

DOC# 2584
EXHIBIT# 6
CASE# 8218, 19, 20, 21

LEASE

WELL NO

DATES--FROM

TO

5

2.

| | |
|-------|----------|
| CHART | PRESSURE |
|-------|----------|

May 28 1984 May 31 1984

SE SIZE

REMARKS

3/4 11.1395

SIGNATURE

Charlie Williams

PRINTED IN U.S.A.

Kraftbill 143-1 BOX 800
TULSA OK 74108

JUN 4 1984

LEASE

WELL NO

DATES-FROM

84 May 31 1961 To 84

Big Chief

| DATE 8 A.M. | CHART | | PRESSURE | | CHOKE | HEATER TEMP. | SEPARATOR | | STOCK TANK | | LIQUID PRODUCTION | DATE SEAL IN | ESTIMATE MCF |
|----------------|-------|------|----------|--------|-------|-----------------|-----------|-------|------------|-----|----------------------|-----------------|-----------------|
| | ST. | DIF. | TUBING | CASING | | | PRESS. | TEMP. | FT. | IN. | | | |
| 29 | 8.0 | 2.5 | 820 | | 18 64 | 75 | | | 8 | 2 | | | 304 |
| 30 | 6.9 | 3.3 | 800 | | 18 64 | 72 | | | 8 | 2 | | | 346 |
| 31 | 7.0 | 3.2 | 800 | | 18 64 | 70 | | | 8 | 2 | | | 340 |

Kraftbill 143-1 BOX 800
TULSA OK 74101

SIGNATURE

Charlie Zillman

PRINTED IN U.S.A.

4 1984

WELL NO

DATE\$-FROM

TO

1

2

Big Chief

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May 28

84 May 3

84¹⁹

[illegible]

KRSTIC BOX 800
143-1 TULSA OK 74101

PRINTED IN U.S.A.

SIGNATURE

Charlie Williams

1982

| DATE-FROM | DATE-TO | DESCRIPTION | AMOUNT | CHECK NO. | DEPOSIT | BALANCE |
|------------|------------|-------------|--------|-----------|---------|---------|
| May 28, 19 | May 31, 19 | 84 | | | | |

3/4-0111

SIGNATURE

Charlie Williams

Kraft 143-1 BOX 800
TULSA OK 74101

PRINTED IN U.S.A.

JUN 4 1984

WELL NO.

DATES-FROM

To

Little Squaw

NO

DATE—FROM May 28, 1984 TO May 31, 1984

824

[illegible]

Kraftbill 143-1 BOX 800
TULSA OK 74101

SIGNATURE Charlie Williams

PRINTED IN U.S.A.

PRINTED IN U.S.A.

JUN 4 1984

DATE--FROM

May 28, 1961 May 31, 1961

[illegible]

PRINTED IN U.S.A.

SIGNATURE

Charlie Williams

GAS WELL REPORT

LEASE

WELL NO.

DATES-FROM

TO

Big Chief

May 21, 1984

| DATE 8 A.M. | CHART | | PRESSURE | | CHOKE | HEATER TEMP. | SEPARATOR | | STOCK TANK | | LIQUID PRODUCTION | DATE SEALS ON | ESTIMATED MCF |
|----------------|-------|------|----------|--------|-------|-----------------|-----------|-------|------------|-----|----------------------|------------------|------------------|
| | ST. | DIF. | TUBING | CASING | | | PRESS. | TEMP. | FT | IN. | | | |
| 22 7.8 | 1.9 | | 40 | | Full | 76 | | | 6 | 3 | | | .165 |
| 23 7.2 | 1.0 | | 200 | | Full | 75 | | | 6 | 3 | | | .080 |
| 24 6.3 | 0 | | 175 | | Full | 77 | | | 6 | 3 | | | 0 |
| 25 7.2 | 1.0 | | 175 | | Full | 78 | | | 6 | 5 | | | .080 |
| 26 7.1 | 2.0 | | 40 | | Full | 76 | | | 6 | 5 | | | .158 |
| 27 7.8 | 1.9 | | 40 | | Full | 75 | | | 6 | 5 | | | .165 |
| 28 7.9 | 2.0 | | 40 | | Full | 74 | | | 6 | 5 | | | .176 |

CE SIZE

3/4 1.1395

REMARKS

5-23 thru 5-25 compressor was down; no started
2-25 Kolar Kut gauge; each day
2-6 oil

3-11 water

SIGNATURE

Charlie Williams

143-1 BOX 800 TULSA OK 74101

PRINTED IN U.S.A.

GAS WELL REPORT

LEASE

WELL NO.

DATES--FROM

TO

Big Chief

2

May 21

1984 May 28

84

| DATE B.A.M. | CHART | | PRESSURE | | CHOKE | HEATER TEMP. | SEPARATOR | | STOCK TANK | LIQUID PRODUCTION | DATE SEALS ON | ESTIMATED MCF |
|----------------|-------|------|----------|--------|-------|-----------------|-----------|-------|------------|----------------------|------------------|------------------|
| | ST. | DIF. | TUBING | CASING | | | PRESS. | TEMP. | | | | |
| 22 7.8 | 2.9 | | 800 | | 18 64 | 77 | | | 8 | | | 344 |
| 23 7.8 | 3.2 | | 800 | | 18 64 | 75 | | | 8 | | | 350 |
| 24 6.3 | 3.3 | | 800 | | 18 64 | 74 | | | 8 | | | 316 |
| 25 7.2 | 3.1 | | 800 | | 18 64 | 76 | | | 8 | | | 339 |
| 26 7.1 | 3.2 | | 800 | | 18 64 | 75 | | | 8 | | | 345 |
| 27 7.8 | 2.7 | | 800 | | 18 64 | 74 | | | 8 | | | 320 |
| 28 7.9 | 2.5 | | 800 | | 18 64 | 72 | | | 8 | | | 300 |

CE SIZE

REMARKS

15.1972

5-25 Kalatut gauges: 3-0 oil

5-2 water

8-2 total

SIGNATURE

Charlie Williams

Form 143-1 BOX 800 TULSA OK 74101

PRINTED IN U.S.A.

GAS WELL REPORT

LEASE

WELL NO.

DATES-FROM

TO

Big Chief

3

May 21, 1984

May 28, 1984

| DATE B.A.M. | CHART | | PRESSURE | | CHOKE | HEATER TEMP. | SEPARATOR | | STOCK TANK | | LIQUID PRODUCTION | DATE SEALS ON | ESTIMATED MCF |
|----------------|-------|------|----------|--------|-------|-----------------|-----------|-------|------------|-----|----------------------|------------------|------------------|
| | ST. | DIF. | TUBING | CASING | | | PRESS. | TEMP. | FT. | IN. | | | |
| 22 7.8 | 1.8 | | 800 | | Full | 84 | | | 7 | 4 | | | .156 |
| 23 7.2 | 2.4 | | 800 | | Full | 80 | | | 7 | 4 | | | .192 |
| 24 6.3 | 2.5 | | 800 | | Full | 78 | | | 7 | 4 | | | .175 |
| 25 7.2 | 2.5 | | 800 | | Full | 76 | | | 7 | 4 | | | .200 |
| 26 7.1 | 2.7 | | 800 | | Full | 72 | | | 7 | 4 | | | .213 |
| 27 7.8 | 1.9 | | 800 | | Full | 74 | | | 7 | 4 | | | .165 |
| 28 7.9 | 1.5 | | 800 | | Full | 74 | | | 7 | 4 | | | .132 |

CE SIZE

REMARKS

3/4" OIL

5-25 Polar Kirt gauges: 0-10 oil

6-6 water

7-4 total

SIGNATURE

Charlie Williams

Form 143-1 BOX 800 TULSA OK 74101

PRINTED IN U.S.A.

