

ABSTRACT OF TITLE

No. 16781

From the Records of the Offices of the Commissioner of Public Lands of the State of New Mexico, affecting the Oil and Gas Mineral Rights to the following described lands under the Lease B-2386.

	Section	Township	Range
SE $\frac{1}{4}$	17	20 S.	30 E., N.M.P.M.

EDDY COUNTY, NEW MEXICO

Prepared for
PAN AMERICAN PETROLEUM CORPORATION

Prepared by
FEDERAL ABSTRACT COMPANY

(No Stockholders' Liability)

Santa Fe, New Mexico

BEFORE THE
OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

Pan Am Exhibit No. *AA*

Case No. *3029*

I N D E X

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***** * *****

Township No. 20 South Range No. 30 East N. M. P. M.

EDDY COUNTY, NEW MEXICO

	6	5	4	3	2	1
7	8	9	10	11	12	
18	17	16	15	14	13	
19	20	21	22	23	24	
30	29	28	27	26	25	
31	32	33	34	35	36	

STATES TITLE

The State of New Mexico acquired title to the land described in the Caption hereof, under Lieu Clear List No. 10, approved August 5, 1910 by the Secretary of the Department of the Interior, and certified August 19, 1910, by S.V. Proudfit, Assistant Commissioner of the General Land Office, Washington, D.C. This list contains no notations of any mineral reservations by the United States Government.

***** * *****

SURFACE RIGHTS

The State of New Mexico issued Patent No. 2026 to Potash Company of America, Carlsbad, New Mexico. This patent, which is dated February 16, 1949, contains among other lands the $N\frac{1}{2}SE\frac{1}{4}$, Section 17, T. 20 S. - R. 30 E., N.M.P.M. The State of New Mexico reserved all Minerals including the Oil and Gas Mineral Rights.

Grazing Lease GL-176 was issued to W.M. Snyder, Lovington, New Mexico. This grazing lease, which expires October 1, 1968, contains among other lands the $S\frac{1}{2}SE\frac{1}{4}$, Section 17, T. 20 S. - R. 30 E., N.M.P.M.

Power Line R/W-M-3605 was granted to Southwestern Public Service Company, Roswell, New Mexico. This right-of-way, which is dated December 7, 1951, crosses among other lands the $SW\frac{1}{4}SE\frac{1}{4}$, Section 17, T. 20 S. - R. 30 E., N.M.P.M.

Power Line R/W-M-11239 was granted to Southwestern Public Service Company, Roswell, New Mexico. This right-of-way, which is dated February 21, 1955, crosses among other lands the $S\frac{1}{2}SE\frac{1}{4}$, Section 17, T. 20 S. - R. 30 E., N.M.P.M.

***** * *****

UNITED STATES LAND AND SURVEY OFFICE RECORDS

The Historical Index Records in the United States Land and Survey Office at Santa Fe, New Mexico, pertaining to the land described in the Caption hereof, contains the entry "IL 10 8/5/1910." The Oil and Gas Plat contains the entry "IL 10." The Official Survey Plat, T. 20 S. - R. 30 E., N.M.P.M., was filed of record May 25, 1904.

***** * *****

Lease No. M-873

Application No. M-873

POTASH MINING LEASE

(Under Act Approved March 12, 1929)

THIS INDENTURE OF LEASE entered into in duplicate this 24th day of April, 1939, by and between the State of New Mexico acting in this behalf by FRANK WORDEN, its Commissioner of Public Lands, party of the first part and hereinafter called the Lessor, and HOMER H. HARRIS of the City and County of Denver, State of Colorado, party of the second part and hereinafter called the Lessee, under, pursuant and subject to the terms and provisions of Chapter 110 of the Session Laws of the New Mexico Legislature of 1929, and hereinafter referred to as the Act, all of the provisions of said statute being hereby made a part hereof.

W I T N E S S E T H:

SECTION 1. THAT WHEREAS, the said Lessee has filed in the State Land Office an application for a lease for the exploration, development and production of potassium, sodium, phosphorus and other minerals of similar occurrence and their salts and compounds upon the lands hereinafter described and has tendered the sum of Nine Hundred Sixty-four & No/100 (\$964.00)-----Dollars as the first annual rental thereon, together with the sum of \$5.00 application fee, evidenced by official receipt No. _____.

NOW, THEREFORE, in consideration of the said above tender, receipt whereof is hereby confessed and

acknowledged, and of the rents and royalties to be paid and the covenants to be observed as herein set forth, the Lessor does hereby grant, demise, lease and let to the Lessee exclusively for the sole and only purpose of exploration, development and production of potassium, sodium, phosphorus and other minerals of similar occurrence and their salts and compounds in, upon and under the following described land situated in the County of Eddy, State of New Mexico, and more particularly described as follows, to-wit:

<u>Subdivision.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rge.</u>	<u>Acres.</u>
✓ All of	✓ 23	19S	29E	640
✓ All of	✓ 24	19S	29E	640
✓ All of	✓ 25	19S	29E	640
✓ All of	✓ 26	19S	29E	640
✓ N 1/2	✓ 36	19S	29E	320
✓ NW 1/4 NW 1/4	✓ 25	19S	30E	40
✓ All of	✓ 32	19S	30E	640
✓ S 1/2	✓ 36	19S	29E	320
✓ All of	✓ 2	20S	29E	643.76
✓ All of	✓ 16	20S	30E	640
✓ All of	✓ 17	20S	30E	640
✓ All of	✓ 18	20S	30E	636.88
✓ All of	✓ 19	20S	30E	637.84
✓ NW 1/4 NW 1/4	✓ 20	20S	30E	40
✓ NE 1/4 SW 1/4	✓ 20	20S	30E	40
✓ S 1/2 SW 1/4	✓ 20	20S	30E	80
✓ All of	✓ 36	20S	28E	640
✓ All of	✓ 32	19S	31E	640
✓ All of	✓ 36	19S	30E	640
✓ N 1/2, W 1/2 SW 1/4, E 1/2 SE 1/4	2	20S	30E	480.72

containing 9,639.20 acres, more or less, together with the right to construct and maintain thereon all works, buildings, plants, waterways or reservoirs necessary to the full enjoyment thereof, including the right to drill,

maintain and operate water wells on said lands and to produce and use the water therefrom; provided, that this lease shall extend only to and include any right or interest in the lands or the minerals therein reserved to the State of New Mexico under contract of purchase or deed heretofore or hereafter issued with a reservation of the minerals therein to said State.

TO HAVE AND TO HOLD the said lands and all rights and privileges granted hereunder for a term of ten years and as long thereafter as the said minerals or any of them in paying quantities shall be produced from the leased lands.

SECTION 2. In consideration of the premises, the Lessee hereby agrees as follows, to-wit:

(a) Within twelve (12) months from date hereof, unless extension be granted, to begin actual drilling upon some portion of the leased lands with machinery and equipment suitable for taking and preserving a core of salt formation, and to continue such drilling with reasonable diligence until a depth of 1800 feet shall be reached or the formations containing the minerals hereinabove mentioned shall have been completely penetrated and satisfactory evidence thereof furnished the Lessor by the Lessee. Provided, however, that where deposits of said minerals are so situated that prospecting work may be effectually carried on by shafts, tunnels, open cuts or in any manner otherwise than by drilling test wells, such prospecting work may be accepted by the Lessor in lieu of the drilling of a well or wells as herein provided.

(b) Upon the completion of the first well, as hereinabove provided for, to drill at least one such test well to completion on the said premises during each and every year thereafter during the ten year primary term of this lease or until the number of wells completed shall equal the number of sections of land of 640 acres each contained in this

lease, a minor fraction of such a section to be disregarded and a major fraction to be treated and regarded as a full section for the purpose of this paragraph. Provided, however, that where conditions existent on the lands may justify, exploratory work other than by the drilling of wells may be accepted in lieu of such drilling upon proper showing thereof made by the Lessee.

(c) To pay to the Lessor annually in advance on the successive anniversary dates of this lease the sum of ten cents (10¢) per acre for each and every acre of land as to which the lease may be in force when such payment shall become due, such rental payments to continue so long as this lease shall remain in force. Provided, however, that the annual rental on this lease shall not in any case be less than one hundred (\$100.00) dollars to be paid in cash.

(d) To pay to the Lessor a royalty of five per cent of the value of the minerals produced hereunder, such royalty to be computed upon the value of said minerals delivered at the nearest or most accessible railroad shipping point; all such royalty provided for herein expressly reserved to the Lessor as provided by statute.

(e) Rentals and royalties due the State shall constitute a first lien on any and all improvements on the land leased, prior and superior to any other lien or encumbrance whatsoever whether created with or without notice of the lien for rental or royalties due or to become due.

(f) To furnish monthly certified statements in detail in such form as may be prescribed by the Lessor, of the amount and value of output from the leasehold delivered at the nearest or most accessible railroad shipping point, as a basis for determining the amount of royalties, and to permit at all reasonable times the inspection by the Lessor or his duly authorized agent of all books and accounts of the Lessee relating thereto, it being a condition of this grant that falsification of any such statements, records, books or accounts by the Lessee shall be deemed and taken as sufficient ground for cancellation of this lease.

(g) To furnish the Lessor annually a map showing all prospecting and development work

on the leased lands and other related information, together with a report showing all buildings, structures and workings placed thereon, and a complete statement of the amount of potassium and other minerals produced and saved by Lessee's operations hereunder.

