

BLM DIVISION
RECEIVED

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Hixon Development
COMPANY

June 25, 1990

Mr. Michael E. Stogner
Examiner
Energy, Minerals and Natural Resources Department
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

REFERENCE: Case Number 9887
Order Number R-9140
Bisti Coal 17 Com No. 1
790' FNL and 790' FEL
Section 17, T25N, R12W, NMPM
San Juan County, New Mexico

Dear Mr. Stogner:

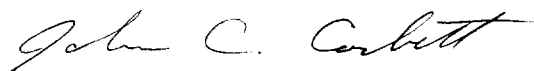
As I stated in our conversation this afternoon, the referenced order pooled the Basin Fruitland Coal rights in the E/2 Sec. 17, T25N, R12W San Juan Co., New Mexico. Hixon Development Co. must now request an extension of the June 30, 1990 spud date established by the order due to permitting delays.

Our Application for Permit to Drill was filed on March 1, 1990 with the Farmington BLM. However, since our location is on Navajo Tribal Trust Surface it must be cleared by both the Navajo Land Administration Office and by the Bureau of Indian Affairs. At this time we are waiting on these clearances.

Thank you in advance for your help in this matter. I can assure you that once our APD is approved we will begin drilling as soon as possible. If I can be of further assistance, please contact me at the letterhead address, or at (505) 326-3325.

Sincerely,

HIXON DEVELOPMENT COMPANY



John C. Corbett
Vice President - Exploration

JCC/bwd

9 DIVISION



**GIANT EXPLORATION &
PRODUCTION COMPANY**

2200 Bloomfield Highway
Post Office Box 2810
Farmington, New Mexico
87499-2810

505 326-3325 FAX 505 327-7987

November 28, 1990

Mr. William J. Lemay
New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504-2088

Subject: Order of the Division Number R-9140
insofar as it applies to
Bisti Coal 17 No. 1 Well
T25N-R12W, N.M.P.M.
790' FNL, 790' FEL
Section 17: E/2
San Juan County, New Mexico

~~Case 90-000~~

Stegner

Dear Mr. Lemay:

Pursuant to Paragraph 13 of the subject Order, Giant Exploration & Production Company, as successor in interest to Hixon Development Company (Giant) has reached a voluntary agreement with Oryx Energy Company, as Managing General Partner for Sun Operating Limited Partnership (Sun).

Enclosed please find a fully executed copy of a Transfer of Operating Rights sent to the United States Department of the Interior - BLM for approval evidencing Giant's purchase of Sun's interest in the lands covered by the subject Order.

If you should have any questions regarding this matter, please do not hesitate to call me at 505-326-3325 or write to me at the letterhead address.

Very truly yours,

Charles Orin Foster
Vice President - Land

COF/plc

Enclosures

CERTIFIED - RETURN RECEIPT REQUESTED
P 337 985 544

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0034
Expires: August 31, 1989

**TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES**

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

Lease Serial No.

SF 078058

Type or print plainly in ink and sign in ink.

PART A: TRANSFER

1. Transferee (Sublessee)*
Street
City, State, ZIP Code

Giant Exploration & Production Company
Post Office Box 2810
Farmington, New Mexico 87499-2810

*If more than one transferee, check here ☐ and list the name(s) and address(es) of all additional transferees on the reverse of this form or on a separate attached sheet of paper.

This transfer is for: (Check one) ☒ Oil and Gas Lease, or ☐ Geothermal Lease

Interest conveyed: (Check one or both, as appropriate) ☒ Operating Rights (sublease) ☐ Overriding Royalty, payment out of production or other similar interests or payments

2. This transfer (sublease) conveys the following interest:

Land Description Additional space on reverse, if needed. Do not submit documents or agreements other than this form; such documents or agreements shall only be referenced herein.	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
a	b	c	d	e	f
Township 25 North, Range 12 West, N.M.P.M. Section 17: N/2N/2, SE/4NE/4, NE/4SE/4 Containing 240.00 acres, more or less San Juan County, New Mexico Only insofar as the subject lands cover the Basin Fruitland Coal formation, as found in the interval between 750' and 1100' in the Hixon Kelley St. No. 1 Section 16-T25N-R12W, SWNE or the stratigraphic equivalent thereof	100.00%	100.00%	None	None	None

FOR BLM USE ONLY—DO NOT WRITE BELOW THIS LINE

THE UNITED STATES OF AMERICA

This transfer is approved solely for administrative purposes. Approval does not warrant that either party to this transfer holds legal or equitable title to this lease.

☐ Transfer approved effective _____

By _____
(Authorized Officer)

(Title)

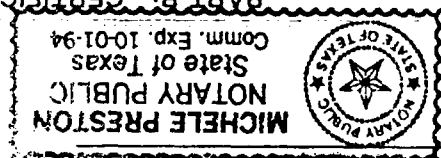
(Date)

State of Texas
()
() SS.
County of Willam

Before me, the undersigned authority, on this 18 day of Sept, 1990, Gilbert A. Smith, Attorney-in-Fact for Oryx Energy Company acting as Managing General Partner for Sun Operating Limited Partnership, who is known to me to be the person who executed the foregoing instrument and who acknowledged to me that he executed the same as his free act and deed on behalf of the corporation for all of the purposes therein stated.