LEASE

Big Chief

WELL NO
4

UNIVERSITY OF
May 21 1984
May 28 1984

| DATE 8 A.M. | CHART | | PRESSURE | CHOKE | HEATER TEMP. | SEPARATOR | | STOCK TANK | | LIQUID PRODUCTION | DATE SEALS ON | ESTIMATED MCF |
|----------------|-------|------|----------|--------|-----------------|-----------|-------|------------|-----|----------------------|------------------|------------------|
| | ST. | DIP. | | | | PRESS. | TEMP. | FT. | IN. | | | |
| 22 | 7.8 | 2.5 | 100 | 7" 100 | 75 | | | 5 | 6 | | | 216 |
| 23 | 7.8 | 2.8 | 100 | 7" 100 | 79 | | | 5 | 6 | | | 224 |
| 24 | 6.3 | 2.8 | 100 | 7" 100 | 80 | | | 5 | 6 | | | 196 |
| 25 | 7.8 | 2.6 | 100 | 7" 100 | 78 | | | 5 | 6 | | | 208 |
| 26 | 7.1 | 2.5 | 100 | 7" 100 | 76 | | | 5 | 6 | | | 197 |
| 27 | 7.8 | 2.3 | 100 | 7" 100 | 77 | | | 5 | 6 | | | 199 |
| 28 | 7.9 | 2.3 | 100 | 7" 100 | 74 | | | 5 | 6 | | | 193 |

| REMARKS | SIZE |
|-------------------------------|-------------|
| 5-25 Kaler Kut gauge; 0-2 oil | 3/4 - 0.111 |

5-4 water

5-6 fatal

SIGNATURE

Charlie Williams

Kraft BOX 800
143-1 TULSA OK 74101

PRINTED IN U.S.A.

GAS WELL REPORT

LEASE

WELL NO.

DATES-FROM

TO

8. Hte Square

May 21, 1984 May 28, 1984

| DATE 8 A.M. | CHART | | PRESSURE | | CHOKE | HEATER TEMP. | SEPARATOR | | STOCK TANK | | LIQUID PRODUCTION | DATE SEAL ON | ESTIMATED MCF |
|----------------|-------|------|----------|--------|-------|-----------------|-----------|-------|------------|-----|----------------------|-----------------|------------------|
| | ST. | DIF. | TUBING | CASING | | | PRESS. | TEMP. | FT. | IN. | | | |
| 22 | 7.2 | 5.5 | 800 | | Full | 75 | | | 2 | 3 | | | 190 |
| 23 | 7.2 | 5.6 | 800 | | Full | 75 | | | 2 | 3 | | | 194 |
| 24 | 6.3 | 9.4 | 800 | | Full | 77 | | | 2 | 3 | | | 284 |
| 25 | 7.2 | 8.4 | 800 | | Full | 75 | | | 2 | 3 | | | 290 |
| 26 | 7.1 | 8.8 | 800 | | Full | 78 | | | 2 | 3 | | | 300 |
| 27 | 7.8 | 7.0 | 800 | | Full | 80 | | | 2 | 3 | | | 262 |
| 28 | 7.9 | 6.0 | 700 | | Full | 74 | | | 2 | 3 | | | 228 |
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GAS WELL REPORT

LEASE

WELL NO.

DATES-FROM

TO

Little Square

2

May 21, 1984 May 28, 1984

| DATE 8 A.M. | CHART | | PRESSURE | | CHOKE | HEATER TEMP. | SEPARATOR | | STOCK TANK | | LIQUID PRODUCTION | DATE SEALS ON | ESTIMATED MCF |
|----------------|-------|------|----------|--------|-------|-----------------|-----------|-------|------------|-----|----------------------|------------------|------------------|
| | ST. | DIF. | TUBING | CASING | | | PRESS. | TEMP. | FT. | IN. | | | |
| 22 | — | — | — | — | — | — | — | — | 9 | 9 | — | — | — |
| 23 | — | — | — | — | — | — | — | — | 9 | 9 | — | — | — |
| 24 | — | — | — | — | — | — | — | — | 9 | 9 | — | — | — |
| 25 | 7.2 | 0 | 800 | — | Full | 82 | — | — | 9 | 11 | — | — | 0 |
| 26 | 7.1 | 0 | 800 | — | Full | 84 | — | — | 9 | 11 | — | — | 0 |
| 27 | 7.8 | 0 | 800 | — | Full | 88 | — | — | 9 | 11 | — | — | 0 |
| 28 | 7.9 | 0 | 800 | — | Full | 84 | — | — | 9 | 11 | — | — | 0 |

CE SIZE

15.330

REMARKS

5-25 Valve put gauge. 0-10 oil.

5-22 to 5-24 well was shut in for buildup. 9-1 water

5-24 put well on line. 9-1 total.

SIGNATURE

Charlie Williams

HEADLINE 143-1 BOX 800 TULSA OK 74101

PRINTED IN U.S.A.

GAS WELL REPORT

LEASE

WELL NO.

DATES-FROM

TO

Diners State Comm

May 21, 1984 May 28, 1984

| DATE 8 A.M. | CHART | | PRESSURE | | CHOKE | HEATER TEMP. | SEPARATOR | | STOCK TANK | | LIQUID PRODUCTION | DATE SEALS ON | ESTIMATED MCF |
|----------------|-------|------|----------|--------|-------|-----------------|-----------|-------|------------|-----|----------------------|------------------|------------------|
| | ST. | DIF. | TUBING | CASING | | | PRESS. | TEMP. | FT. | IN. | | | |
| 22 | 7.8 | 1.3 | 800 | | full | 76 | | | 0 | 3 | | | .050 |
| 23 | 7.8 | 2.0 | 800 | | full | 77 | | | 0 | 3 | | | .071 |
| 24 | 6.3 | 2.0 | 800 | | full | 79 | | | 0 | 3 | | | .062 |
| 25 | 7.2 | 1.8 | 800 | | full | 77 | | | 0 | 3 | | | .064 |
| 26 | 7.1 | 1.9 | 800 | | full | 76 | | | 0 | 3 | | | .067 |
| 27 | 7.8 | 1.3 | 800 | | full | 78 | | | 0 | 3 | | | .050 |
| 28 | 7.9 | 1.0 | 800 | | full | 74 | | | 0 | 3 | | | .039 |

CE SIZE

REMARKS

1/8" .00493

5-25 Kaler Nut gauge

0-0 oil

0-3 water

0-3 total

SIGNATURE

Charlie Williams

HEADLINE 143-1 BOX 800 TULSA OK 74101

PRINTED IN U.S.A.



Halliburton Resource Management

FORM NO. 0-01A (REV. 6-77)

TO:

L. O. McClure

DATE:

5/11/84

REFERENCE NO.

FROM:

Jim Brown

SUBJECT:

HEM DT# ML31-039

Mac,

BC

#4

Per your request, attached is a copy of the original quotation on the referenced contract. The present rental rate is \$1511.00 per month. Please let us know if we can be of further assistance.