(h) If said minerals or any of them in commercially paying quantities shall be discovered on the lands embraced herein, to develop and produce in commercial quantities with reasonable diligence the potassium and other mineral deposits susceptible of such production; to carry on all mining, reducing, refining and other operations in a good and workmanlike manner in accordance with approved methods and practice, having due regard to the health and safety of employees, the prevention of waste and the preservation and conservation of the property for further productive operations, and to observe all state laws relative to the health and safety of such employees, all mining and related productive operations to be subject to inspection by the Lessor or his duly authorized agent and by other duly constituted state authority.

(i) To deliver to the Lessor upon the termination of this lease as a result of forfeiture or otherwise, the lands covered hereby including all fixtures and improvements other than structures, buildings, derricks, machinery, equipment, tools and personal property located and used above ground and other than pumps, engines, air compressors, dynamos, motors, cars and other similar appliances used underground situated on any of said lands, in good order and condition so as to permit of immediate continued operation to the full extent and capacity of the leased premises. Provided, that upon such termination of the lease the Lessee shall have ninety days from such termination to remove such machinery, tools, equipment and personal property from the leased premises if free from a state lien; and all such property shall become the property of the Lessor if not so removed within said period of ninety days or within such extension of time as may be granted by the Lessor.

(j) To pay when due all taxes lawfully assessed and levied under the laws of the State of New Mexico upon the improvements, output of mines and other rights, property and assets of the Lessee.

(k) To comply with all statutory requirements where the surface of the lands embraced herein has been or may be leased, sold or otherwise disposed of under State laws reserving to the State of New Mexico the mineral deposits therein contained.

(l) Not to assign or sublet the premises covered hereby without the written consent and approval of the Lessor.

(m) To take and preserve a core of all formations penetrated by any test well containing any of the minerals mentioned in Section 1 hereof, one-quarter of such core to be the property of the Lessor and the Lessee further agrees to furnish the Lessor promptly copies of any and all analysis made by or for the Lessee of cores taken from test wells drilled on the leased premises, and copies of analysis of samples of minerals mined therefrom upon demand of the Lessor.

(n) Before commencing operations hereunder to furnish the Commissioner of Public Lands a good and sufficient bond in the penal sum of not to exceed ten thousand (\$10,000.00) dollars conditioned upon the faithful performance by the Lessee of all and singular, the terms and conditions of this lease, and keep such bond in force and effect so long as Lessee's operations shall continue under the terms hereof.

SECTION 3. The Lessor hereby expressly reserves:

(a) The right to permit for joint or several such easements and rights of way upon, through or in the lands hereby issued as may be necessary or appropriate to the use or disposal of the lands for purposes other than the purpose of this lease, and the right to dispose of the surface of the said lands under the laws of the State of New Mexico now existing or hereafter enacted, insofar as said surface is not necessary or required for use of the Lessee in extracting and removing the potash and other mineral deposits therein contained. And the Lessor further expressly reserves the right to lease the said lands for minerals other than those described in Section 1 hereof, but the working of said lands under such lease, for such other minerals shall not be permitted where such operations will prevent or materially interfere with the operations of the Lessee hereunder.

SECTION 4. The Lessee may at any time, by paying to the Lessor all amounts then due the Lessor as provided herein and the further sum of ten and no/100 (\$10.00) dollars surrender and cancel this lease insofar as the same covers all or any portion of the land herein leased, and be relieved from further obligations or liabilities hereunder as to the lands surrendered. Provided, that all wages or monies due and payable to the workmen employed by the Lessee shall have been paid and that a satisfactory showing is made to the Lessor that all creditors or others having an interest in or lien or claim against the Lessee are fairly and equitably protected, but in no case shall such termination be effective until the Lessee shall have made adequate provision for the preservation of any mines, productive works and permanent improvements on the lands covered hereby; and provided further that 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 Lessor, Lessee or any assignee to enforce this lease or any of its terms, expressed or implied.

SECTION 5. If the Lessee shall fail to comply with the provisions of this lease or make default in the performance or observance of any of the terms, covenants and stipulations herein, and such default shall continue for thirty days after service of written notice thereof by the Lessor, then the Lessor may and he is hereby ex-

pressly authorized to declare a forfeiture and cancellation of this lease. A waiver of any particular cause of forfeiture shall not prevent the cancellation and forfeiture of this lease for any other cause of forfeiture or for the same cause occurring at any time in the future.

SECTION 6. It is expressly understood and agreed that all of the obligations, covenants, agreements, rights and privileges of this lease shall extend to and be binding upon and inure to the benefit of the lawful assigns or successors in interest 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 instrument the day and year first above written.



STATE OF NEW MEXICO

By Frank Worden
Commissioner of Public Lands.

Lawrence H. Hamill

STATE OF NEW MEXICO

COUNTY OF _____

)
; SS.
)

Upon this _____ day of _____, 1939,
personally appeared before me FRANK WORDEN, to me known to
be the person described therein and who executed the above

and foregoing instrument, and acknowledged that he executed the same as Commissioner of Public Lands of the State of New Mexico as his free act and deed.

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

My commission expires _____.

Notary Public.

STATE OF COLORADO)
CITY AND)
COUNTY OF DENVER)

Upon this 15th day of March, 1939,
personally appeared before me HOMER H. HARRIS, to me known
to be the person described therein and who executed the
above and foregoing instrument and acknowledged that he
executed the same as his free act and deed.

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

My commission expires January 15, 1942.

Louise Rathfield
Notary Public.



MINING
ASSIGNMENT OF STATE POTASH / LEASE

KNOW ALL MEN BY THESE PRESENTS:

Homer H. Harris and

THAT Georgine Harris, his wife for and in consideration of the sum of One Dollar(\$1.00) in hand paid, the receipt of which is hereby

acknowledged and for other good and valuable considerations, do _____

hereby sell, assign, transfer and set over unto Potash Company of America,

hereinafter called the Assignee, that certain Potash Mining

Lease made and executed by the State of New Mexico, through its

Commissioner of Public Lands as Lessor, unto Homer H. Harris

as Lessee, bearing the date of April 24, 1939 ~~xxxxx~~
together with amendments dated Feb. 6, 1940 & May 27, 1949, being
designated as Potash mining lease No. M-873 ~~xxxxxxxxxxxxxxxxxxxx~~
and embracing the lands more particularly
described as follows:

<u>Subdivision</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rge.</u>	<u>Acres</u>
All of	23	19S	29E	640
All of	24	19S	29E	640
All of	25	19S	29E	640
All of	26	19S	29E	640
N 1/2	36	19S	29E	320
NW 1/4 NW 1/4	25	19S	30E	40
All of	32	19S	30E	640
S 1/2	36	19S	29E	320
All of	2	20S	29E	643.76
All of	16	20S	30E	640
All of	17	20S	30E	640
All of	18	20S	30E	636.88
All of	19	20S	30E	637.84
NW 1/4 NW 1/4	20	20S	30E	40
NE 1/4 SW 1/4	20	20S	30E	40
S 1/2 SW 1/4	20	20S	30E	80
All of	36	20S	28E	640
All of	32	19S	31E	640
All of	36	19S	30E	640
N 1/2, W 1/2 SW 1/4, E 1/2 SE 1/4	2	20S	30E	480.72

containing 9,639.20 acres, more or less.

<u>Subdivision</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rge.</u>	<u>Acres</u>
All	16	22S	29E	640.00
All	2	22S	28E	641.02
All	16	22S	28E	640.00
All	36	22S	28E	640.00
N 1/2, SE 1/4	2	23S	28E	518.14

containing 3,079.16 acres, more or less.

RECEIVED
STATE LAND
9-22-54
OFFICE

AMENDMENT TO
POTASH MINING LEASE NO. M-873

THIS AGREEMENT made and entered into in duplicate this 19th day of March, 1954, by and between the State of New Mexico, through its Commissioner of Public Lands, E. S. Walker, referred to herein as the lessor, and Potash Company of America, referred to herein as the lessee, witnesseth:

WHEREAS, lessee is the holder of Potash Mining Lease No. M-873, as amended, issued to Homer E. Harris on April 24, 1939, and assigned by him to lessee, and

WHEREAS, lessee must project its mining plans many years into the future and must take steps either to concentrate its activities on lands held under lease from the State of New Mexico or on lands held under lease from the Government of the United States, and

WHEREAS, it is in the best interests of the State of New Mexico for lessee to remove ore from state lands incorporated in its operations as expeditiously as possible in order to take advantage of current favorable market conditions, and

WHEREAS, it is understood that the operations of lessee are jointly conducted on state, federal and private lands and haulageways and airways must be maintained until the mine is fully depleted, and

WHEREAS, for the purpose of effectuating the greatest eventual extraction of ore and minerals from the premises leased from the State of New Mexico, it has been determined that a change in lease conditions is advisable in the interest of conservation and to take advantage of improved operating procedure, through use of new mining equipment, methods and developments.

NOW, THEREFORE, it is mutually understood and agreed by and between the parties hereto that, in consideration of the conditions hereinafter set out, said Potash Mining Lease No. M-873, as amended, is hereby

further amended as follows:

- (a) Lessee, commencing with the current lease year which began April 24, 1953, agrees to enter upon and mine continuously from the state lands contiguous to its present mining operations with a view to removing all mineable ore as expeditiously as possible, but in no event to take less than 200,000 tons annually from such lands until the mineable ore is completely exhausted, royalty on such ore to be at the rate prescribed in said lease.
- (b) The term "mineable ore" as used herein is construed to mean the ore which, following standard mining practices, can be secured without endangering the safety or mineability of the balance of the mine workings and does not include the removal of pillars which is referred to below.
- (c) In consideration of the fact that all mineable ore is removed without cessation, the lease conditions will hereafter provide that lessee will be permitted to hold the lands under the lease upon payment of the annual rental provided for so that haulageways and airways will be available; further, than whenever it is practicable so to do, and lessee removes ore from any of the protective pillars, the ore so removed shall bear the standard rate of royalty provided for in the lease, and such royalty shall be in addition to the rentals therein provided.
- (d) The term for which lessee may hold the lands as provided in (c) above shall be limited to the number of years which is the quotient obtained by dividing the actual tons of ore mined after April 24, 1953 by 200,000 tons, unless future developments make it advisable to extend this period to permit removal of pillars; in the latter eventuality, conditions

of further operation shall be mutually agreed upon by the parties hereto, and any necessary modifications shall be incorporated in the lease.