Subscribed and sworn to me this 18 day of Sept, 1990.

My commission expires



PART B: CERTIFICATION AND REQUEST FOR APPROVAL

1. The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.
2. Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of NPL-A leases, transferee is a citizen, national, or resident alien of the United States or associations of such citizens, nationals, resident aliens or private, public or municipal corporations. (b) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located. (c) Transferee's chargeable interests, direct and indirect, in either public domain or acquired lands, do not exceed 200,000 acres in oil and gas options or 346,080 in oil and gas leases in the same State, or 300,000 acres in leases and 200,000 acres in options in each leasing District in Alaska. If this is an oil and gas lease leased in accordance with the Mineral Leasing Act of 1920 or 51,200 acres in any one state if this is a geothermal lease; and (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts. (e) Transferee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Transferee is not in violation of sec. 41 of the Mineral Leasing Act.
3. Transferee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to regulations 43 CFR 3104, 3134, or 3206.

For geothermal transfers, an overriding royalty may not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this transfer is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

To be made effective August 1, 1990.
Executed this 18 day of Sept, 1990
Name of Transferor Sun Operating Limited Partnership by Oryx Energy Company as Managing General Partner
Please type or print

Transferor
or
Attorney-in-fact
(Signature)
(Signature)
Post Office Box 2880
(Transferor's Address)
Dallas, Texas 75221-2880
(City) (State) (Zip Code)

Executed this 5th day of October, 1990
Transferor
or
Attorney-in-fact
(Signature)
(Signature)
Giant Exploration & Production Company
Aldrich L. Kuchera, President and CEO
(Signature)
(Signature)
g.c.c. EHR



GIANT EXPLORATION AND
PRODUCTION COMPANY

P.O. Box 2810
Farmington, New Mexico
87499

505
326-3325

October 18, 1990

United States Department of the Interior
Bureau of Land Management
Post Office Box 1449
Santa Fe, New Mexico 87504-1449

Subject: Transfer of Operating Rights for
Federal Oil and Gas Lease SF 078058
T25N-R12W, N.M.P.M.
Section 17: N/2N/2, SE/4NE/4, NE/4SE/4
Containing 240.00 acres, more or less
San Juan County, New Mexico

Ladies/Gentlemen:

Please file the subject instrument in the records of the Bureau of Land Management. I have enclosed our company check in the amount of \$25.00 to cover the filing fees.

When filed, please return the instrument to me at the letterhead address. If you should have any questions regarding this matter, please do not hesitate to call me at 326-3325.

Very truly yours,

A handwritten signature in black ink, reading "Charles Orin Foster". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Charles Orin Foster
Vice President - Land

COF/plc

Enclosures

CERTIFIED - RETURN RECEIPT REQUESTED
P 337 985 489

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0034
Expires: August 31, 1989

**TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES**

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

Lease Serial No.

SF 078058

Type or print plainly in ink and sign in ink.

PART A: TRANSFER

1. Transferee (Sublessee)* Giant Exploration & Production Company
Street Post Office Box 2810
City, State, ZIP Code Farmington, New Mexico 87499-2810

*If more than one transferee, check here ☐ and list the name(s) and address(es) of all additional transferees on the reverse of this form or on a separate attached sheet of paper.

This transfer is for: (Check one) ☒ Oil and Gas Lease, or ☐ Geothermal Lease

Interest conveyed: (Check one or both, as appropriate) ☒ Operating Rights (sublease) ☐ Overriding Royalty, payment out of production or other similar interests or payments

2. This transfer (sublease) conveys the following interest:

Land Description Additional space on reverse, if needed. Do not submit documents or agreements other than this form; such documents or agreements shall only be referenced herein.	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
a	b	c	d	e	f
Township 25 North, Range 12 West, N.M.P.M. Section 17: N/2N/2, SE/4NE/4, NE/4SE/4 Containing 240.00 acres, more or less San Juan County, New Mexico Only insofar as the subject lands cover the Basin Fruitland Coal formation, as found in the interval between 750' and 1100' in the Hixon Kelley St. No. 1 Section 16-T25N-R12W, SWNE or the stratigraphic equivalent thereof	100.00%	100.00%	None	None	None

FOR BLM USE ONLY—DO NOT WRITE BELOW THIS LINE

THE UNITED STATES OF AMERICA

This transfer is approved solely for administrative purposes. Approval does not warrant that either party to this transfer holds legal or equitable title to this lease.

☐ Transfer approved effective _____

By _____
(Authorized Officer)

(Title)

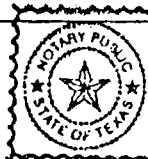
(Date)

State of Texas)
County of Dallas) SS.