Thanks,

Jim Brown

HALLIBURTON RESOURCE MANAGEMENT

QUOTATION

Customer: J.C. BARNES OIL COMPANY
Box 505
Midland, Texas 79702

No. MID 811A

Date: February 27, 1980

ML 31-039

Attention: MR. L.C. McCCLURE

79-013

Page 1

Halliburton Resource Management (HRM) is pleased to quote on your equipment requirements as follows:

Location: Little Squeeze No. 2 County: Lea State: New Mexico

Big Chief #4

EQUIPMENT DESCRIPTION

One (1) Ajax C-42 integral gas engine driven single stage gas compressor unit with 5½ x 8 inch stroke double acting compressor cylinders. Compressor speed 525 RPM. Unit is mounted on an oilfield structural steel skid, complete with suction scrubber and controls for each stage; pulsation bottles on all cylinders; process piping; air/gas starting system (250 PSIG pressure required); fuel gas system with volume tank, regulators and fuel injection; electronic ignition system; oil reservoir with automatic oil-level controls; residential exhaust silencer with piping; Murphy NEMA-12 control panel with safety shut-downs and tattletales; engine-compressor jacket water cooling and gas cooling for each stage; plus other standard accessories necessary for continuous operation.

DESIGN CONDITIONS AND EQUIPMENT PERFORMANCE

The design conditions and equipment performance are as follows:

| | |
|----------------------------------|---|
| Type Gas: <u>Sweet Natural</u> | Elevation: <u>3082</u> feet |
| Specific gravity: <u>0.65</u> | Ambient temperature: <u>100</u> °F |
| Suction Temperature <u>80</u> °F | BHPA for compression: <u>35 @ 525</u> RPM |

| | | | | | | |
|------------------------------------|------|-----|-----|-----|-----|-----|
| Suction pressure, PSIG | 300 | 250 | 200 | 150 | 100 | *75 |
| Discharge pressure, PSIG | 500 | 500 | 500 | 500 | 500 | 500 |
| Capacity, MSCFD MMSCF/D | 1.19 | .85 | .67 | .51 | .37 | .17 |

*Minimum

These capacities are guaranteed ± 3% for the above design conditions. However, since performance is dependent upon specific conditions of operation, the capacities cannot be guaranteed for conditions other than those listed above.

TIME OF DELIVERY

This equipment will be available for shipment 1 week after receipt of your order; however, it is subject to prior rental and inventory adjustment.

GALLIBURTON RESOURCE MANAGEMENT

QUOTATION

To: J.C. BARNES OIL COMPANY

No. MID 811A

Date: February 27, 1980

Page 2

RESPONSIBILITIES OF HRM AND CUSTOMER

HRM and the Customer shall furnish the equipment, supplies, and services respectively as indicated below:

| ITEM | Furnished By: | |
|---|---------------|----------|
| | HRM | Customer |
| Equipment described on Page 1 | X | |
| Taxes applicable to rental equipment (excluding income taxes) | | X |
| Property damage insurance on HRM equipment | X | |
| Transportation of equipment to location | | X |
| Compressor foundation(s) Concrete filled portabase | X | |
| Flanges and piping to suction and discharge flanges, and fuel gas inlet(s) of compressor(s) | | X |
| Isolation to discharge bypass piping and suction pressure control valve (if required). | | X |
| Other installation expense. | | X |
| Full installation supervision and start-up time of 2 days | X | |
| Competent and prudent equipment operator to perform routine daily maintenance, plus submitting monthly report of compressor operating conditions to HRM. | | X |
| Compressor valve repairs. | X | |
| Minor repairs (replacement parts costing N/A or less per repair) | X | |
| Major repairs (replacement parts costing more than N/A per repair) | X | |
| Grease, lubricants, and filters in accordance with manufacturers recommendations: | | |
| Required for start-up | X | |
| Required thereafter | | X |
| Compressor oil with no less than 1000 BTU/cu. ft. and no more than 1/4 grains total sulfides/100 cu. ft. | | X |
| Maximum air/gas pressure of 250 PSIG for engine starting purposes. | | X |
| Removal of free liquids and solids from gas before compression | | X |
| Dewatering and dehydration (if required) | | X |
| Storage and liquid storage facilities (if required) | | X |
| Access to site with ingress and egress. | | X |
| Weathering and compressor shelter (if required) | | X |
| Protection of equipment and site restoration expenses. | | X |
| Shipping & return transportation of equipment to HRM's Mineral Wells, Texas yard | | X |
| N/A | - | - |
| N/A | - | - |
| Full necessary equipment, supplies, and services not specifically indicated above | | X |
| Property services or materials not listed above as HRM responsibilities which are furnished by HRM at Customer's request will be charged to Customer at actual cost, plus 20 %. | | |
| Services or materials not listed above as HRM responsibilities | | |

HALLIBURTON RESOURCE MANAGEMENT

QUOTATION

Customer: J.C. BARNES OIL COMPANY

No. MID 811ADate: February 27, 1980

Page 3

MONTHLY RENTAL AND TERMS

The monthly rental for the equipment quoted herein shall be as follows:

1511.00
~~\$1311.00~~ per month

Required deposit: None

The rental shall be payable monthly in advance, beginning (1) upon the date of start-up, or (2) upon the seventh (7th) day following delivery of the equipment to the location, whichever occurs first, and shall continue each succeeding month thereafter for a minimum term of 6 months. Upon expiration of the minimum term, such rental shall continue from month to month. Either party may terminate this agreement at the expiration of the minimum term upon thirty (30) days written notice prior to such expiration or upon thirty (30) days prior written notice thereafter. Rentals shall cease at the expiration of such thirty (30) days, provided Customer has returned the equipment to HRM's designated terminal.

In the event this quotation is accepted and Customer elects to delay delivery of the equipment beyond thirty (30) days of its date of availability for shipment, HRM will hold the equipment on standby for a period not to exceed thirty (30) days at a standby rental of \$ 950.00 per month. The standby period shall commence on the date of availability for shipment and shall continue (1) until the equipment is delivered to Customer's location and the monthly rental first stated above becomes effective, or (2) until expiration of the thirty (30) days standby period at which time the monthly rental first stated above shall become effective.

EQUIPMENT AVAILABILITY GUARANTEE

HRM guarantees the equipment described herein shall be in operable condition and available for Customer's use 95% of the time. Where availability time exceeds 95%, HRM shall receive cumulative credit for such excess time to be applied as an offset against any time the equipment fails to meet the 95% guarantee. If, after application of such credit, the availability time does not meet the guarantee, HRM will be assessed a penalty to be included in the following month's invoice. Such invoice shall be computed by multiplying the minimum monthly rental or fee by the percentage of time of actual availability and dividing the product by 95%. If HRM does not operate the equipment, such unavailability time shall not commence until HRM receives actual notice the equipment is inoperable.

This Quotation is subject to the terms and conditions on the reverse side hereof.

Accepted this 2-27-80 daySubmitted by Larry Crumpton

LARRY CRUMPTON

Return original to: DIVISION MANAGER

Halliburton Resource Management,

Drawer 1889

Midland, Texas 79702



Halliburton Resource Management

P.O. Drawer 1889 • Midland, Texas 79701 • (915) 682-4305

BC #1

EVb-80-125
September 17, 1980

DINERO OPERATING COMPANY
P.O. Box 505
Midland, Texas 79702

ATTENTION: MR. L.C. McCLURE

Re: HRM Quotation MID 914

Dear Mr. McClure:

We are pleased to submit our referenced rental quotation covering compression equipment for your Big Chief No. 1 in Eddy County, New Mexico.