The modifications herein contained shall in no manner affect other lease terms with respect to rentals to be paid, or reports to be rendered, or any terms and conditions, other than annual tonnage requirements, contained in said lease.

In witness whereof the parties hereto have caused this instrument to be executed this 19th day of March, 1954.

STATE OF NEW MEXICO, LESSOR

By *E. Suwalki*
Commissioner of Public Lands

POTASH COMPANY OF AMERICA, LESSEE

By *R. J. Davis*
Vice-President

ATTEST:

[Signature]
Assistant Secretary

AMENDMENT TO STATE OF NEW MEXICO
POTASH MINING LEASE NO. M-873

It is agreed by the parties hereto that in order to make possible the likelihood of greatest eventual extraction of ore and minerals from the leased premises and for other valuable considerations, Paragraph (d) of Section 2 of Potash Mining Lease No. M-873, dated April 24, 1939 issued to Homer H. Harris and assigned by him on August 7, 1952 to Potash Company of America is hereby amended to read as follows:

"(d) (1) To pay to the Lessor a royalty of five per cent of the value of the minerals produced hereunder, such royalty to be computed upon the value of said minerals delivered at the nearest or most accessible railroad shipping point; all such royalty provided for herein expressly reserved to the Lessor as provided by statute."

(2) Commencing with the lease year beginning on April 24, 1952, the lessee, or his or its operating assigns, shall mine and pay the prescribed royalty on a minimum of one hundred fifty thousand (150,000) tons of ore annually as a requisite of compliance with the lease provisions.

(3) If, in the interest of conservation and improved operating procedure, lessee should find it advisable or desirable to increase its production of ore from lands held under this lease to a tonnage in excess of 150,000 tons annually, lessee shall thereupon, for each year such excess occurs, be credited with forward validation of and conformity with the production requirements of this lease for the number of years, which is the ~~pro-~~ *guaranteed* ~~duct~~ obtained by dividing the actual tons of ore production by 150,000.

(4) As long as a credit of years exists with reference to production, as provided for in sub-paragraph (3) above, lessee may thereupon in any year produce less than the required minimum of 150,000 tons ore annually or may abstain from production entirely if found necessary or desirable and such reduced production shall not be considered a violation of the production requirements of this lease; provided, however, that whenever such credit of years has been offset all terms and conditions of the lease with respect to production shall again become fully operative.

not to exceed one year

(5) The modifications incorporated in sub-paragraphs (3) and (4) above shall in no manner affect other portions of the lease terms with respect to rentals to be paid or reports to be rendered.

(6) The modifications of production procedure set forth in sub-paragraphs (d) (3), (4) and (5) shall be effective for all years commencing with April 24, 1953.

All other terms and conditions of the lease shall remain unchanged.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed as of the 4th day of February, 1954.

STATE OF NEW MEXICO, Lessor

By _____
Commissioner of Public Lands

POTASH COMPANY OF AMERICA, Lessee

By _____
Vice President

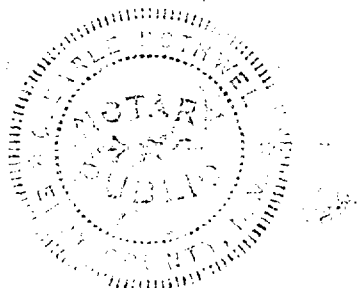
STATE OF NEW MEXICO)
COUNTY OF EDDY) ss

On this 4th day of February, 1954, before me personally appeared F. O. Davis, to me personally known, who, being by me duly sworn, did say that he is the Vice President of Potash Company of America, and that the seal affixed to said 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 the said F. O. Davis acknowledged 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 first above written.

My commission expires February 24, 1956.

Charles H. Davis
Notary Public



The following is a brief outline of the prior oil and gas leases, which contained the land as described in the Caption hereof, merely showing that they were issued and why they are no longer active:

SE $\frac{1}{4}$, Section 17, T. 20 S. - R. 30 E.

271 was issued to Fred S. Brown, Roy, New Mexico, April 28, 1919.

Assigned to No. 1.

271-1 was assigned to Northeastern New Mexico Oil Company, no address shown. Assigned to No. 18.

271-18 was assigned to Frank Thompson, no address shown. Notice of payment due was sent March 31, 1921. Assignment was cancelled September 7, 1921, for non-payment of rentals.

821 was issued to C.L. Tallmadge, Jr., Trustee, Socorro, New Mexico, June 18, 1923. Assigned to No. 2.

821-2 was assigned to R.M. Calkins, Railway Exchange Building, Chicago, Illinois. Notice of payment due was sent May 20, 1924. Assignment was cancelled July 21, 1924, for non-payment of rentals.

1039 was issued to Edgar B. Gardner, Santa Fe, New Mexico, July 21, 1924. Assigned to No. 1, as to the NW $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 17, and assigned to No. 4, as to the NE $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 17, T. 20 S. - R. 30 E., N.M.P.M.

1039-1 was assigned to Harlan E. Smith, 900 Sun Building, Los Angeles, California. Notice of payment due was sent June 26, 1925. Assignment was cancelled August 22, 1925, for non-payment of rentals, as to the NW $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 17, T. 20 S. - R. 30 E., N.M.P.M.

1039-4 was assigned to W.E. Ross and C.P. Pardue, Lovington, New Mexico. Assigned to No. 8.

1039-8 was assigned to Marland Oil Company of Colorado, Denver, Colorado. Relinquished September 25, 1928, by release signed Marland Oil Company, by J.R. McGinley, Vice-President, and attested by J.W. Frazier, Assistant Secretary, September 14, 1928, before a Notary Public.

A-88 was issued to Mary Ryan, Santa Fe, New Mexico, September 28, 1926, as to the NW $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 17, T. 20 S. - R. 30 E., N.M.P.M. Assigned to No. 2.

A-88-2 was assigned to Marland Oil Company, 1020 Patterson Building, Denver, Colorado. Relinquished September 25, 1928, by release signed Marland Oil Company, by J.R. McGinley, Vice-President, and attested by J.W. Frazier, Assistant Secretary, September 14, 1928, before a Notary Public.

A-1144 was issued to Marland Production Company, Ponca City, Oklahoma, September 28, 1928. Assigned to No. 1.

A-1144-1 was assigned to Continental Oil Company, Ponca City, Oklahoma. Relinquished September 19, 1932, by release signed Continental Oil Company, by W.W. Bruce, Vice-President and attested by A.C. Frazier, Assistant Secretary, September 12, 1932, before a Notary Public.

OFFICE OF THE COMMISSIONER OF PUBLIC LANDS

Santa Fe, New Mexico

CERTIFICATE OF POSTING NOTICE OF SALE

OIL AND GAS LEASES

I, Frank Vesely, Commissioner of Public Lands of the State of New Mexico, do hereby certify that a Notice of Sale of Oil and Gas Leases, a true copy of which notice is attached hereto, was duly posted in a conspicuous place in the State Land Office on the 27th day of December 1933, and that said Notice as posted remained posted continuously from said date until January 10, 1934.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on this the 11th day of January 1934.

(SEAL)

(Signed) Frank Vesely
Frank Vesely
Commissioner of Public Lands

OFFICE OF THE COMMISSIONER OF PUBLIC LANDS

SANTA FE, NEW MEXICO

NOTICE OF SALE OF OIL AND GAS LEASES

Public notice is hereby given that pursuant to the provisions of an Act of the Legislature of New Mexico approved March 10, 1931, and the rules and regulations of the State Land Office, the Commissioner of Public Lands will hold a sale of oil and gas leases at his office in the Capitol Building, Santa Fe, New Mexico at 2 P. M. on the date hereinafter specified, of the tracts of land hereinafter described, such sale to be held and conducted in accordance with the following terms and conditions:

The Commissioner of Public Lands will receive at his office up to 2 P. M. on the date of sale sealed bids for oil and gas lease upon the tracts of state land hereinafter described.

As provided by the statute, the minimum first year's rental on any lease will be \$100.00 and no bid will be accepted for any tract for less than the above minimum, nor for less than the minimum specified for such tract. Bidders must submit application in due form and the amount of bonus or first year's rental offered together with the required application fee. Payment may be made by cash, money order, bank draft or certified exchange.

No bid will be considered for less than the whole of any tract as hereinafter designated. Separate bid must be made for each tract, accompanied by separate remittance for each bid. Bids must be plainly marked "Sealed Bid" on the outside of the envelope and show date to be opened. Bids may be submitted by mail or otherwise. All bids submitted will be opened at 2 P. M. on said date and lease awarded to the highest bidder, if the offer made is deemed satisfactory. Each of said tracts on which no sealed bid is received will then be offered at public auction to the highest bidder for cash. The successful bidder in each case will be required to deposit forthwith the amount of his bid and to file application in due form before the close of business on said date. If no sealed or other bid shall be received for any tract offered, such tract will be subject to lease upon application filed therefor within ten days from date of sale, at not less than the minimum amount specified herein.

All applications received pursuant hereto will be deemed to have been filed simultaneously. Lease in all cases will be made on lease form No. 44. Form of application and lease will be furnished upon request.

