

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Form approved.
Budget Bureau No. 42-R390.4.

Office New Mexico

Serial No. 0533177

OFFER TO LEASE AND LEASE FOR OIL AND GAS
(Sec. 17 Noncompetitive Public Domain Lease)

The undersigned hereby offers to lease all or any of the lands described in item 2 that are available for lease, pursuant and subject to the terms and provisions of the act of February 25, 1920 (41 Stat. 437, 30 U. S. C. sec. 181), as amended, hereinafter referred to as the act, and to all reasonable regulations of the Secretary of the Interior now or hereafter in force, when not inconsistent with any express and specific provisions herein, which are made a part hereof.

Mrs. Frances L. Solsbery
(First Name, Middle Initial, Last Name)
1804 South Missouri
(Number and Street)
Roswell, New Mexico
(City and State)

2. Land requested: State New Mexico County Eddy T. 23S. : R. 31E. N. Meridian

Sec. 13: SE $\frac{1}{4}$
Sec. 14: ~~SE~~ N $\frac{1}{2}$
Sec. 18: Lot 4
Sec. 19: Lots 1, 2, 3, 4, S $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ W $\frac{1}{2}$, SE $\frac{1}{4}$
Sec. 24: E $\frac{1}{2}$
Sec. 30: Lots 1, 2, NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$

OIL CONSERVATION DIVISION

CASE NUMBER 12961 (Resurvey)
EXHIBIT 2

3. Land included in lease: State New Mexico County Eddy T. 23 S. R. 31 E. NMP Meridian
Total Area 1731.33 Acres

NM-0533177-A
eff. 5/7/64
See T/O

Sec. 13: SE $\frac{1}{4}$
14: N $\frac{1}{2}$
19: Lot 4, SE $\frac{1}{4}$ SW $\frac{1}{4}$,
S $\frac{1}{2}$ SE $\frac{1}{4}$
24: E $\frac{1}{2}$
30: Lots 1, 2, NE $\frac{1}{4}$,
E $\frac{1}{2}$ NW $\frac{1}{4}$

(Offeror does not fill in this block) Total Area 1285.06 Acres Rental retained \$ 643.00

4. Amount remitted: Filing fee \$10, Rental \$ 866.00, Total \$ 876.00

5. Undersigned certifies as follows:

(a) Offeror is a citizen of the United States. Native born X Naturalized _____ Corporation or other legal entity (specify what kind): Individual

(b) Offeror's interests, direct and indirect, do not exceed 200,000 acres in oil and gas options or 246,080 chargeable acres in options, offers to lease and leases in the same State, or 300,000 chargeable acres in leases, offers to lease and options in each leasing district in Alaska. (c) Offeror accepts as a part of this lease, to the extent applicable, the stipulations provided for in 43 CFR 191.6. (d) Offeror is 21 years of age or over (or if a corporation or other legal entity, is duly qualified as shown by statements made or referred to herein). (e) Offeror has described all surveyed lands by legal subdivisions, all lands covered by protracted surveys by appropriate subdivisions thereof, or all unsurveyed lands not covered by protracted surveys by metes and bounds, and further states that there are no settlers on unsurveyed lands described herein.

6. Offeror ☒ is ☐ is not the sole party in interest in this offer and lease, if issued. (If not the sole party in interest, statements should be filed as prescribed in Item 6 of the Special Instructions.)

7. Offeror's signature to this offer shall also constitute offeror's signature to, and acceptance of, this lease and any amendment thereto that may cover any land described in this offer open to lease application at the time the offer was filed but omitted from this lease for any reason, or signature to, or acceptance of, any separate lease for such land. The offeror further agrees that (a) this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the land office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed in behalf of the United States, and (b) this offer and lease shall apply only to lands not within a known geologic structure of a producing oil or gas field at the time the offer is filed.

8. If this lease form does not contain all of the terms and conditions of the lease form in effect at the date of filing, the offeror further agrees to be bound by the terms and conditions contained in that form.

9. It is hereby certified that the statements made herein are complete and correct to the best of offeror's knowledge and belief and are made in good faith.

Offeror duly executed this instrument this 21st day of February, 1964

Frances L. Solsbery
(Lessee signature)

(Lessee signature)

(Attorney-in-fact)

This lease for the lands described in item 3 above is hereby issued, subject to the provisions of the offer and on the reverse side hereof.

