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MAY 10 1977

O. C. C.
ARTEBIA, OFFICE

A G R E E M E N T

THIS AGREEMENT made and entered into this 26th day of April, 1977, by and between HOUSTON OIL & MINERALS CORP., hereinafter referred to as "Operator", and DON MADDUX and JACQUELYN MADDUX, his wife, joined pro forma by KENNETH NOSKER and IRENE B. NOSKER, his wife, hereinafter collectively referred to as "Landowner".

R E C I T A L S:

The parties acknowledge that Operator and KENNETH NOSKER and IRENE B. NOSKER, his wife, entered into an Agreement allowing Operator to explore for petroleum products and other minerals on property located in Otero County, New Mexico, and generally described as the "Hom Lewelling No. 2 Well". That Operator has now completed such test drilling under the terms of the Agreement between the parties hereto, and further that KENNETH NOSKER and IRENE B. NOSKER, his wife, have transferred their fee simple interest, by an Escrow Agreement held by the Security Bank, Ruidoso, New Mexico, to DON MADDUX and JACQUELYN MADDUX, his wife. It is the intent of this Agreement to set forth the understanding of the parties as to responsibility for clean up and other matters involving conclusion of the responsibilities of the parties, one to the other, involving the test drilling at "Hom Lewelling No. 2 Well".

NOW, THEREFORE, IT IS MUTUALLY UNDERSTOOD AND AGREED as follows:

1. Landowner acknowledges that under the terms and conditions of the Agreement between Operator and KENNETH NOSKER and IRENE B. NOSKER, his wife, Operator was to leave the well site level and to have filled all pits as to same. For and in consideration of the sum of \$2,750.00, receipt of which is hereby

acknowledged by Landowner, Landowner agrees to level and clean the test drilling site, take out mud from the pit area, and do all other things necessary to restore the ground to a level condition. The parties acknowledge that the payment of \$2,750.00 includes other work already performed by Landowner.

2. The parties acknowledge that the payment of \$2,750.00 is in full consideration of the leveling and filling of the pits necessary, and same may be done at the convenience of Landowner; in consideration of the foregoing, Landowner agrees to hold Operator harmless from any damages, negligence or other acts directly, or indirectly, related to the clean up, leveling and filling of pits at the test site of the "Hom Lewelling No. 2 Well".

3. The parties further acknowledge that Operator was renting from Landowner waterline and pump services, and that there had been damage to said waterline and pump. In consideration of the above amounts paid, and in further consideration of Operator leaving a cattle guard at the entrance to the "Hom Lewelling No. 2 Well", ~~Operator~~ ^{LANDOWNER KW DBN} will make any and all necessary repairs to the waterline and pump, and releases Operator from performing any of the repairs as to said waterline and pump. ^{LANDOWNER KW DBN} Further, ~~Operator~~ ^{LANDOWNER KW DBN} shall be responsible, should ~~Operator~~ ^{LANDOWNER KW DBN} wish to remove the cattle guard, for repairing the fence and any other repairs necessary after removal of the cattle guard.

4. In consideration of the foregoing, Landowner acknowledges and declares that all obligations and duties of Operator as to the "Hom Lewelling No. 2 Well", and matters related thereto, have been performed in full, and Operator is released from further action or activities as to said property or the prior Agreement of the parties. In addition, Landowner, for themselves

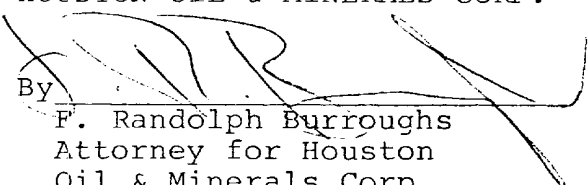
and their heirs, legal representatives and assigns, releases Operator, its legal representatives and assigns, from all claims, demands and causes of action that Landowner had, has, or may have against Operator or against the legal representatives or assigns of Operator, based on the prior Agreement of the parties hereto and the understanding of the parties as herein set forth.

5. The parties acknowledge that Landowner is presently in possession of the property upon which the former test well, "Hom Lewelling No. 2", was located.


WITNESS our hands and seals the day and year first above written.


HOUSTON OIL & MINERALS CORP.

By

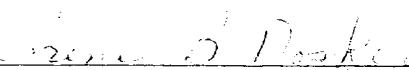

F. Randolph Burroughs
Attorney for Houston
Oil & Minerals Corp.

"Operator"


DON MADDOUX


JACQUELYN MADDOUX, his wife


KENNETH NOSKER


IRENE B. NOSKER, his wife

"Landowner"

STATE OF NEW MEXICO)
) SS:
COUNTY OF OTERO)

The foregoing instrument was acknowledged before me this 18th day of April, 1977, by F. Randolph Burroughs, attorney for Houston Oil & Minerals Corp., a corporation, for and on behalf of said corporation.

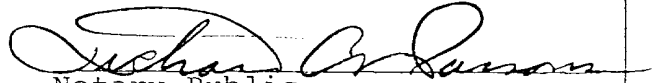

Notary Public

My Commission Expires:

6-9-80

STATE OF NEW MEXICO)
) SS:
COUNTY OF)

The foregoing instrument was acknowledged before me this
26th day of April, 1977, by Don Maddoux and Jacquelyn Maddoux,
his wife.

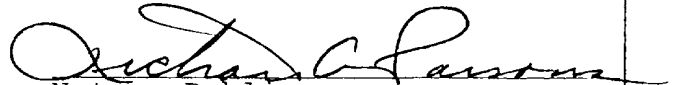

Notary Public

My Commission Expires:

10-5-80

STATE OF NEW MEXICO)
) SS:
COUNTY OF)

The foregoing instrument was acknowledged before me this
26th day of April, 1977, by Kenneth Nosker and Irene B. Nosker,
his wife.


Notary Public

My Commission Expires:

10-5-80