THE COMMISSIONER RESERVES THE RIGHT TO REJECT ANY AND ALL BIDS.

FRANK VESELY,

Commissioner of Public Lands

THE FOLLOWING TRACTS WILL BE OFFERED PURSUANT TO THE ABOVE NOTICE AT

2:00 P. M., JANUARY 10TH, 1934

TRACT NO. 1	Section	Township	Range	Acres		Section	Township	Range	Acres
NW $\frac{1}{4}$ NE $\frac{1}{4}$	16	9S	35E	40.00	SE $\frac{1}{4}$	17	13S	36E	160.00
S $\frac{1}{2}$ SW $\frac{1}{4}$	27	9S	35E	80.00	W $\frac{1}{2}$ SW $\frac{1}{4}$	3	14S	34E	80.00
NW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$	36	9S	37E	80.00	SW $\frac{1}{4}$ NW $\frac{1}{4}$	9	14S	34E	40.00
N $\frac{1}{2}$ NE $\frac{1}{4}$	11	10S	34E	80.00	W $\frac{1}{2}$ NW $\frac{1}{4}$	10	14S	34E	80.00
SW $\frac{1}{4}$	9	10S	35E	160.00	W $\frac{1}{2}$ W $\frac{1}{4}$	14	14S	34E	160.00
NW $\frac{1}{4}$	32	10S	35E	160.00	N $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$	17	14S	34E	120.00
NE $\frac{1}{4}$ SE $\frac{1}{4}$	36	10S	36E	40.00	NE $\frac{1}{4}$	20	14S	34E	160.00
N $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$	1	10S	37E	120.00	SE $\frac{1}{4}$	26	14S	34E	160.00
NW $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$	2	10S	37E	80.00	NE $\frac{1}{4}$	33	14S	34E	160.00
SE $\frac{1}{4}$	6	10S	37E	160.00	SE $\frac{1}{4}$	30	14S	37E	160.00
Total Acreage 1000.00					N $\frac{1}{2}$ SW $\frac{1}{4}$	16	14S	38E	80.00
Minimum Rental 10¢ per acre					NE $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$	16	15S	36E	80.00
Filing Fee \$5.00					N $\frac{1}{2}$ SE $\frac{1}{4}$	36	15S	36E	80.00
					N $\frac{1}{2}$ NW $\frac{1}{4}$	16	15S	37E	80.00
					N $\frac{1}{2}$ NW $\frac{1}{4}$	33	12S	37E	80.00
					E $\frac{1}{2}$ NW $\frac{1}{4}$	36	12S	37E	80.00
					Total Acreage 3800.00				
					Minimum Rental 25¢ per acre				
					Filing Fee \$5.00				
TRACT NO. 2									
W $\frac{1}{2}$ W $\frac{1}{4}$	1	16S	32E	160.00	TRACT NO. 5				
S $\frac{1}{2}$ SW $\frac{1}{4}$	2	16S	32E	80.00	NW $\frac{1}{4}$	26	11S	34E	160.00
N $\frac{1}{2}$ NE $\frac{1}{4}$	7	16S	32E	80.00	SE $\frac{1}{4}$	10	12S	34E	160.00
E $\frac{1}{2}$ NE $\frac{1}{4}$	11	16S	32E	80.00	E $\frac{1}{2}$ NW $\frac{1}{4}$	24	12S	34E	80.00
S $\frac{1}{2}$ SE $\frac{1}{4}$	14	16S	32E	80.00	W $\frac{1}{2}$ SE $\frac{1}{4}$	15	12S	35E	80.00
N $\frac{1}{2}$ NE $\frac{1}{4}$	16	16S	32E	80.00	N $\frac{1}{2}$ SW $\frac{1}{4}$	7	12S	36E	79.17
E $\frac{1}{2}$ SE $\frac{1}{4}$	20	16S	32E	80.00	SE $\frac{1}{4}$	2	12S	37E	160.00
W $\frac{1}{2}$ NW $\frac{1}{4}$	22	16S	32E	80.00	NE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$,				
S $\frac{1}{2}$ NE $\frac{1}{4}$	26	16S	32E	80.00	NW $\frac{1}{4}$ SW $\frac{1}{4}$	16	12S	37E	160.00
N $\frac{1}{2}$ SW $\frac{1}{4}$	29	16S	32E	80.00	NW $\frac{1}{4}$	19	12S	38E	160.00
N $\frac{1}{2}$ NE $\frac{1}{4}$	32	16S	32E	80.00	W $\frac{1}{2}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$,				
NE $\frac{1}{4}$ NE $\frac{1}{4}$	35	16S	32E	40.00	SE $\frac{1}{4}$ NE $\frac{1}{4}$	13	13S	34E	160.00
Total Acreage 1000.00					S $\frac{1}{2}$ SW $\frac{1}{4}$	16	13S	34E	80.00
Minimum Rental 10¢ per acre					N $\frac{1}{2}$ N $\frac{1}{2}$	35	13S	34E	160.00
Filing Fee \$5.00					SE $\frac{1}{4}$	2	13S	35E	160.00
					NE $\frac{1}{4}$	4	13S	35E	159.82
					SW $\frac{1}{4}$	15	13S	35E	160.00
					SE $\frac{1}{4}$	23	13S	35E	160.00
					SE $\frac{1}{4}$	5	13S	36E	160.00
					E $\frac{1}{2}$ NE $\frac{1}{4}$	26	13S	36E	80.00
					S $\frac{1}{2}$ SW $\frac{1}{4}$	29	13S	36E	80.00
					N $\frac{1}{2}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$	12	14S	34E	160.00
					SE $\frac{1}{4}$	29	14S	36E	160.00
					SE $\frac{1}{4}$	18	14S	36E	160.00
					NE $\frac{1}{4}$	4	14S	38E	164.39
					NW $\frac{1}{4}$	15	14S	38E	160.00
					N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$	32	14S	38E	120.00
					S $\frac{1}{2}$ NW $\frac{1}{4}$	17	15S	34E	80.00
					NW $\frac{1}{4}$	36	15S	34E	160.00
					SE $\frac{1}{4}$	1	15S	35E	160.00
					NE $\frac{1}{4}$	10	15S	35E	160.00
					NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$	11	15S	35E	240.00
					S $\frac{1}{2}$ SW $\frac{1}{4}$	36	15S	35E	80.00
					E $\frac{1}{2}$ SE $\frac{1}{4}$	12	15S	36E	80.00
					W $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$	27	15S	36E	120.00
					NE $\frac{1}{4}$	17	12S	36E	160.00
					SW $\frac{1}{4}$	6	14S	36E	161.22
					S $\frac{1}{2}$ NW $\frac{1}{4}$	18	15S	36E	79.83
					N $\frac{1}{2}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$	2	20S	31E	155.66
					Total Acreage 4960.19				
					Minimum Rental 25¢ per acre				
					Filing Fee \$5.00				
TRACT NO. 4									
SE $\frac{1}{4}$	7	11S	35E	160.00					
SE $\frac{1}{4}$	11	11S	35E	160.00					
NE $\frac{1}{4}$	24	11S	35E	160.00					
E $\frac{1}{2}$ SE $\frac{1}{4}$	23	11S	36E	80.00					
S $\frac{1}{2}$ NE $\frac{1}{4}$	26	11S	36E	80.00					
N $\frac{1}{2}$	32	11S	36E	320.00					
NW $\frac{1}{4}$	36	11S	36E	160.00					
SE $\frac{1}{4}$	1	12S	35E	160.00					
SW $\frac{1}{4}$	23	12S	35E	160.00					
SE $\frac{1}{4}$	3	13S	34E	160.00					
SE $\frac{1}{4}$	29	13S	34E	160.00					
E $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$	16	13S	35E	120.00					
NE $\frac{1}{4}$	35	13S	35E	160.00					

(Over)

	Section	Township	Range	Acres
TRACT NO. 6				
SW $\frac{1}{4}$	32	17S	31E	160.00
E $\frac{1}{2}$ SE $\frac{1}{4}$	6	18S	31E	80.00
Total Acreage 240.00				
Minimum Rental 25¢ per acre				
Filing Fee \$5.00				

TRACT NO. 7				
SE $\frac{1}{4}$	32	17S	31E	160.00
W $\frac{1}{2}$ SE $\frac{1}{4}$	6	18S	31E	80.00
Total Acreage 240.00				
Minimum Rental 25¢ per acre				
Filing Fee \$5.00				

TRACT NO. 8				
N $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$	36	17S	30E	360.00
NE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$	32	17S	31E	160.00
S $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$	16	18S	31E	360.00
Total Acreage 880.00				
Minimum Rental 25¢ per acre				
Filing Fee \$5.00				

TRACT NO. 9				
S $\frac{1}{2}$ SE $\frac{1}{4}$	12	19S	29E	80.00
SW $\frac{1}{4}$ SE $\frac{1}{4}$	13	19S	29E	40.00
SE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ NW $\frac{1}{4}$	14	19S	29E	280.00
Total Acreage 400.00				
Minimum Rental 25¢ per acre				
Filing Fee \$5.00				

TRACT NO. 10				
W $\frac{1}{2}$ W $\frac{1}{2}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$	32	20S	28E	200.00
S $\frac{1}{2}$ SE $\frac{1}{4}$	28	20S	28E	160.00
E $\frac{1}{2}$ E $\frac{1}{2}$, W $\frac{1}{2}$	36	20S	28E	480.00
Total Acreage 840.00				
Minimum Rental 25¢ per acre				
Filing Fee \$5.00				