If the equipment and terms quoted are acceptable, please sign page three (3) of the quotation and return the original to this office. If you have any questions regarding the equipment or any of HRM's services, please call us.

Thank you for considering HRM for your equipment requirements.

Yours very truly,

A handwritten signature in dark ink, appearing to read "E.V. Barton II", is written over a light-colored background.

E.V. Barton II
Sales Representative

EVb:cmd

Enclosure

HALLIBURTON RESOURCE MANAGEMENT

QUOTATION

Customer: **DINERO OPERATING CO.**
P.O. Box 505
Midland, Texas 99702

No. MID 914
Date: September 17, 1980

Attention: **MR. L.C. McCLURE**

Page 1

Halliburton Resource Management (HRM) is pleased to quote on your equipment requirements as follows:

Location: Big Chief No. 1 County: Eddy State: New Mexico

EQUIPMENT DESCRIPTION

One (1) Ajax DPC 60 integral gas engine driven two stage gas compressor unit with $5\frac{1}{2} \times 3\text{-}3/4 \times 8$ inch stroke single acting compressor cylinders. Compressor speed 475 RPM. Unit is mounted on an oilfield structural steel skid, complete with suction scrubber and controls for each stage; pulsation bottles on all cylinders; process piping; air/gas starting system (250 PSIG pressure required); fuel gas system with volume tank, regulators and fuel injection; altronic ignition system; oil reservoir with automatic oil-level controls; residential exhaust silencer with piping; Murphy NEMA-12 control panel with safety shut-downs and tattletales; engine-compressor jacket water cooling and gas cooling for each stage; plus other standard accessories necessary for continuous operation.

DESIGN CONDITIONS AND EQUIPMENT PERFORMANCE

The design conditions and equipment performance are as follows:

Type Gas: Sweet Natural Elevation: 3095 feet
Specific gravity: 0.579 Ambient temperature: 100 °F
Suction Temperature 76 °F BHPA for compression: 51 @ 475 RPM

| | | | | | | | | |
|--|-----|-----|-----|-----|-----|-----|-----|------|
| Suction pressure, PSIG | 96 | 85 | 75 | 65 | 55 | 45 | 35 | 25 |
| Discharge pressure, PSIG | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 550 |
| Capacity, MSCF/D MMSCF/D | .40 | .36 | .32 | .29 | .25 | .21 | .17 | .13* |

*Minimum

These capacities are guaranteed $\pm 3\%$ for the above design conditions. However, since performance is dependent upon specific conditions of operation, the capacities cannot be guaranteed for conditions other than those listed above.

TIME OF DELIVERY

This equipment will be available for shipment approx. 30 days after receipt of your order; however, it is subject to prior rental and inventory adjustment.

HALLIBURTON RESOURCE MANAGEMENT

QUOTATION

To: **DINERO OPERATING COMPANY**

No. **MID 914**

Date: **September 17, 1980**

Page 2

RESPONSIBILITIES OF HRM AND CUSTOMER

HRM and the Customer shall furnish the equipment, supplies, and services respectively as indicated below:

| ITEM | Furnished By: | |
|---|---------------|----------|
| | HRM | Customer |
| Equipment described on Page 1 | X | |
| All taxes applicable to rental equipment (excluding income taxes) | | X |
| Property damage insurance on HRM equipment | X | |
| Transportation of equipment to location | | X |
| Compressor foundation(s) CONCRETE PORTABLE BASE | X | |
| Valves and piping to suction and discharge flanges, and fuel gas inlet(s) of compressor(s) | | X |
| Action to discharge bypass piping and suction pressure control valve (if required) | | X |
| All other installation expense | | X |
| Initial installation supervision and start-up time of <u>2</u> days | X | |
| Competent and prudent equipment operator to perform routine daily maintenance, plus submitting monthly report of compressor operating conditions to HRM | | X |
| Compressor valve repairs | X | |
| Other minor repairs (replacement parts costing <u>N/A</u> or less per repair) | X | |
| Other major repairs (replacement parts costing more than <u>N/A</u> per repair) | X | |
| Anti-freeze, lubricants, and filters in accordance with manufacturers recommendations: | | |
| Required for start-up | X | |
| Required thereafter | | X |
| Fuel gas with no less than <u>1000</u> BTU/cu. ft. and no more than <u>1/4</u> grains total sulfides/100 cu. ft. | | X |
| Minimum air/gas pressure of <u>250</u> PSIG for engine starting purposes | | X |
| Removal of free liquids and solids from gas before compression | | X |
| Gas sweetening and dehydration (if required) | | X |
| Separation and liquid storage facilities (if required) | | X |
| Equipment site with ingress and egress | | X |
| Site fencing and compressor shelter (if required) | | X |
| Disconnection of equipment and site restoration expenses | | X |
| Loading & return transportation of equipment to <u>HRM's yard, Mineral Wells, Texas</u> | | X |
| <u>N/A</u> | - | - |
| <u>N/A</u> | - | - |
| Any and all necessary equipment, supplies, and services not specifically indicated above | | X |
| Third-party services or materials not listed above as HRM responsibilities which are furnished by HRM at Customer's request will be charged to Customer at actual cost, plus <u>20</u> %. | | |
| HRM services or materials not listed above as HRM responsibilities which are furnished by HRM at Customer's request will be charged to Customer at HRM's prevailing standard rates. | | |

HALLIBURTON RESOURCE MANAGEMENT

QUOTATION

Customer: **DINERO OPERATING COMPANY**

No. **MID 914**

Date: **September 17, 1980**

Page 3

MONTHLY RENTAL AND TERMS

The monthly rental for the equipment quoted herein shall be as follows:

**\$1893.00 per month during the six (6) month minimum term, then
\$1809.00 per month upon expiration of the minimum term.**

Required deposit: **None**

The rental shall be payable monthly in advance, beginning (1) upon the date of start-up, or (2) upon the seventh (7th) day following delivery of the equipment to the location, whichever occurs first, and shall continue each succeeding month thereafter for a minimum term of 6 months. Upon expiration of the minimum term, such rental shall continue from month to month. Either party may terminate this agreement at the expiration of the minimum term upon thirty (30) days written notice prior to such expiration or upon thirty (30) days prior written notice thereafter. Rentals shall cease at the expiration of such thirty (30) days, provided Customer has returned the equipment to HRM's designated terminal.

In the event this quotation is accepted and Customer elects to delay delivery of the equipment beyond thirty (30) days of its date of availability for shipment, HRM will hold the equipment on standby for a period not to exceed thirty (30) days at a standby rental of \$ 1311.00 per month. The standby period shall commence on the date of availability for shipment and shall continue (1) until the equipment is delivered to Customer's location and the monthly rental first stated above becomes effective, or (2) until expiration of the thirty (30) days standby period at which time the monthly rental first stated above shall become effective.

EQUIPMENT AVAILABILITY GUARANTEE

HRM guarantees the equipment described herein shall be in operable condition and available for Customer's use 95% of the time. Where availability time exceeds 95%, HRM shall receive cumulative credit for such excess time to be applied as an offset against any time the equipment fails to meet the 95% guarantee. If, after application of such credit, the availability time does not meet the guarantee, HRM will be assessed a penalty to be included in the following month's invoice. Such invoice shall be computed by multiplying the minimum monthly rental or fee by the percentage of time of actual availability and dividing the product by 95%. If HRM does not operate the equipment, such unavailability time shall not commence until HRM receives actual notice the equipment is inoperable.