THE UNITED STATES OF AMERICA

By Saward M. Brotherton
Chief (Signing officer) MAR 13 1964
Mineral Adjudication Section (Date)

APR 1 1964

Effective date of lease _____

THIS OFFER MAY BE REJECTED AND RETURNED TO THE OFFEROR AND WILL AFFORD THE OFFEROR NO PRIORITY IF IT IS NOT PROPERLY FILLED IN AND EXECUTED OR IF IT IS NOT ACCOMPANIED BY THE REQUIRED DOCUMENTS OR PAYMENTS. SEE ITEM 9 OF GENERAL INSTRUCTIONS

13 U. S. C. sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

This form may be reproduced provided that the copies are exact reproductions on one sheet of both sides of this official form, in accordance with the provisions of 43 CFR 192.42 (a).

including, but not limited to, a royalty in kind, and the m

A. GENERAL INSTRUCTIONS

It be filled in on a typewriter or print

- (c) *Lands patented with oil and gas deposits reserved to the United States.*—To comply with all statutory requirements and regulations thereunder, if the lands embraced herein have been or shall hereafter be disposed of under the laws reserving to the United States the deposits of oil and gas therein, subject to such conditions as are or may hereafter be provided by the laws reserving such oil or gas.

tion 192.42a or the lands are not e
of 6. consumed portions in

Sec. 9. Unlawful interest.—It is also further agreed that no Member of, or Delegate to, Congress, or Resident Commissioner, after his election or appointment, or either before or after he has qualified during his term of office, shall accept or receive any salary, honorarium, or other compensation from the Department of the Interior, except as provided in 43 CFR 7.4 (a) (1), shall be admitted to any share or part in this lease or derive any benefit therefrom, and the provisions of Sec. 3741 of the Revised Statutes shall apply to the same; and the provisions of Sec. 3741 of the Revised Statutes, and Secs. 431, 432 and 433, Title 18 U. S. Code, relating to contracts, matters and form a part of this lease so far as the same may be applicable.

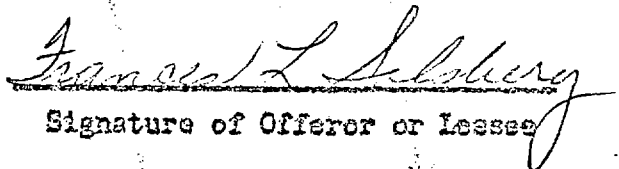
* Items numbered separately, to correspond with the first.

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Stipulations to be executed and made part of any oil and gas lease involving lands described in the Departmental Notice of October 16, 1951.

The lessee further agrees that:

- (1) No wells will be drilled for oil or gas in formations above the base of the Delaware sand, or above a depth of 5,000 feet, whichever is the lesser, except upon approval of the Director of the Geological Survey, it being understood that drilling for production to these formations will be permitted only in the event that it is satisfactorily established that such drilling will not interfere with the mining and recovery of potash deposits or the interest of the United States would best be subserved thereby.
- (2) No wells will be drilled for oil or gas in formations below the base of the Delaware sand, or below a depth of 5,000 feet, whichever is the lesser, except pursuant to a unit plan approved by the Director of the Geological Survey, unless drilling is otherwise required or approved by the Director to protect the lease from drainage.
- (3) No wells will be drilled for oil or gas at a location which, in the opinion of the Oil and Gas Supervisor of the Geological Survey, would result in undue waste of potash deposits or constitute a hazard to or unduly interfere with mining operations being conducted for the extraction of potash deposits.
- (4) The drilling or the abandonment of any well on said lease shall be done in accordance with applicable oil and gas operating regulations including such requirements as the Oil and Gas Supervisor of the Geological Survey may prescribe as necessary to prevent the infiltration of oil, gas, or water into formations containing potash deposits or into mines or workings being utilized in the extraction of such deposits.


Signature of Offeror or Lessee

NM 3706

Oil & Gas Lease

United States of America

To

*Frances H. Solberg
Eddy County, New Mexico*

*Recorded April 2, 1964
Oil & Gas Records
Eddy Co
Book 141
Page 269*

*This copy for TITLE RECORDS.
Return orig, recorded LS to
S. L. POSEY.*

RETURN TO
MOBIL OIL COMPANY
TITLE RECORDS SECTION
P. O. BOX 633 MIDLAND, TEXAS

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF DEVON ENERGY
PRODUCTION COMPANY, L.P. TO REOPEN
CASE NO. 12961 FOR AN EXCEPTION TO
DIVISION ORDER NO. R-111-P, EDDY
COUNTY, NEW MEXICO.