TRACT NO. 11				
S $\frac{1}{2}$ SE $\frac{1}{4}$	2	20S	32E	80.00
SE $\frac{1}{4}$	12	20S	32E	160.00
NW $\frac{1}{4}$	13	20S	32E	160.00
E $\frac{1}{2}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$	36	20S	32E	160.00
Total Acreage 560.00				
Minimum Rental 25¢ per acre				
Filing Fee \$5.00				

TRACT NO. 12				
E $\frac{1}{2}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$	16	20S	30E	440.00
S $\frac{1}{2}$, S $\frac{1}{2}$ N $\frac{1}{2}$	17	20S	30E	480.00
SE $\frac{1}{4}$	18	20S	30E	160.00
N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$	19	20S	30E	240.00
NW $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$	20	20S	30E	120.00
W $\frac{1}{2}$ NW $\frac{1}{4}$	29	20S	30E	80.00
NE $\frac{1}{4}$	30	20S	30E	160.00
Total Acreage 1680.00				
Minimum Rental 25¢ per acre				
Filing Fee \$5.00				

TRACT NO. 13				
NW $\frac{1}{4}$ NW $\frac{1}{4}$	13	17S	35E	40.00
E $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$	36	18S	35E	120.00
SW $\frac{1}{4}$	13	18S	36E	160.00
S $\frac{1}{2}$ NE $\frac{1}{4}$	32	19S	33E	80.00
NW $\frac{1}{4}$, (Lots 11, 12, 13, 14)	2	21S	34E	160.00
NE $\frac{1}{4}$	16	21S	35E	160.00
NE $\frac{1}{4}$	21	21S	35E	160.00
NE $\frac{1}{4}$	23	17S	35E	160.00
Total Acreage 1040.00				
Minimum Rental 50¢ per acre				
Filing Fee \$5.00				

TRACT NO. 14				
SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$	20	17S	35E	360.00
Total Acreage 360.00				
Minimum Rental 50¢ per acre				
Filing Fee \$5.00				

	Section	Township	Range	Acres
TRACT NO. 15				
NW $\frac{1}{4}$	3	17S	35E	160.45
Lot 7	6	17S	35E	37.49
NW $\frac{1}{4}$ NW $\frac{1}{4}$	14	17S	35E	40.00
Total Acreage 237.94				
Minimum Rental 50¢ per acre				
Filing Fee \$5.00				

TRACT NO. 16				
S $\frac{1}{2}$ SE $\frac{1}{4}$	17	17S	36E	80.00
NE $\frac{1}{4}$	18	17S	36E	160.00
NW $\frac{1}{4}$	30	17S	36E	154.88
Total Acreage 394.88				
Minimum Rental 50¢ per acre				
Filing Fee \$5.00				

TRACT NO. 17				
SE $\frac{1}{4}$ NE $\frac{1}{4}$, Lot 4	2	20S	33E	79.74
Lots 3 and 4	4	20S	33E	80.92
W $\frac{1}{2}$ SE $\frac{1}{4}$	16	20S	33E	80.00
Total Acreage 240.66				
Minimum Rental 50¢ per acre				
Filing Fee \$5.00				

TRACT NO. 18				
W $\frac{1}{2}$ NW $\frac{1}{4}$	36	20S	34E	80.00
NE $\frac{1}{4}$ SE $\frac{1}{4}$	32	20S	35E	40.00
W $\frac{1}{2}$ NW $\frac{1}{4}$	18	20S	36E	78.75
S $\frac{1}{2}$ SE $\frac{1}{4}$	19	20S	36E	80.00
Total Acreage 278.75				
Minimum Rental 50¢ per acre				
Filing Fee \$5.00				

TRACT NO. 19				
N $\frac{1}{2}$ SE $\frac{1}{4}$	1	21S	33E	80.00
SE $\frac{1}{4}$	3	21S	33E	160.00
Lots 1 and 2	5	21S	33E	78.08
Total Acreage 318.08				
Minimum Rental 50¢ per acre				
Filing Fee \$5.00				

TRACT NO. 20				
Lots 1, 2, SE $\frac{1}{4}$	2	21S	34E	235.33
W $\frac{1}{2}$ NW $\frac{1}{4}$	3	21S	34E	80.00
Total Acreage 315.33				
Minimum Rental 50¢ per acre				
Filing Fee \$5.00				

TRACT NO. 21				
NW $\frac{1}{4}$	19	21S	35E	151.60
N $\frac{1}{2}$ SW $\frac{1}{4}$	20	21S	35E	80.00
W $\frac{1}{2}$ NW $\frac{1}{4}$	36	21S	35E	80.00
Total Acreage 311.60				
Minimum Rental 50¢ per acre				
Filing Fee \$5.00				

TRACT NO. 22				
Lot 4	4	21S	35E	37.65
Lot 5	4	21S	35E	40.00
Lots 1 and 8	5	21S	35E	77.65
NE $\frac{1}{4}$	18	21S	35E	160.00
Total Acreage 315.30				
Minimum Rental 50¢ per acre				
Filing Fee \$5.00				

TRACT NO. 23				
W $\frac{1}{2}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$	2	17S	37E	160.00
E $\frac{1}{2}$ NW $\frac{1}{4}$	18	17S	37E	80.00
W $\frac{1}{2}$ SW $\frac{1}{4}$	16	17S	38E	80.00
Total Acreage 320.00				
Minimum Rental 50¢ per acre				
Filing Fee \$5.00				

TRACT NO. 24				
NW $\frac{1}{4}$ SE $\frac{1}{4}$	2	20S	38E	40.00
N $\frac{1}{2}$ SE $\frac{1}{4}$	32	20S	38E	80.00
SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$	36	20S	38E	80.00
W $\frac{1}{2}$ SW $\frac{1}{4}$	32	22S	38E	80.00
NE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$	2	26S	36E	80.00
S $\frac{1}{2}$ NW $\frac{1}{4}$	2	26S	37E	80.00
Total Acreage 440.00				
Minimum Rental 50¢ per acre				
Filing Fee \$5.00				

TRACT NO. 25				
NW $\frac{1}{4}$ NE $\frac{1}{4}$	14	14S	34E	40.00
NW $\frac{1}{4}$ SW $\frac{1}{4}$	9	14S	34E	40.00
SE $\frac{1}{4}$ SW $\frac{1}{4}$	3	14S	34E	40.00
NW $\frac{1}{4}$ NE $\frac{1}{4}$	13	14S	34E	40.00
Lot 3 or NE $\frac{1}{4}$ NW $\frac{1}{4}$	4	14S	34E	40.47
SW $\frac{1}{4}$ SW $\frac{1}{4}$	8	15S	34E	40.00
Lot 4	2	16S	31E	38.63
SE $\frac{1}{4}$ NW $\frac{1}{4}$	36	19S	30E	40.00
NE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$	36	18S	31E	120.00
NE $\frac{1}{4}$ NE $\frac{1}{4}$	16	18S	31E	40.00
W $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$	36	19S	31E	120.00
Total Acreage 599.15				
Minimum Rental 25¢ per acre				
Filing Fee \$5.00				

STATE OF NEW MEXICO by Frank Vesely, Commissioner of Public Lands

awarded to

Stanolind Oil and Gas Company, P.O.Box 591, Tulsa, Oklahoma

Oil and Gas Lease B-2386, awarded January 10, 1934, to Stanolind

Oil and Gas Company as the highest and best bidder for Tract

No. 12, at the monthly sale of oil and gas leases held that

date.

The annual rentals on this lease have been paid to January 10,

1939, as evidenced by rental receipts numbered 128851, 145979,

168834, 194580 and 222244.

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APPLICATION FOR OIL AND GAS LEASE
UPON STATE LANDON LEASE FORM 44The Commissioner of Public Lands,
Santa Fe, New Mexico.
Sir:I, Stanolind Oil and Gas Company,Whose postoffice address is Philcade BuildingTulsa, State of Oklahoma
a citizen, or eligible to become a citizen of the United States, over the age of twenty-one years, (or a corporation qualified to do business in New Mexico), hereby make S application for an oil and gas lease for the exploration, development and production of oil and natural gas thereon, upon the following described land situate in the count Y ofEddy
State of New Mexico, to-wit:

TRACT NO. 12			
EE, E1/4SW1/4, SW1/4SW1/4	16	20S ✓	30E 440.00
S1/4, S1/4N1/4	17	20S ✓	30E 480.00
SE1/4	18	20S ✓	30E 160.00
N1/4NE1/4, SE1/4NE1/4,			
N1/4SE1/4, SW1/4SE1/4	19	20S ✓	30E 240.00
NW1/4NW1/4, S1/4SW1/4	20	20S ✓	30E 120.00
W1/4NW1/4	29	20S ✓	30E 80.00
NE1/4	30	20S ✓	30E 160.00
Total Acreage 1680.00			
Minimum Rental 25¢ per acre			
Filing Fee \$5.00			

containing 1680.00 acres, more or less, and tender herewith as a bonus and the first year's rental thereon the sum of \$ 3578.40, together with application fee of \$ 5.00

Applicant states the facts concerning oil or natural gas development thereon and in the vicinity thereof are as stated in answer to the following question:

1. Have any commercial well or wells been drilled for oil or natural gas on said land or within three miles thereof?

The small Gettyfield is about three miles away.

2. Are said lands, or any of them, located within the geological structure of any known producing oil or natural gas field?

No.

3. What is the value of said lands for oil and for natural gas leasing purposes?

Purely speculative.

(State the actual value, or if speculative, insert the words "Purely speculative")

I, Theo. N. Espe, Agent,

(Specify applicant, agent, attorney in fact, or officer of corporation)

the above named applicant, do solemnly swear that each and every statement made in this application is true and correct to the best of my knowledge and belief.

