 44-DUPLICATE

WATE AT STILL

### OIL AND GAS WEASE

THIS AGREEMENT, dated this the **10th** day of N. **M Desember**, A. D. 19 42, 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 ...... Texas Pacific Coal and Oil Company, Box 2110, Fort Worth, Texas,

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.....

One Hundred Twenty One and 99/100tha	(\$ 121.99	) Dollars,
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the same being the amount of the tender above mentioned, paid in cash, and evidenced by official Receipt No.  $A \cap A \supset A$ 

22.2.7.C., and of the further sum of \$......5.00......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 and-/or gas 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 survitudes for pipe lines, telephone 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 right of removing either during or after the usus 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

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said lands having been awarded to lessee and desig	nated as tract No	at a public sale
held by the Commissioner of Public Lands on	Dec, 10	

only where lands are offered at public sale.) TO HAVE AND TO HOLD said land, and all the rights and privileges granted hereunder, to and unto

In consideration of the premises the parties covenant and agree as follows:

1. Subject to the free use without royalty, as hereinbefore provided, the lessee shall pay the lessor as royalty one-eighth part of the oil produced and saved from the leased premises, or the cash value thereof, at the option of the lessor, such value to be the price prevailing the day oil is run into a pipe line, if the oil be run into a pipe line, or into storage tanks, if the oil be stored.

2. The lessee agrees to pay the lessor the one-eighth of the net proceeds derived from the sale of gas from each gas well. If casing-head gas produced from said land is sold by the lessee, the lessee shall pay the lessor as royalty one-eighth of the net proceeds of said sale; if casing-head gas produced from said lands is utilized by the lessee otherwise than for carrying on the lessee's operations for producing oil or gas from said lands, then the lessee shall pay the lessor the market value in the field of the equal one-eighth part of the casing-head gas so utilized at the time of such utilization.

3. Lessee agrees to make full settlement on the 20th day of each month for all royalties due the lessor for the preceding month, under this lease, and to permit the lessor or its agents, at all reasonable hours, to examine lessee's books relating to the production and disposition of oil and gas produced. The lessee further agrees to submit to the lessor, for each and every royalty payment, a correct statement showing the amount of oil and gas produced and saved since his last report and the market value thereof. Lessee further agrees to submit to lessor annually upon forms furnished by lessor, verified reports showing lessee's operations for the preceding year.

4. It is expressly agreed that the consideration hereinbefore specified is a good, valid and substantial consideration and sufficient in all respects to support cach and every covenant herein, including specifically the option granted the lessee to prevent the termination of this lease from year to year, by the payment or tender of the further rental hereinafter provided for.

An annual rental, at the rate of <u>10</u> cents per acre shall also become due and payable to the lessor by the lessee; or by any transferee or assignee of the same, or any part hereof, where such transferee or assignee has been recognized, and such transfer or assignment approved by the lessor as hereinafter provided, upon each acre of the land above described and then claimed by such lessee, transferee or assignee hereunder, and the same shall be due and payable in advance to the lessor on the successive anniversary dates of this lease, but the annual rental on any assignment shall in no event be less than Six Dollars (\$6.00).

In event the lessee shall elect to surrender any or all of said acreage, he shall deliver to the Commissioner a duly executed release thereof and in event said lease has been recorded, then he shall upon request furnish and deliver to said Commissioner a certified copy of a duly recorded release.

5. The lessee may at any time by paying to the State of New Mexico, acting by its Commissioner of Public Lands, or other authorized officer, all amounts then due as provided herein and the further sum of Ten Dollars (\$10.00), surrender and cancel this lease insofar as the same covers all or any portion of the lands herein leased and be relieved from further obligations or liability hereunder, in the manner as hereinbefore provided. Provided, this surrender clause and the option herein reserved to the lessee shall cease and become absolutely inoperative immediately and concurrently with the institution of any suit in any court of law or equity by the lessee, lessor, or any assignee, to enforce this lease, or any of its terms express or implied.

6. All payments due hereunder shall be made on or before the day such payment is due, in cash or by certified exchange at the Office of the Commissioner of Public Lands in Santa Fe, New Mexico.

7. The lessee with the consent of the lessor, shall have the right to assign this lease in whole or in part. Provided, however, that no assignment of any undivided interest in the lease or any part thereof nor any assignment of less than a legal subdivision shall be recognized or approved by the lessor. Upon appoval in writing by the lessor of an assignment, the assignor shall stand relieved from all obligations to the lessor with respect to the lands embraced in the assignment and the lessor shall likewise be relieved from all obligations to the assignor as to such tracts and the assignee shall succeed to all the rights and privileges of the assignor with respect to such tracts and shall be held to have assumed all of the duties and obligations of the assignor to the lessor as to such tracts.

