

EASEMENT

STATE OF NEW MEXICO }

COUNTY OF CHAVES }

That SPOOL CATTLE COMPANY, a Texas corporation domesticated in New Mexico, whose address is P. O. Box 9354, Amarillo, Texas 79105, hereinafter called Grantor, for the consideration hereinafter recited, has granted, and by these presents does hereby grant unto MESA PETROLEUM CO., a Delaware corporation, hereinafter called Grantee, and Grantee hereby accepts, by and through its attorney-in-fact duly authorized by resolution of its board of directors, an easement and right-of-way upon and across the following described property of the Grantor:

Township 7 South, Range 23 East

Section: 13

Township 7 South, Range 24 East

Sections: 1, 2, 3, 8, 9, 10, 11,
12, 13, 18

Township 7 South, Range 25 East

Sections: 3, 4, 5, 6, 7, 8, 9, 10,
11, 15, 16, 17, 18, 19, 20

New Mexico Principle Meridian, Chaves
County, New Mexico

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**U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO**

The easement and right-of-way hereby conveyed shall be strictly limited to twenty feet (20') wide strips of land to be used for access in drilling the wells described in Exhibit A-1 and others in the immediate vicinity of the lands described (hereinafter called 'wells') for which there is reasonable need for the access route chosen. The right-of-way, easement, rights and privileges herein granted shall be used only for the purposes of placing, constructing, operating, repairing, maintaining and providing vehicular ingress and egress over the routes depicted in Exhibit "A" attached hereto as well as other routes necessitated by future operations, (hereinafter called 'routes').

The easement, rights, and privileges herein granted shall be for so long as Grantee shall operate the above described wells. It is the intention of Grantor to allow Grantee, its employees, representatives, drilling contractors, and subcontractors use of the routes across the above described real property during the time of drilling and operating the above said wells, provided that Grantee shall conduct all operations in a prudent manner, respecting the rights of Grantor.

The easement, rights, and privileges granted herein are nonexclusive, and Grantor reserves and retains the right to convey similar rights and easements to such other persons as Grantor may deem proper.

The easement, rights, and privileges granted hereunder shall terminate when, or at such time as, the purposes hereof cease to exist, are abandoned by Grantee, or become impossible of performance. Should Grantee fail to perform any covenant, undertaking, or obligation arising hereunder, all rights and privileges granted hereby shall terminate, and this agreement shall be of no further force or effect.

This grant is made in consideration that Grantee, its successors and assigns, shall hold Grantor, its successors and assigns, harmless from damages of any character which may arise out of the exercise of the rights herein granted, and shall hold Grantor, its successors and assigns, for damages to its property arising out of the exercise of the rights herein granted.

Grantee has paid TEN DOLLARS (\$10.00) and other valuable consideration for this easement, and Grantor has released, acquitted, and discharged, and by these presents does hereby release, acquit, and discharge, the said Grantee, its employees, representatives, drilling contractors or subcontractors for initial non-negligent surface property damages caused by the initial construction of the above described

This easement is granted by Grantor and accepted by Grantee subject and subordinate to all existing leases and easements, and to all present and future exploration, development and other operations for the production of oil, gas and other minerals, even, where reasonably necessary, to the extent of terminating the easement or the portion thereof in conflict with such operations; but in such event, Grantee, its successors and assigns, with consent of Grantor, its successors and assigns, being first obtained, shall be privileged to relocate that portion of such easement found to be in conflict with such intended use without further damage to Grantor, its successors and assigns, on account of such relocation.

The routes so used or constructed, along with any cattle guards or gates constructed and used, shall be maintained and left in good useable condition following abandonment of operations necessitating the use of this easement unless not wanted by Grantor at that time, and then Grantee will restore the surface to as near its original condition as is practicable within a reasonable time following abandonment. Grantee further agrees to close any gates used in connection herewith immediately after each use.

This agreement further sets out the rates for road right-of-way and easement damages and location damages for the wells captioned above, as well as wells drilled subsequent thereto. The rates agreed upon by the parties hereto are as follows:

1. Two dollars (\$2.00) per rod traversed for cutting new roads on the above said lands owned by Spool Cattle Company. New roads being defined as those not now existing and being used by or for or in behalf of Spool Cattle Company or its agents, operatives or prior grantees, or by Mesa in its operations.
2. One thousand dollars (\$1,000.00) per well location on Spool Cattle Company owned lands.
3. Free access and no damages are payable or due on roads previously existing either in a like state or more primitive state than is sufficient for operations by Mesa Petroleum Co., on or across the above described lands. Mesa will be liable for damages caused to such existing roads to the extent of repairing such roads to their condition prior to usage by Mesa.