Before me, the undersigned authority, on this 18 day of Sept, 1990 personally appeared Gilbert A. Smith, Attorney-in-Fact for Oryx Energy Company acting as Managing General Partner for Sun Operating Limited Partnership, who is known to me to be the person who executed the foregoing instrument and who acknowledged to me that he executed the same as his free act and deed on behalf of the corporation for all of the purposes therein stated.

Subscribed and sworn to me this 18 day of Sept, 1990.

My commission expires



MICHELE PRESTON
NOTARY PUBLIC
State of Texas
Comm. Exp. 10-01-94

Michele Preston
Notary Public

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

1. The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.
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I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

To be made effective August 1, 1990.

Executed this 18 day of Sept, 1990
Name of Transferor Sun Operating Limited Partnership by Oryx Energy Company as Managing General Partner
Please type or print

Transferor _____
or _____ (Signature)
Attorney-in-fact Gilbert A. Smith (Signature)
Post Office Box 2880
(Transferor's Address)
Dallas, Texas 75221-2880
(City) (State) (Zip Code)

Executed this 5th day of October, 1990
Giant Exploration & Production Company
Transferee Aldrich L. Kuchera (Signature)
Aldrich L. Kuchera, President and CEO
9.C.C. (Signature) ZHT

012063

97-145
1243

**GIANT EXPLORATION
AND PRODUCTION COMPANY**
A wholly owned subsidiary
of Giant Industries, Inc.

P.O. Box 2810
Farmington, New Mexico
87499

505
326-3325

Valley Central Bank,
Richfield, Utah
in cooperation with
Valley National Bank
of Arizona

12063

DATE

10/18/90

25.00

PAY TWENTY FIVE AND 00/100 DLS.

BUREAU OF LAND MANAGEMENT
US DEPT. OF THE INTERIOR
PO BOX 1449
SANTA FE, NM 87504

Betty L. Cole

Transfer of Operating Rights - SF 078058

⑈012063⑈ ⑈124301452⑈82 010927⑈

Is your RETURN ADDRESS
completed on the reverse side?

Thank you for using
Return Receipt Service.

<p>SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.</p> <p>1. <input type="checkbox"/> Show to whom delivered, date, and addressee's address. (Extra charge) 2. <input type="checkbox"/> Restricted Delivery (Extra charge)</p>	
<p>3. Article Addressed to</p> <p>U.S. Dept. of Interior Bureau of Land Management P. O. Box 1449 Santa Fe, NM 87504-1449</p>	<p>4. Article Number</p> <p>P 337 985 489</p> <p>Type of Service:</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise</p> <p>Always obtain signature of addressee or agent and DATE DELIVERED.</p>
<p>5. Signature — Addressee</p> <p>X</p>	<p>8. Addressee's Address (ONLY if requested and fee paid)</p>
<p>6. Signature — Agent</p> <p>X</p>	
<p>7. Date of Delivery</p>	

PS Form 3811, Apr. 1989

*U.S.G.P.O. 1989-238-815

DOMESTIC RETURN RECEIPT

PS Form 3800, June 1985

*U.S.G.P.O. 1989-234-555

Sent to U.S. Dept. of Interior Bureau of Land Management P. O. Box 1449 P. O. State and ZIP Code Santa Fe, NM 87504-1449	
Postage	\$.45
Certified Fee	.85
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	.90
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.20
Postmark or Date	10-19-90

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

P 337 985 489

CERTIFIED

P 337 985 489

MAIL



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

June 26, 1990

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Mr. John C. Corbett
Vice President - Exploration
Hixon Development Company
P. O. Box 2810
Farmington, New Mexico 87401

Dear Mr. Corbett:

Based upon your letter of June 25, 1990, and in accordance with the provisions of Division Order No. R-9140, Hixon Development Company is hereby granted an extension of time in which to begin the well on the unit pooled by said order until August 30, 1990.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. Lemay", with a long vertical line extending downwards from the end of the signature.

WILLIAM J. LEMAY
Director

WJL/fd

cc: Case No. 9887
Frank Chavez

Hixon Development
COMPANY

June 25, 1990

Mr. Michael E. Stogner
Examiner
Energy, Minerals and Natural Resources Department
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Attn: Bill

REFERENCE: Case Number 9887
Order Number R-9140
Bisti Coal 17 Com No. 1
790' FNL and 790' FEL
Section 17, T25N, R12W, NMPM
San Juan County, New Mexico

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Sincerely,

HIXON DEVELOPMENT COMPANY

John C. Corbett

John C. Corbett
Vice President - Exploration

JCC/bwd

LLEGIBLE

Facsimile Transmission

JUNE 25, 1990
Date

Hixon Fax # 505-327-7987

Recipients Fax # 827-5741

To: MR MICHAEL STOGNER
NMOC
P.O. Box 2088
SANTA FE, NM

From: JOHN CORBETT
Hixon Development Company
505-326-3325

The following transmission contains 2 pages including this cover page.

If you should have any problems with the reception of this transmission, please call the sender as soon as possible.

Thank You

LLEGIBLE