This Quotation is subject to the terms and conditions on the reverse side hereof.

Accepted this _____ day
of _____, 19 ____.

Submitted by 
E.V. BARTON II
Return original to: **SALES REPRESENTATIVE**

Halliburton Resource Management,

Drawer 1889

Midland, Texas 79702

HALLIBURTON RESOURCE MANAGEMENT

QUOTATION

To: DINERO OPERATING COMPANY

No. MID 914

Date: September 17, 1980

Page 2

RESPONSIBILITIES OF HRM AND CUSTOMER

HRM and the Customer shall furnish the equipment, supplies, and services respectively as indicated below:

| ITEM | Furnished By: | |
|--|---------------|----------|
| | HRM | Customer |
| Equipment described on Page 1 | X | |
| Local taxes applicable to rental equipment (excluding income taxes) | | X |
| Property damage insurance on HRM equipment | X | |
| Transportation of equipment to location | | X |
| Compressor foundation(s) <u>CONCRETE PORTABLE BASE</u> | X | |
| Lines and piping to suction and discharge flanges, and fuel gas inlet(s) of compressor(s) | | X |
| Isolation to discharge bypass piping and suction pressure control valve (if required). | | X |
| Other installation expense. | | X |
| Partial installation supervision and start-up time of <u>2</u> days | X | |
| Competent and prudent equipment operator to perform routine daily maintenance, plus submitting monthly report of compressor operating conditions to HRM. | | X |
| Compressor valve repairs. | X | |
| Other minor repairs (replacement parts costing <u>N/A</u> or less per repair) | X | |
| Other major repairs (replacement parts costing more than <u>N/A</u> per repair) | X | |
| Anti-freeze, lubricants, and filters in accordance with manufacturers recommendations: | | |
| Required for start-up | X | |
| Required thereafter | | X |
| Fuel gas with no less than <u>1000</u> BTU/cu. ft. and no more than <u>1/4</u> grains total sulfides/100 cu. ft. | | X |
| Minimum air/gas pressure of <u>250</u> PSIG for engine starting purposes. | | X |
| Removal of free liquids and solids from gas before compression | | X |
| Gas sweetening and dehydration (if required) | | X |
| Separation and liquid storage facilities (if required) | | X |
| Equipment site with ingress and egress. | | X |
| Site fencing and compressor shelter (if required) | | X |
| Disconnection of equipment and site restoration expenses. | | X |
| Loading & return transportation of equipment to <u>HRM's yard, Mineral Wells, Texas</u> | | X |
| <u>N/A</u> | - | - |
| <u>N/A</u> | - | - |
| Tools and all necessary equipment, supplies, and services not specifically indicated above | | X |

Third-party services or materials not listed above as HRM responsibilities which are furnished by HRM at Customer's request will be charged to Customer at actual cost, plus 20 %.

HRM services or materials not listed above as HRM responsibilities which are furnished by HRM at Customer's request will be charged to Customer at HRM's prevailing standard rates.

FORM NO. 6-110 (4-78)

HALLIBURTON RESOURCE MANAGEMENT

QUOTATION

Customer: DINERO OPERATING COMPANY

No. MID 914

Date: September 17, 1980

Page 3

MONTHLY RENTAL AND TERMS

The monthly rental for the equipment quoted herein shall be as follows:

\$1893.00 per month during the six (6) month minimum term, then
\$1809.00 per month upon expiration of the minimum term.

Required deposit: None

The rental shall be payable monthly in advance, beginning (1) upon the date of start-up, or (2) upon the seventh (7th) day following delivery of the equipment to the location, whichever occurs first, and shall continue each succeeding month thereafter for a minimum term of 6 months. Upon expiration of the minimum term, such rental shall continue from month to month. Either party may terminate this agreement at the expiration of the minimum term upon thirty (30) days written notice prior to such expiration or upon thirty (30) days prior written notice thereafter. Rentals shall cease at the expiration of such thirty (30) days, provided Customer has returned the equipment to HRM's designated terminal.

In the event this quotation is accepted and Customer elects to delay delivery of the equipment beyond thirty (30) days of its date of availability for shipment, HRM will hold the equipment on standby for a period not to exceed thirty (30) days at a standby rental of \$ 1311.00 per month. The standby period shall commence on the date of availability for shipment and shall continue (1) until the equipment is delivered to Customer's location and the monthly rental first stated above becomes effective, or (2) until expiration of the thirty (30) days standby period at which time the monthly rental first stated above shall become effective.

EQUIPMENT AVAILABILITY GUARANTEE

HRM guarantees the equipment described herein shall be in operable condition and available for Customer's use 95% of the time. Where availability time exceeds 95%, HRM shall receive cumulative credit for such excess time to be applied as an offset against any time the equipment fails to meet the 95% guarantee. If, after application of such credit, the availability time does not meet the guarantee, HRM will be assessed a penalty to be included in the following month's invoice. Such invoice shall be computed by multiplying the minimum monthly rental or fee by the percentage of time of actual availability and dividing the product by 95%. If HRM does not operate the equipment, such unavailability time shall not commence until HRM receives actual notice the equipment is inoperable.

This Quotation is subject to the terms and conditions on the reverse side hereof.

Accepted this _____ day
of _____, 19 ____.

Submitted by 
E.V. BARTON II
Return original to: SALES REPRESENTATIVE

Halliburton Resource Management,

Drawer 1889

Midland, Texas 79702

EQUIPMENT RENTALS

PRESSION • GAS CONDITIONING & DEHYDRATION • PRODUCTION EQUIPMENT

To:

Mr. L.C. McClure

DINERO OPERATING COMPANY

* * *

COMPRESSION QUOTATION

Big Chief #1 Lease, Lea County,
New Mexico



Halliburton Resource Management



Halliburton Resource Management

P.O. Drawer 1889 • Midland, Texas 79701 • (915) 682-4305 JAB-84-049

April 24, 1984

DINERO OPERATING COMPANY
P.O. Box 10505
Midland, Texas 79702

Attention: Mr. L.C. McClure

RE: HRM Quotation MID-1711

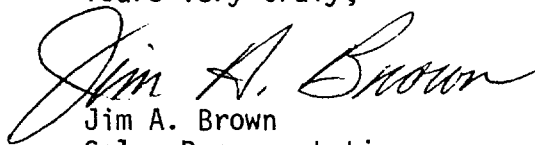
Dear Mr. McClure,

We are pleased to submit our referenced rental quotation covering compression equipment for your Big Chief #1 lease in Lea county, New Mexico. This unit would replace the existing Ajax DPC-115 presently rented on contract ML31-045.

If the equipment and terms quoted are acceptable, please sign page three (3) of the quotation and return the original to this office.

Thank you for considering HRM for your equipment requirements.