Case No. 12961 (Reopened)

AFFIDAVIT REGARDING NOTICE

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

James Bruce, being duly sworn upon his oath, deposes and states:


1. I am over the age of 18, and have personal knowledge of the matters set forth herein.

2. I am an attorney for Applicant.


3. Applicant has conducted a good faith, diligent effort to find the names and correct addresses of the persons entitled to receive notice of the Application filed herein.

4. Notice of the Application was provided to those persons at their correct addresses by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Exhibit A.

5. Applicant has complied with the notice provisions of Division Rule 1207 and Order No. R-111-P.


James Bruce

SUBSCRIBED AND SWORN TO before me this 8th day of July, 2003, by James Bruce.


Notary Public

My Commission Expires:
3/14/05

OIL CONSERVATION DIVISION

CASE NUMBER _____

EXHIBIT 7

JAMES BRUCE

ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (PHONE)
(505) 982-2151 (FAX)

jamesbruc@aol.com

June 19, 2003

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Bureau of Land Management
2909 West Second Street
Roswell, New Mexico 88201


IMC Potash Carlbad Inc.
P.O. Box 71
Cralsbad, New Mexico 88221

Ladies and Gentlemen:

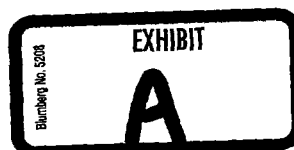
Enclosed is a copy of an application for an exception to Order No. R-111-P, filed with the New Mexico Oil Conservation Division by Devon Energy Production Company, L.P., regarding a federal oil and gas lease covering the N½ of Section 14, Township 23 South, Range 31 East, N.M.P.M., N.M.P.M., Eddy County, New Mexico. This application is scheduled to be heard at 8:15 a.m. on Thursday, July 10, 2003 at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. Failure to appear at the hearing will preclude you from contesting this matter at a later date.

You are requested to notify in writing the Division, and the undersigned, by Thursday, July 3, 2003, if you intend to enter an appearance and participate in the case.

Very truly yours,


James Bruce

Attorney for Devon Energy
Production Company, L.P.



U.S. Postal ServiceTM
CERTIFIED MAILSM RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE
 ROSHARON, NJ 08820

Postage \$ 0.63 UNIT ID: 0615

Postmark
Here

2-23-00

1-21-75

Clerk: KPNRDS

06/19/03

Total Postage & Fees \$ 4.6542

Sent To
 Bureau of Land Management
 2909 West Second Street
 Roswell, New Mexico 88201

PS Form 3800, June 2002 See Reverse for Instructions

7002 2030 0004 5186 7452

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

IMC Potash Carlsbad Inc.
 P.O. Box 71
 Carlsbad, New Mexico 88221

2. Article Number
 (Transfer from service label)

7002 2030 0004 5186 7445

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

- A. Signature [Signature] ☒ Agent ☐ Addressee
- B. Received by (Printed Name) Mark Lujan C. Date of Delivery 6-20-03
- D. Is delivery address different from item 1? ☐ Yes ☐ No
 If YES, enter delivery address below:

- 3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
- 4. Restricted Delivery? (Extra Fee) ☐ Yes

PS Form 3800, June 2002 See Reverse for Instructions

7002 2030 0004 5186 7452

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
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1. Article Addressed to:

Bureau of Land Management
 2909 West Second Street
 Roswell, New Mexico 88201

Article Number
 (Transfer from service label)

7002 2030 0004 5186 7452

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

- A. Signature [Signature] ☒ Agent ☐ Addressee
- B. Received by (Printed Name) Mark Lujan C. Date of Delivery 6-20-03
- D. Is delivery address different from item 1? ☐ Yes ☐ No
 If YES, enter delivery address below:

- 3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
- 4. Restricted Delivery? (Extra Fee) ☐ Yes

U.S. Postal ServiceTM
CERTIFIED MAILSM RECEIPT
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For delivery information visit our website at www.usps.com