Stanolind Oil and Gas Company,

Applicant.

By [Signature]

~~Attorney in Fact~~ of Authorized Agent.

STATE OF New Mexico }
COUNTY OF Santa Fe } ss.

Subscribed and sworn to before me by

Theo. N. Espe, Agent,

(Applicant, agent, attorney in fact, or officer of corporation)

the above named applicant, this 9th day of January, 1934., 193

[Signature]
Notary Public.

My commission expires

October 30, 1934

OIL AND GAS LEASE

THIS AGREEMENT, dated this the 10th day of January, A. D. 1934, 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 Stanolind Oil and Gas Company,
Philcade-Building, Tulsa, Oklahoma, P.O. Box 591
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 Three Thousand, Five Hundred Seventy-eight and 40/100ths - - - - - (\$ 3,578.40 --) Dollars, the same being the amount of the tender above mentioned, paid in cash, and evidenced by official receipt No. 128851,

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

	Line	Institution	Sec.	Twp.	Range	SUBDIVISION				Acres
						Column 1	Column 2	Column 3	Column 4	
✓	1	C. S.	16	20S	30E	NE $\frac{1}{4}$ NE $\frac{1}{4}$	NW $\frac{1}{4}$ NE $\frac{1}{4}$	SW $\frac{1}{4}$ NE $\frac{1}{4}$	SE $\frac{1}{4}$ NE $\frac{1}{4}$	160.00
✓	2	" "	"	"	"	NE $\frac{1}{4}$ SW $\frac{1}{4}$		SW $\frac{1}{4}$ SW $\frac{1}{4}$	SE $\frac{1}{4}$ SW $\frac{1}{4}$	120.00
✓	3	" "	"	"	"	NE $\frac{1}{4}$ SE $\frac{1}{4}$	NW $\frac{1}{4}$ SE $\frac{1}{4}$	SW $\frac{1}{4}$ SE $\frac{1}{4}$	SE $\frac{1}{4}$ SE $\frac{1}{4}$	160.00
✓	4	Lieu	17	20S	30E			SW $\frac{1}{4}$ NE $\frac{1}{4}$	SE $\frac{1}{4}$ NE $\frac{1}{4}$	80.00
✓	5	"	"	"	"			SW $\frac{1}{4}$ NW $\frac{1}{4}$	SE $\frac{1}{4}$ NW $\frac{1}{4}$	80.00
✓	6	"	"	"	"	NE $\frac{1}{4}$ SW $\frac{1}{4}$	NW $\frac{1}{4}$ SW $\frac{1}{4}$	SW $\frac{1}{4}$ SW $\frac{1}{4}$	SE $\frac{1}{4}$ SW $\frac{1}{4}$	160.00
✓	7	"	"	"	"	NE $\frac{1}{4}$ SE $\frac{1}{4}$	NW $\frac{1}{4}$ SE $\frac{1}{4}$	SW $\frac{1}{4}$ SE $\frac{1}{4}$	SE $\frac{1}{4}$ SE $\frac{1}{4}$	160.00
✓	8	Lieu	18	20S	30E	NE $\frac{1}{4}$ SE $\frac{1}{4}$	NW $\frac{1}{4}$ SE $\frac{1}{4}$	SW $\frac{1}{4}$ SE $\frac{1}{4}$	SE $\frac{1}{4}$ SE $\frac{1}{4}$	160.00
✓	9	Lieu	19	20S	30E	NE $\frac{1}{4}$ NE $\frac{1}{4}$	NW $\frac{1}{4}$ NE $\frac{1}{4}$		SE $\frac{1}{4}$ NE $\frac{1}{4}$	120.00
✓	10	"	"	"	"	NE $\frac{1}{4}$ SE $\frac{1}{4}$	NW $\frac{1}{4}$ SE $\frac{1}{4}$	SW $\frac{1}{4}$ SE $\frac{1}{4}$		120.00
✓	11	Lieu	20	20S	30E		NW $\frac{1}{4}$ NW $\frac{1}{4}$			40.00
✓	12	"	"	"	"			SW $\frac{1}{4}$ SW $\frac{1}{4}$	SE $\frac{1}{4}$ SW $\frac{1}{4}$	80.00
✓	13	Lieu	29	20S	30E		NW $\frac{1}{4}$ NW $\frac{1}{4}$	SW $\frac{1}{4}$ NW $\frac{1}{4}$		80.00
✓	14	Lieu	30	20S	30E	NE $\frac{1}{4}$ NE $\frac{1}{4}$	NW $\frac{1}{4}$ NE $\frac{1}{4}$	SW $\frac{1}{4}$ NE $\frac{1}{4}$	SE $\frac{1}{4}$ NE $\frac{1}{4}$	160.00
	15					ALL ASSIGNED				Total-----1,680.00
	16									
	17	X 1285	420.00	Barcl						
	18	X 1286	420.00	"						
	19	X 1287	420.00	"						
	20	X 1288	80.00	"						
	21									
	22									

Said lands having been awarded to lessee and designated as tract No. 12 at a public sale held by the Commissioner of Public Lands on January 10, 1954. (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 the lessee for a primary term of five years 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 of 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 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, the equal of 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 also agrees to submit to the lessor, for each and every royalty payment, a correct statement showing the amount of oil or 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 25 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 in 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 tract, 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. 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 operation 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 pipe-lines 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 covenants 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 post-office 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.

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

BY [Signature]
COMMISSIONER OF PUBLIC LANDS, Lessor.

STANOLIND OIL AND GAS COMPANY

By [Signature] Vice-President
Lessee. (SEAL)

ATTEST:

[Signature]
Secretary

Distributed this the 15th day of March, 1934.

(PERSONAL ACKNOWLEDGMENT)

STATE OF _____ }
COUNTY OF _____ } ss.

On this the _____ day of _____, 19____, personally appeared before me

to me known to be the person who executed the foregoing instrument as Lessee, and acknowledged that he executed the same as _____ free act and deed.

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

My Commission Expires: _____

Notary Public.

(ACKNOWLEDGMENT BY ATTORNEY IN FACT)

STATE OF _____ }
COUNTY OF _____ } ss.

On this the _____ day of _____, 19____, personally appeared before me _____

to me known to be the person who executed the foregoing instrument in behalf of _____

and acknowledged that he executed the same as the free act and deed of said _____

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

My Commission Expires: _____

Notary Public.

(ACKNOWLEDGMENT BY CORPORATION)

STATE OF OKLAHOMA }
COUNTY OF TULSA } ss.

On this the 8th day of March, 1934, personally appeared
E. F. BULLARD

to me personally known, who being by me duly sworn did say that he is the Vice-President
of STANOLIND OIL AND GAS COMPANY

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 _____

E. F. BULLARD

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.

My Commission Expires: _____

[Signature]
Notary Public.

Stanolind Oil and Gas Company, a Delaware corporation

assigned to

Neil H. Wills, P.O. Box 529, Carlsbad, New Mexico

Oil and Gas Lease B-2386 assignment No. 2, as to among other lands
the land described in the Caption hereof.

The annual rentals on this lease have been paid to January 10, 1960,
as evidenced by rental receipts numbered 222244, 252445, 282070,
310863, 337325, 22737, A-47554, A-71455, B-26512, B-51491, B-76746,
B-101731, C-21476, C-47386, C-74029, D-27367, D-54555, D-82076,
D-109072, D-135702, E-29657 and E-59853.

***** * *****

ASSIGNMENT OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS:

Form 44 That Stanolind Oil and Gas Company, a Delaware corporation, of Tulsa, Oklahoma
 From Stanolind Oil and Gas Company
 a corporation,

hereinafter sometimes called "Assignor", party of the first part, for and in consideration of the sum of One Dollar, and other good and valuable consideration paid by Neil H. Wills

whose postoffice address is P. O. Box 529, Carlsbad, New Mexico

hereinafter sometimes called the "Assignee", party of the second part, has sold, transferred, set over and assigned, and by these presents does sell, transfer, set over and assign to the Assignee, his heirs, successors and assigns, all of the assignor's right, title, interest and claim in and to that certain Oil and Gas Lease No. B 2386, made by the State of New Mexico to Stanolind Oil and Gas Company

under date of January 10,

1934

SEE

PLATS

the Assignor herein,

in and to the following described subdivisions of land in said lease described, and insofar as said lease af-

fects such divisions—to wit: $E\frac{1}{2}$ and $E\frac{1}{2}$ of $SW\frac{1}{4}$, and $SW\frac{1}{4}$ of $SW\frac{1}{4}$ of Section 16; $S\frac{1}{2}$ of $N\frac{1}{2}$ and $N\frac{1}{2}$ of $SW\frac{1}{4}$ and $SE\frac{1}{4}$ of Section 17; $SE\frac{1}{4}$ of Section 18; $NW\frac{1}{4}$ of $NE\frac{1}{4}$ and $SE\frac{1}{4}$ of $NE\frac{1}{4}$ and $N\frac{1}{2}$ of $SE\frac{1}{4}$ and $SW\frac{1}{4}$ of $SE\frac{1}{4}$ of Section 19; $S\frac{1}{2}$ of $SW\frac{1}{4}$ of Section 20; $W\frac{1}{2}$ of $NW\frac{1}{4}$ of Section 29; $NE\frac{1}{4}$ of Section 30; All in Twp. 20 South, Rge. 30 East, Eddy County, New Mexico.

