

14. All the terms of this agreement shall extend to and bind the heirs, executors, administrators, successors and assigns of the parties hereto.

15. If the lessee shall have failed to make discovery of oil or gas in paying quantities during the primary term hereof or if such discovery shall have been made and production shall have ceased for any reason, the lessee may continue this lease in full force and effect for an additional term of five years and as long thereafter as oil and gas in paying quantities or either of them is produced from the leased premises by paying each year in advance, as herein provided, double the rental provided herein for the primary term, or the highest rental prevailing at the commencement of the secondary term in any rental district, or districts in which the lands, or any part thereof, may be situated, if it be greater than double the rental provided for the primary term; provided, however, such rental shall be paid within the time provided by Section 13 hereof, and provided, further, that if oil or gas in paying quantities should be discovered during the secondary term hereof but production should cease, this lease shall continue for the remainder of said secondary term of five years so long as said rental is paid, and if oil or gas in paying quantities is being produced at the end of the secondary term of five years so long thereafter as oil and gas in paying quantities or either of them is produced from the leased premises.

16. If this lease shall have been maintained in accordance with the provisions hereof and if at the expiration of the secondary term provided for herein oil or gas is not being produced on said land but lessee or any assignee is then engaged in bona fide drilling or reworking operations thereon, this lease shall remain in full force and effect so long as such operations are diligently prosecuted and, if they result in the production of oil or gas, so long thereafter as oil and gas in paying quantities, or either of them, is produced from said land; provided, however, such operations extending beyond the secondary term shall be approved by the lessor upon written application filed with the lessor on or before the expiration of said term, and a report of the status of all of such operations shall be made by the lessee to the lessor every thirty days and a cessation of such operations for more than twenty consecutive days shall be considered as an abandonment of such operations and thereupon the provisions hereof shall be of no further force or effect.

If during the drilling or reworking of any well under this section, lessee loses or junks the hole or well and after diligent efforts in good faith is unable to complete said operations, then within twenty days after the abandonment of said operations, lessee may commence another well within three hundred thirty feet of the lost or junked hole or well and drill the same with due diligence. Operations commenced and continued as herein provided shall extend this lease as to all lands as to which the same is in full force and effect as of the time said drilling operations are commenced; provided, however, this lease shall be subject to cancellation in accordance with Section 13 hereof for failure to pay rentals or file reports which may become due while operations are being conducted hereunder.

17. Should production of oil or gas or either of them in paying quantities be obtained while this lease is in force and effect and should thereafter cease from any cause after the expiration of ten years from the date hereof this lease shall not terminate if lessee commences additional drilling or reworking operations within sixty days after the cessation of such production and shall remain in full force and effect so long as such operations are prosecuted in good faith with no cessation of more than twenty consecutive days, and if such operations result in the production of oil or gas in paying quantities, so long thereafter as oil or gas in paying quantities is produced from said land; provided, however, written notice of intention to commence such operations shall be filed with the lessor within thirty days after the cessation of such production, and a report of the status of such operations shall be made by the lessee to the lessor every thirty days, and the cessation of such operations for more than twenty consecutive days shall be considered as an abandonment of such operations and this lease shall thereupon terminate.

18. Lessees, including their heirs, assigns, agents and contractors shall at their own expense fully comply with all laws, regulations, rules, ordinances, and requirements of the city, county, state, federal authorities and agencies, in all matters and things affecting the premises and operations thereon which may be enacted or promulgated under the governmental police powers pertaining to public health and welfare, including but not limited to conservation, sanitation, aesthetics, pollution, cultural properties, fire, and ecology. Such agencies are not to be deemed third party beneficiaries hereunder; however, this clause is enforceable by the grantor in any manner provided in this contract or by law.

In witness whereof, the party of the first part has hereunto signed and caused its name to be signed by its commissioner of public lands thereunto duly authorized, with the seal of his office affixed, and the lessee has signed this agreement the day and year first above written.

STATE OF NEW MEXICO

By: _____
Commissioner of Public Lands, Lessor

CITIES SERVICE COMPANY

Lessee
Dean Athens, Attorney in Fact
RPL (Seal)

(PERSONAL ACKNOWLEDGMENT)

STATE OF _____ } ss.
COUNTY OF _____ }

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____

My commission expires: _____ Notary Public

(ACKNOWLEDGMENT BY ATTORNEY-IN-FACT)

STATE OF OKLAHOMA } ss.
COUNTY OF TULSA }

The foregoing instrument was acknowledged before me this 4th day of January, 1983, by _____

Dean Athens as attorney-in-fact in behalf of _____

CITIES SERVICE COMPANY

My commission expires: 10-23-83 Del DeGraffenreid, Notary Public

(ACKNOWLEDGMENT BY CORPORATION)

STATE OF _____ } ss.
COUNTY OF _____ }

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____

(Name) (Title) of _____ (Corporation)
a _____ corporation, on behalf of said corporation.

My commission expires: _____ Notary Public