8. Lessee agrees, with reasonable diligence to offset all paying oil or gas wells drilled, within 300 feet of any of the land covered by this lease and retained hereunder.

9. The lessee agrees to notify the lessor of the location of each well before commencing drilling thereon, to keep a complete and accurate log of each well drilled and to furnish a copy thereof, verified by some person having actual knowledge of the facts, to the lessor upon the completion of any well, and to furnish the log of any unfinished well at any time when requested to do so by the lessor. If any lands embraced in this lease shall be included in any deed or contract of purchase outstanding and subsisting issued pursuant to any sale made of the surface of such lands prior to the date of this lease, it is agreed and understood that no drilling operations shall be commenced on any such lands so sold unless and until the lessee or his assignee shall have filed a good and sufficient bond with the lessor as required by law, to secure the payment for such damage to the livestock, range, water, crops or tangible improvements on such lands as may be suffered by the purchaser holding such deed or contract of purchase, or his suc essors by reason of the developments, use and occupation of such lands by such lessee. Provided, however, that no such bond shall be required if such purchaser shall waive the right to require such bond to be given in the manner provided by law.

10. In drilling wells all water-bearing strata shall be noted in the log, and the lessor reserves the right to require that all or any part of the casing shall be left in any non-productive well when lessor deems it to the interest of the State of New Mexico to maintain said well or wells for water. For such casing so left in wells the lessor shall pay to the lessee the reasonable value thereof.

11. Lessee shall be liable and agrees to pay for all damages to the range, livestock, growing crops or improvements caused by lessee's operations on said lands. When requested by lessor, the lessee shall bury pipelines below plow depth.

12. The lessee shall not remove any machinery or fixtures placed on said premises, nor draw the casing from any well unless and until all payments and obligations due the lessor under the terms of this agreement shall have been paid or satisfied. The lessee's right to remove the casing is subject to the provision of paragraph 10 above.

13. Upon failure or default of the lessee or any assignee to comply with any of the provisions or convenants hereof, the lessor is hereby authorized to cancel this lease and such cancelation shall extend to and include all rights hereunder as to the whole of the tract so claimed, or possessed by the lessee or assignee so defaulting, but shall not extend to, nor affect the rights of any other lessee or assignee claiming any portion of the lands upon which no default has been made; provided, however, that before any such cancellation shall be made, the lessor shall mail to the lessee or assignee so defaulting, by registered mail; addressed to the postoffice address of such lessee or assignee as shown by the records of the State Land Office, a notice of intention of cancellation specifying the default for which cancellation is to be made, and if within 30 days from the date of mailing said notice the said lessee or assignee shall remedy the default specified in said notice, cancellation shall not be made.

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

15. If the lessee shall have failed to make discovery of oil and-/or gas in paying quantities during the primary term hereof, the lessee may continue this lease in full force and effect for an additional term of five years and as long thereafter as oil and gas in paying quantities, or either of them is produced from the leased premises, by paying each year in advance, as herein provided, double the rental provided herein for the primary term, or the highest rental prevailing at the commencement of the secondary term in any rental district, or districts in which the lands or any part thereof, may be situated, if it be greater than double the rental provided for the primary term. (This paragraph (15) shall not be inserted in any lease issued pursuant to the provisions of Section 3 (132-403) of this Act.)

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
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	COMMISSIONER OF PUBLIC LANDS, Lessor. Texas Paol ( 500) and 011 Company
ATTEST:	By: Vice Preside
(R. Seibel) Secretary	Leeve. (V. E. Yager) (SEAL)
Distributed this the 29th day of	dill. 1942
PERSONAL AC	KNOWLP DESCRIPTION
STATE OF	
	SS.
COUNTY OF	
On this theday of	
	oregoing instrument as Lessee, and acknowledged the
he	free act and deed.
IN WITNESS WHEREOF I have hereunto set m this certificate above written.	y hand and affixed my official seal the day and year in
My Commission Expires:	Notary Public.
(ACKNOWLEDGED B	Y ATTORNEY IN FACT)
STATE OF	)
COUNTY OF	SS.
	, 19, personally appeared
	, 10, personany appeared
	lorgoing instrument in behalf of
	me as the free act and deed of said
	y hand and affixed my official seal the day and year in
this certificate above written.	
My Commission Expires:	Notary Public.
(ACKNOWLEDGME	NT BY CORPORATION)
STATE OF TEXAS	1
	ss.
COUNTY OF TARRANT	
COUNTY OF TARRANT On this the 19th day of December	19.42 , personally appeared

and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said

instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said Texas Pacific Coal and Uil Company

acknowledges said instrument to be the free act and deed of said corporation. IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

Notary Public.

My Commission Expires: June 1, 1943