PAID FOR	RECEIPT	RECEIPT
X 1938 \$380.00	DEC 31 '32	No. 227237
X 1939 \$380.00	DEC 31 '33	No. A-47554
X 1940 \$380.00	JAN 3 '34	No. A-71455
X 1941 \$380.00	JAN 10 1940	No. B-26512
X 1942 \$380.00	JAN 14 1941	No. B-51491
1947 \$380.00		

PAID FOR	RECEIPT No.
1938 \$ Paid	222944
X 1939 \$380.00	" 252445
X 1940 \$380.00	" 287070
X 1941 \$380.00	" 310863
X 1942 \$380.00	JAN 2 '42 " 337325

The Assignee assumes and agrees to perform all obligations to the State of New Mexico insofar as said described lands are affected, and to pay such rentals and royalties, and to do such other acts as are by said lease required as to the above described subdivisions, to the same extent and in the same manner as if the provisions of said lease were fully set out herein.

It is agreed that the Assignee shall succeed to all the rights, benefits and privileges granted the Lessee by the terms of said lease, as to the lands above described.

IN WITNESS WHEREOF, the said party of the first part has hereunto caused these presents to be signed and sealed by its proper officers by authority of its Board of Directors this the 9th day of June, 19 38.

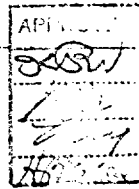
ATTEST:

[Signature]
 Secretary.

By

Stanolind Oil and Gas Company
[Signature]

Vice President.



FEE—\$5.00

237750



No 2

STATE OF ~~NEW MEXICO~~ OKLAHOMA

County of Tulsa

SS.

On this 14th day of July, 19 38, before me personally appeared
_____ to me personally known, who, being by me duly sworn did say that he is the ^{Vice-}President of the
STANOLIND OIL AND GAS COMPANY

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 E. F. Bullard acknowledged 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 on this, the day
and year first above written.

My commission expires May 20, 1940

Elbert W. Cook

Notary Public.

Office of Commissioner of Public Lands,
Santa Fe, New Mexico

I hereby certify that the within assignment was filed in my office on the 19th day
of July, 19 38, and approved by me on AUG 1 1938, 19 .

Frank Woodson

Commissioner of Public Lands.

INSTRUCTIONS AND INFORMATION

1. All assignments must be filed in duplicate in the State Land Office within 100 days from date of issue and accompanied by Cashier's Check, Bank Draft, P. O. or Express Money Order.
2. Recording and approval fees are \$5.00 for each assignment.
3. When assignments are accompanied by personal check, they will be held three weeks for collection of checks.
4. Assignments will not be approved for less than a regular subdivision or for undivided interests. By a regular subdivision is meant forty acres or a tract described by Lot number which may be more or less than 40 acres.
5. Assignments must show complete postoffice address of assignee.
6. Assignments must be executed before an officer authorized to take acknowledgement of deeds. Corporations must use corporate form of acknowledgement.

FORM 6411

NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

NOTICE OF INTENTION TO DRILL

Notice must be given to the Oil Conservation Commission or its proper agent and approval obtained before drilling begins. If changes in the proposed plan are considered advisable, a copy of this notice showing such changes will be returned to the sender. Submit this notice in triplicate. One copy will be returned following approval. See additional instructions in Rules and Regulations of the Commission.

Carlsbad, New Mexico

June 11, 1942

OIL CONSERVATION COMMISSION,
Santa Fe, New Mexico

Gentlemen:

You are hereby notified that it is our intention to commence the drilling of a well to be known as

Well No. Wills State N.M. Well No. 6-1 in SEC 17
County or Operator Barber Field, Eddy County.

N.	The well is <u>1850</u> feet (N) <u>NE</u> of the <u>South</u> line and <u>2310</u> feet
	<u>NE</u> of the <u>East</u> line of <u>Sec 17</u>
	(Give location from section or other legal subdivision lines. Cross out wrong directions.)
	If state land the oil and gas lease is No. <u>B-2386</u> Assignment No. <u>2</u>
	If patented land the owner is _____
	Address _____
	If government land the permittee is _____
	Address _____
	The lessee is _____
	Address _____

LOCAL CEMENT COMPANY We propose to drill well with casing of cement as follows:

10" Schlumberger, company casing

The cost of all land for this well in and out of state shall be 10% of the cost of the well and the cost of the Commission is as follows: \$10,000 blanket bond on file in Santa Fe office.

We propose to use the following strings of casing and to land or cement them as indicated:

Size of Pipe	Size of Casing	Weight Per Foot	New or Second Hand	Depth	Land or Cemented	Notes
10	6 5/8	26	used	450	cemented	80
8	7	22	new	1475	"	"

If changes in the above plan become advisable we will notify you before cementing or landing casing. We estimate that the first productive oil or gas sand should occur at a depth of about 1475 feet.

Additional information: 10" casing may be run to shut off surface sands and cavy material.

JUN 12 1942

Approved _____, 19____
except as follows:

SAVED BY THE OIL CONSERVATION COMMISSION
ON THE BASIS OF THE REQUIREMENTS
OF THE OIL CONSERVATION COMMISSION

OIL CONSERVATION COMMISSION,

Santa Fe, New Mexico

Title _____

Sincerely yours,

Neil H. Wills
Company or Operator

By _____

Position _____

Send communication regarding well to

Name Neil H. WillsAddress Box 529, Carlsbad, N. M.

ILLEGIBLE

13-8
127 117

JUN 22 1938

-DIVISION ORDER-

TO NEIL H. WILLS, Effective May 15, 1938
Carlsbad,
New Mexico

/each for his interest only,
The undersigned/certify that they are the
owners of the oil, including royalty interest, pro-
duced from wells number one and up on the following
described land situated in Eddy County, New Mexico,
to-wit:

State "A" lease B-2386, ~~Assignment 2~~ Assignment 2.
E $\frac{1}{2}$, E $\frac{1}{2}$ SW $\frac{1}{2}$, SW $\frac{1}{2}$ SW $\frac{1}{2}$ Sec. 16: S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$, S $\frac{1}{2}$ SE $\frac{1}{2}$, Sec. 17:
SE $\frac{1}{2}$ Sec. 18: NW $\frac{1}{2}$ NE $\frac{1}{2}$, SE $\frac{1}{2}$ NE $\frac{1}{2}$, N $\frac{1}{2}$ SE $\frac{1}{2}$, SW $\frac{1}{2}$ SE $\frac{1}{2}$ Sec. 19;
S $\frac{1}{2}$ SW $\frac{1}{2}$ Sec. 20: W $\frac{1}{2}$ NW $\frac{1}{2}$ Sec. 29: NE $\frac{1}{2}$ Sec. 30, T. 20 S.,
R. 30 E.

6-10-38 2

Until further notice you are authorized for your own
account to receive such oil into your possession or
the possession of any person or corporation designated
by you, same to be run and measured in accordance
with customary oil field practice and rules and regu-
lations of any governmental authority or commission
having jurisdiction, including adjustments and deduc-
tions, such oil to be credited as follows:

Credit to	Division of Interest	P.O. Address
State of New Mexico	12.50% RI	Santa Fe, New Mex.
Stanolind Oil & Gas Co.	5.46875 RI	Philcade Building Tulsa, Oklahoma
Barber Joint Account	82.03125 WI	Carlsbad, New Mex.
	<u>100.00%</u>	

The oil run hereunder shall on the terms herein
contained, become the property of Neil H. Wills immediately
upon being received by said Neil H. Wills, or his de-
signated agent, and said Neil H. Wills agrees to receive
and pay for such oil to the respective owners according
to division of interest hereinabove set forth, the market
value at the wells as produced for similar crude for the
district where received prevailing on the date of each
respective run, settlements and payments to be made
~~quarterly~~ by check of Neil H. Wills mailed to the res-
pective parties at the address given above.

Each undersigned hereby authorizes and empowers
Neil H. Wills to withhold from the proceeds of any and
all runs made hereunder the amount of any taxes placed
thereon or hereafter placed thereon by the State of New
Mexico, or any political subdivision thereof, or by the
United States or both, and to pay the same in behalf of
each of the undersigned. In the case of the State of
New Mexico all royalty runs are tax free.

Each undersigned hereby warrants and guarantees the title to the oil credited to each undersigned owner according to the division of interest hereinabove indicated, as well as all interest hereafter acquired, and agrees upon demand to furnish abstract or other evidence of title, and in case of any adverse claim of title to such oil, or any part thereof, or to the land from which said oil is produced, to furnish Neil H. Wills satisfactory indemnity bond against such adverse claim or claims, and to authorize Neil H. Wills to retain the purchase price without any obligation to pay interest on the amount so withheld, until such bond shall be furnished or until dispute as to ownership is settled. In the case of the State of New Mexico by virtue of existing laws of the State, this paragraph is waived.

Frank Woodcock

COMMISSIONER OF PUBLIC LANDS

STATE LAND OFFICE

FILE MEMORANDUM

April 9, 1956


Re: LC-029171-C - LC-029096-C - RM STATE B-2366
Assg. No. 1
Assg. No. 2

Following Mr. Wills' letter of March 22, 1956, Mr. Wills and a Mr. Crosby were in the Commissioner's office on the 26th of March. The Commissioner called me in, and Mr. Wills advised that this lease was a 17-year-old lease, being held by production of no-gravity oil which could be used for road oil; that they were having to sell approximately 75% of it at a price of fifty cents less than the field price. They were thinking about closing down production altogether, but I advised them that it was my thought that to do so would automatically terminate the lease because of the "so long as" clause. However, they are producing the other 25% and it is being sold locally at the full market price.

Mr. Wills felt that if they could cut back the production for about six months and deny the purchaser the use of the road oil, he would be willing to pay the full going market price in the area. To do so might cost him money and yet he would be making some money from his 25% sales.