OFFICIAL USE
 CARLSBAD, NM 88221

UNIT ID: 0615

Postage \$ 0.63

2-23-00

1-21-75

Clerk: KPNRDS

06/19/03

Total Postage & Fees \$ 4.6542

Sent To
 IMC Potash Carlsbad Inc.
 P.O. Box 71
 Carlsbad, New Mexico 88221

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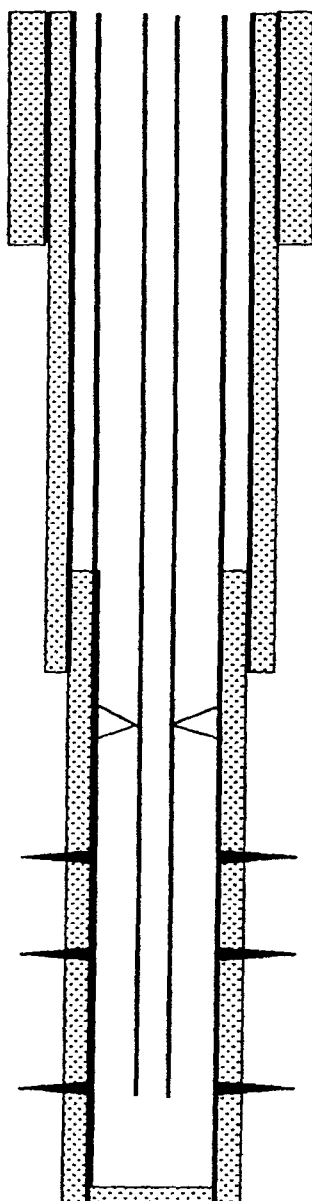
DEVON ENERGY CORPORATION WELLBORE SCHEMATIC

WELL NAME: Todd "24G" Federal #7				FIELD: Ingle Wells (Delaware)		
LOCATION: 1650' FNL & 2310' FEL, G-24-23S-31E				COUNTY: EDDY		STATE: NM
ELEVATION: GL=3526' - KB=3538'				SPUD DATE: 05/26/95		COMP DATE: 07/28/95
API#: 30-015-27692		PREPARED BY: C.Graham			DATE: 11/24/97	
TUBULARS	DEPTH	SIZE	WEIGHT	GRADE	THREAD	HOLE SIZE
CASING:	0' - 858'	13 3/8"	48#	H-40	ST&C	17 1/2"
CASING:	0' - 4359'	8 5/8"	32#	J-55	ST&C	11"
CASING:	0' - 8650'	5 1/2"	15.5 / 17#	J-55	LT&C	7 7/8"
TUBING:	0' - 8159'	2 7/8"	6.5#	J-55	EUE 8rd	
TUBING:						

OIL CONSERVATION DIVISION

CASE NUMBER

EXHIBIT



13 3/8" @ 858'. CASING CMT'D W/700 SXS. TOC @ SURFACE.

Tubing String Detail:

194 fts 2 7/8" 6.5# 8rd EUE tbg (6380.31')

TAC @ 6382.91'

54 fts 2 7/8" 6.5# 8rd tbg @ 8157.80'

SN @ 8158.90'

perf'd sub @ 8163'

1 BPMA @ 8196.15'

Rod String Detail:

1 1/4" PR w/1 1/2" liner

4' & 6' - 1", HS97 pony rods

92- 1", HS97 rods

98- 7/8" HS97ds

134- 3/4", HS97 rods

shear tool 3/4"

1- 3/4" HS97 pony rod

2 1/2" x 1 3/4" x 22' pump

@ 8161'

1 1/4" gas anchor 6'

8 5/8" @ 4359'. CASING CMT'D W/1500 SXS. TOC @ SURFACE.

5 1/2" DV @ 5283'. CASING CMT'D W/560 SXS. TOC @ 3877' f/CBL

LCC Perfs 6804-6822' (10 shots)

Frac'd w/30.2 Mlbs of 16/30 sand in 13 Mgals fluid

UBC Perfs 7091-7171' (18 shots)

Frac'd w/52 Mlbs of 16/30 sand in 14.5 Mgals fluid

LBC D-C-A Perfs 8160-8342' (36 shots)

Frac'd w/153.3 Mlbs of 16/30 sand in 35.5 Mgals fluid

PBTD @ 8602'

5 1/2" @ 8650'. CASING CMT'D W/600 SXS. TOC @ DV

TD @ 8650'

U.S. CONSULAR DIVISION
CASE NUMBER

REMARKS

9

TD < 5000'

TD > 5000'

TD > 5000'

5000'

Salt

Salt

Salt