Yours very truly,


Jim A. Brown
Sales Representative

JAB/rlp

HALLIBURTON RESOURCE MANAGEMENT

QUOTATION

Customer: DINERO OPERATING COMPANY
P.O. Box 10505
Midland, Texas 79702

No. MID-1711
Date: April 24, 1984

Attention: **Mr. L.C. McClure**

Page 1

Halliburton Resource Management (HRM) is pleased to quote on your equipment requirements as follows:

Location: Big Chief #1 County: Lea State: New Mexico

EQUIPMENT DESCRIPTION

One (1) 60 H.P. Ajax DPC-60 integral gas engine driven two stage gas compressor unit with 8 & 4½ X 8 inch stroke tandem acting compressor cylinders. Compressor speed 475 RPM. Unit is mounted on an oilfield structural steel skid, complete with suction scrubber and controls for each stage; pulsation bottles on all cylinders; process piping; air/gas starting system (250 psig pressure required); fuel gas system with volume tank, regulators and fuel injection; altronic ignition system; oil reservoir with automatic oil-level controls; residential exhaust silencer with piping; Murphy NEMA-12 control panel with safety shut-downs and tattletales; engine/compressor jacket water cooling system; gas cooling for each stage with 20°F. Approach aftercooler; plus other standard accessories necessary for continuous operation.

One (1) portable concrete base for the compressor described above.

DESIGN CONDITIONS AND EQUIPMENT PERFORMANCE

The design conditions and equipment performance are as follows:

| | |
|----------------------------------|--|
| Type Gas: <u>Sweet Natural</u> | Elevation: <u>3095</u> feet |
| Specific gravity: <u>0.579</u> | Ambient temperature: <u>100</u> °F |
| Suction Temperature <u>80</u> °F | BHPA for compression: <u>51</u> @ <u>475</u> RPM |

| | | | | | |
|--------------------------|-----|-----|-----|-----|-----|
| Suction pressure, PSIG | 20 | 30 | 40 | 50 | 60 |
| Discharge pressure, PSIG | 600 | 600 | 600 | 600 | 600 |
| Capacity, MSCF/D | 184 | 261 | 330 | 359 | 387 |

These capacities are guaranteed \pm 3% for the above design conditions. However, since performance is dependent upon specific conditions of operation, the capacities cannot be guaranteed for conditions other than those listed above.

TIME OF DELIVERY

This equipment will be available for shipment two (2) weeks after receipt of your order; however, it is subject to prior rental and inventory adjustment.

HALLIBURTON RESOURCE MANAGEMENT

QUOTATION

Customer: **DINERO OPERATING COMPANY**

No. MID-1711

Date: April 24, 1984

Page 2

RESPONSIBILITIES OF HRM AND CUSTOMER

HRM and Customer shall furnish the equipment, supplies, and services respectively as indicated below:

| | Furnished By: | |
|--|---------------|----------|
| | HRM | Customer |
| Equipment described on Page 1 | X | |
| Field fees, assessments and taxes applicable to rental equipment, including ad valorem taxes. | | X |
| Property damage insurance on HRM equipment | X | |
| Loading and transportation of equipment to location from: <u>Mineral Wells, Texas</u> | | X |
| Compressor foundation(s) {concrete portabase only} | X | |
| Valves and piping to suction and discharge flanges, and fuel gas inlet(s) of compressor(s) | | X |
| Protection to discharge bypass piping and suction pressure control valve (if required). | | X |
| Other installation expense. | | X |
| Initial installation supervision and start-up time of <u>2</u> days | X | |
| Competent and prudent equipment operator to perform routine daily maintenance, plus submitting monthly report of compressor operating conditions to HRM. | | X |
| Compressor valve repairs. | X | |
| Minor repairs (replacement parts costing <u>N/A</u> or less per repair) | X | |
| Major repairs (replacement parts costing more than <u>N/A</u> per repair) | X | |
| Anti-freeze, lubricants, and filters in accordance with manufacturers recommendations: | | |
| Required for start-up | | X |
| Required thereafter | | X |
| Input gas with <u>900</u> to <u>1200</u> BTU/cu. ft. and no more than <u>1</u> grains total sulfides/100 cu. ft. | | X |
| Minimum air/gas pressure of <u>250</u> PSIG for engine starting purposes. | | X |
| Removal of free liquids and solids from gas before compression | | X |
| Gas sweetening and dehydration (if required) | | X |
| Separation and liquid storage facilities (if required) | | X |
| Equipment site with ingress and egress. | | X |
| Fencing and compressor shelter (if required) | | X |
| Connection of equipment and site restoration expenses. | | X |
| Loading & return transportation of equipment to <u>Mineral Wells, Texas</u> | | X |
| Monthly preventative maintenance inspection | X | |
| N/A | - | - |
| and all necessary equipment, supplies, and services not specifically indicated above. | | X |

Third-party services or materials not listed above as HRM responsibilities which are furnished by HRM at customer's request will be charged to Customer at actual cost, plus 20 %.

Fourth-party services or materials not listed above as HRM responsibilities which are furnished by HRM at customer's request will be charged to Customer at HRM's prevailing standard rates.

HALLIBURTON RESOURCE MANAGEMENT

QUOTATION

Customer: **DINERO OPERATING COMPANY**

No. MID-1711

Date: April 24, 1984

Page 3

MONTHLY RENTAL AND TERMS

The monthly rental for the equipment quoted herein shall be as follows:

\$2221.00 per month

Required deposit: none

The rental shall be payable monthly in advance, beginning (1) upon the date of start-up, or (2) upon the seventh (7th) day following delivery of the equipment to the location, whichever occurs first, and shall continue each succeeding month thereafter for a minimum term of 6 months. Upon expiration of the minimum term, such rental shall continue from month to month. Either party may terminate this agreement at the expiration of the minimum term upon thirty (30) days written notice prior to such expiration or upon thirty (30) days prior written notice thereafter. Rentals shall cease at the expiration of such thirty (30) days, provided Customer has returned the equipment to HRM's designated terminal.

In the event this quotation is accepted and Customer elects to delay delivery of the equipment beyond thirty (30) days of its date of availability for shipment, HRM will hold the equipment on standby for a period not to exceed thirty (30) days at a standby rental of \$ 1889.00 per month. The standby period shall commence on the date of availability for shipment and shall continue (1) until the equipment is delivered to Customer's location and the monthly rental first stated above becomes effective, or (2) until expiration of the thirty (30) days standby period at which time the monthly rental first stated above shall become effective.

EQUIPMENT AVAILABILITY GUARANTEE

HRM guarantees the equipment described herein shall be in an operable condition and available for Customer's use 95% of the time. Where availability time exceeds 95%, HRM shall receive cumulative credit for such excess time to be applied as an offset against any time the equipment fails to meet the 95% guarantee. If, after application of such credit, the availability time does not meet the guarantee, HRM will be assessed a penalty to be included in the following month's invoice. Such invoice shall be computed by multiplying the minimum monthly rental or fee by the percentage of time of actual availability and dividing the product by 95%. If HRM does not operate the equipment, such unavailability time shall not commence until HRM receives actual notice the equipment is inoperable.

This Quotation is subject to the terms and conditions on the reverse side hereof.

Accepted this 4-25 day
of _____, 1984.

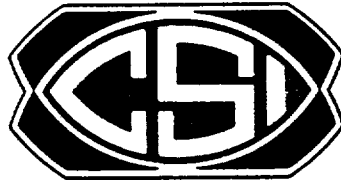
[Signature]

Submitted by [Signature]
Jim A. Brown/Sales Representative
Return original to:

Halliburton Resource Management,

P.O. Drawer 1889

Midland, Texas 79701



PHONE (915) 563-1170
DRAWER A
MIDLAND, TEXAS 79701

**Compressor
Systems, Inc.**

F.M. ROAD 1788.
BETWEEN I-20 AND HWY 80
NEAR AIR TERMINAL
MIDLAND, TEXAS

December 3, 1982

Dinero Operating
Drawer 10505
Midland, Texas 79702

1548
STAR Com #1

Attention: Mr. Mac McCleere

Gentlemen:

Attached is the Rental Agreement for Unit #1427, a 6 1/2" & 3 5/8" Ariel JC-2-2 gas compressor powered by a Waukesha F-1197 natural gas engine.