The Commissioner was agreeable that this should be done to force the price up to the normal price, and indicated a willingness to go along.

Mr. Wills is to write us a letter giving full details and advise us what he is doing regarding this, and then we were to give him our final answer.



William O. Jordan
Attorney, Legal Division

WOJ:EM

cc: The Commissioner
Mrs. Crook
Mr. Bilberry

Neil H. Wills and Mary E. Wills, his wife

assigned to

Barber Oil, Inc., a New Mexico Corporation, P.O. Box 529, Carlsbad,
New Mexico

Oil and Gas Lease B-2386 assignment No. 4, as to among other lands the
land described in the Caption hereof.

The annual rentals on this lease have been paid to January 10, 1965, as
evidenced by rental receipts numbered E-59853, F-28185, F-55585,
F-83200, G-9443 and G-35075.

ABSTRACTERS NOTE:

First Production was obtained on the SE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 17, T. 20 S. -
R. 30 E., N.M.P.M., February 23, 1938. First Production was obtained
on the NW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 17, T. 20 S. - R. 30 E., N.M.P.M., July 13, 1942.
(Well on the NW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 17, T. 20 S. - R. 30 E., N.M.P.M., was
Shut-in July 1954.) First Production was obtained on the SW $\frac{1}{4}$ SE $\frac{1}{4}$,
Section 17, T. 20 S. - R. 30 E., N.M.P.M., August 13, 1942.

The Royalty Record Division in the Offices of the Commissioner
of Public Lands of the State of New Mexico, Santa Fe, New Mexico,
indicates that the royalty payments for the wells on the SE $\frac{1}{4}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$,
and the SW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 17, T. 20 S. - R. 30 E., N.M.P.M., have been
paid continuously since February 1938, to December 1963, as evidenced
by report dated March 24, 1964.

***** * *****

ASSIGNMENT OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS:

That NEIL H. WILLS, married
(state whether married or single)

no. 4.

and MARY E. WILLS, his wife
(wife if any)

hereinafter called "Assignors," parties of the first part, for and in consideration of the sum of One Dollar, and other good and valuable consideration paid by BARBER OIL, INC., a New Mexico

Corporation

whose postoffice address is 529, Carlsbad, New Mexico

hereinafter sometimes called the "Assignee," party of the second part, have sold, transferred, set over and assigned, and by these presents do sell, transfer, set over and assign to the Assignee

its heirs, successors and assigns, all of the assignors right, title, interest and claim in and to that certain Oil and Gas Lease No. B 2386, made by the STANDLIND OIL AND GAS COMPANY State of New Mexico to

under date of January 10, 1934

and thereafter assigned to NEIL H. WILLS

one of the Assignors herein, in and to the following described subdivisions of land in said lease described, and insofar as said lease affects such subdivisions—to-wit:

EX 1/21/59
E $\frac{1}{2}$ and E $\frac{1}{2}$ of SW $\frac{1}{4}$, and SW $\frac{1}{4}$ of SW $\frac{1}{4}$ of Section 16; C. S.
S $\frac{1}{2}$ of N $\frac{1}{2}$ and N $\frac{1}{2}$ of SW $\frac{1}{4}$ and SE $\frac{1}{4}$ of Section 17; SE $\frac{1}{4}$ " "
of Section 18; NW $\frac{1}{4}$ of NE $\frac{1}{4}$ and SE $\frac{1}{4}$ of NE $\frac{1}{4}$ and N $\frac{1}{2}$ " "
of SE $\frac{1}{4}$ and SW $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 19; S $\frac{1}{2}$ of SW $\frac{1}{4}$ of " "
Section 20; W $\frac{1}{2}$ of NW $\frac{1}{4}$ of Section 29; NE $\frac{1}{4}$ of Section " "
30; All in Twp. 20 South, Rge. 30 East, Eddy County,
New Mexico.

The Assignee assumes and agrees to perform all obligations to the State of New Mexico insofar as said described lands are affected, and to pay such rentals and royalties, and to do such other acts as are by said lease required as to the above described subdivisions, to the same extent and in the same manner as if the provisions of said lease were fully set out herein.

It is agreed that the Assignee shall succeed to all the rights, benefits and privileges granted the Lessee by the terms of said lease, as to the lands above described.

IN WITNESS WHEREOF, the said parties of the first part have hereunto set their hand, seal and seal on this the 14th day of January, 1959

Neil H. Wills
Mary E. Wills

STATE OF NEW MEXICO
COUNTY OF EDDY

The foregoing instrument was acknowledged before me this 14th day of January, 19 59
by NEIL H. WILLS and MARY E. WILLS, his wife

My commission expires:

Feb 1964

[Signature]
Notary Public

Office of Commissioner of Public Lands,
Santa Fe, New Mexico

I hereby certify that the within assignment was filed in my office on the 19 day
of January, 19 59, and approved by me on JAN 28 1959, 19 59
[Signature]
Commissioner of Public Lands.

INSTRUCTIONS AND INFORMATION

1. An annual rental, at the rate of 2.50 per acre shall 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, upon each acre of land above described and then claimed by such lessee, transferee or assignee, and the same shall be due and payable in advance to the Lessor on the successive anniversary dates of the lease, (not the date this assignment was executed) but the annual rental on any assignment shall in no event be less than Six Dollars (\$6.00).
2. The lease is for a primary term of Five Years from the date of the lease, 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 of the terms and conditions set forth in the lease.

If the lessee shall have failed to make discovery of oil and/or gas in paying quantities during the primary term of the lease, the lessee may continue the 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. But the annual rental on any assignment shall in no event be less than Twelve Dollars (\$12.00) during the secondary term.
3. All Assignments must be filed in triplicate in the State Land Office within 100 days from date of issue and accompanied by Cashier's Check, Bank Draft, P. O. or Express Money Order.
4. **Effective September 1, 1957, recording fee for each assignment is \$10.00.**
5. When assignments are accompanied by personal check, the Commissioner of Public Lands reserves the right to withhold approval of assignment until checks are paid.
6. Assignments will not be approved when assigned to more than two persons, or for less than a regular subdivision or for undivided interests. By a regular subdivision is meant forty acres or a tract described by Lot number which may be more or less than 40 acres.
7. Assignments must show complete postoffice address of assignee.
8. Assignments must be executed before an officer authorized to take acknowledgments of deeds. Corporations must use corporate form of acknowledgment.
9. Assignments must show whether assignors are married or single; if married, both husband and wife must sign the assignment, and certificate of acknowledgment must show marital status of assignors.
10. All official business, letters and communications must be addressed to and sent direct to the Commissioner of Public Lands.
11. Make all payments for annual rental and recording and approval fees, to

COMMISSIONER OF PUBLIC LANDS
SANTA FE, NEW MEXICO

State of New Mexico



Commissioner of Public Lands

E. S. JOHNNY WALKER
COMMISSIONER



P. O. BOX 791
SANTA FE, NEW MEXICO

November 20, 1963

Barber Oil, Inc.
Box 529
Carlsbad, New Mexico

Gentlemen:

There are certain State of New Mexico oil and gas leases which have been extended for some time beyond the ten-year term by production, such leases in some cases extending undeveloped and unexplored acreage.

Under the implied covenants of the statutory lease contract, there is a definite obligation of the lessee to develop and explore all the leased acreage so that the lessor may not be deprived of expected royalty nor the right to make other plans for obtaining development of the acreage.

Your Lease Number B-2386-4 is considered in this category. You will, therefore, be required to further develop this lease.

Very truly yours,

E. S. JOHNNY WALKER
Commissioner of Public Lands

By:
Ted Bilberry, Supervisor
Oil and Gas Division

February 7, 1964

Barber Oil, Incorporated
Box 529
Corisbad, New Mexico

Gentlemen:

This is in reference to our letters to you dated March 23, 1962 and November 20, 1962, pertaining to the development of State of New Mexico Oil and Gas Lease No. D-28285.

We note that we have received no reply concerning your plans in the exploration of this lease, however, due to the problem that you have encountered in obtaining permission to drill, the demand to develop the SE $\frac{1}{4}$ of Section 17, Township 20 South, Range 30 East is hereby withdrawn until further notice by order of the Commissioner of Public Lands.

Very truly yours,

E. S. JOSEPH WALKER
COMMISSIONER OF PUBLIC LANDS

BY:
TED BILBERRY, Director
Oil and Gas Department

E3JW/TB/bd

cc: Mr. Ross L. Malone
Security National Bank Building
Roswell, New Mexico

CERTIFICATE

STATE OF NEW MEXICO }
COUNTY OF SANTA FE } SS

The FEDERAL ABSTRACT COMPANY (No Stockholders' Liability), a corporation duly organized and existing under and by virtue of the laws of the State of New Mexico, and duly bonded, insured and authorized to prepare and certify abstracts of title to lands situated in the State of New Mexico, does hereby certify:

That the foregoing Abstract of Title, consisting of **forty-five** pages, numbered from one to **forty-five** both inclusive and including this Certificate, is a true and correct abstract of all instruments of record and on file in the Offices of the Commissioner of Public Lands of the State of New Mexico since the inception of the records affecting the Oil and Gas Mineral Rights to the lands described in the Caption hereof under the lease **B-2386**.

IN WITNESS WHEREOF, the FEDERAL ABSTRACT COMPANY (No Stockholders' Liability) has caused this Certificate to be signed by its **Secretary**, and its Corporate Seal to be hereunto affixed at Santa Fe, New Mexico on this the **9th** day of **April**, 19**64**, at **8:00 A.M.**

No. 16781

FEDERAL ABSTRACT COMPANY.

Hoover H. Wright
Hoover H. Wright, Secretary