TO HAVE AND TO HOLD said easement, rights, and right-of-way unto said Grantee, its successors and assigns, as long as the same shall be used for the purposes above mentioned.

IN TESTIMONY WHEREOF, WITNESS OUR HANDS this the _____ day of _____, 1980.

SPOOL CATTLE COMPANY

ATTEST:

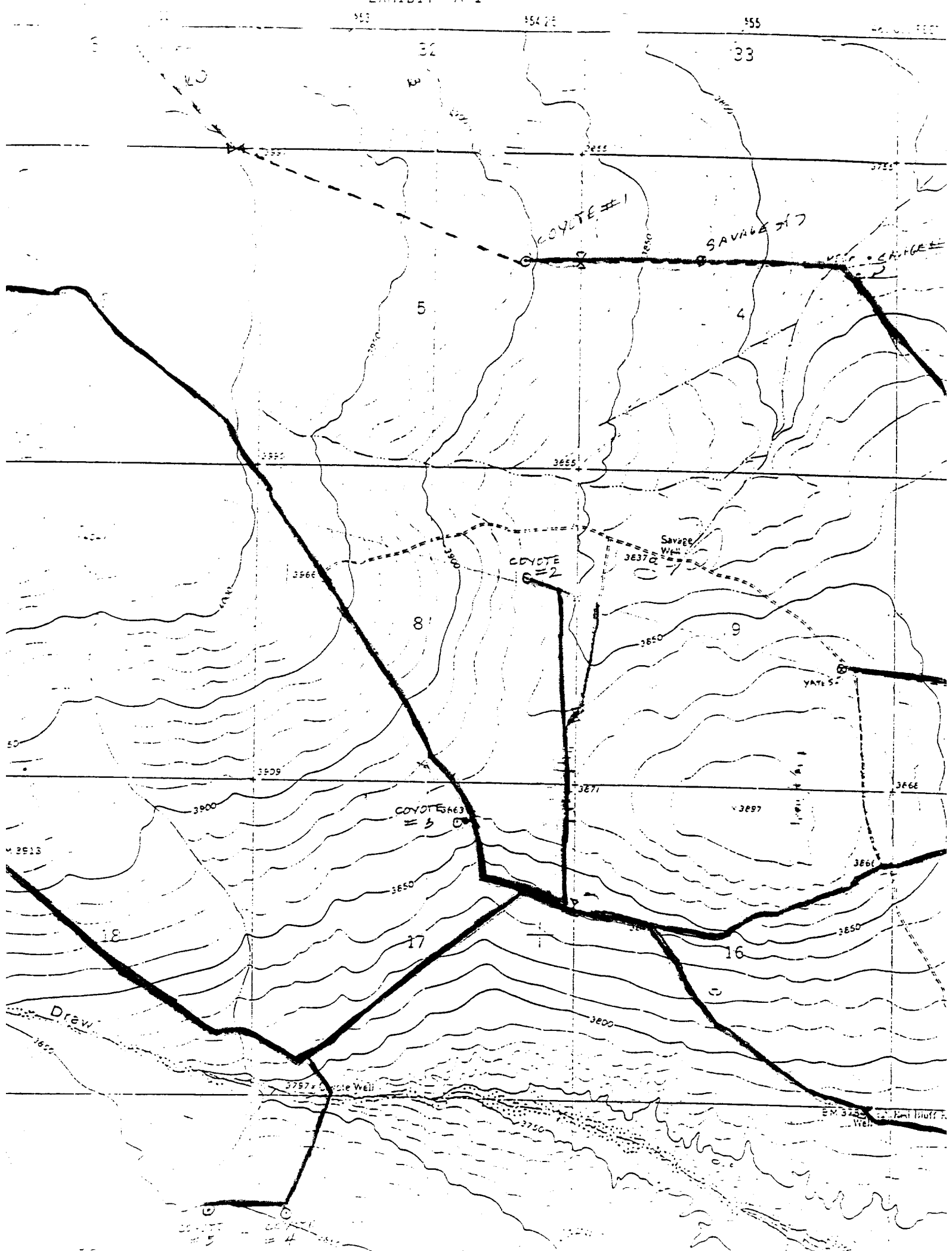
Tennessee Morris Pickens,
Secretary



By: _____
Leon Swift, President

MESA PETROLEUM CO.


By: _____
Marion E. Causey, Attorney-in-Fact


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U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO





**MESA**


PETROLEUM CO.
PERMIAN BASIN DIVISION

EXISTING IMPROVED ROAD 

2-TRACK TO BE IMPROVED 

NEW LEASE ROAD 

PROPOSED WELL SITE 

EXISTING WELL SITE 

CATHEDRAL POINT 