Lessee agrees to a minimum term of three (3) months rental. Lessor requires thirty (30) days written notice prior to return of any rental equipment.

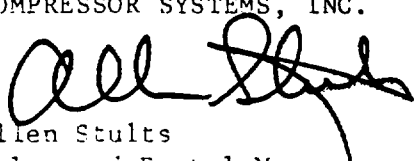
As an additional service, we are insuring this unit at a cost of 12¢ per \$100 valuation. This coverage is \$250.00 deductible and covers all physical damage losses with the exception of standard exclusions such as riot and war.

After you have executed the original Rental Agreement, Form UCC-1's, and the Maintenance Contract, please return in the enclosed envelope. The pink copy of the Maintenance Contract and Lessee's Copy of the Form UCC-1's are for your files.

It is a pleasure to serve you. If we can be of any further assistance, please do not hesitate to contact us.

Cordially yours,

COMPRESSOR SYSTEMS, INC.


Allen Stults
Sales and Rental Manager

AS:cm
Attachments

Sales & Service

PHONE (915) 563-1170
DRAWER A
MIDLAND, TEXAS 79701



F. M. ROAD 1788,
BETWEEN I-20 AND HWY 80
NEAR AIR TERMINAL
MIDLAND, TEXAS

MAJOR MAINTENANCE AGREEMENT

1. Term of Major Maintenance Agreement

The primary term of this lease shall be three (3) months, commencing on December 3, 19 82 or the date the equipment is shipped from C.S.I. Yard, whichever is later. C.S.I. may hold the maintenance over a month-to-month basis thereafter, subject to termination upon 30 days written notice by either party.

2. Warranties of Lessor

The Lessor warrants to the Lessee. The warranty implied from the original equipment manufactured on the engine, compressor, cooler, the packaging is warranted for one (1) year from shipment date.

3. Operation and Maintenance (Lessor's Duties)

Lessor agrees to furnish a qualified technician for one 8 hour straight time day at Lessor's expense to assist in start-up and to instruct Lessee's personnel in any particular maintenance or operational procedures required by the Lessor, and to furnish an Operator's Manual. Lessor further agrees to maintain competent service personnel and a stock of parts similar to the manufacturer's recommended list of spares at C.S.I., and to aid Dinero Operating in servicing the rented equipment upon request, on a time and material basis.

4. Operations and Maintenance (Lessee's Duties)

Dinero Operating agrees to provide competent operators and to perform routine maintenance services in a workmanlike manner and in accordance with the requirements of Lessor or the manufacturer as furnished in writing by Lessor.

Dinero Operating will provide all fuel, lubricants, coolant, filters, ignition parts, compressor valves, packing, and the first \$ 250.00 labor and materials, each occurrence, for any other repairs required because of normal wear and tear. Dinero Operating will be responsible for the entire cost of any repairs required due to its improper maintenance or operation, or compression of dirty or wet gas.

Dinero Operating will promptly notify the Lessor in the event of breakdown, and will consult with the Lessor on the extent and method of any major repairs that may be required.

5. Transportation

Dinero Operating shall pay all costs of transporting the equipment from its present location at CSI Yard, to Dinero Operating location at Eddy County, New Mexico. Upon termination of this lease, Dinero Operating will return the equipment to Lessor's location named above, in good condition, normal wear and tear excepted, or will surrender same to Lessor at Eddy County, New Mexico location if Lessor prefers.

6. Force Majeure

The obligations of the parties hereto shall be suspended for any period or periods during which circumstances render the parties unable to perform their duties when such circumstances are caused by strikes, floods, fire, windstorms, lightning, accident or any Act of God or circumstances reasonably beyond the control of the parties.

Executed as of this 8th day of December, 19 82

COMPRESSOR SYSTEMS, INC.

DRAWER A

MIDLAND, TEXAS 79701

LESSOR

By: [Signature]

Title: _____

ATTEST: _____

Corporate Secretary

(SEAL)

Dinero Operating

Drawer 10505

Midland, Texas 79702

LESSEE

By: _____

Title: _____

ATTEST: _____

Corporate Secretary

(SEAL)

Sales & Service

COMPRESSOR SYSTEMS, INC.

PHONE (915) 563-1170
DRAWER A
MIDLAND, TEXAS 79701



F. M. ROAD 1783
BETWEEN I-20 AND HWY 178
NEAR AIR TERMINAL

RENTAL AGREEMENT WITH MAINTENANCE

THE STATE OF TEXAS

COUNTY OF MIDLAND

Unit No. 1427
Rental Agreement No. N-1427

This Rental Agreement made this 8th December 1982 between COMPRESSOR SYSTEMS, INC., a Texas corporation hereinafter called "Lessor" and Dinero Operating

Lessor in consideration of the payment of the rentals hereinafter set out hereby leases to Lessee and the Lessee leases from Lessor the following described personal property hereinafter referred to as "Equipment"

A. General Description One 6 1/2" & 3 5/8" X 3 1/2" Ariel JG-2 gas compressor powered by a Waukesha F1197 natural gas engine; Air-X-Changer model 54EH cooler; Murphy panel; suction and interstage scrubbers ASME coded ; mounted on a skid.

B. Serial Numbers on Unit Cylinder C1937; C1938
Frame F1009 Engine 325049 783691

for use on Lessee's Lease, Eddy County, New Mexico, which lease is more particularly described as follows.

for a minimum term of three (3) months beginning the 3rd day of December 1982 and ending on the 3rd day of March 1983 in consideration of which Lessor and Lessee hereby agree to perform the terms and conditions hereinafter set out and to pay the rental in full as set out.

TERMS AND CONDITIONS

1. Lessee shall pay to Lessor monthly in advance at Lessor's offices in Midland, Midland County, Texas, the following rental plus any sales or use tax:

Monthly Rental Rate for Gas Compressor \$ 2735.00

Monthly Rental Rate for Foundation Bases 89.40

Monthly Insurance Rate 440.00

Contract Maintenance Monthly Rate

Fee for Pumper if required for day to day operation

Total Monthly Payment \$ 3264.40 Plus applicable sales or use tax

If full payment is not received on or before the first day of the month, such shall constitute a default in payment and Lessor may pursue any and all remedies as provided herein or at law. The contract maintenance portion of this rate shall be subject to escalation on each annual anniversary date of this contract. Lessor shall announce in writing to Lessee in such contract maintenance monthly rate desired by Lessor. Lessee, within twenty days of receipt of such notice, shall have the right to terminate in writing the portion of this contract relating to contract maintenance by Lessor. Should Lessee receive such a termination notice from Lessor within such twenty-day period, then Lessee shall provide all maintenance to the equipment, including the items which Lessor would otherwise have been responsible for under Paragraph 4 below. Should Lessor receive no such termination notice from Lessee within such twenty-day period, then the contract maintenance portion of this contract shall continue until the next annual anniversary date of this contract with the monthly rate for same being increased as set out in the written notice from Lessor to Lessee.

2. Lessee agrees to inspect the equipment within 48 hours after its receipt and agrees not to remove the equipment from the above described location during the time this Rental Agreement is in force or effect. Unless within said time Lessee notifies Lessor, in writing, to the contrary, stating the details of any defects, Lessee shall be conclusively presumed to have accepted the equipment in its then condition. Upon acceptance of delivery, Lessee assumes the care, custody, supervision and control of such equipment and of any and all persons or property in the vicinity of such equipment during time of operation, delivery and return and shall indemnify and hold Lessor harmless from claims as provided for in Paragraph 18 hereunder. Lessee agrees to use said equipment only for the compression of gas according to manufacturer's specifications and in accordance with the other provisions of this Rental Agreement, which shall be considered to be the normal use of same.

3. Lessee agrees to use said equipment in a careful and prudent manner with competent agents, employees or contractors, and shall operate the equipment within the manufacturer's recommended ratings, and in accordance with the normal use described in Paragraph 2 above. Lessee, as specified in Paragraph 1, has agreed to pay for contract maintenance. Lessee shall submit monthly operating reports. Lessee agrees to pay for damages to the equipment resulting from free water, excessive condensate or foreign solids, or impurities contained in the gas stream. Lessee further agrees to pay for all damages to the equipment resulting from abusive use, failure to maintain the equipment in accordance with this agreement, or from any negligence on the part of Lessee, its agents, employees or contractors. It is agreed for purposes of this paragraph that the equipment described above has a value of \$74,500.00. Lessee agrees to carry acceptable all risk insurance coverage with a recognized insurance carrier in an amount at least equal to the agreed value. Lessee agrees that Lessor shall be named as an additional insured under the terms of said all risk insurance coverage.

4. Lessee shall operate the equipment and is responsible for the following repairs and services:

- (a) Starting and stopping unit
- (b) Stopping leaks of oil or coolant
- (c) Making required reports to Lessor.
- (d) Furnishing free use of natural gas for engine use (sweet and dry).
- (e) Filling oil and coolant reservoirs as needed.
- (f) Providing Lessor with reasonable accessibility to location and all necessary items to perform its duties hereunder

ILLEGIBLE

Lessor is responsible for the following:

- (a) Furnishing all components
- (b) Furnishing all occupants
- (c) Furnishing all replacement

Monthly cost increases shall be _____ per year. _____ shall be paid by Lessee. _____ shall be paid promptly by Lessee.

5. Lessor presently carries _____ insurance coverage on the equipment. Lessee shall reimburse Lessor the amount of _____ per year. Lessee shall submit an insurance certificate to _____ coverage, ordinary wear, tear and deterioration expected.

6. Lessee agrees to _____ engineer are required by the Lessee for superintending the operation of _____ such engineer will be furnished _____ and living expense of paid _____ shall be the employee of the _____ reimbursement or compensation for _____ are added. If any loss _____ prior to the _____ or described above, _____ of Lessee, Lessee shall _____ of this Paragraph shall be _____.

_____ shall be the employee of the _____ reimbursement or compensation for _____ are added. If any loss _____ prior to the _____ or described above, _____ of Lessee, Lessee shall _____ of this Paragraph shall be _____.

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ILLEGIBLE

157

NICHOLS PRINTING, INC. CARLSBAD, N. MEX.

33541

UNIFORM COMMERCIAL CODE — FINANCING STATEMENT — UCC-1

INSTRUCTIONS:

1. PLEASE TYPE this form. Fold only along perforation for mailing.
2. Remove Secured Party and Debtor copies and send other 3 copies with interleaved carbon paper to the filing officer. Enclose filing fee.
3. If the space provided for any item(s) on the form is inadequate the item(s) should be continued on additional sheets, preferably 5" x 8". Only one copy of such additional sheets need be presented to the filing officer with a set of three copies of the financing statement. Long schedules of collateral, indentures, etc., may be on any size paper that is convenient for the secured party. Indicate the number of additional sheets attached.
4. If collateral is crops or goods which are or are to become fixtures, describe generally the real estate and give name of record owner.
5. When a copy of the security agreement is used as a financing statement, it is requested that it be accompanied by a completed but unsigned set of these forms, without extra fee.
6. At the time of original filing, filing officer should return third copy as an acknowledgment.

This Financing Statement is presented To a Filing Officer
For Filing pursuant To The Uniform Commercial Code.

State of New Mexico

3. Maturity date (if any):

1. Debtor(s) (Last Name First) and address(es)

Lessee

Dinero Operating

Drawer 10505

Midland, Texas 79702

2. Secured Party and address(es)

Lessor

Compressor Systems, Inc.

Drawer A

Midland, Texas 79701

For Filing Officer (Date, Time, Number,
and Filing Office)

4. This financing statement covers the following types (or items) of property: Unit #1427

One 6½" & 3 5/8" X 3½" Ariel JG-2 gas compressor powered by a
Waukesha F1197 natural gas engine; Air-X-Changer model 54EH
cooler; Murphy panel; suction & interstage scrubbers ASME coded;
mounted on a skid. Cyl. SN/C1937; C1938 Frame SN/F1009 Engine SN/325049; Cooler SN/783691
The above minerals or the like (including Oil & Gas) or accounts will be financed
at the wellhead or minehead of the well or mine located in
Eddy County, New Mexico.

5. Assignee(s) of Secured Party and
Address(es)This statement is filed without the debtor's signature to perfect a security interest in collateral. (check ☒ if so)☐ already subject to a security interest in another jurisdiction when it was brought into this state.☒ which is proceeds of the original collateral described above in which a security interest was perfected:Check ☒ if covered: ☒ Proceeds of Collateral are also covered. ☒ Products of Collateral are also covered. No. of additional Sheets presented:

Filed with:

Dinero Operating

Compressor Systems, Inc.

Signature(s) of Debtor(s) Lessee

Signature(s) of Secured Party(s) Lessor

(1) FILING OFFICER COPY — ALPHABETICAL



COMPRESSOR SYSTEMS, INC.

(915) 563-1170

MIDLAND, TEXAS 79701

DRAWER A (ATS)

Dinero Operating
Drawer 10505
Midland, Texas 79702

| CUSTOMER NO. | | DATE |
|--------------|-------------|----------|
| 297754 | | 12/8/82 |
| BR | INVOICE NO. | DUE DATE |
| 10 | R07819 | 12/20/82 |

TERMS: DUE AND PAYABLE ON RECEIPT OF INVOICE.
SUBJECT TO RENTAL AGREEMENT TERMS AND
CONDITIONS.

| LEASE | | WELL NO. | COUNTY | STATE |
|-----------|-----------------|-----------------------|--------|-------|
| | | | Eddy | NM |
| AGREEMENT | CUST. ORDER NO. | PERIOD COVERED | | |
| 1427 | | 12/3/82 thru 12/31/82 | | |

ARGES IN ACCORDANCE WITH THE
RENTAL AGREEMENT INDICATED ABOVE:

COMPRESSOR RENTAL
FOUNDATION RENTAL
MAINTENANCE
INSURANCE
OTHER:

2552.58

83.44

NOTE: SURCHARGE IS DUE TO FLUCTUATING OIL & ANTI-FREEZE PRICES. SEE
NOTE PARAGRAPH IN YOUR MAINTENANCE CONTRACT.

SALES TAX

92.26

TOTAL

2728.28

CUSTOMER